



Fighting international terrorism by increasing the cooperation of UN members and targeting the income of terrorist groups from organized crime

1. Introduction

International terrorism is one of the greatest challenges of modern age. Especially after 9/11 it has become an everyday topic for many international bodies and United Nations is not an exception. Unlike in many other topics, there is an international consensus that attacks which target unarmed and defenseless civilians with the intention of spreading fear and everyday uncertainty of survival among citizens of a target country should not be tolerated.

Since fight against terrorist groups somewhat resembles guerrilla wars, when one side is hiding and nobody can surely know where to focus their strengths, nor know who is actually their enemy, struggle against those groups is close to impossible. Furthermore, terrorist groups also work on international basis and their headquarters are widely spread across various nations. Therefore bilateral cooperation is usually not an option, leaving cooperative international focus the only way how to tackle this issue.

One of the ways of decreasing the fighting ability of terrorist groups is to lower their ability to raise money that they use not only on actual preparing of acts of terrorism, but also to increase their status in their "home" countries. For terrorist groups all over the world, good public relations are of major importance. In many countries, terrorists also work as a substitute of a social system. By supporting people who live in poor conditions, they manage to get image of organization that not only fights against suppressors, but also has means of enriching lives of citizens of their country. With such a public view it is easier to recruit new followers, who see it as a way of escaping their own poverty, but also as a way of helping others and living in accordance to their political or religious beliefs.

Being the major source of income is the reason why organised crime, something that at a first sight seems remote from terrorism, plays a very important role in this issue. This report will try to describe various ways of targeting incomes of terrorist groups while also explaining how those sources differ depending on region.

2. Definition of terrorism

Because there is no official unified definition of terrorism, there is a need for purposes of this background and future discussion to find a definition that will be used. There are many definitions that vary based on organization, region and time. These definitions may be different in each part of the world and they tend to evolve through history. For example the General Assembly in 1996 defined terrorism as follows: "*Criminal acts intended or calculated to provoke a state of terror in the general public, a group of persons or particular persons for political purposes.*"

Another definition brought Security Council in 2004: "*criminal acts, including against civilians, committed with the intent to cause death or serious bodily injury, or taking of hostages, with the purpose to provoke a state of terror in the general public or in a group of persons or particular persons, intimidate a population or compel a government or an international organization to do or to abstain from doing any act, which constitute offences within the scope of and as defined in the international conventions and protocols relating to terrorism, are under no circumstances justifiable by considerations of a political, philosophical, ideological, racial, ethnic, religious or other similar nature,*"

This view quite differs from views of eastern countries that usually have broader definition. For example Syrian foreign minister said, that due to international law, "*Killing civilians in international law means terrorist aggression.*"¹ Arab League then defines terrorism as: "*Any act or threat of violence, whatever its motives or purposes, that occurs for the advancement of an individual or collective criminal agenda, causing terror among people, causing fear by harming them, or placing their lives, liberty or security in danger, or aiming to cause damage to the environment or to public or private installations or property or to occupy or to seize them, or aiming to jeopardize a national resource.*"²

We can also find some more controversial definitions such as the one that was installed by Argentinian government during the dictatorship, that defined terrorists as: "*...not only who sets bombs and carry guns, but also those who spread ideas opposite to Christian and Western civilization...*"

¹ BBC (2008) Syria hits out at 'terrorist' US [online], available: http://news.bbc.co.uk/2/hi/middle_east/7693583.stm

² UNODC (1998) The Arab Convention on the Suppression of Terrorism
https://www.unodc.org/tldb/pdf/conv_arab_terrorism.en.pdf

For purposes of this report the definition of Security Council will be used, but it is important to bear in mind, that more than one definition of terrorism exists and that something that one country will call an act of terrorism, other may view differently. This is often a reason of various disputes whether international intervention is or is not acceptable.

Another important thing is that sometimes those organizations have more branches. While one division can easily be defined as a terrorist organization, others can be dedicated to political means and sometimes even make up the government of a country. Just for example Palestinian Islamic political group Hamas is divided into two bodies. First is the military branch that is dedicated to fight against Israel, second is a political party, close to Muslim Brotherhood, that focuses on government, social welfare and recruitment.³

3. Sources of income of terrorist groups

The question is quite obvious, where do terrorist organizations get money and is there any way of interfering with that process? Asking this question is immensely important since continuous financial income is heavily significant for terrorists to define their public image and fund their actions.

Donations

Donations from individual supporters or charities used to be major source of funds of terrorist organizations. According to 2002 Task force report, Al-Qaeda was mostly financed by donations coming from Saudi Arabia while Saudi officials turned a blind eye. Namely Al-Qaeda managed to build up perfect system of financing that even though US government under George Bush managed to disrupt, they could not destroy it completely.

One of the pillars of Islam is Zakat that makes it compulsory to give a certain percentage of one's income to charity. Although vast majority contributes to helping poor, there are some, especially in Middle East, and mainly those most wealthy ones, that support terrorist organizations. It is nearly impossible to distinguish which are those benevolent and which have intentions of supporting crime.

Companies

Many terrorist organizations also possess legal enterprises that allow them to generate an income to help finance their actions. Many of these businesses are

³ CSIS (2010) The Arab-Israeli military balance [online], available: <https://csis.org/publication/arab-israeli-military-balance-2010>

also used for money laundering. They effectively benefit from globalization and by quickly transferring their funds across the globe, they make it extremely hard to track down the money.

Ties of businesses and terrorism were found in many fields, such as livestock, fishing, agriculture and leather. For example, Osama Bin Laden owned a chain of honey selling stores in Middle East and Pakistan. These not only made him a revenue used for financing Al-Qaeda, but the honey was also used for concealing shipments of money and weapons.

Illegal activities

Many terrorist organizations also use drug trafficking as a source of income. For example, Al-Qaeda generated large amounts of money from selling opium from poppy crops. United Nations stated that Al-Qaeda is responsible for 86% of total world production of opium. This problem is also highly spread in South America, where Revolutionary armed forces of Colombia have used cocaine to finance their operations.

Just as an example, World Trade Center bombing in 1993 was co-financed from counterfeit t-shirts sold on Broadway and 2004 attack in subway of Madrid was financed from counterfeit CDs. Many organizations are known to have direct links to organized crime. Hezbollah was blamed from selling methamphetamines in many US cities in order to finance their operations against Israel.

Euskadi Ta Askatasuna (ETA) used even more sophisticated methods to raise money for their operations. They imposed illegal "revolutionary" tax in the Basque region of Spain in 1970's. Of course bank robberies, kidnapping and blackmailing also contributed by their part.

Also, they managed to create some linked organizations such as KAS and EKIN that were used for channeling and laundering money.⁴

Another example is Taliban that uses drug trade as a major source of income, or IRA that has made quite a name for its robberies, kidnappings, fuel laundering etc.⁵

Although the terrorist attack on World Trade Center was quite expensive and cost about half million dollar, average operation that is carried out by terrorist is usually more "low budget". Bali nightclub bombing from 2002 cost about

⁴ World Check, Exposing the ETA Financial Network [online], available: http://www.world-check.com/sites/default/files/white-pappers/ExpertTalk_ETAHistoric_Ruling.pdf

⁵ US DOD, Link Grows Between Terrorism, Organized Crime, Officials Say. [online], available: <http://www.defense.gov/news/newsarticle.aspx?id=67721>

50000\$ and the estimated cost of Madrid train bombing is 15000\$.

Possibilities of stopping financing terrorist

After the 9/11 attacks, members of the United Nations Security Council passed a resolution that demanded member states to suppress terrorist financing.⁶ A month later, the Financial Action Task Force issued a list of recommendations for criminalizing terrorist financing, focusing international community on tracking down terrorist finance and reporting suspicious transactions. Another important document that was passed by UN is the Convention on financing terrorism, which was ratified by 150 member states.

Main points of Financial Action Task Force:

- 1) Action to address jurisdictional issues including safe havens and failed states,
- 2) Outreach to the private sector to ensure the availability of information to detect terrorist financing,
- 3) Building a better understanding across public and private sectors and...
- 4) Enhanced financial intelligence to exploit the value of financial investigation as a tool in fighting terrorism.⁷

A proof that international cooperation in taking those measures is vital is the fact that after the USA accepted strict legal measures to combat terrorism, terrorist organizations transferred their funds to Europe.

What are main difficulties of tracking terrorist financing?

First of all, terrorist organizations are highly flexible, able to change their actions accordingly, always staying one step ahead of governments trying to impose laws that are supposed to stop them. Secondly, majority of the money comes to terrorists from illegal activities, such as kidnaping, smuggling and counterfeiting, which is very difficult to track in the financial system. Lately, terrorist organizations started to rely more on cash that leaves fewer tracks and is harder to find and detect.

What can be done?

Because terrorist organizations transcend national borders, international cooperation in tracking their finances is absolutely essential. One of the things that are often suggested is that an international body under UN, which focus

⁶ UN Security Council, *Security Council resolution 1373 (2001) [on threats to international peace and security caused by terrorist acts]*, 28 September 2001, S/RES/1373 (2001), available at: <http://www.refworld.org/docid/3c4e94552a.html> [accessed 22 April 2014]

⁷ FATF-GAFI (2008) Terrorist financing [online], available: <http://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf>

would be completely on tracking finance of terrorism, should be established.⁸

In connection to that, it is obvious that terrorists can use to their advantage every missing part of the chain. If one single country does not cooperate and will continue to make great environment for illegal crime and money laundering, all efforts to diminish sources of income of terrorism will be much harder, if not completely impossible.

Summary

All in all, fighting terrorism is an immensely difficult task, but as it seems, by targeting the financial assets of terrorist groups, it might be possible to decrease their ability to strike. Although it will be a long road before a common approach on how to tackle ways of financing of terrorist groups is found, there already is an agreement that this is a topic that has to be resolved.

⁸ Kaplan, Eben. "Tracking Down Terrorist Financing." Apr 2006. Council on Foreign Relations. Apr 2014. [online], available: <http://www.cfr.org/terrorist-financing/tracking-down-terrorist-financing/p10356>