

# Consuming Europe: the moral significance of exchange and emigration at the Spanish-Moroccan border of Melilla

*Laia Soto Bermant*

Institute of Social and Cultural Anthropology

University of Oxford

**(NB. The conference presentation will be on the same case study but with a different focus)**

## *Introduction*

The Mediterranean basin has long been a node of exchange between parts of Europe, Africa and Asia. As Horden and Purcell (2000) have argued, connections across the Mediterranean have always been central to the production and survival of a fragmented landscape of ‘micro-regions’ susceptible to the uncertainty of an unstable natural environment where forest fires, plagues, droughts and floods were frequent and unpredictable.<sup>1</sup> The products exchanged and the regions involved in these exchanges varied historically, but exchange itself remained a constant feature. The Spanish enclaves of Ceuta and Melilla, on the Mediterranean coast of Morocco, are both a vestige of this legacy and a product of new forms of exchange binding North Africa to the Iberian Peninsula and beyond.

Ceuta and Melilla were amongst a number of *presidios* (penal settlements) established by the Spanish along the North African coast following the end of the *Reconquista* (1492). Initially, these military garrisons functioned as penal settlements for noblemen and political deportees; over time, they grew into regional trading hubs and became the military headquarters from which the Spanish colonial project in northern

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<sup>1</sup> The argument, of course, is not new. In fact, it is precisely for on these historical grounds that a number of scholars have argued that the Mediterranean constitutes a regional ‘unit’ in and of itself. Braudel (1976) is perhaps the most notable example, but there are others (for a detailed review of the literature see Horden 2005 and Purcell 2003).

Morocco was launched. After Moroccan independence, Ceuta and Melilla remained under Spanish sovereignty and, today, the two enclaves are part of the European Union. As such, they have become legal and political instruments for the regulation of mobility and exchange not only between Spain and Morocco but also, and perhaps more importantly, between Europe and Africa.

This paper examines the social and moral significance of different forms of exchange across the Spanish-Moroccan border of Melilla. It does so by analysing the networks that link Melilla to the Moroccan neighbouring province of Nador and the province of Nador, in turn, to Europe, and exploring the connections between the two. Different forms of exchange rely on one another; from the family links on which smuggling networks are built, to the migratory tradition that connects Nador to a number of European capitals and which has influenced patterns of exchange in substantial ways. As we shall see, commodity trade across the border cannot be properly understood without considering the processes by which certain ideas and values have been appropriated and transformed through emigration. The local significance of these processes can only be fully revealed by exploring the ambiguity that pervades the relation between the Rif and the 'outside world'.

### *Historical context*

Situated on the north-eastern coast of Morocco, Melilla is a fenced territory of twelve square kilometres under Spanish sovereignty since 1497. Initially established as a small military outpost and penal settlement, Melilla grew to become a trading centre in the wake of British and French imperialism, when the Spanish enclave was declared a free port (1863) and began to serve as a point of entry for European manufactured products in North Africa. Over the course of the twentieth century, Melilla's fiscal and geo-political status triggered the growth of a black market economy built on a large variety of cross-border activities, most commonly the smuggling of basic commodities and luxury goods. Following Spain's incorporation into the European Community in 1986, which turned the enclave into a gateway to European territory, Melilla's underground economy grew and new kinds of illegal

trade emerged in the region, most significantly people smuggling and drug trafficking. Today, the frontier is the enclave's main economic resource.

Melilla's population numbers approximately 73,000 people, and is divided between people of Spanish descent (locally known as 'Christians') and people of Berber, and occasionally Arab, descent (known as 'Muslims'), with small minorities of Jews and Hindus holding symbolic rather than numerical importance. A history of Christian hegemony and unequal access to political power and economic resources underlies existing, though often well-concealed, tensions between the two main groups. Economically, they inhabit separate spheres: Christians work mainly for the state, in schools, hospitals, government institutions or the military; Muslims work in the construction sector and often engage in informal trade across the border. Spatially and socially, a similar structure is at play. The city is informally divided between Christian and Muslim areas, and interaction between the two communities is generally limited to neighbourly etiquette and economic transactions. This undoubtedly informs relations between Muslims and Christians, who, while sharing one *space*, certainly inhabit different *places*.

Across the border from Melilla, in a Berber-speaking region of Morocco known as the 'Oriental' (or eastern Rif), lies the province of Nador. The capital of the province, the city of Nador, is located some fifteen kilometres south of Melilla. As an administrative unit, Nador is a relatively recent development. The capital of the province was initially set up in the early 1900s as a military encampment for Spanish soldiers, and developed into a sizeable town only during the final years of the Spanish protectorate; the province of Nador, which took the name of its principal urban centre, was established after Moroccan independence (1956). For centuries, Riffian tribesmen from this mostly rural area engaged in small-scale trade with Spanish soldiers posted in Melilla. Melilla was a largely isolated garrison which depended heavily on shipments from mainland Spain for foodstuff and basic supplies, and Spanish soldiers were regularly forced to trade with their neighbours when shipments failed. Relations between the garrison and neighbouring tribes were nevertheless volatile, alternating between raids and commercial exchange. Trade across the border was heavily regulated but people always found ways to circumvent regulations in order to sell to and buy from the Spanish. After Melilla became a free port, trade in and through the region grew, with caravans traveling from Algeria and from other regions of Morocco

to buy European manufactured products and sell agricultural produce. The Spanish Protectorate (1912-1956) brought little development to the region beyond the establishment of a short-lived mining industry and, by the time of Moroccan Independence, peddling, contraband and seasonal migration to French-occupied Algeria were the only means of livelihood available to Riffian tribesmen. Thus, when Morocco signed the first labour recruitment agreements with Germany, Belgium and France in the 1960s, thousands of Riffians migrated to Europe. Since then, and despite the closure and increased control of European borders, migration from the Rif has only increased, and today Nador is home to one of the largest communities of Moroccan emigrants in Europe.

The landscape of the province bears the marks of its history. The city of Nador has grown dramatically over the past three decades as a result of the investment of Riffian emigrants in urban housing for their families, and a number of satellite towns and small cities have emerged across the province. The construction boom of the 1980s and 1990s has yet to wane, and the growth of the construction industry has attracted migrants from other regions of Morocco. Today, the population of the city is divided between locals, Riffian emigrants who regularly spend time in the homeland, and Arab immigrants working mainly in the service and construction sectors. The rapid process of urbanisation and the increased purchasing power of migrants and their families back home have also generated a new demand for products formerly unavailable in the region, particularly for European goods and this, in turn, has contributed to the consolidation of commercial routes linking the Moroccan Rif to the Spanish enclave of Melilla, and Melilla, in turn, to a number of international centres.

Both Nador and Melilla have seen their social, political and economic landscapes transformed by processes set in motion after —and as a consequence of— Spain's incorporation into the European Community. The first groups of Sub-Saharan African migrants reached the enclave in the years following Spain's incorporation to the EC. The consolidation of people smuggling networks operating in the outskirts of Melilla and in the city of Oujda (near the border with Algeria) followed shortly after. Soon, the protection of Melilla's border had become a political-economic project not only for local authorities, but also for a wide range of political and financial institutions in Spain, Morocco and Europe. This changed the socio-political scene of the region. Increased pressure from the EU led to extended security measures around the

perimeter of the enclave and, by 1998, a three-meter high, double fence sealed the border of Melilla.<sup>2</sup> EU funds to secure the Euro-African border became one of the most important sources of revenue for Melilla's local government, and the maintenance of the enclave turned into a priority for the Spanish state. In Morocco, military raids to dismantle illegal migrant 'camps' in the neighbouring areas were carried out in 2003 and 2004 and, since then, migration control has become a key condition of all financial and commercial agreements with the EU.

The construction of a fence around the enclave indirectly led to the professionalisation of smuggling across the border. Before it was built, the limits of the enclave were marked by a low fence which had been pierced in several places to allow for the passage of goats and of smugglers carrying their merchandise on bicycles, mules or donkeys. There were several paths and roads that connected Melilla to the Moroccan hinterland, and buses run from Melilla to the largest cities in the province on a daily basis. Traffic across the border was fluid, and smuggling a business accessible to everyone. With the construction of the new fence, however, border crossing became restricted to increasingly controlled crossing points.<sup>3</sup> This, together with the interruption of all public transportation between the enclave and the Moroccan territories, complicated the logistics of contraband. Stricter controls at the border meant that contacts, financial resources and official documents proving residency in Nador or Melilla became necessary for smuggling. Soon the frontier

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<sup>2</sup> In the years to follow, the numbers of African migrants trying to reach the enclave grew dramatically and, in 1995, the government announced the construction of a new fence along the perimeter of the city, to be completed by 1998. It was a three-meter high double-wired fence equipped with optical and acoustic sensors, security cameras and control posts. The consolidation of human-trafficking networks in the region to cater for thousands of Sub-Saharan African and East Asian migrants trying to enter the EU followed shortly. After massive assaults by Sub-Saharan African migrants in August of 2004, and September and November of 2005, the building of a higher, safer and more solid fence began. This was the first step towards the installation of the six-meter high, double-wired triple-fence which secures Melilla's perimeter since 2006.

<sup>3</sup> Three crossing points allow access to the enclave regularly: Beni Enzar, Farkhana and Barrio Chino. A fourth crossing point, Mariguari, opens exclusively during the school months to allow the passage of students and parents who need to cross the border to take their children to school. Beni Enzar is the most important of the four, for it is officially considered an international frontier and is therefore equipped to receive large numbers of visitors. Situated at the southernmost end of Melilla, the frontier of Beni Enzar consists of a one hundred meter strip of road with the Spanish customs post at one end and the Moroccan at the other. Two concrete walls seal the sides of the passage, and traffic in both directions, both by car and on foot, is intense. The no man's land that lies in between has effectively been occupied by Morocco so that the passage is controlled by Moroccan officers up to the gates that mark the beginning of Spanish territory. Beyond the customs point, on the Moroccan side, lies the frontier-town of Beni Enzar, and approximately ten kilometres further south is the city of Nador.

attracted businessmen with the capital to start a smuggling business, and a cheap workforce looking for employment opportunities as couriers of the merchandise.

The past three decades have brought considerable changes to Melilla's economic and political landscape. On the one hand, European funds to secure the Euro-African border have been poured into the region, financing not only equipment and personnel for border control, but also myriad development projects to ensure economic growth and stability in the city. On the other hand, there has been a significant increase in cross-border smuggling, and new kinds of criminal activities have emerged in the region including, most notably, drug trafficking and money laundering. The proximity of Nador to the central Rif (known for its large-scale cannabis cultivation), and the long-standing migratory routes connecting Nador to the main European capitals, have contributed to the consolidation of this region as a centre of operations for drug trafficking networks in charge of hashish and cocaine distribution in Europe. This black market economy sustains the existence of a region with no industry or natural resources of its own, and reliant to a great extent on capital drawn from the outside. From commercial smuggling to migration, people smuggling and drug trafficking, the Spanish-Moroccan frontier of Melilla stands at the centre of a number of exchange routes which bind together Nador and Melilla, Morocco and Spain, and Europe and Africa in political, social and economic networks of interdependence. Goods, capital and people move across this border on a daily basis, generating patterns of cyclical exchange which rely on each other in more ways than one.

### *Crossing borders*

It has been estimated that between ten and thirty thousand people cross the border between Nador and Melilla every day. The enclave is surrounded by frontier towns whose population relies on the opportunities offered by the Spanish enclave. Large numbers of Riffians from these towns, and thousands of Arab migrants who travel weekly to the region (or who have settled there permanently), make a living through informal employment in the enclave, from contraband to domestic work, petty smuggling or work in the construction sector. Those who do not earn a regular income

from smuggling often find employment in the building industry, performing menial jobs, or working as cleaners in the houses of Melillan Christians. Buses linking the crossing points of Farkhana and Barrio Chino to the centre of the city cater almost exclusively to female domestic workers, as men hoping to make a wage for the day gather together in a small square by the frontier of Beni Enzar to wait for potential employers. The enclave depends heavily on this underpaid workforce. On the one hand, commercial establishments profit from the sales generated through smuggling. On the other hand, the construction sector and the services sector benefit from the existence of a cheap workforce willing to work illegally at lower rates. In fact, the inflow of illegal workers and smugglers is encouraged by Melilla's selective border policy. A formal agreement between Spain and Morocco signed in 1991 grants residents of the province of Nador unrestricted access to the Spanish enclave during daytime, while residents of the Spanish enclave enjoy the same right in the neighbouring Moroccan province. For Riffians on either side of the border, therefore, moving between Spanish and Moroccan territory is relatively easy. According to the Office of Foreigners of Melilla, 2,344 work permits were issued to 'frontier workers' in 2008; of these, 95% were classified as autonomous (i.e. self-employed), of which 54% were registered as domestic workers. Most of the transit generated at the frontier, however, responds to what Melillans euphemistically call 'atypical commerce' (*comercio atípico*).

Known amongst smugglers as *trabando* (from the Spanish '*contrabando*'), Melilla's 'atypical commerce' can be defined as the trade of goods bought in Melilla and taken across the border clandestinely (in order to avoid paying custom duties) to be sold at a higher price in Morocco. Melilla's status as a free port means that goods imported into the enclave are subject to special custom duties (IPSI) which lower than those paid in Spain and in Morocco; this, together with the fact that products for sale are exempt from VAT, means that goods purchased in Melilla are significantly cheaper. Price differentials across the border make smuggling a profitable business and, in a region haunted by an endemic lack of employment, this kind of trade constitutes a fundamental source of income for many households; around 45,000 people make a living directly from smuggling, and a further 400,000 are indirectly involved in the

business through the distribution and sale of smuggled products throughout Morocco.<sup>4</sup> The interests invested in the continuation of this trade are significant. In 2006, to give an approximate idea, Spanish authorities estimated the volume of illegal commerce in Melilla at around 440 million euros per year. Goods reaching the port of the city are charged a local tax (IPSI) from which the city council derives between 40 and 50 million euros annually—that is, around 40% of its total budget (López-Guzmán and González Fernández 2009).

The range of products smuggled across the border is wide, including foodstuff and beverages, perfumes, toiletries, electronic commodities, car tyres and replacement parts, home utensils, furniture, tobacco, alcohol, clothes, shoes, watches and high-tech gadgets, among others. Most of these products follow legal commercial channels; they are *legally* brought into Melilla through the city's main port, generally in cargo ships coming from Spain, China or South Korea, and *legally* sold across the border in one of the numerous Moroccan street markets.<sup>5</sup> What makes smuggling illegal is the fact that these products are taken across the border avoiding the payment of custom duties. In other words, legally, smuggling is exclusively the concern of the Moroccan border authorities. This, in turn, works to the advantage of smugglers, who are free to organise their trade in plain view throughout the city without fearing legal sanctions, and must only concern themselves with the smuggling goods *through* the border. Lines of parked cars being loaded with goods, women rolling large, heavy bundles along the road, men riding heavily loaded bicycles and motorcycles are all part of the daily landscape in this part of the city. Informal agreements with the Moroccan custom officers on duty, who supplement their meagre incomes with the bribes they receive from smugglers, guarantee the unproblematic passage of goods across the border.

Smuggling generates a form of daily, cyclical migration between the enclave and the Moroccan hinterland which provides a livelihood to thousands and serves to sustain the economy of an enclave with no industry or natural resources to exploit. In this respect, Melilla can be said to thrive precisely on the different forms of exchange that

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<sup>4</sup> See Cembrero, I. 'La muerte de Safia, la porteadora', *El País*, 04/01/2009 and Cembrero, I. 'Ceuta y Melilla: 2012, fecha de caducidad', *El País*, 15/07/2008.

<sup>5</sup> It is important to note, however, that Melilla is in fact only one of a number of smuggling centres in Morocco -others include the Spanish enclave of Ceuta and the border with Algeria. Several kinds of goods are smuggled in from Algeria, most notably petrol, sold in all major roads across Morocco.



occur across the border. The transit of people across the border generates an informal economy which benefits the city as a whole, by bringing regular customers to local tea houses, street markets, grocery stores and supermarkets. Despite the six-meter high fence that separates Spain from Morocco, therefore, for the local Berber population the passage between the two territories is more a transition than a break. On the Melillan side of the border, grocery stores run by local Berbers sell Moroccan products and display Arabic signs on the shop windows; on the Moroccan frontier-towns, signs read in Spanish and Spanish products are on offer; dirhams and euros are common currency on either side, and are informally exchanged on a daily basis, with Moroccan shops accepting euros and Melillan shops accepting Moroccan dirhams. Riffians living near the border are generally bilingual, and have relatives living in Melilla. It is on the basis of these links that numerous smuggling businesses are established.

It would nevertheless be misleading to present smuggling as a local family business. In fact, today, commercial smuggling has developed into a full-blown informal economy, drawing to the region people from across Morocco; from the wealthy *entrepreneurs* from Casablanca who control the large-scale smuggling of clothes, alcohol and tobacco, to the thousands who travel from places like Fez or Kenitra to work as couriers for a few dirhams a trip. As the capital derived from emigration in the Rif grows, a number of Riffians have started to set up professional smuggling businesses, functioning as middlemen in networks of distribution than span nationwide. They work with a specific product (for instance, car tyres or tiles) and are in charge of receiving the merchandise at Melilla's industrial park several times a week and driving it across the border. This kind of smuggling must nevertheless be distinguished from that carried out by couriers working on foot, bound to their employers through exploitative relations. Earnings as a courier are meagre, and the job is generally taken up by widows, divorcees, old men and the physically disabled as a last resort for subsistence. Women constitute a significant contingent, travelling from Fes, Casablanca, Kenitra and other regions of Morocco to work as couriers. They take up residence in the province of Nador, buy or forge a local passport, and cross the border with Melilla every morning to collect heavy bundles of clothes and carry them on their back across the border. The crowds are large and accidents are common. In January 2009, to take a particularly tragic example, one of the couriers

was crushed dead by fellow smugglers in the passage between the two doors, commonly known as ‘the cage’ (*la jaula*).<sup>6</sup>

Some of the goods smuggled across the border are otherwise unavailable in Morocco; such is the case, for example, with certain kinds of Spanish processed food, specific brands of toiletries or alcoholic beverages. Others are available but at much higher prices: cigarettes, car tyres and car replacement parts, for instance, or petrol, which is regularly smuggled in through the border with Algeria. But there is a third kind of goods which belong in an altogether separate category. These are products brought in mainly from China and South Korea and smuggled out of Melilla to be sold in local street markets in a number of urban centres across the province of Nador. These include Nike and Adidas shoes, fake designer belts, jeans and t-shirts, i-pods, digital cameras, American and European CDs and a wide range of other goods brought in to satisfy a growing demand for ‘Western’ paraphernalia in the Riffian hinterland. Demand for these products is in large measure a consequence of changes to local conceptions of social status brought about by Riffian emigration. In the following section, I turn to these changes and explore how the yearly return of Riffian emigrants has affected local consumption practices, generating new forms of aesthetic valuation based on the debasement of ‘the local’ in favour of ‘the foreign’.

### *Emigration and the new elite*

Emigration has long been a source of livelihood in the region of Nador. During the second half of the nineteenth century, it was common for Riffians to travel to Algeria yearly to work on French-owned farms. After Moroccan independence (1956), when

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<sup>6</sup> There is another kind type of smuggling worth mentioning. These are smugglers who smuggle on foot but work independently. Women from Fes in particular are known to engage in this kind of trade. They collect orders from shopkeepers in Fes and travel to Melilla by bus two or three times a week to purchase the goods requested. Products include groceries, blankets, batteries, soap, perfume, diapers and watches amongst others. Customs controls along the main roads heading out of Nador mean that this kind of smuggling requires coordination between the smuggler and the bus driver. The driver and co-driver of the bus agree with the smugglers the price for the ride, which will depend on the load. The money is collected from all the passengers before the beginning of the journey back. The driver and co-driver keep a part of the money, and hand out the rest in bribes to the customs officials posted along the road. This kind of smuggling is so important that, on the rare occasions when the frontier of Melilla is closed, the early morning buses between Fes and Nador do not run.

European countries began to encourage labour migration from Morocco, thousands of people from the region of Nador moved to Europe to work in the industrial sector. Later, as Europe closed its borders to foreign workers, Riffian migration to Europe continued through a number of legal (marriage and family reunification policies) and illegal methods (overstaying tourist visas, forging work documents and, less frequently, hiding from the customs authorities at the border). Today, Riffians constitute one of the largest contingents of Moroccan emigrants in Europe, being particularly numerous in the Netherlands, Germany, Belgium and Spain. It is difficult to establish how many of them are originally from the province of Nador, but judging by the numbers of re-entries through the port of Melilla in the summer months, we could well be talking about over one hundred thousand people.

Emigration has brought dramatic changes to Nador. The physical landscape of the province has been transformed by the capital invested by migrants in urban housing, while migrant remittances have generated a rapid expansion of the service sector and fostered the development of a seasonal economy reliant on the migrants' yearly return for the summer vacation. In a relatively short period of time, Nador has been transformed from an impoverished province dependent on subsistence agriculture, labour migration and petty trade, into a booming economy. Every summer tens of thousands of young emigrants take over the streets of Nador, changing the economic and social rhythm of an otherwise relatively quiet, almost dormant city. The yearly return of emigrants has generated a seasonal economy based on the provision of services to the returnees. In the evenings, groups of young men stroll along the seaside promenade, where neighbours and families usually gather at night, to enjoy a ride on a tourist boat around the lagoon or perhaps attend one of the music festivals and concerts organised by the city council to welcome the *jalia magrebia* (the Moroccan diaspora). Young local boys push trolleys along the promenade selling snacks, ice-cream, popcorn or the typical snail soup, as emigrants meet with their friends in expectation; some girls might walk by and, if the young returnees are persistent enough, they might convince them to give away their phone numbers. The summer is thus a boisterous, frenzied and unsettling time in Nador, and the contrast with the quiet, peaceful winter months leaves no one impervious. Not surprisingly, the summer months are known amongst locals as 'the crazy months' (*los meses locos*).

Locals await this season with a mixture of anticipation and unease. Anticipation because at this time of the year businesses collect the highest revenue, saving enough to endure the quiet winters. Anticipation too, because restaurants, cafés and ice-cream shops open their doors for the first time in the year, and the main avenue of the city (the *Corniche*) comes to life with music, trolley vendors, and all manner of entertainment. Anticipation, finally, because migrants return home for their yearly visit, bringing gifts, cash and news from beyond the Gibraltar Strait. Unease, on the other hand, because the high numbers of migrants cruising around the city in pursuit of local girls constitute a permanent threat to one's own and one's family's reputation, and additional care must be taken to protect daughters and sisters from the unwanted attention of strangers. Unease, also, because as the city doubles its population, food prices rise, and competitive displays of wealth, coupled with norms of etiquette based on reciprocity and generosity, put a considerable strain on the family's budget. Relations of exchange and reciprocity become highly uneven, and local households often struggle to keep up appearances in the face such manifest inequality.

The cash influx derived from emigration has introduced a new kind of elite in Nador, an emigrant elite that represents a challenge to previous notions linking political power, social status and economic affluence (see McMurray 2001).<sup>7</sup> The privileged economic position of emigrants grants them independence from relatives and neighbours, providing a sufficient alternative to make up for their lack of connections in the community. Relations of reciprocity developed over years of giving and receiving favours can now be sidestepped through a new form of unilateral dependence based on money. Large numbers of households rely on the financial help they regularly receive from their relatives abroad. Migrants pay for their siblings' weddings, buy new furniture for the house (which, in all likelihood, they have also paid for), and bring back expensive gifts for the family. Their privileged economic position grants them power over family decisions and a certain independence from relatives and neighbours. The economic status of migrant households, in turn, surpasses by a long stretch that of local households, generating a divide between those who have successfully 'placed' a family member in Europe and those who have not.

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<sup>7</sup> For an account of pre-colonial political structures in the Rif, see Seddon 1971 and 1972, and for a detailed account of the Riffian status system and how it conjoins with honour and political power in the figure of the *amghar* ('big man') see Jamous 1981.

At the bottom of this hierarchy are the thousands of poor Arab immigrants who have settled in the region to work in the construction sector (that is, building the emigrants' new houses) or as couriers for professional smugglers.

Emigrant remittances have also served to exacerbate competitive displays of wealth.<sup>8</sup> Having little else to do during their lengthy visits to the homeland, the young returnees stroll around showing off their newest electronic gadgets, cars and fashionable clothes, in a contest that confronts migrants with one another before the gaze of local residents. New forms of consumption are explained in local terms:

This is because we are Berbers here ... We, the Berbers, like to dress well and eat well and drive nice cars. Arabs don't care, you see. Even if they have lots of money they don't spend it like we do. This is why it took us so long to build this new house, because we spent everything we had in living day to day.

While in their European host countries Rifi migrants often live in segregated Moroccan areas, the yearly visit to the homeland provides them with an opportunity to display a form of 'Western identity' which sets them apart from the local population. In this contest, European objects and first-hand knowledge of the 'European way of life' are crucial signs of an 'emigrant identity' carefully built up during the year for its public display over the summer months. In this context, 'Europe', both as a place and as an idea, holds a special significance. The ostentatious displays of European (or Western-looking) paraphernalia along Nador's seaside promenade during the summer months are performances conscientiously designed for the gaze of the observer, in many ways reminiscent of the *danse des griffes* of Congolese *sapeurs* described by Friedman (2008).<sup>9</sup> It is undoubtedly before the local

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<sup>8</sup> According to Jamous (1981), the dialectic of challenge and riposte in the pre-colonial Rif was based on oratory battles, murder *and* competitive displays of wealth. The cash inflow derived from emigration did not generate a new kind of social contest; rather, it intensified one that was already in existence.

<sup>9</sup> A Congolese, writes Friedman (2008: 236) 'can identify everyone's social rank in a crowd by their outward appearance.' The *sapeurs* occupy a special place in this hierarchy; they progress through a system of status which begins with the purchase of European 'ready-to-wear' imports and culminates in regular trips to Europe to acquire Parisian and Italian *haute couture* clothes to display them, back in Brazzaville, in a public performance known as the *danse des griffes* (the dance of the labels). This is, of course, an instance of a much wider phenomenon which has been explored at different times and by different scholars, from Veblen's (1899) work on the 'leisure class', Bourdieu's (1984) concept of 'distinction' to Miller's (1987) work on mass consumption or Appadurai's (1986) theories of value.

gaze that migrants reveal their connections to the outside world and that such connections become a marker of status and prestige.

Foreign goods play a key role in these ‘performances’. European and American cars, music, designer clothes, cigarettes, sport shoes and high-tech gadgets have become the new symbols of prestige of an emerging elite with little cultural capital to sustain their position.<sup>10</sup> The public displays of emigrants have successfully brought about a new form of aesthetic and social valuation based on the debasement of the local in favour of the foreign, the rural in favour of the urban, and the traditional in favour of the modern. The set of oppositions is only partly new. The contrast between ‘local’ and ‘foreign’ in fact relies on a more fundamental opposition between ‘the traditional’ and ‘the modern’. The terms used to draw this contrast are ‘*campo*’ (the Spanish word for countryside, which at times is replaced by the Moroccan term ‘*aroubi /ya*’, with the same meaning) and ‘*moderno*’ (the Spanish term for ‘modern’). As elsewhere in Morocco (see, for example, Newcomb 2004), in Nador the term ‘*aroubi*’ has strongly negative connotations. It is associated with a lack of dexterity in the ways of the urban elite, a poor education and a lack of fluency in both classical and Moroccan Arabic. People who are ‘*aroubi*’ are deemed uncivilised, crude and unsophisticated; they are what the English would call a ‘country bumpkin’. Anthropologist David McMurray noted the importance of this term over twenty years ago, when he wrote that

Having good versus bad taste in matters of home décor, automobile choice, house style, clothing, etc., rests on a Nadori resident’s ability to discern what is considered refined and what is rustic (*aroubi*) and then not mixing the two (2001: 65).

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From a more ethnographically-oriented perspective, Salamandra’s (2004) work is of particular interest. Writing on Damascene elites, Salamandra (2004) argues that, with economic liberalisation, social identities were increasingly negotiated and contested through competitive consumption and display and the ability to purchase expensive consumer goods became an important mark of elite status. In a city like Damascus, where —despite the rhetoric of a close-knit, ‘small town’ society— people often do *not* know one another, consumption displays take on a particular significance. The urban and demographic growth of Nador and the yearly return of thousands of young emigrants who do not generally know one another have generated a similar kind of dynamics.

<sup>10</sup> As McMurray (2001) has noted, emigrant households are usually of rural origin, and their relocation in the city is perceived by the local petit-bourgeoisie as a way of sidestepping the more traditional channels for acquisition of social status (i.e. by means of education and family name).

In practical terms, having ‘good taste’ meant emulating the practices of the urbane, educated elite, and distancing oneself from the rural ways typically displayed by Nadori emigrants. In other words, the contrast drawn at that time was one between the rustic manners of *emigrants* (most of whom did in fact come from the countryside) and the refinement of a *local* elite. It is clear then that ‘Europe’ has provided emigrants with a conceptual means to reverse the prevailing urban/rural dichotomy, allowing emigrants to distance themselves from their rural origins and generating a new dichotomy which sets them apart from non-emigrants as a whole. Today, it is the ‘modern’ (i.e. foreign, Western) taste of emigrants that is contrasted to the ‘rural’ ways of those left behind. Furniture, cars and clothes are regularly submitted to this relatively recent form of aesthetic—and, implicitly, moral—judgement. Everyone in the Rif can recognise and appreciate a Hammer, and conversations over which foreign car is best are frequent. What exactly makes something ‘modern’ when the origin is unclear or irrelevant is open to discussion; is orange a modern or a rural colour? Every woman in the room will no doubt have an opinion. Even animals are subject to this judgement; long-haired cats, every Riffian knows, are ‘European’, and therefore indisputably better than the tabby cats roaming the streets of Nador.

At the Spanish-Moroccan frontier, ‘modernity’ is a lucrative business. Goods smuggled out of Melilla flood the Nadori markets every week to satisfy a rising demand from emigrants and local youngsters for Western-like paraphernalia. Professional smuggling networks operating across the border are the key beneficiaries of the new demand, as are commercial establishments and import and export companies based in Melilla. The thousands of couriers who cross the border every day carrying their weight in shoes, clothes and other foreign gadgets are also at the service of this self-reproducing system. That most of the products emigrants proudly display were actually made in China seems to matter little; it is their ‘Western’ appearance that makes them valuable. The ostentatious displays of returnees, who have a vested interest in sustaining their newly-acquired position of privilege as the carriers of ‘modernity’, contribute to this value. But the appeal that all things ‘foreign’ hold for Riffians is far from unproblematic; in fact, the relationship between locals and migrants is fraught with ambivalence. The assimilation of ‘Western’ ways is seen as an intrusion on the Rifi moral order and, within the moral domain, ‘the modern’ and ‘the foreign’ acquire negative connotations. In this dialectical relationship, where

ideas about the authentic nature of Riffian identity are held up against supposedly Western practices, the source of prestige is simultaneously a source of defilement.

### *The dangers of modernity*

The Riffian community is imagined as a moral community. The rhetoric and practice of morality forms the basis on which the idea of a coherent, homogeneous society is built, and moral practices and principles are invoked as a means to mark a distinction between the Riffian community and a gradient of ‘others’ who are grouped together under the category of foreigners (Tar. *erbarrani* [foreigner], also *arumi* [Christian, and by extension, European]). Witchcraft narratives recount the story of the Riffian emigrant who, seduced by the charms of a European woman, lost his way and reason and broke ties with family and friends in the homeland, while rumours of Chinese traders feeding on stray dogs and cats in the port of Beni Enzar, across the border from Melilla, run wild. American Jews, I was told, planned the 9/11 attacks, while, closer to home, an ‘Arab’ woman keeps her fridge under lock and key while her children starve and beg from neighbours. The stories have a common theme that is by no means unique to Riffians; in a sense, all communities are moral communities.<sup>11</sup>

The contrast between moral and immoral peoples relies on a conceptual association between moral order and Islam found generally in the Muslim world; conversion to Islam and acceptance of the rules and principles of morality dictated by the Muslim tradition are the only means by which foreigners can be incorporated into the community. Stories of Spanish women who converted to Islam upon marrying a Riffian are often presented as examples of successful integration in the community (‘she prayed and kept Ramadan, and she would even wear the *jellaba* [the traditional Moroccan dress] and the *forana* [headscarf], like us!’). Similarly, signs that a ‘foreigner’ has adopted, however partially, the Riffian moral code are met with questions about his or her identity (‘what are you, a Spaniard or a Muslim?’). Local conceptions of identity are built on this association between morality and religion,

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<sup>11</sup> As Herzfeld notes, insofar as they imply a qualitative distinction between insiders and outsiders, moral terms can be seen as markers of lines of social and cultural inclusion and exclusion; ‘ultimately, the language of national or ethnic identity is indeed a language of morality’ (2005: 79).



which serves to mark the boundaries of the Riffian community vis-à-vis Melillan Christians.

The contrast resonates at different levels; if Nador is imagined as a moral space, Melilla is defined by its structural immorality. The opposition between Muslims and Spaniards is commonly brought up as a means to express the contrast between the Riffian moral order and Spanish moral 'disorder': amongst Christians, no strict rules seem to regulate the interaction between the sexes, women do not cover their bodies and behave immodestly, the boundaries between the private and the public domain appear to be blurred, and the norms of hospitality that characterise the Riffian community absent. This is a world where things that ought to remain hidden are exposed (women's bodies, intimate relations between couples, and so forth), and things that ought to be exposed remain hidden (generosity or hospitality towards strangers, for example). Differences in the 'real world' follow suit. Until very recently, for example, Nador was unofficially a 'dry' province.<sup>12</sup> Alcohol could only be purchased at one of the main hotels in the capital, a disreputable place situated in the centre of town and well known for prostitution; a place for foreigners, where no Riffian worthy of the name would set foot. In Melilla, however, Moroccan prostitutes walk the streets every night, and alcohol is available in every bar. It is known that young Riffian men travel to Melilla for this very reason. It is precisely this 'displacement' of transgression (both at the symbolic and at the material level) and its confinement to an enclosed, foreign space, that allows Riffians to maintain the idealised vision of a morally impeccable society at home, a theme that runs deep through Riffian discourses of identity.

Melilla, in this regard, functions as a gateway that allows Riffians to peer into a much larger foreign space which has long occupied, through emigration, a special place in the Riffian imagination. Many Riffians have never ventured beyond the Gibraltar Strait, and can only imagine what lies across the Mediterranean. Melilla is their window into the outside world, and Melillan Christians are the model according to which a broader category of 'foreigners' is imagined. The 'outside world', and particularly Europe, appears in local narratives as an imagined space of moral and

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<sup>12</sup> This changed with the establishment of the first large commercial store (a branch of a national chain of supermarkets) in the outskirts of the city in 2009. The establishment of this supermarket was, in fact, considerably controversial precisely because it sold alcohol.

‘cultural’ difference, a space of danger and anomie where transgressions of the moral code go unsanctioned. Their association with this foreign, tainted world puts emigrants in a structurally ambivalent position. Consider, for instance, the following fragments of popular songs at the time of my fieldwork. The first is a dialogue between a man and a woman; the second is the chorus of a song:

Song 1:

WOMAN: You are not my boyfriend you are my enemy...Why do you leave me and exchange me only for papers?

MAN: You don’t understand; now everything has changed and we all need money, and for that I need papers [i.e. residency permit].

WOMAN: Oh God, why do all the men want to go to Europe? For these [European] women you forget everything!

Song 2:

*Insha’allah* I will go to Holland. I will marry my neighbours because I have a big heart.

*Insha’allah* I will go to Holland...

The theme of betrayal is central to both songs: in the first, the man has betrayed his beloved by leaving for Europe; in the second, the possibility of betrayal (‘God willing I will go to Holland’) is rapidly foreclosed by making reference to an undisputed *tropos* of Rifi identity (despite leaving, ‘I will [still] marry my neighbours’).

Young female migrants dressed in a fully ‘modern’ style (tight jeans, no headscarf, perhaps wearing lipstick or a revealing blouse) are regularly ostracised by ‘respectable’ members of the community, and have to face stares, whispers and rumours wherever they go. By fully embracing the ways of ‘the outside world’, they had cut themselves off from the Riffian community.<sup>13</sup> But censure is not restricted to women. Stories of broken engagements and family betrayals involving emigrants are a common topic of conversation amongst Rifi women. During the long afternoons spent hosting and visiting, the fate of a young girl abandoned by her emigrant fiancée, the story of a migrant who was put in prison for trafficking heroin in Holland, or the minutiae of family disputes over a broken engagement are discussed at length. ‘My

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<sup>13</sup> Paradoxically, the harshest judgments came from male migrants, who were as obsessed with the reputation of female relatives as careless towards that of other women. The same young man who would try to persuade his sister to wear the veil and look down with contempt at women wearing bathing suits at the beach —as opposed to swimming fully clothed— would get together with his friends in the evenings and drive around hissing at girls.

cousin and I, we were engaged for a year’, a young girl says, ‘but it didn’t work ... because he lied’. Her fiancée was living in Spain and, one day, she tells us, he stopped calling her. Later, she found out that he was trafficking cocaine. ‘I would have forgiven him’, she says, ‘if only he had told me...’

Indeed, the well-known involvement of emigrants in drug trafficking serves only to confirm this image. Drug trafficking in Nador is largely dependent on migratory networks linking the province the main European capitals. Riffian emigrants and former emigrants run the ‘business’ locally and, often, internationally.<sup>14</sup> Drugs are sent on speedboats directly from Nador to the Mediterranean coast of Spain and distributed throughout Europe. Once in Spain, distribution routes follow those traced by Riffian emigration, and Riffian emigrants themselves are often in charge of the sale of the drug in their host countries. Until very recently these operations were carried out in plain sight; the Spanish newspaper *El País*, for example, reported in 2006 and 2007 that up to two hundred zodiac motorboats used for transporting hashish were based in the Lagoon of Mar Chica (Nador), with thirty to forty of them departing towards the Spanish coast several days a week each loaded with one to five tonnes of hashish.<sup>15</sup>

Unsurprisingly, prosperous migrants are often suspected of drug trafficking. Because of the well-known connections between emigration and drug trafficking, the source of emigrants’ wealth becomes, at best, suspicious. Particularly extravagant displays of wealth can thus make migrants the target of local gossip, and rumours about drug trafficking are quick to follow. People would frequently point at the costly cars emigrants drive around, or draw my attention to one of the impressive chalets which dot the outskirts of the city and say to me, by way of explanation, ‘drug-trafficking’. As a ‘collective representation’, therefore, Riffian emigrants are placed between an

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<sup>14</sup> The province of Nador is located 50 km east of the central Rif, a mountainous region of northern Morocco which hosts one of the world’s largest cannabis plantations. Since the mid-1980s, the hashish produced in the central Rif has supplied European markets, with the area of Nador playing a key role in the distribution and sale of the drug. In recent years, increased controls at European airports and ports have forced South American mafias to redirect cocaine distribution routes through Africa, and the eastern Rif has also become a centre for the distribution of cocaine into Europe. The assimilation of the South American cocaine trade greatly increased the volume of revenues generated by the drug business and, today, drug trafficking is one of the most important ‘industries’ in the region.

<sup>15</sup> See Cembrero, I. ‘La flotilla de la droga zarpa de Nador’, *El País*, 19/11/2006 and Cembrero I. ‘Golpe al narcotráfico en el este de Marruecos’, *El País*, 22/11/2006). Further articles in 2007 (Duva, J. ‘Lanchas de hachís a 120 por hora’, *El País*, 18/10/2007) and 2008 (‘Una “armada” de hachís, lista para zarpar desde Nador’, *El Mundo*, 12/05/2008) attest to the continuation of this trade.

imagined community which draws on a mythical orderly past and a foreign world of riches which promises wealth yet brings with it defilement. In this fiction ‘the outside world’ is simultaneously a source of prestige and a source of pollution, of prosperity and immorality, of good and evil. The following remark, made by a young Riffian emigrant who was spending the summer holidays with his family in Nador, illustrates this well:

If I wanted to traffic in cocaine it would be very easy for me. I know the people and the system. In fact, many people think I am a trafficker. It’s only because of my car. I’ve had so many Moroccan young boys approach me in Tarragona [Spain] to work with me [selling the drug in the streets]. They see the car and they think I’m in the business.

Of course, exchange, like consumption, is not simply an economic activity. It is a process inscribed in systems of values and relationships which are not exempt from contradictions, ambiguities and apparent inconsistencies. The ambivalent status of ‘foreignness’ as a category is evident in the Riffian context; the very same objects that emigrants display as a new symbol of social standing are also those who make them suspect. Tournaments of value are thus played in a field which is far from unambiguous, and here prestige comes at a cost.

### *Conclusion*

In 1971, anthropologist David Seddon wrote that ‘any study of social change in this area must consider in detail the constantly shifting and highly complex relationship between the inhabitants of the region —the eastern Rif— and “outsiders”, whether the latter are representatives of the central government, individual Moroccans from other parts of the country, or genuine foreigners’ (1971: 227). In this paper, I have tried to shed some light on the ambivalent and often contradictory relationship that ties the inhabitants of this region to ‘the outside world’, both materially and symbolically. The conflict between an economic structure reliant on contraband, drug trafficking

and emigration, and the ideal of an isolated, homogenous and virtuous community is at the core of this predicament.

Certainly, emigration has brought dramatic changes to Nador, not only economically but also socially and morally. The increased dependence of the local economy on emigrant remittances —and the well-known connections between these and the drug trade— have generated contradictions that are nevertheless revealing. Consumption practices are changing, as are the values that underwrite them, but the image of a traditional, moral community in conflict with ‘modern’ times and historically defined in opposition to the Christian ‘Other’ continues to operate as a powerful force amongst Riffians. In this dialectical relationship, where ideas about the authentic nature of Riffian identity are held up against supposedly Western practices, the association with Europe is both a source of prestige and a cause for suspicion. As the carriers of the new ‘foreign’ influence, emigrants have come to embody the conflict between a sometimes idealised, sometimes demonised, but always limitless West, and an imagined traditional North African society.

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## **Building state from below, fighting the drug trade**

### **The case of Guinea-Bissau**

Patricia Godinho Gomes\*

University of Cagliari (Italy)

National Research Institute-INEP (Guinea-Bissau)

[gomes@unica.it](mailto:gomes@unica.it)

#### **Introduction**

In the last fifteen years, Africa has experienced deep changes resulting in new social and political realities almost everywhere on the continent. These have led to an increasingly heterogeneous political situation. At times, these changes have been explained as part of the global change due to the end of the cold war and the break-down of the socialist block. At other times, specific African causes are put forward. In a certain sense, these processes have fragmented organized state structures and administration or indeed caused their collapse. Significantly, the adjectives used to describe the resulting structures of a number of African states have been consistently negative: “failing”, “failed”, “weak”, “soft”, “incomplete”, “collapsed” or “criminal”, are some of them (BAYART 1989, BAYART, ELLIS and HIBOU 1999, CHABAL and DALOZ 1999).

In this context, the example of Guinea-Bissau appears to be an interesting case study: a West African Portuguese speaking country where state building was made possible by the development of an armed struggle, in which the *Partido Africano da Independência da Guiné e Cabo-verde*-PAIGC, played a crucial role, and where embryonic institutions created during the colonial war were ill-adapted to the post-colonial period. In the last thirty years, the country has witnessed recurring conflicts, with growing social poverty, entrenched political instability and constant military intervention in the political sphere. Since 2004 Guinea-Bissau has apparently become one of the hubs of the cocaine trade on the West African coast (UNODC 2007; UNODC 2008; Konhert, 2011; INCB 2011; ICG, 2012). The ever increasing volume of illegal drugs transited by Colombian drug cartels through West Africa and through its national territory, ostensibly with the connivance of some military sectors and in close cooperation with high ranking statesmen, is strongly compromising democratization and state building processes. However, what emerges as an overriding concern is the question of state-building from below, in a “bottom-up” perspective, where Guineans can finally be part of a common social contract/project, i.e. what Patrick Chabal called “the politics of inclusion” (CHABAL 2011), and participate as key actors in the construction and consolidation of new State institutions. For the purpose of this essay, the state will be defined in a “national-territorial” sense, i.e. as the totality of its institutions, people and functions within its geographical borders and space (Patrick, 2006).

The article is divided in four sections. The first section analyzes Guinea-Bissau’s colonial legacy and its major social features. Here, I will give a brief account of Guinean social and economic structures, which will facilitate an understanding of the sequence of events marking the evolution of the postcolonial state. In the second section I will examine the chief reasons for state instability and

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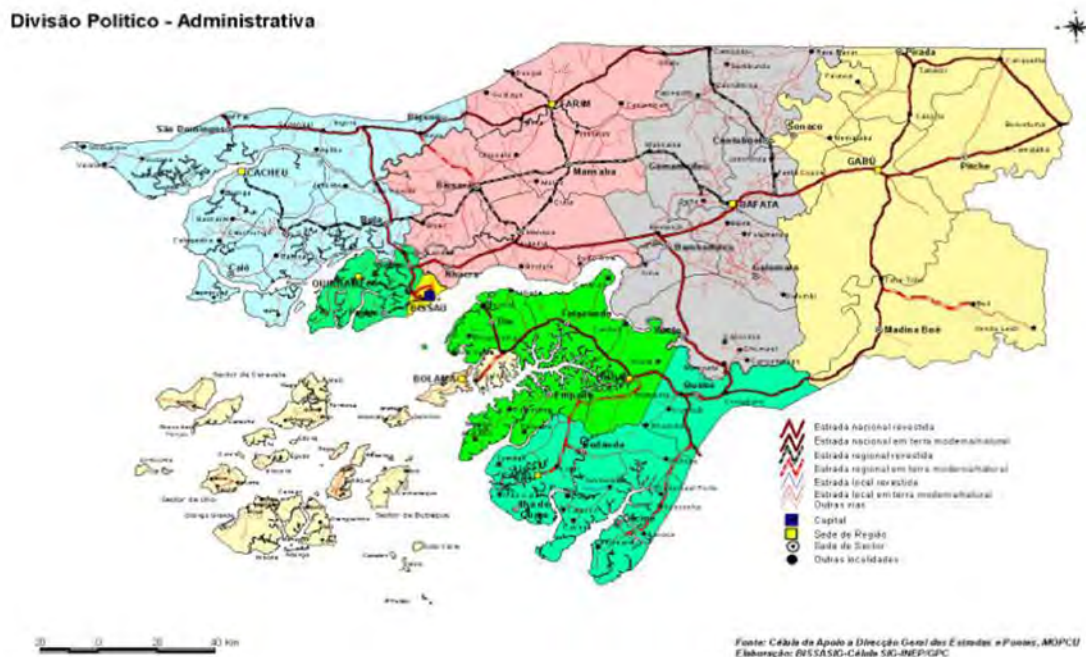
\* Patricia Godinho Gomes is a post-doctoral fellow in the Department of Social Sciences and Institutions, University of Cagliari (Italy). Her main research interests are the liberation struggle and State building in Lusophone Africa, particularly in Guinea-Bissau and Cape Vert islands, as well as gender and development issues in the Portuguese speaking countries.



social conflicts after independence (the conflictive relations between the “creole” elite and the military power and the role of the “heroes” of the liberation struggle); I will point to the reasons for the persistent presence of the military in political affairs. In the third section, I will focus attention on the employment of Guinea-Bissau as “transshipment state”, as Phil Williams defines it (2000), for drug smuggling within the West African region, and the causes of this phenomenon. In this section I will try to ascertain whether or not, or to what extent Guinea-Bissau should be labeled a “narco-state” (Bybee, 2009; Paoli, Rabkov, Greenfield and Reuter, 2007), or if it is merely a case of “state fragility”, where illicit trade is penetrating. The following section will analyze the Security Sector Reform (SSR) “dossier” and to what extent the reform is effectively a response from “below” to the call for state (re)building.

The present study is a part of a on-going research project that I’m currently working on as part of a research group of the National Research Centre of Guinea-Bissau (INEP<sup>1</sup>) entitled “The (il)legitimacies of *coups d’états* in Guinea-Bissau: the case of 12 April 2012”, with three other Bissau-Guinean scholars.

Guinea-Bissau map (administrative divisions)



### Administrative regions of Guinea-Bissau

Source: Saico Baldé, “Buba-Quebo: corredor de desenvolvimento no sul da Guiné-Bissau”, Dissertação submetida como requisito para obtenção de grau de mestre em Estudos Africanos-Desenvolvimento Social e Económico em África: análise social, sob a orientação da Professora Doutora Dulce Pimentel e do Professor Doutor Eduardo Costa Dias, Março 2008, (<http://repositorio-iul.iscte.pt/bitstream/10071/748/1/tese%20final.pdf>). Accessed in 10th April 2012

## 1. Historical background and social structures

The making of the postcolonial state was historically the first step following independence, and was not significantly different to the general ‘post-colonial’ context elsewhere on the continent. While on one hand, postcolonial states inherited strongly authoritarian forms of government from their colonial rulers, on the other hand, they took over particularly inefficient bureaucratic administrations (Nugent, 2004). Mamdani (1996) believes that the key to understanding the political evolution of African countries is to look closely at the

<sup>1</sup> The *Instituto Nacional de Estudos e Pesquisa* (INEP) was created in 1984, and it is

specific forms of power in existence under colonial rule. Therefore, before discussing the specific nature of the state in Guinea-Bissau and its fragility, it will be useful to give a brief overview of the most common political, administrative and economic features of the Portuguese colonial model in Africa, which was to influence their political evolution after independence.

Generally speaking, the vast majority of colonial states were authoritarian and inefficient. In the Portuguese colonies, the situation proved to even more accentuated in this respect, and this revealed itself to be an additional obstacle for the postcolonial governments, in endeavoring to create effective “nation-states” after gaining independence. Although there existed notable differences between them, Portuguese African territories shared certain common characteristics which were to influence their political evolution in the post-colonial era: the nonexistence of political representation, the deeply bureaucratized nature of administrations, and the attitude toward economic affairs, particularly the question of labor (Newitt, 1981). First, the legacy of authoritarian “Estado Novo”<sup>2</sup> and the anti-nationalist campaigns meant that the colonial state had developed a particularly unrepresentative form of government. As Chabal noted,

“no effort was made to allow for the expression of “native” sentiments, other than in the most perfunctory of advisory “representative” councils. No worthwhile elections took place, other than the ritual of the heavily undemocratic Portuguese presidential and legislative contests (...) finally, there was no attempt to set up political structures or to prepare African elites for the task of postcolonial government” (Chabal, 2002, p.43)

Therefore, within this framework, the African populations in Portuguese colonies had no experience of political participation, and no means to express their political convictions. The monopoly control of power during the colonial era stifled any kindling of plurality or free expression in political representation and clearly impeded the growth of political democratic institutions in the wake of independence. Secondly, Portuguese colonial practices were also highly rigid, making for inflexible and inefficient administration (Birmingham, 1999)<sup>3</sup>. The bureaucratic experience of Guinea-Bissau, Cape-Verde and São Tomé e Príncipe, colonies where potential resources for growth did not exist (as they did in Angola and Mozambique) and where most economic activity was directly or indirectly controlled by the state, was in this respect even more disastrous. Not surprisingly, no Guinean, Cape Verdean or São Tomean had any illusions regarding the purpose of the Portuguese administration, which was to subjugate and exploit the population as forced labour. In addition, considering their colonial experience, the political élites of the Portuguese colonies would have had no concept of how a modern bureaucracy might be designed to foster social, economic or political development. Thirdly, the colonial state’s attitude to economic affairs was equally narrow and one-sided. The Portuguese in Africa had carried on Salazar’s legacy enshrined in the view that the colonies should serve either as labor reserves or as producers of primary agriculture exports such as cotton, sugar and coffee. Thus, the role of the colonial state was not to encourage local economic initiative but to ensure profits for the metropolitan economy.

As regards Guinea-Bissau, it is widely recognized that Portugal did substantially less to promote economic and social development than they did in Angola and Mozambique, clearly the two most important colonies that offered greater opportunities for Europeans to

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<sup>2</sup>The “Estado Novo”, New State, was implemented in 1926 by the fascist regime in Portugal, led by Antonio Salazar. It was fundamentally a corporative, imperialist and nationalist model of State (see Malyn Newitt, *Portugal in Africa: the last hundred years*, Longman, 1981).

<sup>3</sup> However, in Angola and Mozambique the colonial experience did bring relatively rapid economic growth, fundamentally due to the fact that foreign investments overcame the rigidities of the bureaucracy.

establish settlements; they were also of greater geographical and strategic importance. Much like the rest of West Africa, Guinea was turned into a supplier of primary agricultural products. The production of groundnuts was made mandatory while emphasis was placed on other products which the Portuguese could profit from, such as the export of coconut, palm oil, timber and others<sup>4</sup>. Therefore, Portuguese Guinea was regarded as a 'settlement framework', in which the foreign presence was limited to ensuring that a military, administrative and commercial framework could control the local populations. The development of any form of industry had been prevented for two main reasons: firstly, to concentrate exclusively on agriculture (labor destined for the cultivation of peanuts), and secondly, in order not to compete with and undermine Portuguese industry (the development of local industry was considered a threat to the industry of the metropolis). Only a few transformation units (industrial processing plants) existed in the mid-early 1950s in Guinea. As Karibe Mendy (1993) pointed out,

"the efforts of nationalization that followed peace had been such that at the end of World War II Portuguese firms controlled nearly all African import and export trade"; this 'was achieved by coercive policies, such as forced labor and obligatory delivery of harvests to official centers of commerce (...) the production of agricultural exports in Portuguese Guinea (especially peanuts) was carried out without any fundamental shift from the traditional institutions'" (Karibe Mendy, 1993, pp.7-8).

From a legal viewpoint, the judicial status of Guineans had been laid down by the Colonial Act of 1933, which stated that Guinea, together with other colonies, was subject to a special judicial regime whereby the majority of the African population were to abide by the "customs and conventions" of their own traditional institutions, and were thus excluded from benefiting from the political and civil rights of the colonial state (Barbosa, 1947). The nature and practice of Portuguese colonialism was to maintain the colony in a condition of relative poverty, with few economic resources, and industries entirely dependent on external investment. As Carlos Lopes wrote (Lopes, 1984)

"local infrastructure was appalling: there were no roads, telecommunications functioned only sporadically, even in Bissau, which by 1950 was the chief urban center with a population of 20,000 inhabitants. There were no schools in the interior rural areas, and those in Bissau were reserved for the 'culturally assimilated' sector of society, which numbered a few thousand, mixed race people included. The Health service consisted of a handful of doctors' surgeries in the main commercial areas. The economy was merely limited to the trade in products that made profits for the Portuguese middle class merchants and the large store-owners Gouveia, which belonged to the *Companhia União Fabril* (trading union company) and the *Sociedade Comercial do Ultramar* (the overseas trading company). Economic stagnation in the country fuelled further problems and the exodus from rural country areas began to cause problems, given that there was no employment available for the new arrivals in the urban areas"(Lopes, 1984, p.32).

Guinea's social structure and society in the 1950s was basically a rural one, consisting of a semi-feudal group, the *Fula* (or *Peul*), and by an acephalous group, known as the *Balanta*. Given their totally different social organization and cultures, these two groups represented two opposite extremes in Guinean society. On the one hand, the *Fula* were Islamic with a more rigid social hierarchy and power structure, in which peasant workers were exploited by

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<sup>4</sup> On Guinea's colonial economy see Portugal's documents: *III Plano de Fomento para 1968-1973*. Lisboa: Presidência do Conselho, 1968; *Anuário Estatístico*, Vol.II. *Províncias Ultramarinas*, 1969. Lisboa: Instituto Nacional de Estatística, 1971.

chiefs to their own advantage, in collaboration with the colonial power, in order to maintain the status quo of traditional hierarchies. Their distinctive cultural homogeneity was actually an obstacle to their assimilation, since the Islamic religion and their social structure meant that their value system was greatly different to the system imposed by the Portuguese. The *Balanta*, on the other hand, had no marked social divisions, except for a council of elders in the community (or village) that deliberated on matters of community life. As Temudo noted,

“Balanta men are encouraged to accumulate cattle from a very young age, although the cattle they acquire do not belong to them as individuals; rather, the herd belongs to the whole descent group, and only the heads of the compounds can make decisions about the fate of the cattle. Similarly, the prohibition on developing major trade activities also placed restrictions on activities conducive to individual gain” (Padrão Temudo, 2009: 50)

Among the Balanta, there was collective ownership of the land and every family was assigned a piece of land to cultivate in order to provide for themselves. Among the semi-feudal Islamic leaders in *Fula* society, there was a kind of alliance with the Portuguese. Their power base was preserved by maintaining a form of equilibrium with the colonial administration. Thus, given their number and their ‘stateless’ condition, it was the classless members of the *Balanta* society that provided most of the impetus and militant support for the anti-colonial armed uprising.

The *petit-bourgeoisie* were naturally concentrated in the towns, particularly in the capital, Bissau<sup>5</sup>, and consisted of workers, especially sailors and artisans. It was here that the colonial administration focused its power and forces, particular in the form of police officers that were quick to quell and crush any form of protest or opposition. People were obliged to produce identity documents on demand, which was a means for the colonial authorities to control and register the movement of the population from one district to another. It was in this group of “African bourgeoisie” that the first sentiments of nationalism were nurtured, against the repressive measures put into effect by Portuguese colonialism.

Some scholars though, (Lopes, 1989; Santos, 1989) have argued that alliances between religious and ethnic groups did at times prompt resistance movements against Portuguese colonial occupation, and although this did not bring about the awakening of a Guinean national conscience, it did help to bring together divergent ethnic groups in the name of combating colonial repression. The Creole community also took part in the resistance, making their voices heard; being generally better educated and socially aware, they were indeed the precursors of the nationalist movement and the struggle for liberation.

The country reached independence in September 1973 by a unilateral declaration, and was recognized one year later by the Portuguese government<sup>6</sup>. The event was celebrated with uncommon praise throughout Africa and the world, because firstly, it signified the culmination of the militarily successful eleven-year armed struggle waged by the PAIGC against the Portuguese colonial army and secondly, Guinea-Bissau was placed on the

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<sup>5</sup>Although there was no strong and consolidated bourgeois class in Portuguese Guinea, because imperialism had impeded its development, there was a nascent social group, “an African petit-bourgeoisie”, which was able to take advantage of the colonial state apparatus (Cabral, A. *A arma da teoria. Breve análise da estrutura social da Guiné e Cabo-Verde. Fundamentos e objectivos da libertação nacional em relação à estrutura social. Portugal é imperialista?* Lisboa: Editorial Avante, 1984, pp.8-9).

<sup>6</sup> For an analysis of Guinea-Bissau’s liberation struggle see Mustapha DHADA, *Warriors at work: how Guinea-Bissau was really set free*, Niwot CO: University of Colorado Press, 1993; Patrick CHABAL, *Amílcar Cabral: revolutionary leadership and people’s war*, Cambridge University Press, 1983.

“international map”<sup>7</sup> due to Amílcar Cabral’s eloquent proclamation of the legitimacy of the country’s nationalist struggle, which helped increase the international visibility of the Party and of Guinea-Bissau itself. At the same time, the popular trust attained by the Party during the prolonged nationalist struggle and the party’s pragmatic success in organizing and directing that struggle, substantially enhanced domestic confidence in the ability of the new ruling party to contend with handling the country’s political and economic affairs (Chabal, 2002).

## 2. State instability after independence

As we have already noted the colonial legacy inherited by Guinea-Bissau was highly compounded to say the least: state apparatus barely extended outside the capital and was unable to execute its policies effectively; an isolated and immature state bureaucracy and a predominantly agriculture economy whose main cash transactions took place in unregulated markets<sup>8</sup>; the widespread informal personal patronage style of politics by which institutions became less important than ad hoc individual power networks within the state (Chabal and Daloz, 1999). The political development of the country, as Henrik Vigh stated,

“stands out as an exemplary case, characterized by what can be called stable instability (...) Guinea-Bissau has moved rapidly toward a postcolonial dystopia of unceasing patrimonial conflicts and rampant poverty” (Vigh, 2009: 145).

According to Mustapha Dhada, this process actually took root during the years of liberation struggle in that the charismatic and personalized leadership of Amílcar Cabral was decisive to the accomplishment of national liberation (Dhada, 1993).

The years following Guinea-Bissau’s independence were marked by continuing and wholesale economic and political instability. Seven years after the unilateral declaration of independence (1973), many vital problems remained unresolved. For example, the high priority agriculture sector (in terms of the country’s development), had fallen into serious recession; the production of rice and peanuts had diminished by up to 30%; investments in the industrial sector had been given priority, with a number of elaborate projects undertaken in the agricultural industry, which was in essence unsuited to the country’s nascent economy.

Levels of corruption in commerce were rampant, with foreign products being sold in the “Armazéns do Povo”, but without sale proceeds being officially declared. Social divisions had become palpable (Lopes, 1989, Forrest, 2002), and the state was more like a private company than a government with state institutions. This meant that, concurrent with a system that was democratic only in name, there developed a state controlled business network based entirely on personal patronage and vertical power relations between governors and the governed, i.e. the élite and the common people (Chabal, 1994). The economic crisis then spawned a financial one which brought the country to the brink of bankruptcy.

What should be remembered specifically about Guinea-Bissau is that its social stratification is a key factor in understanding and explaining the various conflicts (social, political and military) that have arisen there. For example, while it was the so-called “assimilated” Creole élite group that instigated the ideological movement resulting in the mobilization of

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<sup>7</sup> See Patricia GOMES, “The international politics of the Partido Africano da Independencia da Guiné e Cabo-Verde” *Portuguese Journal of Social Science*, volume 7, number 2, p.115-30.

<sup>8</sup> Formal markets can be either government-run or private whose dealings are recorded for tax purposes; informal markets trading takes place outside the officially known transactions (see Gracia Clark (Ed.), *Traders versus the state: anthropological approaches to unofficial economies*, Boulder CO, Westview Press, 1988).

the rural populations in the armed uprising, the vast majority of the population belonged to local ethnic groups (represented most significantly by the Balanta group), who claimed credit for initiating the move towards independence and also asserted their status as owners of the “land”, the territory covered by Guinea. Therefore, the power relations that emerged in the construction of the state, were essentially at odds with the ideology that had helped foster unity around the drive for independence. In such a scenario, while the *Partido Africano da Independência da Guiné e Cabo Verde* (PAIGC) assumed the role of the new governing political force, there co-existed a parallel social group that enjoyed prestige and pulled rank thanks to their role in the armed struggle, which they believed entitled them to social privilege and esteem in the country’s new administrative framework. Efforts at building a new state were thus confronted with and confounded by the difficulty of smoothly engineering the social and political processes involved in the construction of the Guinean state (Cardoso, 1989). The new state was thus unable to put into practice the ideology that had been responsible for mobilizing the rural populations and for bringing about the social gains demanded during the struggle. One example of this is the working of the national Education and Training system, which for the whole post-colonial period privileged the Creole community over the local ethnic groups (Lopes, 1988; Trajano Filho, 1993). As Monteiro has shown,

“the social acceptance and upward mobility of the «Mané» or the «Djalo» is greatly dependent on their degree of Creolisation, to the consequent detriment of native ethnic groups. This gives an idea of the difficulties that the new state had in handling racial and cultural diversity in the years after independence” (Monteiro, 1993: ).

The country has been going through a process of democratization since around 1990. So far, as argued by Lars Rudebeck, this process

“is shaky and vulnerable for being limited to the constitutional aspects of democracy at the expense of decentralised citizen sovereignty or autonomy in a substantial sense. Constitutionally and election-wise, this election is nevertheless real” (Rudebeck, 2009: 67).

With the exception perhaps of the three year transition period (1991-1994) to a pluralist system, the country’s political history over the past twenty years has been characterized by a series of political and institutional acts of violence that have blemished the nation’s collective memory (Djaló, 2000). Above and beyond the causes and ideologies espoused by political movements, the most serious ruptures in Guinean society have come about not from failed negotiation but rather as a result of political violence. Although the liberation struggle was a reaction against colonial subjugation, and motivated by a respect for human dignity, it was nevertheless an act of violence; another example of violence was the 1980 coup d’état known as the “Movimento Reajustador 14 de Novembro”, prompted and legitimated by the tensions between the two traditional ethnic groups: native élite and the Creole élite of Capoverdean origin<sup>9</sup>. Lastly, as Jean –François Bayart (Bayart, 1998) has pointed out, the military uprising on June 7<sup>th</sup> 1998 was also clearly another example of political and institutional violence sparked off by the Balanta population’s frustration at the way Nino Vieira used his power to exploit the rivalry between the blacks and the mixed race

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<sup>9</sup> L’assassinio di Amílcar Cabral nel gennaio del 1973 con il supposto coinvolgimento della polizia segreta portoghese PIDE (Policia Internacional de Defesa do Estado) e dissidenti del PAIGC ha avuto come finalità primaria mettere fine all’egemonia dell’élite capoverdiana ai vertici del partito, mentre i guineani erano chiamati a combattere pela liberazione della Guinea e del Capo-Verde (si veda Therno Djalo, *Traditions, métissage et pouvoir politique en Guinée-Bissau*, tesi di dottorato n° 448, Università di Ginevra, 1997)



peoples, favouring at times the defenders of traditionalist native current, and at others the Creole élite that supported the ethnic group from which he hailed, the Pepel<sup>10</sup>.

A number of scholars have addressed the question of the failure or diminishing role of the state in African countries, defining it either as empty and meaningless (Bayart, 1989, Chabal, 1996, Chabal & Daloz, 1999), criminal (Bayart et al., 1999) or governed by its own 'shadow' (Reno, 2000). As for Guinea-Bissau, a multi-party system was adopted in 1991 and democratic parliamentary and presidential elections were held in 1994; however:

“democratic institutions are in place, *but* civic and human rights are far from guaranteed and the level of life of the people is deteriorating in rural as well as urban areas (Rudebeck, 2009: 69)”

In his introduction to the dossier on Guinea-Bissau published in the *African Studies Review*, Lorenzo Bordonaro (2009) analyses the role of the state and makes the following claim: the apparent destabilization caused by the events of 2009<sup>11</sup> in Guinea-Bissau has shown that the state is neither in crisis nor collapsing, it has simply become “irrelevant as a contemporary state” (Bordonaro, 2009: 36).

The author points out that a number of analyses of African states have highlighted their true, underlying nature (i.e. associations of informal, commercially oriented patrimonial networks growing out of the relationship between a political authority and a clandestine economy), which William Reno has called the “shadow state” (2000) but that

“in present Guinea-Bissau we are not witnessing a further informalization of state politics or the appearance of new actors taking hold of the state structures. What is taking place is an overall shift in the political sphere through the creation of new power networks and alliances that largely bypass the state arena (...) a gloomy, potentially volatile situation in which not only national NGOs, state cooperation agencies, and international organizations but also factions of the army, tourism investors drug traffickers, and local rural authorities negotiate and compete in a political space that is (...) increasingly dispersed and horizontal and where the state is largely irrelevant and utterly powerless” (Bordonaro, 2009: 37)

It is therefore within this context of state fragility that, since the middle of the last decade, the international community has been focusing its attention on Guinea-Bissau, alleged in the last few years to be the first “narco-state” in Africa (Bybee, 2009; ICG, 2012). In the next section I will focus my attention on the reasons for the diffusion of this phenomenon and I will try to understand and explore its main reasons and the local reactions to it.

### 3. Drug smuggling in Guinea-Bissau

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<sup>10</sup> Tuttavia, questa opinione di uno dei più importanti africanisti francesi solleva un problema di interpretazione del conflitto del 1998 in un'ottica etnica. Innanzitutto sembrerebbe non considerare che il principale protagonista del sollevamento del 1998, il brigadiere Ansumane Mané, non era di etnia Balanta bensì Mandinga; secondariamente, è piuttosto difficile individuare in questo conflitto ragioni di carattere etnico-tribali, per il semplice fatto che si è trattato inizialmente di una crisi interna del PAIGC in cui le popolazioni erano completamente marginali e che soltanto l'intromissione di paesi terzi (Senegal e Guinea-Conacri) avrebbe rapidamente trasformato in un vasto movimento popolare, rivelando un profondo malessere e scontento nei confronti del regime di Nino Vieira. In questo caso, si è assistito semplicemente alla “confiscazione di fatto non soltanto del potere ma soprattutto della legittimità” (Djaló, 2000, p.32)

<sup>11</sup> See the next section.

### *The regional context*

Organized crime has long been a transnational phenomenon - and has become even more so in an interdependent globalised world economy. The drug trafficking industry was pan-national from the outset, simply because those countries that historically were the main growers, processors and manufacturers of narcotics were not the major consumers. Moreover, smuggling is an inherently cross-jurisdictional or transnational activity and one of the world's oldest professions, based as it is on differential opportunities for profit (Grahn, 1997; Phillipson, 1973). The end of the Cold War has meant the tearing down of boundaries, be these political, social or economic. The vast regions of Eastern Europe and the former Soviet Union were opened up to market capitalism and, in most cases, to different forms of participative politics. This provided new possibilities for drug traffickers. Since the 1980s and 1990s there has been a substantial increase in the phenomenon of illegal drugs markets, for the following variety of reasons. First of all, the globalisation of trade, technology, transportation, information and financial systems has provided new opportunities for criminal enterprises to operate across national borders. In this sense, the free trade system has made it easier to conceal illicit products among the vast amounts of imports and exports that move around in international trade. Secondly, globalisation has led to considerably greater movements of populations driven by a combination of push and pull factors such as ethnic conflicts that result in environmental degradation push to alluring prospects of economic and social betterment (pull). Third, with the massive growth in drug markets in the 1980s and 1990s, drug trafficking has turned into a problem of global proportions, not only in the United States affecting other large consumer countries such as those of Western Europe and Russia (Walker, 2002). They have also become a problem for trans-shipment states<sup>12</sup>.

Historically, cocaine has always been the drug of the Americas, produced and trafficked from the South, consumed in the North as well as in the South, though to a lesser extent. Colombian traffickers have dominated transnational smuggling in cocaine, trafficking the drug to the most lucrative markets via Central America and the Caribbean to the United States and across the Atlantic to Europe (Walker, 2002). However, this trend began to evolve from the early nineties as a result (among other reasons) of the increasing demand for narcotics in Western Europe and the impact of the new global economy on trafficking routes. Since cocaine draws more revenue in Europe given the lower value of the American dollar (UNODC, 2007), a new transit point in the trafficking route to Europe has emerged: West Africa.

The publication of a United Nations report in 2007 on the role of West Africa in the international trafficking of cocaine from Latin America to Europe caught media attention worldwide. It is especially in the past five years that the phenomenon has become rather alarming. About 50 tonnes of cocaine per year generates proceeds of almost 2 billion dollars, according to *l'United Nations Office on Drugs and Crime*-UNODC, which now considers cocaine trafficking not merely a problem but a serious threat to international security<sup>13</sup>.

### But why West Africa?

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<sup>12</sup> According to Phil Williams, transshipments states are states through which illicit products and services transit, and destined to host market states. These states are usually chosen according to some specific criteria: market of destination, libertà di circolazione, minore controllo e azione dello stato. In this case, corruption plays an important role while facilitating the transit of illicit products. Normally, the categories that are particularly corrupted are funzionari doganali, agenti di controllo delle frontiere (aerea, marittima e terrestre) e i servizi dell'immigrazione. Data l'incapacità di controllare l'intero territorio nazionale, la facilità di corrompere i funzionari statali e la relativa libertà di azione, i paesi in via di sviluppo sono i principali obiettivi dei gruppi criminali (Williams, 2000:10-11).

<sup>13</sup> United Nations Office on Drugs and Crime, *Cocaine trafficking in West Africa*, 2008, p.1. (la stessa fonte stima che un quarto del consumo annuale di cocaina dell'Europa, ovvero, tra i 135 e i 145 tonnellate, per un valore di 1,8 bilioni di dollari, transita attraverso l'Africa occidentale. Inoltre, la costa occidentale africana è anche via di transito dell'eroina proveniente dall'Asia destinata al Nord America (S. ELLIS, 2009: p.172).



Much has been written on the increase of drug smuggling in West Africa. The UNODC reports (2006, 2007, 2008, 2009, 2011) have warned that West African countries are “under attack”, as they are “poor”, weak”, and “unstable states” providing a “hub for illicit trade”. International public opinion has labelled West Africa as the “coke coast” (Johansen, 2008), and according to the 2011 International Narcotics Control Board report, “the political revolutions of North Africa in 2011 which aimed at establishing democratic societies, seems to bring a risk of drug traffickers exploiting periods in which drug law enforcement is weakened” (INCB, 2011: 44). Drug smuggling in West Africa has been cited as the most visible sign of a much deeper and destabilizing “illness” which is slowly but progressively encroaching on African states and institutions. Severe economic and social conditions, widespread corruption, conflict and post-conflict setups, permeable borders, failing national administrations, and a growing culture of impunity sustain the development of criminal practices as well as the pivotal role of the West African region in international criminal networks. The incapacity of state actors to methodically enforce the rule of law and guarantee the security of individuals and economic investors provides fertile terrain for the development of criminal enterprises (Andrés, 2008). On the other hand, economies founded on the exploitation of natural resources (mining or single-crop export oriented agriculture), and anchored in the conception of the state as a business entity has allowed for the growth of an environment where using institutional prerogatives for private goals is considered to be an “indicator of power”. All these factors have contributed to the increase of transnational criminal networks, and the *de facto* endorsement of a cultural model whose actors live with impunity, and enjoy political power, social prestige, and respectability. As Philip de Andrés noted

“the control and regulation of cross-border activities are critical for insuring peace and stability, and for promoting appropriate political and socio-economic activities needed to integrate West African economies” (Andrés, 2008: 204)

The smuggling of cocaine from South America through Africa into Europe has today emerged as a major global threat to security. It is of particular concern to the West African region and to Western Europe, where most of the cocaine is directed. The increasing number of large seizures of drug transiting from West African countries in 2010 and 2011 provides clear evidence of this development (INCB, 2011: 44-51).

Various studies have revealed that between 4 and 5 million ECOWAS<sup>14</sup> citizens travel on the freeways and through the frontiers of the community’s territory every month (Cissé, 2006: 47). This free movement of population is also a huge incentive to those involved in the escalating illegal drug trade.

### ***Local “unrestrictive” environment: is Guinea-Bissau a “narco-state”?***

Throughout the 2000s, Guinea-Bissau quickly developed into one of the main transshipment points for cocaine traveling from Latin America, specifically Colombia, to the European drugs market. As Dirk Khonert stated, drug “had obviously been stockpiled on an increasing scale by Colombian drug cartels since 2004, apparently with the consent of and in close cooperation with parts of the army and high ranking politicians” (Khonert, 2010: 10). The problem exploded

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<sup>14</sup> The Economic Community of West African States (ECOWAS) includes Benin, Burkina Faso, Cape-Vert, Côte d’Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

around 2005 and by 2007, when record cocaine seizures were reported from Guinea-Bissau and West Africa as a whole<sup>15</sup> (Johansen 2008: 4-5; UNODC 2007a; Mazzitelli 2007: 1075, 1087; UNODC 2007: 9-15). In the resulting chronic political instability there has been no sight of an end to the country's almost permanent state of crisis, as explained above. Hence, the country has what Ashley Bybee called a "permissive environment", which allows criminals to operate under limited legal, financial or other kinds of constraints. However, this is not quite the same as "ungoverned space", often used to characterize African countries where government is ineffective or governance is basically lacking. As the author mentions,

" (...) a permissive environment may have the semblance of a government but it is essentially conducive to illegal activity by failing to impose restriction or deterrents for such activity. Guinea-Bissau has a legitimate government and at least nominally adheres to certain democratic norms" (Bybee, 2009: 8).

This indulgent environment may be put down to three main factors: first, its geography. The country's 350 km of unpatrolled coastline and the Bijagos archipelago which has about 88 unpoliced islands (CIA World Factbook-Guinea-Bissau). The landing strips left over by the former colonial power, Portugal, during the liberation war, allow South American drug cartels to transport their "product" to these islands without any risk of detection by maritime officials or airport authorities; the frustration of the local police is palpable<sup>16</sup>. The fact that the government lacks resources and is inept at controlling its institutions properly, seriously limits the ability of the state to police its own territory. In a context such as this, worries about long term stability has simply encouraged public workers to resort to illegal means to ensure subsistence for themselves and their families; another critical factor is of course the financial rewards that entice them into illegal trafficking (UNODC, 2007: 11). In a country beleaguered with stark social inequality and unemployment (DENARP II, 2011), smuggling is a straightforward opportunity for rapid personal enrichment. Perhaps the most striking cause of Guinea-Bissau's permissive environment is the weakness of its institutions, most of which have never gained popular legitimacy and have never been made accountable for their actions. This aspect may have a lot to do with the secondary and clandestine involvement of political and military élite<sup>17</sup>, and to state criminality<sup>18</sup>.

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<sup>15</sup> Senegal, Mauritania and Ghana also posted enormous seizures according to the United Nations Office on Drugs and Crime-UNODC (see <http://www.unodc.org/documents/data-and-analysis/Cocaine-trafficking-Africa-en.pdf>).

<sup>16</sup> According to some police officers, they're no means to combat the narco traffickers; as they stated, "we have no cars, no petrol, no radio, no boats, so what are we supposed to do, bite them?G" ("*Guinea-Bissau: Africa's First Narco State?*", [http://www.africa.upenn.edu/Articles\\_Gen/guinbisauhorta.html](http://www.africa.upenn.edu/Articles_Gen/guinbisauhorta.html), accessed on April 2012)

<sup>17</sup> According to Corrine Dufkta from Human Rights Watch, "the army plays a key role in criminal activities. Instead of dedicated themselves to the security of the country, they're dedicating themselves to criminal exploits [cited in Paulo Gorjao, "Guinea-Bissau-the inescapable feeling of *Dejà Vu*, IPRIS, Lisbon, 2010, p.5]

<sup>18</sup> **La criminalità dello stato è un fenomeno relativamente recente ed ha avuto maggiore attenzione con l'aumento del crimine organizzato transnazionale e con l'aumento dei livelli di corruzione negli stati. Si è di fronte alla criminalità dello stato quando gruppi criminali utilizzano la corruzione e le reti di influenza, di estorsione e di coazione per indebolire le istituzioni statali, economiche e sociali di un determinato paese, attraverso pratiche corrosive. La coesistenza di uno stato di diritto (e dell'ordine interno) e la corruzione generalizzata crea un ambiente adatto all'attuazione delle reti criminali. In questo quadro, lo stato può svolgere due ruoli distinti: stato criminale, in cui vi è un partecipante attivo diretta o indirettamente nelle attività illecite, oppure la presenza della criminalità nello stato, la dove lo stato è un attore passivo, corrotto dai gruppi criminali** (Phil Williams, "Crime and Corruption: The Role of State Collusion", *Jane's Intelligence Review*, Surrey. Vol. 12, n. 9, 2000, p. 10-11).

The 2009 political crisis triggered by the assassination of the chief of the National Army, General Tagme Na Waie, and of the Head of the State, João Bernardo “Nino” Vieira, was attributed to the growing factionalism within the military. It was probably also connected to the intensifying of organized drug trafficking (ICG 2009: 1; 3-4). Furthermore, in 2010, an unsuccessful coup d’état in Guinea-Bissau seemed to have been instigated directly by the drug cartels based in both Guinea Bissau and Guinea Conakry (Kohnert, 2010: 12). Under such conditions, Guinea-Bissau appeared to have fallen totally into the hands of drug traders (Ellis, 2009: 191). For some scholars, it has even become the clear-cut case of the first African “narco-state” (Bybee, 2009: 18; Johansen, 2008: 4). Nonetheless, by what criteria might a “narco-state” be defined? Can Guinea-Bissau be considered a “narco-state”?

We need to provide an universally accepted definition of a state, and see whether Guinea Bissau fits into such a description. According to Stewart Patrick (2006), the main function of a state is to ensure its citizens have access to basic goods and services, and its strength or weakness should be measured by its ability to guarantee effective goods and services. All states have four basic functions to fulfill: guarantee national security (paramount), economic opportunities for its citizens, social welfare and the assurance of its own political legitimacy within its territorial borders (Patrick, 2006: 29). Various categories of states exist: strong states, fragile states, failed states, collapsed states. The definition of a fragile state, the one we need in our specific case, is as follows:

“ it faces major challenges in its development, such as a lack of good governance, poor administration and a legacy of conflict (World Bank, 2007: 40). The further degeneration of a fragile state is, then, the prelude to the next phase of being a “narco-state”.

According to Ashley Bybee (2009), a narco-state can be defined as

“an area that has been taken over and controlled and corrupted by drug cartels and where law enforcement is effectively nonexistent” (Bybee, 2009: 18).

But the concept of “narco-state”, as debated by Paoli, Rabkov, Greenfield and Reuter (2007) supposes the existence of a devastating expansion of drug trafficking and consumption. Citing the example of Tajikistan, the authors define “narco-state” as a state where

“leaders of the most powerful trafficking groups occupy high-ranking government positions and misuse state structures for their own illicit business [where] this superimposition has led to the emergence and consolidation of relatively large and integrated drug trafficking enterprises controlling and increasing their share of drug smuggling markets” (Paoli, Rabkov, Greenfield and Reuter, 2007: 952)

Three factors seem therefore to be fundamental in defining a “narco-state”: the economic evidence of drug trafficking, the direct involvement of a number of regions of a country in the illicit trade (production and consumption), and the growing presence of large and integrated

smuggling enterprises. Moreover, in a “narco-state” a large proportion of local groups in the population become dependent on the revenues generated by the illicit trade, which emerges as the country’s principal export (Paoli, Rabkov, Greenfield and Reuter, 2007). In the specific case of Guinea-Bissau, while the country is undoubtedly vulnerable<sup>19</sup>, there is no evidence of the factors mentioned above. As regards the economic impact of drugs, Ashley Bybee (2009) points out the sudden increase in cash injections into the Guinean state from 2005<sup>20</sup>, as Foreign Direct Investment (FDI). According to the author, these cash investments have most likely originated from drug smuggling, considering that “groundnuts are the only commodity to speak of, and it is doubtful that global demand has increased so much as to warrant such a dramatic increase in FDI” (Bybee, 2009:12).

After a long period of recession at the beginning of the 2000s, the Bissau-Guinean economy began to pick up in 2007 and grow from 2008 onwards. Indeed, despite the unfavourable conditions (the instability in politics and the country’s institutions and the effect of the global economic and financial crisis), the growth rate was 3.1% between 2008 and 2009, a sharp improvement on the previous two years. This improved growth came about thanks largely to agriculture, in particular to exports of the cashew nut<sup>21</sup>, which notably improved the standards of living of the local (especially rural) populations (DENARP, 2011:8-9, 29). Clearly, then, the country’s economic growth was due primarily to income generated by exports of the nut rather than from Foreign Direct Investment.

In response to those who insist that illegal trafficking is taking place in several of the country’s regions, the truth, as mentioned above is that it is limited to a few small uninhabited islands of the Bijagos archipelago. Furthermore, cocaine is not produced locally and so is not one of Guinea Bissau’s export products, although consumption has risen, despite the prohibitively high cost of the drug for most people (P.O.N., 2011-2014)

With regard to the participation of local groups of the population and their dependence on drug smuggling revenues for their livelihood, little is actually known about the recruitment criteria of the trafficking groups and who exactly is directly involved, apart from the military hierarchy, as supposed. It is more than likely that *Aguentas*<sup>22</sup> are used as local “resources” in smuggling operations. They are an irregularly recruited and poorly trained militia, chaotically constituted during the 1998-99 war to sustain the government and the President of the Republic. Members did not hold military rank, and were confined to the bottom of the military striking order (Vigh,

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<sup>19</sup> Guinea-Bissau is one of the smallest countries in the region and one of the poorest in the world. The country presents a very low index of human development (164° in 169 countries). The main factors that explain the low HDI are, above all, the poverty (that affects 69,3% of the population) and the extreme poverty (that affects 33% of the population) associated to low rent, a low life expectancy (48 years), and gender inequalities [see *DENARP II-Segundo Documento de Estratégia Nacional de Redução da Pobreza (2011-2015)*, Ministério da Economia, Plano e Integração regional, Bissau, June 2011)

<sup>20</sup> According to UNCTAD, the Foreign Direct Investment (FDI) in Guinea-Bissau was in 2006 42 million US \$ (see Bybee, 2009: 12).

<sup>21</sup> L’anacardo è il principale prodotto di esportazione della Guinea-Bissau. Nel 2005 il paese ha esportato 10.000 tonnellate, nel 2009 135.500 tonnellate e, nel 2010 122.300 tonnellate (DENRAP, 2011: 29-30).

<sup>22</sup> The *Aguentas*, that in Kriol, the national language of Guinea-Bissau, is “helpers” or “supporters”, was the popular name given to young men from the township, Bissau, that were mobilized by government during the 1998-99 war, in the absence of backing from general population (see Vigh, 2009: 146).

2009). This auxiliary role as emergency helpers (troops only to help in war), makes them prime candidates to be employed in the illegal trafficking. Citing an eye-witness account by a Nigerian drug law-enforcement official, Stephen Ellis says that the “Bissau-Guinean army cooperates with drug traffickers to the extent of using military premises to stockpile cocaine awaiting shipment to Europe (Ellis, 2009: 191-192). Still, this doesn’t mean that “significant local groups become dependent” from the resources of drug smuggling. The evidence shows that Guinea-Bissau seems to be more a fragile state where a situation of precarious instability has attracted narco-traffickers, than a “narco-state” *stricto sensu*. Up to now, state fragility has been considered as the central question in Guinea-Bissau’s politics and development. Administrative and political structures which curtail the effectiveness of territorial control and the battle against smuggling seems to be threatening not only the process of peace consolidation but poses a new global security threat (Konhert, 2010: 11). The biggest obstacle, however, is the state institutions’ lack of willingness or capacity to perform core state functions in the area of security, representation and welfare.

#### **4. The Security Sector Reform: building state from below?**

Since 1989, security has been the major concern of West African sub-region countries, and the Economic Community of West African States (ECOWAS) has indeed become better known for its accomplishments in peace and security (with the ECOWAS Ceasefire Monitoring Group, ECOMOG, as its major keystone) than for its economic integration credentials.

From a relatively narrow perspective, the security sector is defined as comprising

“those institutions which have been entrusted with the protection of the state and its citizens, based on a monopoly of the use (or threat of use) of coercive force, that is military, paramilitary, intelligence, police, and penal forces. It also includes civil authorities mandated to control and oversee these agencies” (Ebo, 2004: 3)

According to this definition, what is required is not mere incremental adjustments (defined as reform) in the security sector, but rather a transformation which institutionalizes transparency and accountability as the basis not only for an operational security sector, but also for governance as a whole. Thus, in order to be viable and sustainable either at state or sub-regional levels, Security Sector Reform<sup>23</sup> must lead to security institutions which should be able to respond to the threats faced by the populace, and not merely by the government (Ebo, 2004). It seems clear, therefore, that the main task of SSR agenda in West Africa is the articulation and operationalization of a transformative people-centered conception of security.

The roots of the succession of political-military crises in Guinea Bissau lie in the mid 1970s of the last century, the years when the post-colonial state was first formed (see section 2). Among the causes are the unresolved question of the demobilization of the combatants in the liberation struggle, the army's continued meddling in politics; given that the Armed Forces of the People's Revolution (FARP) were created during the fight for independence in the 1960s as the armed wing of the liberation movement PAIGC (Koudawo, 2001: 141), they had acquired hero status for their role in constructing an independent state (Gomes, 2010). However, the expectations of the people

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<sup>23</sup> From this moment SSR.

and the members of the military would soon turn sour from dissatisfaction with the new political class. Low levels of pay immediately after independence and the succession of economic crises had unleashed waves of protest within the Armed Forces. Little or nothing had been done to address the very serious problem of helping to re-integrate the ex-freedom fighters into society. The large number of demobilised troops had effectively been abandoned by the state institutions (Lopes, 1988: 45). The mounting disgruntlement within the military was to spark off the first coup d'etat in independent Guinea Bissau, in November 1980 (Lopes, 1988: 48-53); it was the first clear alarm bell that structural reform of both the state and the army were urgently needed.

By the end of 1998-99, it had become clear that the implementation of the SSR had become a priority in both national and international agendas, in that it would pave the way to the consolidation of peace and the building of a democratic state (Handem, 2008; Roque, 2009). In 2006, the Bissau-Guineans elaborated a National Strategy for the Restructuring and Modernization of the Security Sector, a document that was the fruit of combined efforts by the government and its partners to give concrete shape to the SSR. The official launch of the document containing general guidelines for plans of action in the three areas of Armed Forces, Security Forces, and Justice, took place in 23<sup>rd</sup> January 2008. According to the document, implementation of the reform would be undertaken by three committees: 1) the Inter-Ministerial Committee (a small council of ministries of the SSR); 2) the Steering Committee (formed by ministers, government representatives, local authorities, and the international community; the Coordination Technical Committee (working-level groups made up of national and international experts) (Girão de Sousa, 2009).

From 2006 onwards, several international missions were set up in Guinea-Bissau, the most important of which was the European Security and Defense Policy (ESDP) Mission, specifically designed to deal with the task of reforming defense and security, which was deployed on the ground in June 2008. Its major objective was to operationalize the National SSR strategy by ensuring the effective implementation of plans for rationalizing and restructuring the Armed Forces and security sector. Moreover, the mission was to provide training and equipment, and facilitate any subsequent mobilization and engagement by donors. Its main role was to support Interpol's National Central Bureau in Bissau in the planning and development of a workable criminal investigation strategy.

Nevertheless, the general consensus is that despite the important role played by various international missions, the results achieved so far by the RSS have been limited and most unsatisfactory. It seems to have remained entrenched in a theoretical framework, managing only to make some headway in legislative reform and carry out a census of the Guinean Security forces. What are the reasons behind this new impasse?

Firstly, the de facto non-participation of local actors in implementing the process as well as the notable lack of involvement of the military, paramilitary and *ancients combatents* in the process of planning and putting the reforms into effect. This inevitably led to what can only be defined as the "non acceptance/recognition" of the SSR's very own tenets and guidelines, which were that it should be accepted and elaborated within the society for which it was created" (Donais, 2008; Correia, 2008) on the understanding that all social actors recognize it as legitimate. In the case of the Guinea-Bissau's National Strategic Document approved in 2006, while it formally appears to be Government strategy, in practice it is based on principles and requisites laid down by the international community: the whole process has been devised and conducted by international rather than homegrown actors.

The "non acceptance/ recognition" of the Reform by the military class as well as by society as a whole means that it is not a process initiated from below. The barring of some sectors (youth organizations, women associations, traditional representatives, rural world) from the SSR created a

huge gap which tended to distance the state from civil society, who view the process as something imposed from above. This behavior meant that the international community lacked critical knowledge and comprehension of the local history and of the key local actors in the process; while there is good knowledge of the political, economic and social aspects of the country, most of the international actors ignore the dynamics of local communities, and show little flexibility in working with institutional mechanisms and the resolution of problems, resorting instead to pre-defined models to understand Guinean realities (Correia, 2008). There were, in addition, delays in launching projects for which considerable financial resources had already been allocated (restructuring the military quarters, training and professionalization of the Armed Forces), though important work was carried out in the international mission's head offices in the capital, Bissau; the SSR was conceived as an integrated reform process, transparent and inclusive, a process with very ambitious principles and rules (human security, democratic norms, justice, civil society involvement in the security and development of national politics, public administration reform based on transparency and accountability, among others), difficult to implement in post-conflict societies and in states politically and institutionally fragile, where there is often little expertise, few resources or insufficient stability for profound change to come about. This latter aspect, strictly connected with the question of "favourable reception" is the question of the ????????????????????. To make the SSR effective in Guinea-Bissau, it will first be necessary to reform quarters, and then to directly involve civil society. The main protagonists of the process, as indicated by Miguel de Barros<sup>24</sup>, should above all be the military class (officials and soldiers), and the responses should come from the bottom-up. Yet, it seems to be important to give more visibility to the positive actions that have been carried out by the international actors (such as legislation) which the population ignore. The previous experience in the SSR sector demonstrated that Guinean actors are too fragile to follow through with Reform. The last mission led by the EU gave important insights: it is clearly essential to include in the SSR process political actors, military class and civil society, in all the steps (from the conception to the implementation and monitoring). Last but not least, it is extremely important to know how long the Reform will take, how many soldiers will be discharged from service, which role the international actors will play, who will coordinate the process and what the exact costs will be, who will finance the Reform through to its conclusion, and what the Bissau-Guinean society and state will gain by it. All these issues need to be clarified before the enactment of the SSR.

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<sup>24</sup> Interview with Miguel de Barros, sociologist and associate researcher of the National Research Institute of Guinea-Bissau, INEP, 2011.

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## **Fuelling Instability: Power and Petrol in the Goma-Gisenyi Borderland**

Hugh Lamarque

### **Abstract**

Exploiting opportunities afforded by the DRC-Rwanda borderland, the *Association des Petits Pétroliers du Nord Kivu* (A.P.PE.NO.KI) has begun to monopolise the second-economy distribution of gasoline throughout the frontier city of Goma. This group increasingly mirrors the Congolese state's top-down political organisation, forming structures that exist parallel to it. I argue that interactions between A.P.PE.NO.KI and the state occur along a number of tiers that transect their respective hierarchies, and lead to a *de facto* institutional integration of the two. What results is a horizontal proliferation of domestic sovereignty that contributes to the ongoing fragmentation of the Congolese state.

## Introduction

There is a clear imperative to develop a better, localised understanding of petroleum's distribution in the adjacent border cities of Goma (DRC) and Gisenyi (Rwanda). The site has been plagued by rampant insecurity and criminality, and has proven to be a hotspot for wider regional conflicts over the past two decades. North Kivu Province, of which Goma is the capital, remains particularly volatile (see Vlassenroot & Raeymaekers, 2009; Sematumba et al., 2010). Petroleum is essential to everyday activities throughout the region, while subject to unreliable supply and prone to exacerbating political instability. It acts as a powerful lens through which to examine the interaction between state and non-state<sup>1</sup> actors, and offers a unique perspective on broader themes relating to sovereignty and security.

The central research question addressed here relates to how tensions between Congolese state officials and the *Association des Petits Pétroliers du Nord Kivu*<sup>2</sup> impact upon formal state authority in the Goma-Gisenyi<sup>3</sup> borderland? It has been well established that the international border dividing the two cities represents a site of opportunity that functions to empower local actors (see Doevenspeck, 2011). I argue that with respect to petroleum distribution, this power is concentrated on the Congolese side, where Goma forms a node in a chain of international commerce. Here non-state trading networks<sup>4</sup> thrive due to a combination of lax regulation and significant market demand. In recent years, A.P.PE.NO.KI has increasingly come to monopolise Goma's second-economy<sup>5</sup> petroleum trade. The organisation has adopted a sophisticated political configuration that resembles state institutions and exists in a form that is structurally parallel to them. Constant interaction between A.P.PE.NO.KI and the state acts to reify particular forms of local statehood in a manner that contributes to the ongoing fragmentation of the Congolese state.

What follows is organised into four sections. The first examines recent analyses of state authority in borderlands, as well as the political economies of these regions. It aims to outline relevant theoretical tools that have been deployed in navigating the borderland context. The second section outlines the methodologies adopted during the period of fieldwork on which this paper is based. The primary mode of research employed was of structured and unstructured interviews carried out with individuals directly involved in distributing petroleum throughout Goma and Gisenyi. This section offers justifications for the approaches adopted and reflects upon the limitations of the study. Section three focuses specifically on petroleum, and the

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<sup>1</sup> The term 'non-state' is used throughout this study to refer to groups and organisations operating outside of the formal hierarchies that make up the institutions of state. Although interaction with state agents is common, representatives of these organisations do not hold state-sanctioned positions of political authority.

<sup>2</sup> 'The Association of Small Petroleum Traders in North Kivu', henceforth 'APPENOKI', a non-state organisation involved in petroleum distribution in Eastern DRC.

<sup>3</sup> 'Goma-Gisenyi' refers to the combined urban environment of the two cities.

<sup>4</sup> For the purposes of this study, 'network' refers to a group of individuals or organisations involved collectively in a single economic venture. Thus APPENOKI is both a network in itself – employing a variety of actors in the distribution of petroleum throughout Goma-Gisenyi – as well as a part of a much larger trans-national network that supplies petrol to the whole region. The term is used interchangeably with 'trading collective'.

<sup>5</sup> By 'second economy', I refer to economic activities that circumvent state economic regulations (Roitman, 1990:677, see also Titeca 2006)

organisations that distribute it in Goma and Gisenyi. This includes data on petroleum pricing, as well as on where, how and by whom it is distributed. A.P.PE.NO.KI is identified as a key player in the trade, and the organisation's structure is outlined in detail. The final section unpacks local narratives on cross-border trade, in particular those relating to the economic discrepancies between the twin cities. Goma's political economy is shown to accommodate and empower the A.P.PE.NO.KI organisation. This section considers the political implications of interactions between A.P.PE.NO.KI and Congolese state representatives and the impact of these negotiations on state sovereignty.

## **1. Political Processes in African Borderlands**

Recent analysis of territorial state boundaries has been shaped above all by their paradoxical capacity to both divide and unite (Nugent & Asiwaju, 1996). Developed over time, cultural and institutional differences combine with regulatory discrepancies in a manner that produces significant cross-border imbalances. For the most part, the greater these imbalances (be they social, economic or geographic), the greater the opportunities they provide. The result is that neighbouring populations living in proximity to an international divide are often brought closer together by their privileged access to the 'best of both worlds' (see Anderson & O'Dowd, 1999; Feyissa & Hoehne, 2010).

In as much as the border is a site of opportunity, it is also a source of power<sup>6</sup> (see Das & Poole, 2004; Kopytoff, 1987). It has been well established that a state's controlling influence very rarely extends evenly to its territorial limits (Hansen & Stepputat, 2001; Bierschenk & Sardan, 1997). Rather, in the state's margins exist borderlands: inhabited territories that hold relatively loose union with state power centres. The existence of a border necessitates a variety of roles, and produces unique relationships that define local power structures in the surrounding area. Such boundaries, as Zartman (2010:4) writes, are not 'passive agents', but instead actively inform the development of different identities. Analysis to this effect challenges an international relations model in which the ideal-type border would form a clean break between two political 'like units' (cf. Waltz, 1979:96). Instead, modes of governance completely divorced from state control are often seen to flourish around borders, and frequently emerge in contestation with powers at the centre. In extreme cases, the state in the borderland comes to act as just one political institution among many, and can be harnessed, or 'colonised', to serve the interests of non-state actors (Das & Poole, 2004; Zeller 2010). The upshot is a 'polyform scenario' of local governance that, as Roitman (1990:695) argues: 'articulates itself via the intersection of various agents'. It is only through examining in detail the specific points of contact and exchanges that occur between the different political spheres that a localised interpretation of broader power-relations can be established.

The existence of a multiplicity of political spheres in African borderlands challenges the applicability of Weber's notion of sovereignty as characterised by the monopoly over legitimate use of force (cf. Weber, [1922] 1978:54). Focusing on contexts of state incapacity, Englebert (2009) contends that sovereignty across much of the

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<sup>6</sup> In this context, power is understood in the 'civilisational' as well as the coercive, political and economic sense (Zartman, 2010:3). It is external to actors and emerges from their interrelation (see Foucault, [1976] 1998).

African continent offers no indication of the domestic legitimacy or basic capacity of the states that harness it. Instead, he argues that it stem solely from the international recognition of the statehood of particular institutions. According to Englebert, domestic sovereignty, and with it legal command, are reproduced throughout society, where they can be exploited for the acquisition of resources (*ibid*: 62). State representatives share in the power to exclude other social actors altogether from the legal sphere, outside of which they can be subjected to any form of brutality (Englebert, 2009; see also Agamben, 1998). They are, as a result, better equipped to exert control over a population than non-state groups that lack their law-making capacity.

In cases of state weakness, sovereignty tends to proliferate. It acts as an adhesive, holding together otherwise unwieldy institutions by allowing more individuals to share in the benefits of a sovereign role (Englebert, 2009:99). Simultaneously, other institutions often assume functions otherwise associated with the state (Lund, 2006). Public authority emerges from this plethora of political actors only as: ‘... the amalgamated result of the exercise of power by a variety of [...] [institutions] conjugated with the *idea* of the state’ (*ibid*. 686, author’s emphasis). Lying between state and society, such contesting political authorities have been labelled ‘twilight institutions’ (*ibid*.). The sovereign authority of the state relies on its ability to define the margins these groups inhabit, and failure to do so can prove destabilising (Zeller, 2009:140). Since the idea of the state is subjected to constant reinterpretation in borderlands (see Chalfin, 2001), it is here that the schisms between included and excluded are often especially blurred.

A number of theoretical concepts have proven useful in demystifying the political economy of borderlands. The first is that of the commercial node, which has been identified at sites where well-trodden international trading routes intersect with state boundaries. Such nodes punctuate the chains of commerce that connect Central Africa to the global market. They have been shown to produce highly dynamic sites, bringing the local setting into contact with processes taking place much further a field (see Zeller, 2010). In any analysis of cross-border trade, it is crucial to recognise the role played by these longer chains. They result in a form of localised globalisation in which border towns that lie on trading routes become sites of ‘trans-national governmentality’, manifesting very different characteristics from the surrounding hinterlands (Zeller, 2009; Jackson, Crang & Dwyer, 2004). Often, what emerges is a bourgeois class comprised of trans-national, informal traders capable of exerting significant political influence (see Raeymaekers, 2010:581).

The political phenomena manifested in borderlands constitute much more than just minor setbacks in the otherwise teleological expansion of centralised state control. Indeed, there are countless examples of sophisticated rationality behind the way things operate around borders. Considering this, a second practical concept is that of the *terroir*, defined by Roitman as:

[...] [A] means of understanding regional variations in terms of demographic, ecological and/or migratory regimes, as well as social categories posited against one another in socio-economic struggles. [...] [B]ecause the persistence [and] transformation of indigenous systems is considered in terms of *la longue durée*, variations are not understood as aberrations, but rather as specific histories which have experienced moments of upheaval and sedimentation. (Roitman, 1990:690)

Adopting this framework, specific borderlands come to be regarded as geographical solidarities, with a view to the long-term strategies of contesting groups and organisations (Roitman 1990:960; see also Bayart 1989). The *terroir* concept highlights the tensions that emerge between what Nugent (2002:233) terms the ‘spatial singularity’ of the borderland, and the ‘national typicality’ of the territory in which it lies. At the same time, the concept brings into focus the temporal element of processes at play, and helps to circumvent superficial analysis in which borderland phenomena are labelled as short-term ‘pathologies’ (Roitman 1990:959).

Economic activities in borderlands are often labelled ‘informal’ in opposition to state-sanctioned operations. However, the notion of the ‘informal trading network’ suffers from overuse, and has become somewhat amorphous. This is particularly evident in borderland contexts where the distinction between formal and informal is blurred by overlapping political authorities. Here, Roitman’s (1990) concept of ‘straddling’ is particularly informative. In her words: ‘...straddling describes the way in which agents are implicated in production processes that lie both within and outside of state control’ (Roitman 1990:677). Formal and informal spheres are not taken as separate, but are instead seen to constitute a single system of ‘production, distribution and exchange’ (*ibid.* 679). ‘Informal’ activities need not be illegal – and indeed state representatives are often themselves complicit – but are defined by the manner in which they deprive the central authority of revenue it would otherwise accumulate (*ibid.*). There are countless examples of activities in borderlands that openly subvert the state yet simultaneously uphold it through recognition of its functions and a constant interaction with its agents (see Chalfin, 2001; Rothschild & Chazan, 1988).

To sum up, borderlands represent zones that facilitate the interaction between trading networks (both local and trans-national), between neighbouring states, and between state and non-state modes of governance. Perhaps their most definitive feature is their dynamism, as these relationships are shaped and reshaped by the constant interaction between inhabitants (see Paasi, 1996:262). Various social actors in borderlands come to ‘imagine and instantiate’ state sovereignty in ways that do not always align with the unitary, territorial logic of the central state (Chalfin, 2001:202). Others make direct use of the legal command that sovereignty confers in order to accumulate wealth and resources (Englebert, 2009:80). Analysis of power-relations in these regions must take account of both the plurality of different political spheres and of the blurred distinction between formal and informal economic activities.

Through a focus on A.P.PE.NO.KI’s operations in mid-2011, this paper contributes a further case study to the analysis of localised petroleum distribution in Central Africa. Research on this topic benefits from the insightful analysis offered by Els Lecoutere and Kristof Titeca. Analysing activities of the so-called “OPEC boys”, a network of traders operating along the Uganda-DRC border, their research reveals the manner in which actors involved in petroleum distribution can become highly politicised (see Lecoutere & Titeca 2007). The OPEC-boys operate within a second economy around the city of Arua. They draw political influence from a combination of their military capability (with many members being ex-combatants), their monopoly over fuel distribution, and a local respect for the services they provide (*ibid.* 15). Similarities between the OPEC boys and A.P.PE.NO.KI allow for some revealing comparisons, which will be outlined in greater detail in due course. The interaction between state



and non-state actors involved in the petroleum trade is said to produce a 'repeated play mechanism' whereby acts of defection by either side are briefly punished before a return to cooperation (ibid. 34). This behaviour is driven by a relationship of inter-reliance – at the organisational level – based on threats, whereby “[...] on the one hand, the politicians need the political support of the OPEC boys [...] on the other [...] the OPEC boys need political protection, otherwise their fuel gets confiscated” (Titeca 2006:1).

Despite this compelling contribution, there remains more to be said, especially regarding the specific nature of the interaction between state representatives and individuals involved in the petroleum trade, and the implications of this negotiation for the sovereignty of state institutions operating in borderlands. Considering the borderland to be an arena of overlapping political spheres (Roitman 1990:695), what is required is an analysis of the specific points of intersection between state authorities and non-state networks of petroleum distributors. At Goma and Gisenyi, this calls for an understanding of the role played by the border in shaping and empowering local organisations that engage in the petroleum trade.

### **Research Methodology**

The primary mode of field research behind this study was of short (15-20 minute) interviews conducted with fuel truck drivers, petrol station managers, border police, kerosene traders and A.P.PE.NO.KI representatives, alongside a number of other miscellaneous informants. These discussions were supplemented with additional structured interviews, which were much longer and were held in more private locations. Although such formal interviews make up a small part of the overall data set, they were nonetheless essential. They filled gaps and addressed issues that individuals were reluctant to discuss more publicly.

Discussions and interviews took place in Kiswahili, Kinyarwanda, Lingala, French and English (often a combination) with the help of translators from the *Université Libre de Kigali*. Although residents of Gisenyi, these assistants were dual Congolese-Rwandan citizens, and had lived for extended periods on both sides of the border. They were able to move and communicate freely throughout the twin cities. On occasion, they travelled to areas of Goma that were difficult for me personally to access. Interviews and discussions were based on pre-prepared questions and topics, but were otherwise relatively unstructured. Where possible, they allowed for narratives on the border and cross-border trade to flow freely.

Due to the somewhat sensitive nature of the topics covered, a significant proportion of respondents declined to be named or recorded. Rwandan interviewees in Gisenyi were particularly reserved, parting with (quite often seemingly innocuous) information only in strict confidence that it could not be traced back to them.

What follows is undeniably a snapshot. It offers a close-up image of the petroleum trade in Goma and Gisenyi (and in particular of the *Association des Petits Pétroliers du Nord Kivu*) as it operated during my presence there in 2011. Information was gathered with care, but is nonetheless limited in its scope. Accounts of the trade will always be biased by the specific prejudices held by respondents and participants, and are subject to constant re-evaluation due to the dynamic nature of the twin cities. I

make no attempt to extrapolate my findings geographically beyond the site in question, to which they may well be specific. Despite these limitations, however, the interactions and negotiations identified in local narratives do engage directly with ongoing debates on the manifestation of political power in the Goma-Gisenyi borderland. They speak in particular to themes of state sovereignty, and the manner in which it permeates the region.

### **Petroleum Distribution in Goma-Gisenyi**

The initial phase of this research was concerned with establishing differences in how petrol is distributed in the two cities. The aim was to determine the specific opportunities conferred by the border, with a view to how these opportunities are exploited, and ultimately to how structures of power are organised around them. This meant first gathering factual data regarding government regulations and local pricing, as well as to whom, by whom and where petroleum is bought and sold. Official government statistics offer at best a partial image of the trade, and are particularly patchy on the Congolese side of the border. Even where available, these data are often inaccurate, and on occasion deliberately misleading or simply false (Tegera & Johnson, 2007). As a result, information about pricing and sales was taken directly from discussions with traders, fuel truck drivers and petrol station managers.

The economy of the Great Lakes region suffers from a “chronic shortage” of indigenous energy supplies, and a near total reliance on the foreign import of petroleum (Anderson & Browne, 2011; Johnson, 2003). Fuel arrives into the ports of Dar es Salaam and Mombasa, where it is refined and shipped over land. From the coastal refineries, the bulk of fuel set for Goma and Gisenyi is transported to Eldoret in Western Kenya, and then on by pipeline to Soroti in Uganda before completing its journey by truck.<sup>7</sup>

Rwandan authorities strictly police the importation, exportation and distribution of petroleum in the country. Warehouse managers in Gisenyi claimed that the government stockpiles large quantities of gasoline as a precaution in Kigali against nation-wide shortages, which are uncommon as a result.<sup>8</sup> The gasoline sale price is kept consistent across the territory, and distribution is handled by those in the direct employ of the major petrol companies: Kobil, Shell, Total and Engin. Although the price does fluctuate significantly over time, it does so only following extensive negotiations between distributors and the Rwandan Minister of Trade and Industry.

The sale of gasoline in Gisenyi is handled exclusively by petrol stations run by Kobil, Shell, Total and Engin. These are clustered close to the waters of Lake Kivu, on the main road leading into the DRC. As a result of its lower sale price in Goma, petrol having passed through Rwanda is frequently brought back into the country in private vehicles that cross the border simply to refuel. Although the petrol is not sold on once these vehicles return to Gisenyi, the practice significantly lowers the personal cost of operating a vehicle in the city. It was repeatedly cited as a reason for slow trade in petrol stations in Gisenyi, which are undercut by those in operation just across the

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<sup>7</sup> For a recent overview of other viable sources, including South Sudan, see Anderson and Browne (2011).

<sup>8</sup> Interviews Various

border. Rwandan petrol station managers complained of the lack of profitability that resulted from poor sales and a nation-wide cap on fuel prices.<sup>9</sup>

The province of North Kivu imports over 44 million dollars worth of gasoline annually (Tegera & Johnson, 2007). Due to insecurity and poor infrastructure on the route North to Ishasa (located on the DRC-Uganda border), its importation through Gisenyi into Goma has risen substantially in recent years (Ibid.). Between June and September 2011, Gasoline prices averaged 1.26 USD per litre in Goma and 1.92 USD per litre in Gisenyi. The fifty per cent higher cost on the Rwandan side of the border is testament to North Kivu's low tax rates on gasoline importation as well as Goma's strong links to the global market.

In Goma, large petrol stations (again run by Kobil, Shell, Total and Engin) sell on gasoline in bulk to privately owned stations. This practice is exclusive to the Congolese side of the border. Furthermore, vehicles in Goma can be refuelled directly from traders with jerry cans operating on street corners throughout the city. Those involved in the trade are known locally as 'Kadhafis' after Colonel Gaddafi of Libya (a principal supplier of petrol in recent decades). Based on estimates offered by individuals involved in the trade, there are between 700 and 800 Kadhafis operating throughout the city.

Approximately 80 per cent of Kadhafis in the city are men, who operate closer to petrol stations than their female counterparts. This geographical segregation of men and women involved in the trade was attributed to the physical nature of the competition for passing vehicles in areas of high demand. Most young men involved are in their early 20's. A minimum age of 18 has been imposed in an effort to reduce the number of Kadhafis engaging in solvent abuse.<sup>10</sup> Traders came from an array of different backgrounds, but had most commonly joined the Kadhafis having been students, artisans, smugglers or shop owners. Unlike Uganda's 'OPEC Boys', few have past employment with the military (cf. Titeca, 2006).<sup>11,12</sup> When asked, Kadhafis suggested that the political influence of the organisation stems more from its structure and the profitability of the traded commodity than from their physical threat to Goma's security.

Research for this paper uncovered a complex and formal political structure that has been adopted by the Kadhafis. Groups of ten to twenty individuals working in each small sector appoint a street level 'president', most often their eldest. These presidents appoint one of their number to manage wider districts of town, who in turn vote for sector-chiefs and a single president to run the *Association des Kadhafi de Goma* (AKANGO). AKANGO is a subsidiary of A.P.PE.NO.KI, which, under its current leader Bentin Kanega, forms the single largest network involved in second economy petroleum distribution throughout the province.<sup>13</sup> The formal organisation of these groups is a relatively recent phenomenon, which members date back to around 2002. They have expanded rapidly over the past decade. Today the command structure is

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<sup>9</sup> Interviews 1 & 2

<sup>10</sup> Interview 12

<sup>11</sup> Internally Displaced Persons (IDPs) were also commonly employed as Kadhafis.

<sup>12</sup> Interview 11

<sup>13</sup> In Goma, A.P.PE.NO.KI's monopoly of street sales appears to be complete, though other private organisations are said to be in operation in smaller towns across North Kivu.

rigid, and the president in each sector has the final say on all issues. Their responsibility, referred to as '*kubavugira*', involves speaking for and representing the interests of the whole group.<sup>14</sup> Notably, this kind of formal organisation of petroleum distributors is only apparent on the Congolese side of the border. Trading collectives (*Copera*) do exist in Gisenyi, but these tend to be very localised and specific to groups of stalls rather than to individuals trading in a particular commodity.<sup>15</sup>

Several respondents spoke of increased selectivity in accepting individuals into the Kadhafi organisation in recent years. It is approaching a critical mass, above which there is a fear of internal competition.<sup>16</sup> A formal process requires newcomers to be 'adhered' into the town sector in which they wish to work. The network offers a stable source of income and a platform for group influence that attracts both Rwandans and Congolese alike. As things stand, roughly one in ten Kadhafis are either Rwandan or dual citizens.<sup>17</sup> When interviewed, these individuals commented that national prejudices were inconsistent and shaped by changes in the wider political environment. Since Nkunda's arrest and the resolution of the RCD rebellion in 2009,

number of separate accounts, it is unlikely that petrol stations near the city centre could continue to operate without Kadhafi support.

A.P.PE.NO.KI has no official party political alignment in the region, and does not require its members to engage directly in political activities. As one street-level president stressed in the context of party political associations: “*Dans l’association c’est libre d’aller où tu veux*”<sup>19,20</sup> This is not to say that the organisation does not engage directly with the state. Respondents spoke of constant interaction with state officials at every level of their operations. Negotiations occur with customs agents as petrol crosses the border and with local police officers as it is sold in petrol stations and on street corners. Higher up the chain of command, deals are brokered between sector presidents and local burgomeisters, and between the organisation’s president and local politicians.

Somewhat counter intuitively, many Kadhafis claimed to relish periods of petroleum shortage, during which they could significantly hike their prices while station pumps run dry. During these periods, the trade becomes significantly more lucrative, and as a result the Kadhafis are able to strike deals and obtain petroleum from other sources with whom they share in the increased profits. Although the information is impossible to verify, one well-placed interviewee confirmed local speculation that these other sources consisted of local military barracks and police stations.<sup>21</sup>

To sum up, A.P.PE.NO.KI is increasingly monopolising the trade in petroleum across Goma. The organisation is exclusive, with strict rules and a rigid command structure. Its members enjoy a stable income and a degree of financial security through a communal welfare fund. Although its representatives defend the organisation’s claim to neutrality in local party politics, their interaction with Congolese state representatives is constant.

#### **4. A.P.PE.NO.KI – State Interaction: Negotiations through Parallel Structures**

It became apparent early on that disparities in petroleum distribution between Goma and Gisenyi were symptomatic of more persistent differences in the political economies of the two cities. Using Doevenspeck’s (2011) analysis as a springboard and treating Goma-Gisenyi as a single *terroir*, further discussions were catered towards eliciting narratives on the border that related to the petroleum trade. Interviewees were extremely forthcoming on this subject, which can be attributed to the everyday importance of the subject matter. Notably, in both Gisenyi and Goma, mention of ‘the border’ was rarely taken to mean the physical erections that demarcate Rwandan and Congolese territory. Instead, discussions of *la frontière* turned almost immediately to what lies on the opposite side.

Economic advantages brought about by the DRC-Rwanda border at Goma-Gisenyi are understood locally to lie predominantly on the Congolese side (see also Büscher and Vlassenroot, 2010). Despite its reputation for insecurity, Goma sits in a privileged economic and geographic position. Its status as provincial capital, nearby mineral deposits and a large NGO presence are responsible for attracting wealth from

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<sup>19</sup> “In the association you are free to go where you want”.

<sup>20</sup> Interview 14

<sup>21</sup> Structured Interview 1

overseas. Simultaneously, the city benefits from the proximity of Gisenyi, which represents a neighbouring stable haven, as well as a profitable cross-border trading partner. Many goods, including petroleum, pass through Rwanda with transit permits in order to reach Goma, or else follow international trading routes that circumvent Rwanda entirely (most often via Ituri province, which borders Uganda) contributing to further economic imbalances at the border (see Tegera and Johnson, 2007). Although Gisenyi certainly benefits from its own geographical location, its Congolese neighbour mediates its access to the international forces that permeate the borderland.

Interviewees on both sides of the border made the claim that in Goma more people are able to benefit - even with very small profit margins - from the trade in necessary commodities. In Gisenyi, trade in gasoline involves essentially two parties: petrol station managers and car owners. In Goma, there seems to be a much wider proliferation of these and similar goods. Different parties buy up petrol at subsidised rates and distribute it in smaller quantities, with proportionally smaller profits achieved at each stage of dissemination, all the way down to Kadhafis operating on the streets. Similarly, where local government in Gisenyi closely regulates petroleum pricing in order to ensure that it stays consistent, in Goma traders unfailingly exploit even the smallest territorial price discrepancies (Büscher and Vlassenroot, 2010).<sup>22</sup>

The Kinyarwanda concept of *Kavuyo* offers a Rwandan perspective on Goma's political economy. *Kavuyo* translates roughly as 'disorder', but does not carry the same negative connotations (of chaos and inefficiency) as that word does in English. Examples I was offered equated to descriptions of individual rational actors pursuing their own self-interest unabated.<sup>23</sup> When applied to life in Goma, *Kavuyo* was used to describe the economic opportunities of the city. Reflecting on this environment, one interviewee commented that Goma is a place where: "anyone can do anything, tomorrow [...] but at their own risk".<sup>24</sup> Such narratives were illustrative of the case made by Mary Douglas in her seminal study *Purity and Danger* (1966):

Granted that disorder spoils pattern, it also provides the materials of pattern. Order implies restriction; from all possible materials; a limited selection has been made, and from all possible relations a limited set has been used. So disorder by implication is unlimited, no pattern has been realised in it, but its potential for patterning is unlimited. We recognise that it is destructive to existing patterns; also that it has potentiality. It symbolises both danger and power. (Douglas, 1966:95)

Narratives on the border frequently reflected Douglas' analysis. Gisenyi was regarded as orderly in opposition not to Goma's disorder, but to its potentiality. Notably, despite its use in describing the economic contrast between the two cities, *Kavuyo* is considered first and foremost to be a political term.<sup>25</sup> When asked on the source of *Kavuyo*, - of profitable disorder - in Goma, the answer from respondents was almost uniformly "*l'etat*" (the state). Goma's make-or-break economy (from which A.P.PE.NO.KI benefits directly) may be a symptom of the city's *Kavuyo*, but the

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<sup>22</sup> As an example, in Mugumba (a district just North of the city) Kadhafis charge 1700 CDF per litre of Gasoline, 10 per cent higher than those operating around Petrol Station Simba just three kilometres away.

<sup>23</sup> Interview 19

<sup>24</sup> Interview 20

<sup>25</sup> Testament to the term's political significance, Rwandan respondents often discussed themes relating to *Kavuyo* only after taking great care to ensure they would not be overheard or misrepresented.

manner of state involvement was most commonly understood to be the cause. My findings suggest that when it comes to the distribution of gasoline, the chief beneficiary of this environment is A.P.PE.NO.KI, which has grown to dominate the city's second economy petroleum trade.

A.P.PE.NO.KI is now an influential rival to Congolese state authority in Goma: a twilight institution, with a significant stake in the distribution of commodities essential to the most basic functioning of the city. Local narratives suggest that the organisation's power stems from the nature of the border and the manner in which it shapes localised economic and political practices. Encompassing a wide network of actors involved in the petroleum trade, A.P.PE.NO.KI effectively controls the availability and pricing of petroleum throughout Goma.

The President of A.P.PE.NO.KI holds authority over the head of AKANGO, who in turn commands district heads, warehouse managers, sector heads, street-level presidents and the ultimately small groups of Kadhafis found on most street corners. The Congolese state, meanwhile, operates through "the mayor, burgomeisters, chiefs of neighbourhoods (*quartiers*), chiefs of cells and street chiefs" (Englebert, 2009:63). The structural parallels are clear (see Figure 3) and no coincidence. A.P.PE.NO.KI's local AKANGO branch has been organised in this manner in order to function as a political unit, enacting internal discipline, drawing revenue up the chain of command and providing welfare back down it.

**Figure 3. Parallel Structures of State and Kadhafi Representatives:**

STATE REPRESENTATIVES	PETROLEUM DISTRIBUTION NETWORKS
Mayor	AKANGO President
Burgomeisters	Sector Heads
Neighbourhood Chiefs	Warehouse Managers
Cell Chiefs	District Heads
Street Chiefs	Street-Level Presidents
Police Officers	Kadhafis

A further interesting parallel between A.P.PE.NO.KI and the state can be observed in the proliferation of petroleum and of domestic sovereignty down their respective chains of command. As Englebert argues, sovereign roles within the Congolese state apparatus are "parcelled out down to the lowest and most local levels of officialdom" (Ibid.). In a similar fashion, petroleum products are bought up in bulk and sold in smaller quantities by members operating at different tiers of the A.P.PE.NO.KI organisation, ranging from warehouse managers that stockpile thousands of gallons of gasoline, to individuals who sell it by the litre on street corners. These twin proliferations (of sovereignty and of petroleum) perform an important function in sustaining both the state and A.P.PE.NO.KI, as members of both exploit the profit margins available at their personal tiers of authority. Recent years have witnessed a marked convergence in the way state authority and petroleum distribution are organized. While on the one hand A.P.PE.NO.KI is adopting a sophisticated political

structure, on the other, local state authorities have come to resemble an extended trading network, converting domestic sovereignty into personal profit (Ibid.).

A.P.PE.NO.KI members engage in constant interaction with Congolese state officials. Representatives of the Kadhafi organisation push for lower taxation, and for improved arrangements regarding their personal security, the enforcement of credit arrangements and the supply of gasoline. Meanwhile, police and other officials regularly negotiate favourable deals regarding the cost of petrol for their private vehicles and the personal revenue they can generate from import fees. At times, local state representatives may even make use of the Kadhafi network to sell their own fuel reserves and profit personally from the transaction. This relationship with the state is markedly different from accounts of the OPEC boys further North on the DRC-Uganda border (see Titeca, 2006). Where the influence of the OPEC boys is driven by threats - to local security, gasoline provision and the political support of politicians - A.P.PE.NO.KI relies more on economic incentives in its negotiations with the state. This appears more conducive to a lasting partnership than the interaction between state officials and the OPEC boys in Arua, where periods of cooperation are punctuated by frequent defections by both sides (Lecoutere and Titeca, 2007).

Comparing the two parallel structures, representatives of A.P.PE.NO.KI appears to lie 'just below' state representatives at each tier of authority.<sup>26</sup> Thus Kadhafis trading on the streets must negotiate with, and are ultimately subject to the authority of, local police officers. Meanwhile petrol station and warehouse managers answer to burgomeisters or police cell-chiefs. Further up the chain, the Kadhafi leader for Goma, who negotiates with the local police chief, borrows for himself a degree of authority that he can exercise over the chief's subordinates.<sup>27</sup> Once negotiations take shape, Kadhafi positions come to be state sanctioned, and their occupants engage in mutually beneficial partnerships with state officials. In this manner, the structures of the two organisations have become integrated.

This kind of partnership typifies a "colonisation" of the state by actors operating in its margins (Das & Poole, 2004). It is one clear example of a non-state network harnessing the state to its own ends while in the process blurring the state – non-state distinction. What is particularly striking about the A.P.PE.NO.KI case is the manner in which local Congolese state representatives actively encourage this process. State officials in Goma exert influence over the crucial petroleum trade only through their capacity to integrate the Kadhafis' organisational structure into their own. What my findings suggest is an extension of state control not through the threat of legal exclusion, but rather through the *de facto*, institutional *inclusion* of powerful non-state actors. This amounts to a horizontal proliferation of domestic sovereignty, which leaks out of the state hierarchy and into that of the Kadhafis. Ranking members of A.P.PE.NO.KI are empowered both with a degree of indirect control over the state's agenda, as well as at times a direct authority over state agents in lower ranking positions. Although police escorts are not uncommon for civil society presidents in the DRC, several interviewees emphasized this as an example of A.P.PE.NO.KI's integration into state hierarchy. Indeed, reflecting on the increasingly prolonged periods of cooperation between A.P.PE.NO.KI and the state, one interviewee

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<sup>26</sup> Structured Interview 3

<sup>27</sup> Interviews 21 & 22



remarked candidly that police officers in Goma “answer to the [AKANGO] President”.<sup>28</sup>

It is clear that the dilution of sovereignty entailed in the A.P.PE.NO.KI-state partnership has a subversive impact on state authority throughout the borderland. This is especially pronounced considering the manner in which the Kadhafis “straddle” the formal and informal economic spheres (see Roitman, 1990). By integrating the Kadhafi organisation into their own hierarchy, state representatives become directly complicit in second economy activities that ultimately deprive the central Congolese authorities of revenue. Indeed, the extent to which these practices occur constitutes one of most significant political discrepancies between Goma and Gisenyi. Put simply, there is a much higher degree of concurrence between the legal modes of operation in Gisenyi and Kigali than between Goma and Kinshasa.<sup>29</sup> Since the interests of Gomese officials only partially align with those of the Congolese state more broadly, the situation challenges monolithic readings of state involvement in borderlands. By the time that localised forms of statehood are generated they are not just out of sync with the centralised authority; they often directly contradict it. Owing to this disjointed vertical proliferation of domestic sovereignty, law is both interpreted and implemented differently at every link down the chain.<sup>30</sup>

To argue that the interaction between state and non-state actors in the DRC’s eastern borderland has undermined central control of the region risks presupposing the extension of that control in the first place. This is not my intention. Indeed, the history of Congolese state authority in North Kivu has been mixed, varying according to the regime in Kinshasa and the political relationships with neighbouring states. However, even if it is not the chief historical cause (and it is highly questionable whether there is such a thing), this process certainly contributes to the ongoing geographical fragmentation of state authority in the DRC. In a region where Kinshasa’s control has been repeatedly contested (through both violent uprisings and habitual disobedience in everyday practices), the state authorities in Goma have been forced to adapt in order to stay relevant. Their partnership with groups such as A.P.PE.NO.KI extends their influence through the integration of powerful non-state actors into state-sanctioned positions of authority. Individual negotiations with Kadhafi representatives at every tier of officialdom rest on the ongoing recognition of both the function and the authority of the local state officials involved (see also Chalfin 2001; Roitman, 1990). This all takes place at the expense of the Congolese state’s internal cohesion. The net result is that A.P.PE.NO.KI promotes and upholds forms of *localised* statehood in a manner that perpetuates the fragmentation of state authority within the wider Congolese territory.

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<sup>28</sup> Structured Interview 3

<sup>29</sup> For more detailed analysis on this point, see Cuvelier, (2004) ‘Linking the Local to the Global: Legal Pluralism in the DRC conflict’.

<sup>30</sup> ‘Vertical’ in this sense referring to the hierarchical structure of state institutions.

## Summary and Conclusions

Petroleum is essential to everyday activities in Goma and Gisenyi, and has the power to shape and reshape the political and economic orders of the two cities. Its local distribution has given rise to a reconfiguration of state sovereignty, concentrated in Goma, which contributes to the ongoing fragmentation of Congolese state authority throughout its territory.

This study has offered a detailed account of A.P.PE.NO.KI, a network of traders and warehouse managers that has come to dominate Goma's second economy petroleum trade. Research at the site uncovered a sophisticated hierarchy that allows this network to efficiently exploit the opportunities presented in the borderland. Its structure mirrors that of local Congolese state institutions, and interactions with state representatives occur at every tier of authority.

Ongoing negotiations between A.P.PE.NO.KI and the state have given rise to mutually beneficial partnerships that constitute the *de facto* institutional integration of the two. The impact of these partnerships on state authority in the borderland is multi-faceted. On the one hand, they function to extend state control by integrating powerful non-state actors into state-sanctioned positions of authority. On the other, these partnerships constitute a dilution of state sovereignty that further undermines the Congolese state's internal cohesion. Through their close partnership with A.P.PE.NO.KI, local authorities in Goma become directly complicit in activities that deprive the state institutions in Kinshasa of revenue that would otherwise be accumulated. The process reifies and upholds a state presence in Goma that contradicts the idea of a unified, Congolese political authority.

One line of enquiry that warrants further investigation relates to A.P.PE.NO.KI's potential lifespan in Goma. The petroleum industry is prone to volatility, and the organisation's resilience remains to be seen. It would be interesting to establish whether A.P.PE.NO.KI's structure can (i) endure the kinds of upheavals that have plagued the site's recent history and (ii) persist in the same form regardless of changes in the individuals occupying different positions in its hierarchy. If it can, then the organisation's structural integration into the state could well become normalised. This would make the implications for state authority highlighted in this study all the more pronounced.

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***APPENDIX A***

**Interviews (Cited in Text)**

Named Interviewees Removed in Draft.

***APPENDIX B***

**Exchange Rates:**

	USD	CDF	RWF
1.00 USD	X	915	596
1.00 CDF	0.00109	X	0.651
1.00 RWF	0.00168	1.535	x

Source: [www.xe.com](http://www.xe.com/), accessed May 31<sup>st</sup> 2011

# THE OPEC BOYS: A QUANTITATIVE STUDY OF SMUGGLING AND ILLEGAL MARKETS

Kristof Titeca

Research Fund- Flanders, Institute of Development Policy and Management, University of Antwerp

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## 1. Introduction

Smuggling is an activity in which goods cross borders without paying the necessary tax. In other words, smugglers “generate income by avoiding state controls, regulations and related costs”. Smuggling is not a marginal phenomenon, but plays an important economic role (Egbert 2006). This is certainly the case in developing countries (Baghwati and Hansen 1973). Despite the importance and pervasive nature of smuggling, and the high number of people who make a living out of it, there has been no quantitative analysis on a micro-level, which gives insights in how smugglers operate.

There is a large body of literature which is concerned with the macro-impact of smuggling on social welfare (Baghwati and Hansen 1973, Thursby et al. 1991, Norton 1988; Martin and Panagirva 1984) or considers the economic effects of smuggling in theoretical models (Deardoff and Stolper 1990). Similarly, there are a number of studies which give estimates on the level of smuggling on an international and national level (Berger and Nitsch 2008; Golub and Mbaye 2009).

However, there are no systematic micro-economic data on how these illegal markets of smuggled goods actually function. The reasons for this are obvious: it is difficult to detect and measure; and participants need to be convinced to disclose information about their clandestine activities (Ellis and MacGaffey 1996). Current quantitative surveys on smuggling focus on the total amount of goods smuggled in the country. In doing so, they were based in official border points, where the amount of smuggled goods are estimated (Ackello-Ogutu and Echessach 1997; Ackello-Ogutu 1996). The Bank of Uganda for example has a project in which the amount of smuggled goods in and outside of the country is counted (UBOS 2007, 2008). For example, the 2007 survey shows how the informal exports out of Uganda were worth US \$ 776.5 million, compared to an official export worth US \$ 1336.7 million (UBOS 2008). The utilized methodology can be criticized for a number of reasons: firstly, it is difficult to count all smuggled goods which pass through these border points; and secondly, a large amount of smuggled goods simply does not pass through these official border points, but uses smuggling routes. Thirdly, it offers no insights in the individual dynamics of the smugglers. More generally, although there are many ethnographic studies on the micro-dynamics of smuggling, overall quantitative evidence on the activities smuggling is lacking (and is in the best case anecdotal), which in turn can help to gain a qualitative understanding – which is exactly what this paper wants to achieve. This is done through a unique<sup>1</sup> data set containing detailed financial information of the activities of a number of smugglers, which allows for the analysis of a number of economic issues related to smuggling. Concretely, this paper relies on a

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<sup>1</sup> To my knowledge, there is no such dataset about smuggling. The most similar dataset is Levitt and Venkatesh (2000) about gang involvement in illegal drug trade.

quantitative survey carried out for 5 months in 2008 among a number of smugglers called the 'OPEC boys' (Titeca 2006). These smugglers are based in northern Uganda, and are engaged in fuel smuggling activities. In order to keep the traders as anonymous as possible, the name of the town in which they are based will not be mentioned; but will simply be called the 'border town'. Northern Uganda borders the Democratic Republic of Congo (DRC) and Sudan, and the OPEC boys smuggle fuel from these places, where taxes are lower, or where traders manage to avoid paying taxes by bribing customs officers.<sup>2</sup> Once the fuel reaches Uganda, it is openly sold within the towns in Northern Uganda, also in the 'border town'. The OPEC boys can therefore be seen selling their fuel on many street corners: every group has a couple of jerry cans on display, which signifies that illegal fuel is on sale. The fuel which they sell does not only remain in the 'border town', but is also distributed to the wider region. The two most important actors in this trade are the middlemen and street sellers. The middlemen buy fuel from other traders in the DRC or Sudan, smuggle it across the different borders and then sell it to the street sellers. As their name indicates, the street sellers sell the fuel on the different street corners, and operate in groups on these street corners. All groups have particular names. Within the town, there are between 20 to 30 middlemen and between 150 to 200 street sellers. The age of the street sellers varies between 12 and 50; and of the middlemen between 22 and 50. Firstly, over a period of 5 months, a daily survey was conducted among 5 middlemen which were each supplying one of these corners – concretely, these corners are called 'Top Ten', 'Silver', 'Laru', 'Odramachaku', and 'Airfield'. Secondly, a daily survey was held among 8 street sellers who receive fuel from these middlemen. A limitation was that this last survey was only possible for 2 months. For both these categories, the survey obtained daily information on the following issues: the quantity of the smuggled fuel; the source of the smuggled fuel, the amount of bribes paid, the various other costs, and the level of confiscation. These quantitative data are in turn embedded in qualitative research on these smugglers, which has been ongoing from 2005 up to 2012, during which time I have been conducting ethnographic research on the smuggling economy and the OPEC boys.

Throughout this time, I became familiar with a number of leaders and key-figures, which allowed me to have direct access to the organization (Titeca 2006; Titeca and De Herdt 2010). The research was done in collaboration with two (university graduate) research assistants, both of whom are working for the OPEC boys. The first one has been working as an 'accountant' for the OPEC boys, who helped certain middlemen to make their accounts and negotiate with the revenue authorities. The second one is a 'fixer' for the OPEC boys: through his connections with different governmental authorities, he intervenes in case of any problem, or he helps goods to pass. Both of them had established a reputation as 'trustworthy' among the OPEC boys through their direct participation in the illegal fuel business and through their 'educated' contribution to the different groups (e.g. in accounting procedures). These research assistants were paid a salary (in line with local standards); and respondents were paid a small daily fee for answering the questions.<sup>3</sup> Both of the research assistants were working full time on the survey, gathering the data from the different groups.

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<sup>2</sup> 90% of the fuel coming to Uganda comes from Kenya, arriving in the port of Mombasa, and then travelling to Uganda. The remaining 10% arrives in Tanzania and then comes to Uganda. Harshberger, Rebecca, 'Uganda: fuel discrepancies explained'. The New Vision, 13 November 2009.

<sup>3</sup> I am aware the ethical difficulties involved in this, but for a daily survey of 5 months, which demanded a certain amount of time, this constituted the only solution.



An important question is the reliability and validity of the data, but a number of factors guarantee this: firstly, the two research assistants were daily participating (i.e. participatory observation) in the trade and were therefore able to assess the validity of the data given by the respondents. The research assistants not only are very familiar with this trade, they also are university graduates in development studies; and they were trusted and respected by the respondents. Secondly, the research assistants and respondents were in turn regularly controlled by myself and other actors: I often spend long times with the respondents, which allowed me to control the data as well. However, there might still be possible biases in certain figures, such as the amounts of fuel sold, or the costs which the traders encounter. For example, the respondents answered questions on quantities not in liters, but in 'jerry cans' and 'drums' which contain respectively 20 and 200 liter of fuel. However, the OPEC boys sometimes use different methods to make the jerry cans slightly smaller (when selling) or bigger (when buying) to increase their profit. These have been incorporated in my final calculations, but imprecision in all of these amounts brings a degree of uncertainty in the data.

Another bias is the fact that the data are based on the experiences of a number of individuals over a limited period of time. Ideally, a whole range of other actors should be included. However, illegal trade is through its very nature a difficult environment to conduct this kind of research. This is certainly the case among the OPEC boys, which do not have a strict organization, but can be seen as loosely cooperating actors, in which the main unit of interaction is the street corner. I managed to establish a relationship of trust on a number of street corners, but not on all. A wide selection of respondents and more widespread survey was therefore not possible. Although the data have their limitations, I am confident in the outcomes of the survey, which offer important insights into smuggling.

Lastly, it is important to state that this analysis has to be seen as a time-specific analysis, as the specific characteristics of the OPEC boys have to be seen as something of the moment of the survey (2008). For example, at this moment (May 2012), fuel is not going from DRC to Uganda, but the other way around, mainly through changed taxation policies at the Congolese side of the border. Also, soon after the survey took place, many fuel stations were established in the town, significantly changing the local fuel market.

## **2. Illegal markets and risks**

Organisation theory, and particularly open-system models within organization theory, argue how organizations are "dependent on continuing exchanges with- and constituted by-the environments in which they operate" (Scott 1998: 28 cited in Baker and Nelson 230). Particular attention should be given to the 'pressures and constraints' (Pfeffer 2003: xi cited in Baker and Nelson 230) in which these organisations operate; as well as opportunities: traditionally, entrepreneurship is concerned with the "discovery, creation and exploitation of opportunities" (Garud, R., Karnøe, P. 2003: 277). This is both the case for legal and illegal trade, such as smuggling. In this trade, traders are faced with a variety of pressures, opportunities and opportunities to lower their costs and increase their profits. For example, it will be shown how goods are brought from different suppliers and from various locations: some of these supplies offer cheaper prices, routes offer cheaper bribes, and some routes are cheaper for transport. These different opportunities allow the middleman to increase his profit. Similar to legal entrepreneurs, by 'discovering, creating and exploiting' these different opportunities, the trader can potentially improve his profit. However, the main difference with legal entrepreneurship is that there is not only a wide range of opportunities, but that particular risks play a dominant role: since the trade is illegal, there is the continuous threat of state intervention, for example through asset seizure, interference or arrest (Ayling 2009).

These risks make the illegal market particularly dynamic: it is not only influenced by market dynamics as such, and how these opportunities articulate themselves, but also to the effects of these risks. Hagedorn highlights this for another illegal market, i.e. the one of drugs: “Overall, the environment where drug dealing takes place is as “dynamic” as anything in the organizational literature. The fear of police raids, customers who are erratically acting addicts, potentially violent competition from other dealers or gangs, surveillance by hostile neighbors, and uncertainty in maintaining supplies are everyday occurrences.” (Hagedorn 1994:267). The illegal fuel trade is equally prone to a number of risks: the main ones are confiscation and a lack of supply. Naturally, due to its illegal nature, the fuel is always prone to confiscation: fuel can only be transported in large quantities by officially registered fuel companies, and fuel cannot be legally sold in jerry cans on street corners. There is therefore the continuous threat of confiscation. Also the fuel supply is highly unpredictable. Much of the fuel supply depends on stolen fuel, and this supply is not always guaranteed. Moreover, if there are strict controls around the border and the town, the supply becomes very difficult. Contrary to other illegal goods, such as minerals or narcotics, which are transported in small quantities, fuel is transported in larger quantities and therefore stopped more efficiently. Risk is therefore a key factor in illegal trade: it is the high degree of risk which allows for the high profits, but too much risk also makes the trade unrewarding. (Williams and Balaz 2002: 328) Key to a successful trader is therefore not only managing the opportunities, but also successfully managing the risks involved. In order to do so, the trader must use his skills at ‘bricolage’, and must rely on a number of resources in doing so. This will be demonstrated throughout the article.

### **3. Survey results**

#### **3.1 Sources of fuel**

A first question of the survey dealt with the source of the fuel. This revealed how the fuel is bought from different sources. Most of the fuel – 35% -is bought from the DRC, and then smuggled into Uganda. Sudan is increasingly used as a source of fuel as well: the Sudanese Comprehensive Peace Agreement led to a boom in the trade with Sudan (Titeca 2009), and makes it a popular source for smuggled goods, including fuel: about 9,5 % of the fuel originates from Sudan. Although this together accounts for 41,5 % of the fuel, the rest of the fuel is actually not smuggled, but bought from various other illegal sources. An important provider of illegal fuel are truck drivers: truck drivers who transport fuel sell part of this fuel illegally to the OPEC boys (and hence steal fuel from their company). About 15% of the fuel is sold in this way. An equally important provider in this context are individual soldiers: Northern Uganda has been engaged in a conflict since 1986, and has a high presence of soldiers, which constitute another important source of fuel: the data show how 12% of the fuel is directly bought from soldiers. However, this is not all: 17% of the fuel bought comes from a neighboring nature reserve. This nature reserve is a perfect place to hide fuel: its thick vegetation (‘bush’) and remote location is a perfect hiding place and market place, where fuel from diverse ‘criminal’ sources is being sold. The smugglers could not always identify the source of this fuel, but according to the key-actors involved, about one third of this fuel comes from the army as well: military actors use intermediaries to sell the stolen fuel in the nature reserve. The remaining two thirds of the fuel transacted in the nature reserve originates from road works in the region: at the time of the survey, major road construction works were going on in the area, and deals are made with individual road workers (mostly drivers) or the security guards who sell this fuel, which then ends up in the hands of the OPEC boys. Another supplier in the nature reserve comes from ‘freelancing’ criminal elements who steal fuel from

various sources (vehicles, companies, and so on). Lastly, 11% of the fuel is bought from OPEC boys or traders from other districts.

With regards to the involvement of soldiers, the long-term qualitative research show how the sales vary according to the military activities, as increased military activities give increased opportunity for individual military actors to sell fuel.<sup>4</sup> In doing so, these data add understanding the nature of the profitability of the war economy in Northern Uganda for certain military officials. This has often been argued as a reason for the continuation of the Northern conflict. More specifically, long time government mediator in the conflict, Betty Bigombe, argued in interviews that, whenever large quantities of fuel arrived, army officials sold this fuel to the OPEC boys, which “made her realize that the war could drift on forever”.<sup>5</sup> After the end of this survey, the Ugandan army invaded Eastern Congo to hunt down the LRA – from December 2008 onwards. This led to a large influx of fuel on the fuel market of the border town. In the words of one of the OPEC boys “we are very happy with the UPDF in Garamba”<sup>6</sup>.

<i>Total amount bought</i>	<b>Top Ten</b>	<b>Silver</b>	<b>Laru</b>	<b>Odrumachaku</b>	<b>Airfield</b>	<b>Total</b>	<b>%</b>
<b>Other traders</b>	39800	41000	15600	7400	14000	<b>117800</b>	0,111704
<b>DRC</b>	89510	118000	61700	73500	24700	<b>367410</b>	0,348398
<b>Karuma</b>	57900	29500	51800	26600	13300	<b>179100</b>	0,169832
<b>Soldiers</b>	33700	30360	41440	10000	16100	<b>131600</b>	0,12479
<b>Sudan</b>	37560	11400	21700	18500	11300	<b>100460</b>	0,095261
<b>Trucks</b>	29851	31640	44640	24510	27560	<b>158201</b>	0,150015

<sup>4</sup> For example, when the Ugandan army launched its operation ‘Operation Lightning Thunder‘ against the LRA in north-eastern Congo, there was an increasing movement of the army, which resulted in an increased amount of fuel being sold to the OPEC boys. (This happened after the end of the survey.)

<sup>5</sup> Ochieng, Z. (2007) ‘Bigombe: a peacemakers’ lonely battle’ The EastAfrican, 11 september 2007. Concretely, the article argues how “These and other revelations made her realise that the war could drift on forever. After all, members of the international community, especially countries with diplomatic ties to Uganda, had turned a blind eye to the war. Other corrupt practices included the illicit sale of petrol that was intended to facilitate army operations. The senior officers had their agents, known as "OPEC boys," at hand whenever fuel was delivered from Kampala. The OPEC boys paraded around with their merchandise in jerricans. They offered relatively cheaper prices than the petrol stations and therefore had no problem disposing of their merchandise quickly. The proceeds, minus a commission for the OPEC boys, were pocketed by individual officers.” Ochieng, Z. (2007) ‘Bigombe: a peacemakers’ lonely battle’ The EastAfrican, 11 september 2007. Cfr. Also Butagira, T. and Kirunda, K. (2007) ‘Corruption prolonged LRA war, says insider’ The Monitor, 10 september 2007.

<sup>6</sup> Phone interview OPEC boy, 15 February 2009.

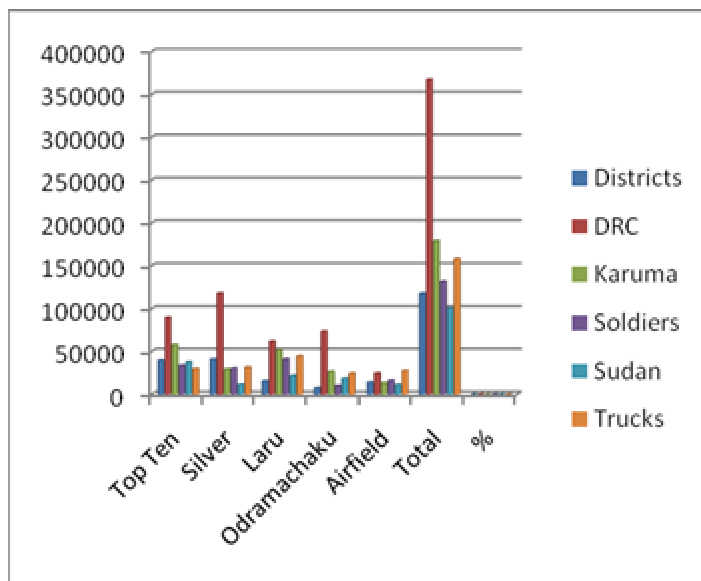


Figure 1: sources of fuel (in litres)

In other words, contrary to what is expected, not all of the fuel is smuggled: less than half of the fuel (44,5%) comes from the DRC and Sudan and is actually smuggled; the rest of the fuel is comes from other actors –soldiers, civil servants or truck drivers –which steal fuel from their superiors.

The importance of the smuggling of fuel, and the trade in stolen fuel, goes beyond the direct profit for the third actors, the street- and middle-sellers. The major quantities involved show their importance in meeting local demands, which clearly cannot be met by the ‘official’ fuel suppliers, i.e. the three petrol stations of the town.<sup>7</sup> In this context, illegal – stolen and smuggled – fuel constitutes an important element in the local economy. As MacGaffey (1991b: 152) argues, the importance of stolen fuel in this system “operates as an unofficial tax to ensure the regular supply of fuel needed for an effective marketing system”. The town in which the survey was conducted is a ‘border boom town’ for which trade is the most important activity: the town serves as a dispatching point for goods to the wider region. The supply of these goods depends on this fuel. In doing so, this illegal supply can be seen as subsidizing the food supply in the wider region: without it, food prices would be much higher (cf. MacGaffey 1991b and Nkera&Schoepf 1991).

The importance in meeting the local demand can be clearly seen when comparing the sales data of the middlemen with the sales data of one of the fuel stations (sales data of the biggest fuel station were obtained). This shows how the sales of petrol in the fuel station is relatively limited: the monthly sales of the station are less than the sales of two middlemen. The situation is different for diesel: there, the sales amounts are far higher than the illegal trade. In other words, the fuel station mainly supply heavy vehicles, which run on diesel.

<b>Amount of liters petrol sold</b>	<b>Top Ten</b>	<b>Silver</b>	<b>Laru</b>	<b>Odramachak</b>	<b>Airfield</b>	<b>Petrol station</b>
Month 1	22146	20606	21076	15422	7752	46632

<sup>7</sup> Moreover, there are often problems with the official supply (i.e. of the petrol stations) in the wider region, because of which the OPEC boys attract customers from the wider region – even from the distant southern Uganda (up to 600 km) in case of major fuel shortages.

Month 2	27166	28160	24290	17290	10200	40259
Month 3	30820	25640	24710	15545,5	8400	38930
Month 4	23960	22786	21960	12280	8600	37691
Month 5	25760	24655	21070	14550	9020	41052

<i>Amount of liters diesel sold</i>	<b>Top Ten</b>	<b>Silver</b>	<b>Laru</b>	<b>Odrachak</b>	<b>Airfield</b>	<b>Petrol station</b>
Month 1	16413	18964	18115	15010	7280	103040
Month 2	30536	28920	22070	17580	9400	107342
Month 3	31420	26976	26270	17924	11400	120000
Month 4	31020	25700	23870	15940	10800	81000
Month 5	28990	23872	21920	15710	10500	107309

These figures also highlight the high number of liters sold per month: it shows how they do not only sell to small-scale consumers, but also to large-scale consumers, such as companies. The OPEC boys use various techniques to expand their market into formal areas: one way of doing this is by providing fake receipts. By offering this, they are able to sell their fuel to various state and non-state actors in the area, such as the humanitarian agencies (e.g. the various NGO's or multilateral organisations working on refugees in the area) and private companies which are working in the area. Of course, this happens unofficially, and without the formal knowledge of these organisations: the drivers or logistical officers connive with the OPEC boys in buying the illegal fuel, as the latter provide with counterfeit petrol station receipts. (Naturally, this allows the drivers or logistical officers to pocket the difference between the cheaper fuel from the OPEC boys and the official price in the petrol stations.)

The illegal fuel market has one main advantage to these petrol station: it is cheaper than the legal market. On average, the OPEC boys are 100 UGX cheaper per liter. However, this is not always the case: people naturally assume that the OPEC boys are always cheaper than the petrol stations, while the OPEC boys sometimes take advantage of this by selling fuel for brief periods of times at prices similar to petrol stations. Secondly, the petrol stations often have supply problems: their price might be low, but they have no fuel to sell; which allows the OPEC boys to charge the same price as the petrol stations. This was for example the case in the first half of July.

### 3.2 Bribes

Whereas other smugglers may still pay border duties to some extent (eg Egbert 2006), this is not the case for the OPEC boys: they avoid official border duties altogether. However, this does not mean they are paying nothing at all: they are paying a considerable number of bribes for the goods to cross borders; and also within Uganda, a substantial number of bribes are paid. The dataset allows insights in the amount of bribes paid. Bribes have to be paid on different occasions: to police checkpoints on the road, to army officials, to customs agents on the border, and so on. There are no standard rules for paying these bribes, every smuggler has his own habits on which actors he contacts or not: for example, some routes require passing through police/army checkpoints, which always have to be bribed; others try other routes but risk encountering other security agents; others always bribe higher-level police commanders before entering the town, others do not and so on.

These bribes are not uniform, as every smuggler has his own connections which naturally have an impact on the amount of bribes paid. This is clearly reflected in Figure 2 and the table below, which indicate the different bribes paid by the different middlemen on the different locations. For example, to smuggle goods from the DRC, one middleman only pays 17,4 UGX per liter, whereas another one pays 55,7 UGX per liter. The first middleman sells his fuel nearer to the border and does not have to travel as far, because of which he does not have to bribe certain police stations on the way to town. Nevertheless, because of his close relationship with the customs officials involved, he has to pay far less bribes in crossing the border. For the middlemen working within town, the bribes diverge between 40,8 UGX and 55,7 UGX per liter. Another example is the nature reserve, where all traders have to take the same roads, but pay strongly different bribes: the middleman from Top Ten on average pays 29,8 UGX per litre; whereas the middleman from Odramachaku pays 60,5 UGX per litre. The first trader is closely related to the security officers running the checkpoint near the nature reserve, and therefore pays significantly less bribes.

The fact that there are differences between the bribes, does not mean that they happen randomly: for every location, there is about 1 exception (a middleman paying much less), because this particular middleman is closely related to the security agencies in the particular area (e.g. through family links, through other business arrangements, etc), but apart from this, the data show how the bribes for each location are fairly similar. In other words, bribes do not happen randomly, but happen within certain limits. In other words, although there are differences between the bribes paid, there seems to be a certain understanding among both government officials and traders on what amount to pay for which location and which quantity. This also became very clear throughout the interviews: both traders and government officials are very well aware of the ‘practical norms’ (Titeca and De Herdt 2011) surrounding these bribes. By negotiating and accepting these bribes and therefore colluding with the traders, government officials also step in the illegal realm, and have to respect certain rules of the game – certainly because it constitutes a very lucrative business, in which they have interest in continuing. Similarly, traders are aware they have to pay a certain minimum amount.

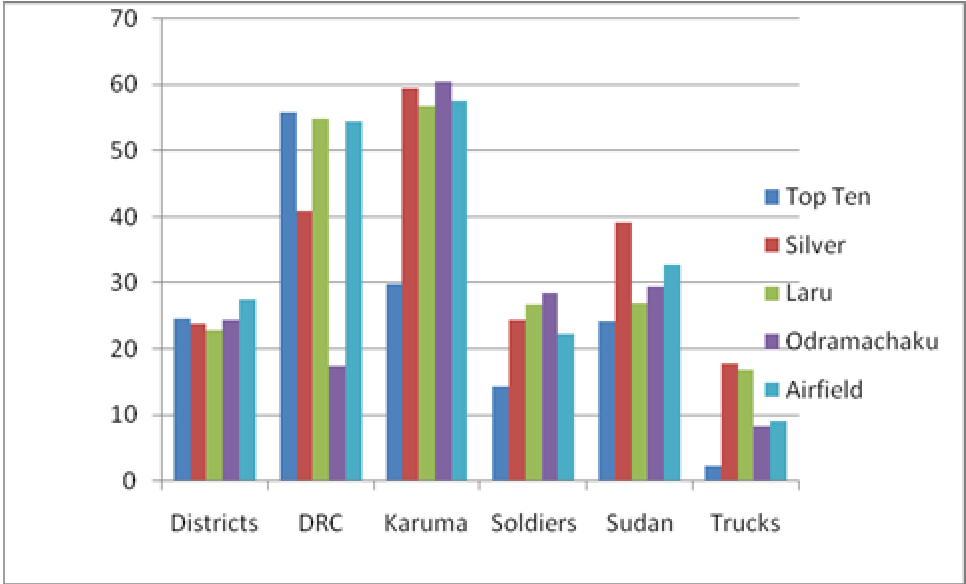


Figure 2: bribes paid per buying place per litre (in UGX)

### ***Bribesper***

<b><i>liter</i></b>	Top Ten	Silver	Laru	Odrachaku	Airfield
Districts	24,49749	23,78049	22,75641	24,32432	27,55952
DRC	55,73679	40,81356	54,7651	17,39456	54,4523
Karuma	29,79275	59,52542	56,66023	60,45113	57,5188
Soldiers	14,36202	24,27536	26,78571	28,5	22,17391
Sudan	24,2279	39,03509	26,95853	29,45946	32,74336
Trucks	2,34498	17,85082	16,80108	8,200734	8,998549

### 3.3 Confiscation

Lastly, this section explains how similar processes of negotiation take place around confiscation. In all, the amount of fuel which is confiscated is very small: during the survey, the middlemen only had between 1 and 4% of their illegally acquired fuel confiscated by the security agencies. Although this is a small amount, it nevertheless has a strong negative impact on the profits of the traders: it is the major factor which reduces their income. For example, in the first month of the survey, the Laru middleman had 6478 liter confiscated, leading to a loss of 5,162 USD (13235000 UGX), which of course strongly reduced his profit.

The survey clearly shows there is a dynamic evolution in the confiscation: this is no continuous process, but happens during certain periods. Concretely, it took place during the first, fourth and fifth month of the survey; there was hardly any confiscation in between. This can be explained in the following way: during the first and at the end of the fourth month, new staff arrived for the local revenue authorities. Particularly the arrival of new military staff to had a strong effect - when patrolling, the URA enforcement unit is always accompanied by a number of soldiers, which are always stationed for a number of months in a particular locality. According to the traders, newly arrived staff are particularly hard to bribe: because they still have good intentions, and/or because the staff, which arrives from different areas, does not know each other well enough yet. They however become "easier" once they have been stationed in the area for some time. This is exactly the reason why revenue agents are only allowed to stay for a limited amount of time in their station. And the above dynamics is what happened during this period: in the beginning (February 2008), confiscations were very high, but almost disappeared after some time. When the new staff arrived at the end of May, they peaked again.

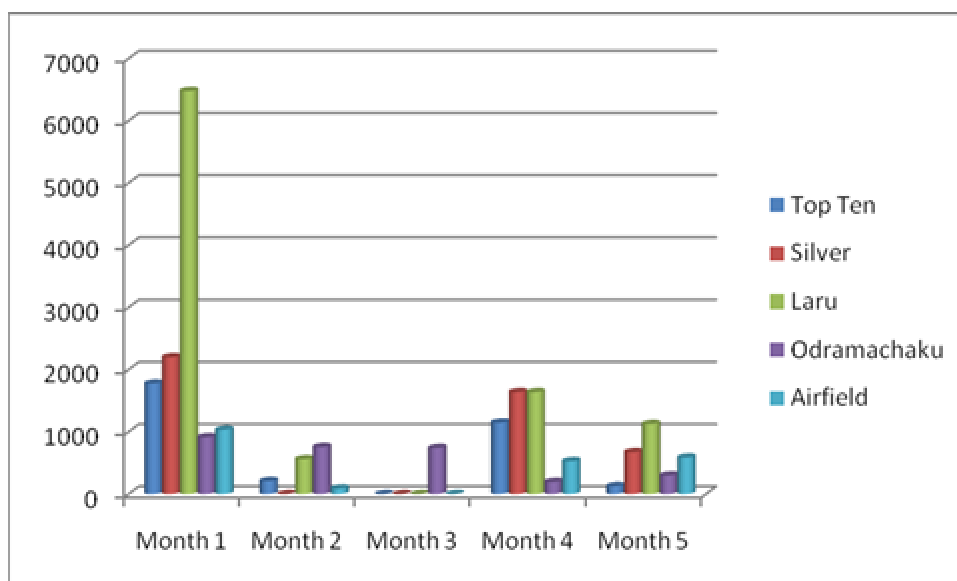


Figure 3: Confiscation (in liters, per month).

Confiscations do not only affect the sales directly – in that liters are simply confiscated – but also indirectly, in creating a snowball effect in the sales dynamics: the street sellers only keep a limited amount of illegal fuel on their corners, the bigger quantities are hidden somewhere nearby. This is done to minimize the damage of confiscations. When there are much confiscations, less fuel is brought to the selling points due to the increased risk; and the middlemen also give less fuel to the street sellers out of fear of confiscation.

Lastly, the new enforcement unit was not only confiscating the fuel, it was also arresting the street sellers: it was charging them with drug abuse and disorderliness. Because of this, the street sellers could not sell large amounts, as they could not stay for long on their street corner. During a period of confiscation, a middleman for example argued how “there are too many problems with transportation and selling because of ‘racking’, which is the revenue going from door to door, searching people’s homes. Checkups have increased both within and outside of town. Transportation is so risky because of this : they can just jump and take your fuel. So we sell less liters than usual sales”<sup>8</sup>.

This dynamic is therefore also reflected in the sales history of the OPEC boys. During the first month of survey, when confiscation was at its peak, sales were at the lowest level. When confiscation reduced, sales increased; and when confiscation started again in the fourth month, sales reduced as well.

<sup>8</sup> Interview middleman 15 February 2008. As one OPEC boy argued during one of these periods “Anytime we’re losing what we bought because of confiscation by URA and police. Patrolling is too much; we can lose our life anytime. There’s been gunshots on us; we sell less.”



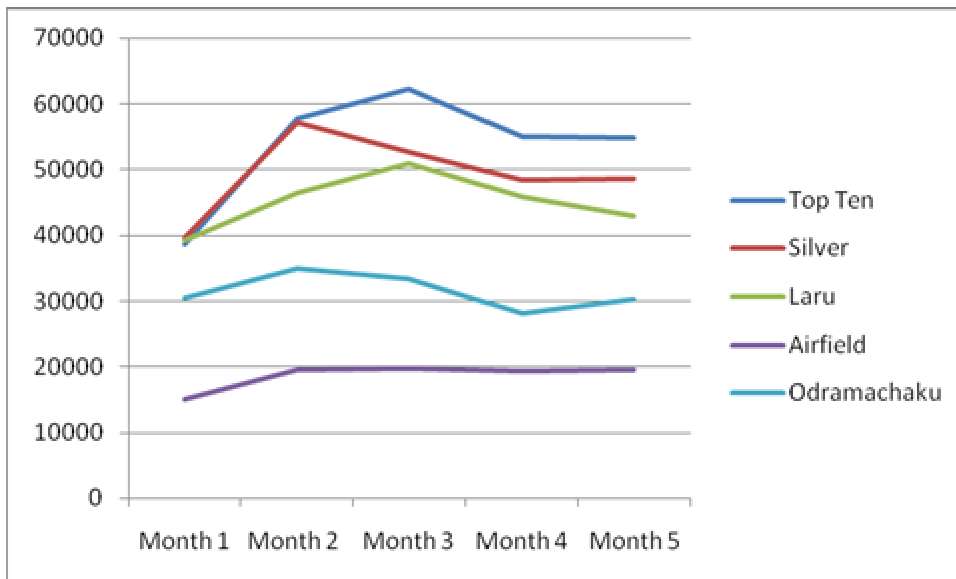


Figure 4: Amount of liters sold per month

Nevertheless, confiscation is not irreversible: often, security agents can be bribed to release these goods. In this way, the financial loss is limited. The survey shows how between 16 and 39% of the confiscated fuel can be released through bribes.

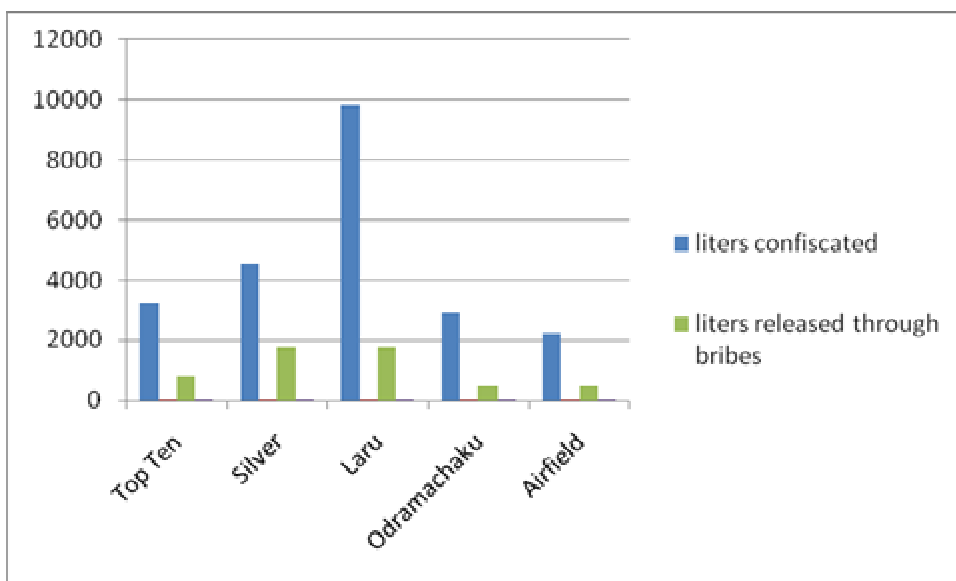


Figure 5: Amount of confiscation, and amount released through bribes

The recovery rate depends on a number of factors, such as the contacts a middleman with the security agents, and the security agents which confiscated the goods and are working at that time. If the latter are known to be 'stubborn' or 'unbribeable', this naturally becomes very difficult. Bribing is easier when it is confiscated by the mobile police, which are a paramilitary agency which are presumed to keep law and order, but which are not allowed to confiscate. As their action is illegal, this becomes easier to release the goods. Bribing to release the goods can happen directly after confiscation, i.e. on the site of confiscation. When this is not possible at the site, this can still happen in the offices of the revenue authorities, in which revenue officers and/or the storage guards can be bribed. The survey shows how these 'bribing rates' vary between 269 and 616 UGX per liter on average. For example, one

middleman paid 180,000 UGX to release 300 liters. Naturally, this is much cheaper than having the fuel confiscated, which amounts to a loss of between 2300 and 2900 UGX per liter. (In other words, these same 300 liters would have led to a loss of 690,000 to 870,000 UGX.)

Lastly, according to the smugglers, much of the confiscated fuel is brought back on the market by the government agents between March and April. This does not happen directly, but is first sold to ‘trusted’ middlemen, who in turn sell it to the OPEC boys. This, and the relative high percentage of confiscated goods which are given back to the smugglers after bribes, is facilitated by the fact that the Revenue Authorities have no systematic records about their confiscated goods: the chief manager only had a small ragged notebook which provided very little information on the amount of goods confiscated by URA. No systematic records are kept at the URA and there is no recording of what the mobile police confiscate (since their confiscation is illegal). Confiscated fuel is either stored, sent to Kampala or auctioned locally as a way to recover lost taxes. It is unclear what happens to the confiscated fuel – there are no records on how much is stored, how much is sent and how much is auctioned - and what is the amount of taxes recovered.

### 3.4 Buying prices

Crucial in buying this fuel is that there are no fixed prices: as the trade is illegal, there is no third party (such as the state) which guarantees uniform prices. Even if all traders buy from the same sources, they buy at prices which are slightly different. For example, petrol in the nature reserve is bought by the Airfield middleman on average at 1,800 UGX per liter, while the Odramchaku middleman buys this at 1,594 UGX per liter. These differences depend on a number of issues: the amount of fuel transacted, the costs which the seller has encountered, the urgency in which the buyer needs fuel and the seller money and the relationship between the buyer and seller.

#### *Price of petrol per liter*

	Top Ten	Silver	Laru	Odramachaku	Airfield	Average
<b>Other traders</b>	1575	1437,647	1644,444	1500	1559,615	1543,341378
<b>DRC</b>	1737,991	1718,027	1772,653	1718,229	1794,503	1748,280564
<b>Karuma</b>	1616,97	1682,353	1741,284	1594,444	1800	1687,010297
<b>Soldiers</b>	1528,571	1531,704	1494,949	1652,174	1604,878	1562,455429
<b>Sudan</b>	1779,464	1808	1805,042	1766,667	1687,879	1769,410351
<b>Trucks</b>	1703,187	1688,913	1688,779	1684,793	1696,835	1692,501315

#### *Price of diesel per liter*

	Top Ten	Silver	Laru	Odramachaku	Airfield	
<b>Other traders</b>	1552,747	1566,25	1594,118	1500	1426,887	1528,000338
<b>DRC</b>	1733,654	1520,751	1707,059	1654,416	1737,327	1670,641316
<b>Karuma</b>	1653,744	1694,262	1517,115	1442,392	1599,083	1581,319098
<b>Soldiers</b>	1437,158	1470,139	1454,054	1607,407	1600	1513,751764
<b>Sudan</b>	1865,435	1818,75	1884,694	1823,913	1737,5	1826,058455
<b>Trucks</b>	1549,011	1661,683	1716,255	1687,832	1651,613	1653,27899

The buying prices are strongly dynamic. This can clearly be seen in the table below.

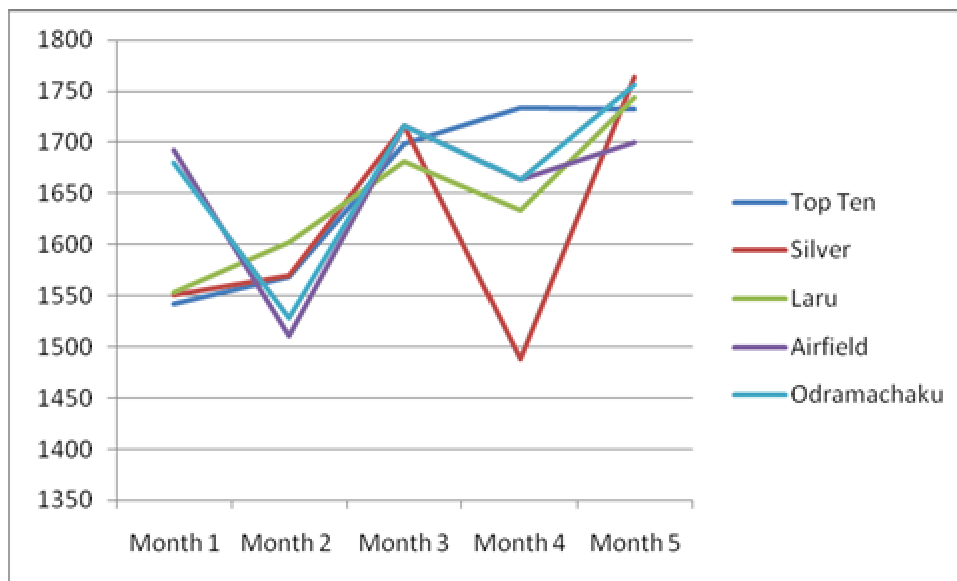


Figure 6: Average buying price per month

### 3.5 Analysis survey data

In sum, these traders are confronted with a number of incentives and constraints, all of which have an impact on the business opportunities of the traders: buying prices, selling prices, amount of bribes, confiscation and potential recuperation of confiscated goods, transport costs, and so on. Whereas formal trade is presented with similar incentives and constraints (such as fluctuating buying/selling/transport prices), these are much more fluctuating in the case of informal trade. Moreover, this informal trade is particularly prone to a number of risks, which can potentially have a strong impact on their income: it was shown how one middlemen had 6478 liter confiscated, leading to a loss of 5,162 USD. Similarly, it was shown how confiscations also had an impact on the overall amount of fuel sold, and therefore on the income of the traders.

Many institutions emerged in order to manage these risks (inherently present in informal trade). Firstly, bribing is an important institution in order to reduce risk. It can be seen as “institution that reduces uncertainty because it limits the range of possible actions of individuals and makes their actions partly predictable.” (Egbert 2006: 354) In doing so, it is seen as an informal taxation for a particular service rendered by public actors. As one trader summarizes “what we do is illegal, they key role of bribing is to help to protect us, mostly from the revenue authorities. The others, they have to pay in taxes, we have to pay in bribes!”<sup>9</sup>. In other words, bribing is considered an informal form of taxation, which is necessary to guarantee a certain degree of protection in an insecure environment, and a certain degree of predictability. As was highlighted above, also these bribes have a certain degree of predictability: there is a certain understanding among both government officials and traders on what amount to pay for which location and which quantity. This is important, because as Prud’homme argues with regards to informal taxation, traders “want to know the rules of the game, and hesitate to invest when they do not. The fear of unknown informal taxes, and of lengthy negotiations about them, may be a deterrent” (Prud’homme 1992: 13). In other

<sup>9</sup> Interview smuggler Arua, 01 February 2010.

words, when the bribes are too expensive or unpredictable, traders might decide not to bribe the government officials, which is to the latter's disadvantage. With regard to the border points in Eastern DRC, Tegera and Johnson (2007: 34) call this interaction between traders and government officials "fraud among consenting adults" as a "convenient way for individuals on both sides to profit from non-legality".

Bribes are only one way in which the unpredictability of illegal trade is reduced. It has been shown elsewhere how personal relationships play an important role in cross-border trade (Odegard 2008, Staudt 1998, Mahmoud 2008, Titeca and De Herdt 2010), and this is also the case for these traders: they continuously try to personalize their engagement with state agents in order to reduce the unpredictability of the trade. It is clear that a trader who has a good relation with a customs official or soldier will have less difficulty in dealing with these than an anonymous trader. On the one hand, personal connections with government officials help to reduce the bribes, and reduce the level of confiscation: they both help in preventing confiscation and recovering confiscated goods. On the other hand, personal connections with particular suppliers increases the predictability in supply, and can lead to a better buying price. In other words, traders try to use, develop and create personal relationship with government officials, because they constitute an important resource in the development of the trade. This is also done with the different suppliers such as soldiers, truck drivers or employees from construction companies: by investing in these relationships, traders hope to be served first when the latter want to sell stolen fuel. In other words, these personal relations help the traders to protect themselves and develop their activities.

This arsenal of relations constitutes therefore an important resource for the traders, which is used and combined in different ways. In this context, entrepreneurship as an institution dealing with these different resources can be understood as a form of 'bricolage'. The concept of bricolage was introduced by Lévi-Strauss, and he broadly defined it as: "making do with the resources at hand" (Levi-Strauss 1967: 17; Miner et al. 2001: 314). Resources can take a variety of forms: acquired skills, social contacts, financial resources and so on. 'Making do' refers to the "continuous combination, re-combination and re-deployment of different practices, organizational forms, physical resources, and institutions" (Mair and Marti: 431). The traders can be considered 'bricoleurs' which continuously try to cobble together solutions by looking through their available resources which constitute the 'rules of the game' (Berk and Galvan 2009: 568; Levi-Strauss 1967: 17). This is necessary for bringing in goods from different places: for example, traders need to rely on their personal connections to find fuel and need to rely on these relationships to safely transport the commodity. These different tools and materials which are used for bricolage also "come in handy" (Levi-Strauss 1966: 19 in Baker and Nelson 2005) in response to challenges which arise: the different contacts, and 'rules of the game' (e.g. with regard to bribing) are used to try and recover fuel when confiscated. In other words, their entrepreneurial success of these traders largely depends on their ability to combine their resources at hand – personal connections with government officials and suppliers – in the light of the different risks and opportunities. Not all traders are as good at this: some 'bricoleurs' possess more resources and some bricoleurs are simply better in putting together these resources than other. And, some bricoleurs are simply unlucky: confiscation is something which in some cases cannot be prevented.

There are different visions on the final outcomes of bricolage: according to some, it is an incomplete process, of which the outcome is "hybrid, imperfect, transient artifacts, which perhaps do not look very elegant, have lots of bugs and gaps, frictions and unusable components, but they do their job and can be improved" (Lanzara 1999: 347). According to others, it constitutes a form of innovation: "It is a process of moving ahead on the basis of

inputs of actors who possess local knowledge, but through their interactions, are able to gradually transform emerging paths to higher degrees of functionality.” (Garud and Karnoe 2003: 296) And this is exactly where the traders encounter the limits of the illegal fuel market: the illegal nature of the trade defines certain ‘rules of the game’ which limit its functionality.

This becomes particularly clear when looking at the data, and the tactics which the traders use in buying their fuel. What is striking is that there is little correlation between the level of bribes and where fuel is bought. For example, in relation with the other middlemen, the Top Ten middleman pays most bribes to get fuel from Congo; yet, he buys most of his fuel from Congo, both in absolute and relative terms (i.e. he buys most of his fuel in Congo and of all middlemen, he buys most fuel in Congo). Moreover, there also is little relationship with the buying price: the DRC is his second most expensive source of fuel; yet, most of his fuel is bought there. This logic can be generalized for the other middlemen: the DRC is for all of them amongst the most expensive suppliers (both in buying prices and bribes); yet, for all groups, it constitutes the most popular supplier. This shows how the illegal fuel market is prone to very different ‘bricolage’ dynamics, in which other factors are at play: the middlemen are not able to take these price factors fully into account, simply because the supply of fuel is an important and unpredictable factor. Much of the fuel, and certainly the cheapest fuel, is bought from actors whose supply is unpredictable. For example, the supply of stolen fuel from soldiers or from construction companies is not constant, but depends on opportunities for these actors. The trade from the DRC on the other hand is more constant: the reason why this particular middleman buys in the DRC is the fact that there is a more or less stable supply in the DRC. This explains why, although being rather expensive, it is the most popular supplier. Inversely, the cheapest supplier does not constitute the most popular one.

Due to the illegal nature of their activities, and the consequent dynamic and unpredictable nature of the market in which they are operating, their power, and ‘bricolage’ skills are limited. In other words, the tactics of these traders are associated with the “the organizational limitations and institutional exclusion associated with deepening informalization” (Meagher 2008: 14): since their activities are illegal, this makes it difficult to pursue the most cost-effective strategies. De Certeau’s difference between strategies and tactics is useful in this context: Strategies are associated with calculations of power relationships over which the subject has a degree of control, whereas tactics operate on a terrain “imposed by the law of a foreign power”, i.e. operate in environments defined by strategies (De Certeau 1984:35-37). Tactics do not have the option of planning a general strategy but rather operate “in isolated actions, blow by blow. It takes advantage of ‘opportunities’ and depends on them.” (De Certeau 1984: 37). This distinction is useful to describe the actions of the illegal fuel traders: in this context of illegal fuel trade, the traders are not able to make fully strategic choices. On the one hand, the illegal nature of their activities makes them dependent on government officials: they have to pay them a considerable amount of bribes – which constitute an informal taxation. They simply cannot operate without paying these bribes. Moreover, they have the continuous threat of confiscation. In other words, they always operate “within the enemy’s field of vision (...) and within enemy territory” (De Certeau 1984: 37) On the other hand, the illegal nature of the commodity makes the supply rather unpredictable, which limits the choice of actors to buy from: in this context, they respond and depend on ‘opportunities’ rather than to strategic choices. Both of these limit the power and the maneuvering space of the traders, which use tactics to manage the situation in which they are. In other words, they are in the first place concerned with avoiding confiscation and guaranteeing supply rather than buying from the cheapest supplier. However, this is not a major problem for the traders

concerned, as the financial reward remains very high. The limited power of the activities of the actors within the illegal fuel trade (i.e. tactics rather than strategies) becomes clearer when looking at the activities of the street seller.

### 3.6 The street sellers

This becomes particularly clear when looking at the fuel buying dynamics for the street sellers. About three quarters (78%) of their fuel is supplied by the middlemen, but they also buy from other sources (the remaining 22%). Concretely, they buy from truck drivers (63%), government vehicles (17%), soldiers (12%), or the police (3%).<sup>10</sup> The profit of the fuel from these suppliers is much higher than the fuel provided by their middleman: for petrol from these sources, the average profit is 1063 UGX per liter, which is more than three times the profit of the fuel provided by the middleman, which gives 290 UGX per liter. This is more or less the same for diesel: private sources give a profit of 1087 UGX, while diesel from the middleman only gives 247 UGX profit. In other words, street sellers make much more profit when acting independently, something which is confirmed by previous research on illegal markets (Levitt and Venkatesh 2000; Reuter et al. 1990).

Nevertheless, as argued above, 78% of the fuel is supplied by the boss, and only 22% by these ‘private’ sources. There are several reasons why so little is bought from these other sources, although they are about four times more profitable: first, whereas the middlemen are able to guarantee a more or less steady supply of fuel, the supply from these sources is much more unpredictable. For example, drivers from government vehicles or police agents only sell fuel when they have an opportunity to do so, i.e. when they find a way to dodge their supervisors, and so on. Although street sellers may have arrangements with individual drivers – e.g. when a driver gets a full tanker, he always sells a few liters to a particular street seller – this remains unpredictable. Second, this market of the ‘other suppliers’ is to a large extent dominated by the middleman, who buy the biggest quantities and have better contacts with these private suppliers. Moreover, the middlemen have a better reputation than the street sellers: they have more capital and are known to be generally more reliable. Third, the ultimate goal of the middleman is to sell as much fuel as quickly as possible. If a street seller buys a lot from other sources – because also a street seller wants to maximize his profit - this affects the middleman’s sales. In other words, both the middleman and the street sellers are trying to increase their turnover on the illegal fuel market. If street sellers buy and sell a lot from other sources, this will affect the middleman’s market share. The middleman will therefore use various techniques to increase his control over the street seller. He may for example give positive incentives (such as cheap loans or occasional cheaper prices) to street sellers who only sell for them. Allying oneself with also guarantees a constant supply and guarantees a certain level of protection against confiscation and help for recovering fuel. However, the middleman does not only create security in a positive way, but also in a negative way. He therefore actively tries to prevent the development of this other market: middlemen use ‘inspectors’, or the middlemen tour along the different street corners themselves, to control the sales activities of the street sellers. Moreover, the middleman has most contacts with government agencies. He can either offer less protection, or he may even connive with the government authorities: by informing the revenue authorities, their illegal fuel may be confiscated – something which has happened on a number of occasions. In the survey, the respondents for example often wrote down how “less personal sales, too much control by boss” or “strict inspection by boss”. In other words: they strictly had to sell for the ‘boss’, and

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<sup>10</sup>As argued above, these suppliers act on an individual basis, i.e. they sell the fuel which is respectively property from their company, boss, etc. On rare occasion, the OPEC boys (4%) also sell fuel to their fellow OPEC boys.

could not engage in personal sales. This reminds us of Charles Tilly's (1990 in Raeymaekers 2007: 119–20), description of protection as a 'double edged sword': on the one hand, it resembles shelter provided by a powerful friend, yet on the other hand it evokes a racket in which a local strongman forces people to pay tribute in order to avoid damage, mainly inflicted by himself. Moreover, both middlemen and street sellers have to stick to their territory: in the past, there have been cases in which middlemen or street sellers tried to extend into other people's territory, but were punished for this. For example, one street seller's fuel was set ablaze.

Similar to the socialization effects of gangs (Fagan 1989: 649-650), the different sub-units of the OPEC boys have important socialization functions: there are many young men hanging around the different street corners. They do so because they like to 'hang out' with the street sellers, and they often get a meal there, and are able to share in the other boys' 'Mairungi': this is a mildly narcotic substance which is very popular among them (Titeca 2009). Also for the street sellers themselves, the OPEC boys is more than just a fuel-selling organization: there is a certain 'family feeling' (Keiser 1969), and they like to 'hang out' and chew Mairungi at their corners.<sup>11</sup> However, there is already an *a priori* selection in this 'hanging around': most street corners have a particular ethnic identity, i.e. one needs to be member of a particular ethnic group to be allowed onto a certain corner. Moreover, one needs to have a source of fuel, i.e. being entrusted by a middleman to be given a certain amount of fuel; and one needs to establish a clientele.

### 3.7 Organisation of the illegal fuel trade

In the literature on gangs and the trade in illegal goods on a street level, there are two visions on the organization of this trade: one vision claims vertical, strictly hierarchical structures are best suited to street level operations (Jankowski 1994: 100; Jankowski 1991; Skolnick 1990), whereas another vision (Hagedorn 1994) contradicts this. The first vision argues how a gang has the following characteristics: hierarchy with leaders, roles and rules; shared group goals; loyalty to the overall organisation rather than the subgroups; and the gang must have the means to produce compliance (Decker and Van Winckel 1994: 585). This makes the gangs more functional, as "groups that have loose organizations will not be able to operate efficiently or for any long period of time." (Jankowski 1991: 99). This vertically organized, multi-tiered system, manages to dominate the market in case of a competitive struggle. Johnson et al (1987 cited in Mieczkowski 1990: 16) argue how organisations will become larger and more hierarchical the longer they remain in an illegal market. This is contradicted by a range of authors. The second vision argues how there is a lack of organisational structure, an absence of permanent membership or roles, and a lack of shared goals (Decker and Van Winckel 1994: 587). For example, Klein et al argue how gang organisations do not add much value to crack distribution: drug distribution and gangs may intersect, but they are not a single, comprehensive problem (Klein et al. 1991: 347). Others argue, with regard to crack dealing in Detroit, how illegal trade "appears to be distributed largely by multiple units of small entrepreneurs rather than by any mega organization that controls the crack trade" Mieczkowski (1990: 21). Moreover, Reuter et al (1990: 24) argue how a centralised organisation is only possible if one has systemic and comprehensive protection from government officials (Reuter et al 1990: 24), which is not the case for most groups. Illegal

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<sup>11</sup> Different from certain gangs, for whom the modal gang activity is 'hanging out' (Decker and Van Winckel 1995: 599), the OPEC boys still have primarily economic motives. (According to Taylor (1990), this changed after the wide availability of crack, for which gangs became the most logical distributors and which signified the 'corporization' of the gang.)

markets are therefore characterised more “by haphazard, ad hoc groups that may represent a decentralized distribution system more accurately than a coherent, formal, or lasting organization”.

The latter seems to be a good description for the operations of the OPEC boys: middlemen and different corners of the OPEC boys operate largely independently of each other; while within these corners, the middlemen try to exercise a certain degree of control. However, whereas the ‘decentralised’ view argues how this increases the functionality of the illegal market, this is not the case for the OPEC boys. The OPEC boys have a minimal and fragmented organisation, which does not increase the functionality, but is rather “focused on short-term needs, to the virtual exclusion of long-term concerns” (Decker and Van Winckel 1994: 602). Firstly, there is no coordination in price: the OPEC boys could increase their power, and price, if they would cooperate – certainly in the event of shortages in the petrol stations. However, there is no cooperation among the middlemen, and among the different street corners. As can be seen, there are slight differences in the selling prices.

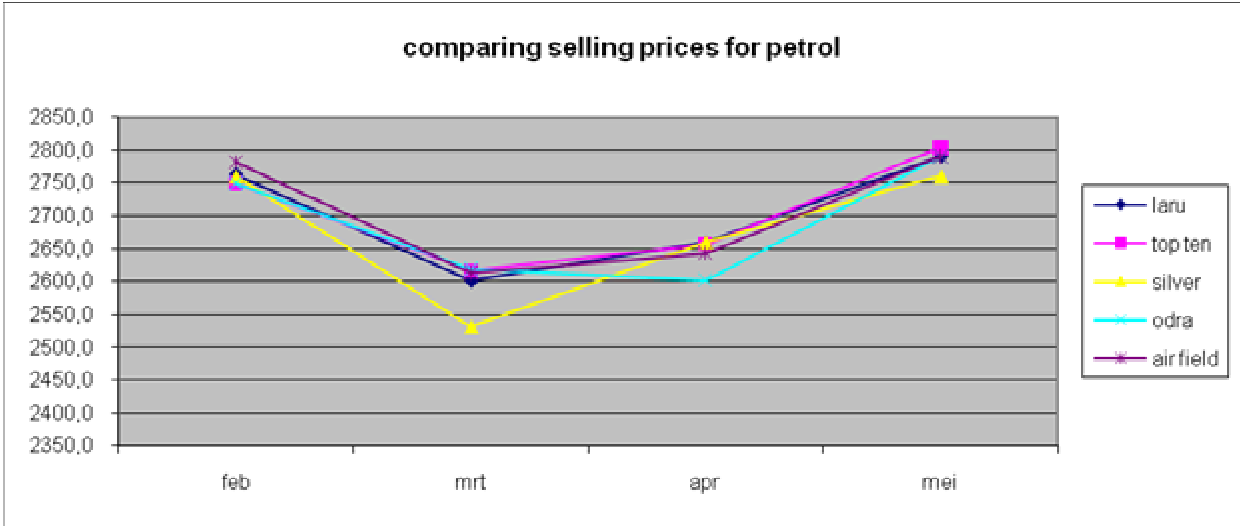
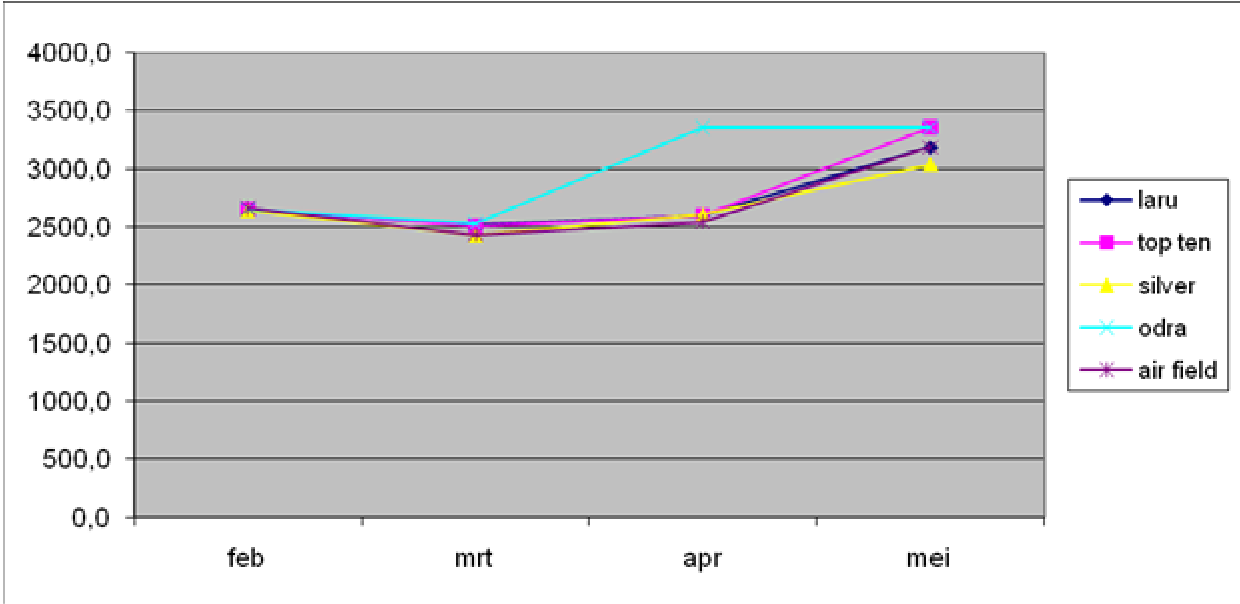


Figure 7: average selling prices for petrol





### *Figure 8: average selling prices for diesel*

Efforts at price coordination have consistently failed. Even within the street corners, there is limited price coordination: there are sometimes price differences, as street sellers sometimes have different sources of fuel. Secondly, there is no coordination in supply among the different middlemen – on certain moments, this allowed particular middlemen to enforce a monopoly in the town. Thirdly, on an overall level, loyalties and responsibilities are fragmented. They are certainly not directed towards the overall group, but is fragmented between the middleman and the street corner. The basic form of cooperation in the sale of fuel is between the middlemen and the street sellers, which act as a franchise for the middlemen. This relationship is clearly hierarchical: it has been shown how street sellers are subject to a certain degree of control by the middleman. Other things have a more fragmented responsibility. For example, rules for becoming a member of a particular corner are decided on a street corner; territory is partly controlled by the street corners (who each have particular territory) and by the middlemen (who each have a particular territory). Protection happens to some extent by the middlemen, who protect their street sellers (as they want to guarantee their turnover) and to some extent by the street corners (who want to protect their corner). Market information is to some extent given by the middlemen to his street sellers – for example if he is aware that other middlemen are running out of fuel, he will increase his price. Inversely, street sellers will often try to increase their profit and dodge their middleman by not informing him about increased street prices. In sum, the lack of a coordination and organisation makes that the fuel is not sold very efficiently.

#### **4. Conclusion**

This paper discussed the activities of a group of fuel smugglers called the ‘OPEC boys’, using a quantitative survey of their activities as a starting point. The paper showed how the different categories of traders involved – middlemen and street sellers – are confronted with a range of constraints and opportunities in conducting their business. Whereas this is nothing new - both formal and informal economies are presented with constraints and opportunities – the informal economy has specific dynamics, in which these constraints and opportunities have a stronger effect on the business dynamic and profits of the traders involved. The paper has showed the impact of differential bribes, confiscation, the ability to regain confiscated goods, buying prices, and so on. De Certeau’s distinction between strategies and tactics allows to better understand the nature of the business dynamics of these traders: externally, they are dependent on participation of government officials, and internally, it constitutes a rather illiberal space. Pursuing a deliberate strategy may not be possible for them, but rather have to focus on a limited range of options (Cornwall 2007). Firstly, the paper shows the deep involvement of government officials which are either bribed (police, military, customs officials and so on) or which sell stolen fuel (soldiers, police, civil servants, and so on). This for example puts in perspective government reports about the successful struggle against smuggling. For example, one of these reports about the reduction of smuggling argues how “over the last two months, 2000 litres of fuel (...) had been recovered”<sup>12</sup>. As shown in this paper, one middleman on average sells 19,800 liter of illegal fuel per month, which shows the relative character of these confiscations. More importantly, this shows how the informal sector only works because of the deep entrenchment of formal actors: it are the formal actors which are bribed, and which help the trade to function. This also helps to understand the ‘rules of the game’ of the bricolage in which they are involved. Clear strategic choices

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<sup>12</sup>Mugabi, F. “West Nile smuggling reduces”. The New Vision, 26 october, 2006.

depends on the power to realize them (Cornwall 2007): the traders are dependent on the involvement of government officials and an unpredictable supply, because of which their bricolage 'tactics' achieve limited results. Rather than constituting innovation, or achieving a higher functionality, the "outcomes of it are hybrid, imperfect, transient artifacts, which perhaps do not look very elegant, have lots of bugs and gaps, frictions and unusable components, but they do their job and can be improved" (Lanzara 1999: 347). Secondly, these power relationships become clearer when looking within this illegal market. Traders within the informal economy are sometimes seen as the 'quintessential free traders' (Staudt 1998: 13) which allows the empowerment of marginalized groups: as the state is unable to provide development and oppressive state regulations, traders create an income for themselves outside of the law in an essentially liberal environment. However, it has been shown how access and mobility within this space is limited; and how higher-level actors use various strategies to control the market, and restrict the manoeuvring space of the street sellers, who have to limit themselves to 'tactics'. Lastly, the traders are not the only actors using 'bricolage' skills to achieve their aims. Also state actors can be considered to use this: these data are witness of a state struggling within itself, or to articulate its authority in the field of illegal fuel trade. Similar to the traders, it has to 'make do with the resources at hand'. While the traders try to use their connections with certain government officials to achieve their goals (i.e. smuggle goods across), also certain other government officials – which try to stop smuggling – try to use their connections, or create incentives, to achieve this aim. Their 'resources at hand' are civil servants which are prone to corruption, and for which they try to create incentives to resist this. For example, it was shown how the staff of the revenue agencies cannot stay for too long in a particular location. Similarly, national level agents regularly increase the pressure on local actors (e.g. when reports about high levels of smuggling reach the national office). These efforts of the state to reduce smuggling certainly have an effect: it was shown how there is a relation between confiscation and the amount of sales. However, it was also shown how the level of confiscation is quite low: only between 1 and 5% of illegal fuel is confiscated. In other words, both government officials and smugglers have a 'bricolage' of strategies, which has varying degrees of success.

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