

O r g a n i s e d c r i m e a n d n a t u r a l r e s o u r c e s i n A f r i c a

Oil, mining, forestry, wildlife, fisheries & water

Click to edit Master subtitle style

C o n t e x t

1) Africa's high dependence on natural resources ...

Many African countries rely heavily on the exports of NR for national wealth:

-
-
-

Citizens in many African countries depend heavily on local NRs for economic and social security:

-
-

2) Rapid growth of NR sectors over the past decade:

- Mining investments during the early 2000s doubled or tripled in many African countries, such as DRC.
- Massive increase in exploration spending for extractive industries – increase of 250% from 2003-2007.
- Oil exports increasing rapidly, expected to rise to some 3 trillion dollars over the next 10 years
- Profits from extractives increasing dramatically, although there is a great deal of volatility.
- Export of fishing from West Africa – 1970s = 450,000 tones: by 2000 = 4.5 million tones

3) Intensification of competition for increasingly scarce natural resources:

- US currently imports 15% of its oil from Africa – expected to rise to 30% + over the next decade. US shifting towards West Africa.
- Large impact of China's interest in securing resources from Africa
 - Exports of NR was 1 billion USD in 1990s, growing to 50 billion by 2006.
 - 'Official' estimates of investments in Africa by China show 40% annual increase during 2000s, reaching 7.5 billion by 2006.
 - China was a minimal importer of African timber in mid 1990s, by 2003 it bought 3.1 million metric tonnes of timber: China's share of timber exports is 90% for Mozambique, 70% Equatorial Guinea, 50% DRC and Gabon.
 - Large growth of Chinese workers in Africa, particularly in Extractives and infrastructure developments linked to exporting NRs: official estimates = 100,000, but this is thought to be a small % .
 - China is now surpassing EU as major player in commercial fisheries, particularly in West Africa.
- Growth in demand and competition for timber, fish and wildlife from indigenous populations, caused by population growth, climate change,

1] Organised crime and the oil and mining sector:

Oil & mining sectors have become infamous for corruption and serious economic crimes

- Embezzlement of resource revenues
 - Nigeria has estimated to have lost 400 billion dollars of oil revenue
 - Political elites of countries such as Angola, Gabon richest people on earth
 - Ghana loses 70% of its earning from mining to offshore bank accounts.
- Multi-million dollars bribes

Relationship between OC and NR – 'Resource curse'

- Key issues is to understand the wider impact of resource dependency on governance and the economies of African states.
- Resource dependency directly linked with
 - A) Corruption
 - B) Poverty /inequality
 - D) Weakening democracy
 - E) Divided communities
 - F) Conflict

2] Organised crime and Timber trade

Conceptualizing the problem

Complex set of crimes: Felling trees in protected areas; corruption in the allocation of timber concessions (land grabbing); tax evasion; breaking environmental regulations on sustainability etc.

Scale of the problem

- Some 50% -60% of exported timber from Africa is thought to be illegal.
- Globally – all illegal timber could be placed end to end; it would go round the world 10 times.

Costs and impacts

- Water catchment
- Displaced forest communities
- Loss of biodiversity
- Loss of legitimate income – illegal timber has depressed price of legal timber by some 16% .

New drivers of illegal logging

- Although EU has historically been main consumer market, the rise in China's demand is fueling some of the worst case studies of illegal logging:
 - Madagascar – political instability creating an upsurge in illegal logging; in 2009 an estimated

Informal logging (as opposed to industrial sector)

- In addition to industrial illegal logging – growth in small-scale logging – partly to supply overseas markets, but also local demand for building, fuel and charcoal.
- The legality of the informal sector is uncertain
- In DRC 1.7 million metric tonnes of timber comes from small-scale logging industries, compared to 300,000 from industrial logging operations
- In Kenya, informal charcoal industry is estimated at about 35 million USD a year, directly employing 700,000 people.
- Again – stress control of local mafias, but also the social element of the ‘illegal markets’

[Continued]... ..Organised crime /Corruption and REDD

- Billions of dollars being spent on REDD
- Opening up major opportunities for fraud and corruption
- Interpol identified the threat of OC – pointing out that law enforcement has not been involved at all.
- Very little planning to anticipate corruption.

3] Organised crime and wildlife trade

Globally wildlife trade = 10-20 billion USD – and increasing in profits.

Unexpected resurgence in **ivory trade**

- Scale of poaching:
 - Estimated that 60,000 elephants are poached each year.
 - West African elephant populations being wiped out – Sierra Leone lost its last elephant this year, Senegal has 10 left.
- Increasing value and profitability
 - Estimated to be 250 million over last decade
 - Price of Ivory rising from 100USD to 1,800USD
- Increase in size of seizures and growing sophistication
 - Evidence from ETIS

Organised crime and wildlife (continued): bush meat trade

Scale of the problem:

- Very large markets in West Africa
- 1 metric tone of bush meat coming into Yaoundé every day
- 80% of rural households in East Africa

Conceptualizing the problem:

- **Legality is blurred**, but increasingly criminalised: involves a lot of **poaching in protected areas** as wildlife becomes sparser in countryside and community forests
- Gradually shifting from small-scale artisanal trade, to more **commercialized** industry controlled by fewer 'big' players. = more organised and more efficient.

Aggravating factors

- Closely related to mining and logging operations – opening up new areas and modes of transport
- bush meat used to feed mining and logging workers.
- Urbanisation and growth of urban markets.

4] Illegal fishing (industrial vs. small scale)

Complexity of crimes

– fishing without licenses; fishing in protected areas; fishing with banned gear; transshipping at sea; underreporting catches; high grading; fishing out of season etc.

Scale of problem :

Estimates of value = **1 billion USD** in Africa

But True cost of illegal fishing is much higher.

Conceptualising the issue... .

- There are some **specialized IUU fishing boats**
 - Patagonian toothfish;
 - gill net shark fishing etc.
 - USE of FLAGS OF CONVIENINCE .
- But illegal fishing is an **embedded feature** of all industrial fisheries.

Illegal fishing and in-shore fisheries

- Growth problem caused by increasing demand, dwindling fish and new conservation strategies – the ***criminalization*** of small-scale fishing
- Simple acts = poaching in MPAs, use of banned gears etc
- But becoming more organised and more centrally controlled;
 - Dynamite fishing in Tanzania.
 - Ring net fishing in Kenya.
- Also increasingly **linked to international markets**
 - Shark fin fishing in Mozambique
 - Aquarium trade – Kenya.
 - Abalone trade

Problems of law enforcement and corruption

- Combating IUU fishing undermined by **weak state** capacity and **low priority** by criminal justice system.
- Direct correlation between scale of IUU and governance indicators.

Organised crime and water:

- Likely to be an emerging theme in organised crime and conflict.
- Water is becoming more scarce, more valuable and more unevenly distributed.
- **African population faces chronic water stress: figures in Sub-Saharan Africa are expected to rise from 30 to 85 per cent of the population by 2025.**
- **It is projected that by 2020 up to 250 million people in Africa will face increased water stress.**
- **Major concern of the control of water in urban areas by violence and criminal groups.**

Concluding observations:

1]
**Underestimated
scale and
impacts of NR
crimes**

Developing NR... i