

Commodity Smuggling in the Maghreb: A Silent Threat

By Alexander Babuta & Cathy Haenlein

Summary

Though largely silent, and not often associated with the same levels of violence as other forms of organized crime, illicit trade threatens national and broader regional security in myriad ways. Insufficiently appreciated, first and foremost, is the way in which the cross-border smuggling of everyday commodities can open up pathways for trafficking in illegal goods, such as drugs and arms. Far from being an 'innocent' phenomenon, it can form a critical part of much broader, larger-scale illicit networks, with significant negative impacts on national and regional security. In many cases, it intersects with higher-profile forms of trafficking, and with the operations of non-state armed actors. In light of this, it is clear that effective responses are needed; and the current response must not treat illicit trade as a distinct, discrete problem, to be addressed separately to other criminal activity in the region.

Introduction

Smuggling economies have existed in North Africa for hundreds of years. Today, a range of commodities is smuggled within and across the region, destined for both domestic markets and those overseas. With law enforcement and border security efforts on both sides of the Mediterranean focused firmly on responding to the threats of terrorism and sustained irregular migration, smuggling of legal commodities is at risk of being overlooked. It is against this backdrop that illicit trade is able to thrive: silently sapping state revenue streams while allowing organised criminality to insidiously spread throughout society. Although not immediately associated in the public imagination with the same human cost as other forms of crime, illicit trade can be devastating in its long-term impacts – particularly in countries where state institutions and legitimate economies have been undermined by internal conflict and turbulent political transitions.

This brief argues that commodity smuggling poses a significant threat to the long-term security and prosperity of North African countries, and should therefore not be overlooked as state resources are directed to other, higher-profile threats to the region's security. Understood as the unlawful production, transportation or sale of otherwise legal commodities, illicit trade continues to represent a substantial source of income for organised crime groups, which can use the proceeds to finance other criminal operations. Terrorist organisations also continue to benefit from illicit trade, whether directly or indirectly. Despite this, in North Africa, as in Europe and elsewhere, commodity smuggling is assigned a low priority relative to other forms of crime and insecurity. As well as resulting in a poor intelligence picture regarding the groups involved and the routes and methods they use, this lack of prioritisation allows the trade to flourish, threatening the security and prosperity of countries across the Maghreb, and beyond.

Smuggling in Context

The threat posed by the illicit trade in diverted commodities is frequently overshadowed by an overwhelming focus on other security challenges facing the Maghreb.¹ Most prominently, the unprecedented influx of refugees and migrants to Europe since 2015 has continued to dominate political discourse, and has remained a key focus of international attention on the Maghreb. Threat assessments show how organised crime groups have been quick to exploit the opportunities presented by such movements. In fact, Europol's most recent Serious and Organised Crime Threat Assessment describes how migrant smuggling has emerged as one of the most lucrative criminal activities worldwide.² Italy now receives the greatest number of irregular migrants entering the EU, most of whom have travelled from North Africa (e.g. at the time of writing, over 97,000 migrants had arrived on Italian shores in 2017 alone).³ The humanitarian fallout of the crisis is starkly apparent since out of all the Mediterranean Sea arrivals to Europe in 2017 so far, UNHCR estimates that at least 2,420 are dead or missing.⁴

Migrant smuggling is often closely linked with human trafficking, the latter involving the transportation of persons by means of the threat or use of force or other forms of deception for the purpose of exploitation.⁵ In the Maghreb, as elsewhere, irregular migrants who seek out the services of smugglers are often at a much greater risk of exploitation from traffickers. In a recent International Organization for Migration survey of almost 1,400 refugees arriving in Italy, 76% of those who had travelled along the Central Mediterranean Route from North Africa reported experiencing at least one indicator of human trafficking or other exploitative practices on their journeys.⁶ A significant proportion reported direct experiences of abuse, exploitation and other practices that may amount to human trafficking, including not receiving agreed payment for work or services.⁷

At the same time, the threats posed by terrorism and violent extremism continue to dominate the security agendas of both European and North African governments. Although Daesh had lost control of all territory in Libya by the end of 2016, many of its fighters fled across the country's land borders or to its western and southern deserts.⁸ Other terrorist organisations remain active in the region, such as Ansar al-Shari'a Darnah, Ansar al-Shari'a Benghazi, and Al-Qaeda in the Islamic Maghreb (AQIM). Recent terrorist atrocities in Europe – apparently perpetrated by individuals of North African origin – have only strengthened international focus on the issue across the region.⁹

Alongside these threats, criminal groups across the Maghreb continue to amass significant profits from an activity that offers a consistent source of income, but with minimal risk: illicit trade in diverted commodities. Smuggling economies have been an integral component of North African trade for centuries.¹⁰ However, successive geopolitical crises in the wake of the Arab Spring have altered political, economic and security dynamics, opening up existing routes and markets, and creating new opportunities for exploitation by a broader range of criminal groups.¹¹

Due to the complex and often invisible nature of the problem, the true scale of commodity smuggling in the Maghreb is unknown. However, existing evidence indicates the operation of a large number of sophisticated illicit economies, interconnected by way of the groups involved and the routes used, and often overlapping with other forms of cross-border trafficking, such as that in drugs and humans. Cigarette smuggling is perhaps the most established and widespread of these illicit economies: a recent study found that around 66 billion illicit cigarettes were consumed in the Maghreb in 2016.¹² North Africa is also a major source and transit region for cigarettes smuggled across the Mediterranean into Europe: data shows that in 2016, France consumed the largest quantity of illicit cigarettes of any country in Europe, and that Algeria accounted for over 31% of these – as many as

1. The Maghreb is defined here as Morocco, Algeria, Tunisia and Libya.

2. Europol, 'European Union Serious and Organised Crime Threat Assessment: Crime in the Age of Technology', 2017, p. 49.

3. UNHCR, 'Sea Arrivals Monthly', Operational Portal: Refugee Situations, ([Lien](#)), accessed 17 September 2017.

4. Ibid.

5. Channing May, 'Transnational Crime and the Developing World', Global Financial Integrity, 2017, p. 23.

6. International Organization for Migration, 'Mediterranean Human Trafficking and Exploitation Prevalence Survey: IOM', press release, 8 December 2016.

7. Ibid.

8. US Department of State, 'Country Reports on Terrorism 2016: Middle East and North Africa', Bureau of Counterterrorism and Countering Violent Extremism.

9. Tobias Borck, 'Europe in North Africa: Fighting Short-Termism', Policy Brief PB-17/17, OCP Policy Center, May 2017.

10. The Global Initiative Against Transnational Organized Crime, 'Libya: A Growing Hub for Criminal Economies and Terrorist Financing in the Trans-Sahara', Policy Brief, May 2015.

11. KPMG, 'Illicit Cigarette Trade in the Maghreb Region', 26 July 2017, p. 37.

12. Ibid.

3.19 billion cigarettes.¹³

As well as cigarettes, a variety of essential consumer goods are illegally transported across the region's borders. These include fuel, alcohol, pharmaceuticals, foodstuffs, livestock, household appliances and construction materials, amongst many others.¹⁴ This illicit trade is driven primarily by varying levels of domestic availability (for instance, due to fuel and food shortages in particular regions), but also by government subsidies and low rates of tax for many commodities. Together, these factors create large price differentials between neighbouring countries, significantly enhancing the profits available from cross-border smuggling.

Though largely silent, and not often associated with the same levels of violence as other forms of organised crime, this trade threatens national and broader regional security in myriad ways. Insufficiently appreciated, first and foremost, is the way in which the cross-border smuggling of everyday commodities can open up pathways for trafficking in illegal goods, such as drugs and arms. Indeed, smuggling of goods such as fuel, food and cigarettes has historically comprised the majority of illicit cross-border activity in the region. Boring holes, over time, into border security efforts, the trade is increasingly recognised to have created ready-made avenues for the more recent expansion in trafficking in drugs, arms and people witnessed across many parts of the region.¹⁵

Indeed, the development of robust illicit trade networks through the uninterrupted smuggling of food, tobacco and fuel over decades has directly benefited those looking to engage in other forms of criminality. As noted by researchers Mark Shaw and Fiona Mangan, even at lower levels, 'the widespread extent of smuggling has a significant corroding influence on state institutions, given the systematic networks of corruption that have evolved to facilitate the trade' – networks that can benefit numerous other criminal networks.¹⁶ Shaw and Mangan note further, in the case of Libya, that 'some groups have used the capital engaged in smuggling to

move into higher profit, more criminalized activities'. In many cases, criminal organisations now engage in illicit trade alongside higher-profile forms of trafficking. As well as opening avenues and providing networks to facilitate higher-profile trafficking, this can damage state authority, particularly during transitional periods. In the case of Libya, Shaw and Mangan note that 'smuggling and illicit trade have created an institutional basis for higher-profit criminal activities, ... [have built] the legitimacy and control of local power brokers in the periphery of the state, and are a disincentive for border communities to engage with the central statebuilding process.'¹⁷

In some cases, the gaps and distortions in power this process creates have also been exploited by terrorist organisations. In many cases, weakened border capacity has facilitated terrorist recruitment and movement across the region's borders, drawing again on the corrosion of state institutions and networks of corruption engendered by illicit trade.¹⁸ Historically, direct links between illicit trade and terrorist financing in the Maghreb are also well-evidenced: from the late 1990s, Mokhtar Belmokhtar, Algerian leader of Al-Murabitoun and former military commander of AQIM ran a hugely lucrative tobacco smuggling operation across the region.¹⁹ Today, while reliable data is still lacking, it is clear that illicit trade continues to benefit terrorist groups and other non-state actors across the region, whether directly or indirectly.

In some cases, for example, armed groups offering 'protection services' have emerged to tax trafficking flows. These illicit proceeds can then be used to fuel armed conflict, such as the 2012 rebellion in Mali.²⁰ Perhaps most significant, however, are the decades of collusion between smugglers and authorities that have undermined border security and created a culture of low-level corruption that terrorist groups can exploit.²¹ As emphasised by researchers Querine Hanlon and Matthew M Herbert, today, 'terrorist groups in the region are benefiting from the contraband economy, the culture of low-level corruption, and the porous borders such practices engender'.²²

At the same time, the scale and inter-continental nature

13. KPMG, 'Project SUN: A Study of the Illicit Cigarette Market in the European Union, Norway and Switzerland, 2016 Results', June 2017; KPMG, 'Illicit Cigarette Trade in the Maghreb Region'.

14. KPMG, 'Illicit Cigarette Trade in the Maghreb Region'.

15. Querine Hanlon and Matthew M Herbert, 'Border Security Challenges in the Grand Maghreb', Peaceworks, United States Institute of Peace, 2015; Wolfram Lacher, 'Organized Crime and Conflict in the Sahel-Sahara Region', The Carnegie Papers, Carnegie Endowment for International Peace, September 2012, p. 5.

16. Mark Shaw and Fiona Mangan, 'Illicit Trafficking and Libya's Transition: Profits and Losses', Peaceworks, United States Institute of Peace, 2014.

17. Ibid.

18. Hanlon and Herbert, 'Border Security Challenges in the Grand Maghreb'.

19. The Global Initiative Against Transnational Organized Crime, 'Libya: A Growing Hub for Criminal Economies and Terrorist Financing in the Trans-Sahara'.

20. Ibid.

21. Hanlon and Herbert, 'Border Security Challenges in the Grand Maghreb'.

22. Ibid.

of much illicit trade in the region is often underestimated, since the status of this activity as transnational organised crime is too rarely appreciated. Whilst much smuggling activity undoubtedly takes the form of 'subsistence smuggling' by border communities lacking viable alternatives, in many cases smuggling networks in the Maghreb are tightly woven into global illicit trade chains. In this way, as shown below, the operations of criminal groups active in the region affect the fortunes and activities of illicit trade networks in countries further afield – including those operating in Europe. Here, again, a range of diverse actors is involved, including in some cases armed non-state actors active at different stages of the chain.

Smuggling Economies in the Maghreb: The Case of Libya
The experience in Libya exemplifies many of the security dynamics described above. Although Libya has long been an important hub for the smuggling of a wide variety of goods, since the fall of the Gaddafi regime in 2011, a lack of state control and ongoing weak rule of law have allowed illicit trade to increase substantially.²³ A recent study of the illicit cigarette market in the Maghreb shows that in Libya, the illicit cigarette trade has entirely eclipsed the legal market: it is estimated that over 93% of all cigarettes consumed in 2016 were illegal.²⁴ A variety of other consumer goods are traded illegally across the country's land borders: vehicles, pharmaceuticals and subsidised fuel, amongst others, are moved across the border into Tunisia, while chemical fertilisers, ceramics, livestock, food and alcohol are smuggled from Tunisia into Libya.²⁵ Demand for these goods on the black market has increased significantly since the revolution, especially due to high levels of inflation and increasing commodity prices, coupled with low levels of personal disposable income.²⁶

In many cases, the supply chains for these products are trans-regional. Libya is a major source and transit hub for illicit goods smuggled across the Mediterranean to consumer markets in Europe. In particular, subsidised fuel is known to be smuggled to Italy, Malta and Turkey for both local sale and onward transportation to higher priced EU markets. Crucial to the success of these transnational criminal operations are the strategic partnerships

maintained between smuggling groups in the Maghreb and their European counterparts, most notably in Italy and Malta. For instance, mafia groups operating in southern Italy and Malta are known to exploit both these links and their network of associates throughout Europe to distribute goods smuggled across the Mediterranean.²⁷

At the same time, in smuggling from Libya, there are increasingly suggestions that mafia groups in Italy have established partnerships with jihadist groups.²⁸ In recent months, authorities in Rome have been investigating such links, suspecting contraband oil from Libya and Syria to have entered the country illegally, after discovering quantities of oil greater than Italian refineries can hold.²⁹ It has been suggested, amongst other *modus operandi*, that tankers stop in the Mediterranean to meet others operating from Libya, from which oil is transferred for onward transit. Whilst the evidence for this is incomplete, similar suggestions have been made by Franco Roberti, Italy's anti-terrorism chief, with regard to cooperation between mafia groups and terrorist organisations in trafficking cannabis from Morocco, via Algeria, Tunisia and Libya to Italy.³⁰

In the case of fuel, a UN Security Council resolution passed in June seeks to address illicit flows from Libya to Europe, giving authorities greater powers to inspect suspect vessels, blacklist them, and prevent them from offloading their cargo.³¹ However, at present, vessels carrying illicit fuel from Libya are rarely intercepted crossing the Mediterranean, with security efforts focused almost entirely on addressing flows of illegal migrants.³² With law enforcement resources directed at addressing more visible security threats, it is unclear whether authorities will be able to translate the provisions of the UN resolution into meaningful operational action. This is to the detriment of efforts to counter transnational organised crime on both sides of the Mediterranean. As well as fuel, the trans-Mediterranean trade in illicit pharmaceuticals has expanded significantly in recent

23. The Global Initiative Against Transnational Organized Crime, 'Libya: A Growing Hub for Criminal Economies and Terrorist Financing in the Trans-Sahara'.

24. KPMG, 'Illicit Cigarette Trade in the Maghreb Region', p. 30.

25. Shaw and Mangan, 'Illicit Trafficking and Libya's Transition'.

26. Sami Zaptia, 'NOC's Fuel Crisis Committee Reports Continued Success in its Anti-Smuggling and Profiteering Efforts', *Libya Herald*, 6 June 2017; International Crisis Group, 'Tunisia's Borders: Jihadism and Contraband', Middle East/North Africa Report No. 148, 28 November 2013.

27. Francesca Mannocchi, 'How Libya's Oil Smugglers are Bleeding the Country of Cash', *Middle East Eye*, 9 February 2017; Ivan Camilleri, 'Libya Wants Maltese Authorities to Stop Smuggling of Fuels', *Times of Malta*, 31 January 2017.

28. Jason Pack, 'Italian Authorities Accuse ISIS and Mafia of Cooperation', *Libya-Analysis.com*, 10 August 2017.

29. Jack Moore, 'Unlikely Friends: ISIS and the Italian Mafia Working Together to Bring Oil into Europe, Report Says', *Newsweek*, 8 January 2017.

30. Loulla-Mae Eleftheriou-Smith, 'Isis and Italy's Mafia "Working Together" to Smuggle Cannabis through North Africa into Europe', *Independent*, 19 April 2016.

31. Aidan Lewis, 'U.N. Resolution Targets Libyan Fuel Smugglers', *Reuters*, 30 June 2017.

32. Author interviews; Lewis, 'U.N. Resolution Targets Libyan Fuel Smugglers'.

years.³³ A large proportion of these goods are imported to both the Maghreb and Europe from Asia – since 2015 there have been significant seizures of illicit pharmaceuticals entering Libyan ports from India.³⁴ Post-Arab Spring, demand for a range of prescription medicines has flourished, met by smuggling by organised criminal groups or pharmacists left jobless since the war.³⁵ Significant levels of addiction have accompanied these trends, whether to black-market Tramadol, Zolpidem or Clonazepam – some of the main habit-forming prescription medicines available on the street in Libya.³⁶ In May, 37 million Tramadol tablets were intercepted at the Italian port of Genoa, allegedly destined for Daesh militants in Libya; this case speaks further to the potential for overlaps between commodity smuggling and terrorist activity.³⁷

The global connections revealed by such cases speak to the scale and reach of many of the Libya-based groups involved in illicit trade. Often, this reach extends laterally, to involvement in trafficking of a range of other illicit commodities simultaneously. To give just one example, at Libya's southern border with Niger, there is evidence of overlaps between illicit trade in legal diverted products and the smuggling of migrants. These intersections build on the vibrant 'Central Route' for migrant smuggling, running from West Africa through northern Niger into southern Libya and on to the Mediterranean. Many of those active along this route are engaged in 'dual smuggling operations', moving migrants alongside other smuggled goods, from food to household goods and other basic commodities. As noted by researchers Peter Tinti and Tom Westcott, many of those active in 'dual smuggling' are those involved in commodity smuggling seeking to supplement their profits by offering transportation to illegal migrants – and vice versa.³⁸

Pressure from the EU has recently led Nigerien authorities to take more stringent measures to prevent the flow of illegal migrants across the border into Libya. But the impact of these efforts has not extended to flows of smuggled goods, which continue to transit the border

in both directions.³⁹ Here and at many other frontiers, a lack of effective border control since the revolution has created a situation where those smuggling goods can do so with almost complete impunity. Throughout the country, organised crime has become so embedded that it now represents a major barrier to the state-building process and the restoration of peace to the country, as illicit trade and the armed groups that control it undermine, and even actively shape, the transition process.⁴⁰ Failing to effectively address the threat now will only allow it to become more deeply embedded within state institutions and society more broadly, making it all the more difficult to disrupt further down the line.

Responses and Outlook

In a sign of growing recognition of the security impacts of illicit trade, governments in the region have begun to crack down on cross-border smuggling in an effort to address the threats outlined above. In recent years, Moroccan, Algerian, Tunisian and Libyan authorities have all, at various times, launched more concerted initiatives to address illicit trade at their borders.⁴¹ The timing of these efforts may be economically dictated: a growing focus on fuel smuggling in Algeria is likely to have been prompted by the global drop in oil prices and the ongoing economic crisis facing the country. It should also be noted that these efforts come alongside a broader, enhanced emphasis on border security across the region; though targeted primarily at disrupting terrorist groups and trafficking in illegal goods, this has also started to impact illicit trade.

Efforts targeting illicit trade come with their own security implications, however. In Libya, crackdowns on fuel smuggling by the country's Fuel and Gas Crisis Committee have recently triggered protests at key land borders.⁴² Yet, an ineffective response can also trigger violence, as shown by an increase in illicit trade-related violence at the country's border with Tunisia. Since late 2016, reports have emerged of a Libyan vigilante group, known as the 'Anti-Fuel-Smuggling Brigade', attacking lorries carrying fuel into Tunisia.⁴³ It has been suggested, however, that

33. The Global Initiative Against Transnational Organized Crime, 'Libya: A Growing hub for Criminal Economies and Terrorist Financing in the Trans-Sahara'.

34. Libya Observer, '45 Million Tramadol Pills Seized In Tobruk Port', 28 February 2016; Libyan Express, 'Containers Full of Tramadol and Viagra Seized in Misurata Seaport', 11 February 2017.

35. Libya Observer, '45 Million Tramadol Pills Seized In Tobruk Port'.

36. Shaw and Mangan, 'Illicit Trafficking and Libya's Transition: Profits and Losses'.

37. Nick Squires, 'Italy Seizes Huge Drugs Haul Intended for Isis Fighters in Libya', Telegraph, 9 May 2017.

38. Peter Tinti and Tom Westcott, 'The Niger-Libya Corridor: Smugglers' Perspectives', Institute for Security Studies Paper 299, November 2016.

39. KPMG, 'Illicit Cigarette Trade in the Maghreb Region', p. 40.

40. Shaw and Mangan, 'Illicit Trafficking and Libya's Transition: Profits and Losses'.

41. Agence France Presse, 'Algeria Smuggling Crackdown Cuts Fuel Line to Morocco', 28 September 2013; North African Post, 'Moroccan Security Forces Crackdown on Smugglers on Mauritanian Borders', 17 August 2011

42. Libya Observer, 'Fuel and Gas Crisis Committee Launches Land, Sea, and Air Operation to Stem Smuggling in Libya', 6 April 2017.

43. Abdulkader Assad, 'Unidentified Armed Group Wages War on Tunisia-Bound

this may represent an effort by existing fuel smuggling networks to discourage competition from smaller rival groups.

Alongside crackdowns on smuggling itself, border closures and physical reinforcements have been a permanent feature in efforts to disrupt illicit cross-border activity. A substantial proportion of borders in the region remain officially closed and sealed off, yet in many cases the negative impact on legitimate trade simply enhances demand for smuggled goods. For example, the border between Algeria and Morocco has been officially closed for more than 20 years, yet the restrictions on legal trade this has invoked have bolstered demand for smuggled commodities, particularly on the Moroccan side.

Since 2014, however, enhanced border security has substantially impeded the flow of illicit goods between the two countries. On the Moroccan side, a 150 km fence has been built along the northern part of the border; on the Algerian side, the military dug a 700 km trench between 2014 and 2016, and a 3.5 metre tall fence is under construction, aimed specifically at preventing cross-border smuggling.⁴⁴ Nonetheless, while stringent border security measures such as these have succeeded to an extent in impeding the flow of illicit goods, they come at a high social cost to both sides. As is the case across the Maghreb, there is evidence that border closures and trade restrictions damage legitimate commerce far more than they do the illicit trade. Cross-border trade represents the main source of livelihood for many border communities across the Maghreb, a reality frequently ignored in such approaches. Moreover, while walls, trenches and video surveillance may restrict the flow of goods across land borders, across the region's maritime frontiers smuggling continues unabated.

In many cases, meanwhile, the primary factor fuelling illicit cross-border trade in the Maghreb goes unaddressed. This concerns the large price differentials that exist between neighbouring countries. Algeria provides a clear illustration: the Algerian government subsidises trade in food, fuel and many other commodities, significantly enhancing the profits available for smuggling to more expensive markets. A further economic policy driving cross-border smuggling concerns Algeria's commitment to reimburse all fuel costs for those who transport food

from the North to the South of the country, while failing to monitor the volume of consignments. Capitalising on this, smuggling groups typically transport food in quantities far exceeding domestic demand in Southern Algeria. While some food is sold locally, much is smuggled illegally across the country's Southern borders.⁴⁵ Here, it contributes to much broader forms of cross-border illicit trade as presented in a 2014 study, which estimated the value of the smuggling economy between Algeria and northern Mali to be approximately US\$50 million.⁴⁶

In line with this, alongside law enforcement and border security efforts, it is clear that future responses must focus on addressing the flawed economic policies and price differentials that create significant profit-making incentives for those engaged in commodity smuggling. These are starting to be remedied; Algeria, for instance, is in the early stages of reforming its extensive subsidy system, and substantially increased taxes on gasoline and tobacco products in 2017.⁴⁷

Such reforms will take time, however, and need to be carefully considered in their detail. In particular, economic policies must strike a fine balance between ensuring that essential commodities are affordable and readily available to all sections of society, while not allowing organised crime to capitalise on the large profits currently available from the illegal sale of goods across borders.

This hints at a further challenge affecting efforts to address illicit trade. This relates to the fact that, in a context of worsening economic conditions and high unemployment in many border regions, illicit trade exists as the only viable source of income for many communities. Addressing this issue on a large scale across the region clearly poses significant challenges – as does the social acceptability of illicit trade in many such locations. Tellingly, many citizens in the region refer to the smuggling of commodities as 'innocent smuggling', a category to which cigarettes, fuel, foodstuffs, clothing and construction materials, amongst many others, are perceived to belong.⁴⁸ This situation indicates that action to disrupt illicit trade is unlikely to be successful in the absence both of a shift in popular

Fuel-Smuggling Tanker Trucks', *Libya Observer*, 31 December 2016.

44. Ezzoubeir Jabrane, 'Algeria Erects a Fence along Border with Morocco', *Morocco World News*, 19 August 2016.

45. Jeremy Keenan, 'Algeria Border Closure has Negative Effects on Sahel', *New African*, April 2017.

46. World Bank, 'Study on Informal Trade Between Algeria and Mali' (unpublished), 2014.

47. Reuters, 'Algeria's Bouteflika Urges Support for Economic Reforms to Offset Cheaper Oil', 5 July 2017; Hamid Ould Ahmed, 'Algeria Plans Spending Cuts, Tax Rises in 2017 to Counter Oil Drop', *Reuters*, 7 September 2016.

48. Hanlon and Herbert, 'Border Security Challenges in the Grand Maghreb'.

perception and of sustainable alternative employment in border regions.

Such issues clearly constitute major concerns. In many locations, substantial amounts of small-scale smuggling are conducted by local residents as part of survival strategies adopted in the face of neglect by the state. However, as this brief has sought to demonstrate, in numerous other cases, illicit trade is far from an 'innocent' phenomenon. Instead, it can form a critical part of much broader, larger-scale illicit networks, with significant negative impacts on national and regional security. In many cases, it intersects with higher-profile forms of trafficking, and with the operations of non-state armed actors. In light of this, while there remain numerous challenges to devising and implementing effective responses, it is clear that one particular aspect of the current response must change. This concerns the tendency to treat illicit trade as a distinct, discrete problem, to be addressed separately from other criminal activities in the region.

Given the flexible and resourceful nature of the groups involved in illicit trade in the Maghreb, as well as the transnational reach of many of their operations, recognition of this point is crucial both by authorities within the Maghreb and external actors. In particular, given the extent of cross-Mediterranean links, strategic cooperation between European and North African authorities is key to effectively combating the threats posed. Whether domestic or transnational, any official response to organised crime activity in the region will be incomplete if it fails to assign an appropriate level of importance, alongside trafficking in illegal goods, to the threats and vulnerabilities created by commodity smuggling. Rather than a distinct issue requiring distinct responses, authorities must recognise large-scale illicit trade as an activity intrinsically linked to the vitality of other criminal and non-state armed groups – and a critical component of the wider regional threat landscape.

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