"We need to destroy the economic structures of the terrorists"

Expert Louise Shelley discusses oil smuggling, multi-billion-dollar fortunes, and the weak point of IS

Washington. U.S. Professor Louise Shelley is an expert on terrorism, transnational and organized crime, as well as human trafficking. She is the founder and director of the TraCCC Institute, which deals with these subjects, and a member of the working group of the World Economic Forum that deals with the same subject matter. In September, her most recent book appeared: “Dirty Entanglements: Corruption, Crime and Terrorism”.

Die Welt:

Ms. Shelley, which of these entanglements is dirtier: that of terrorism with criminality or that of terrorism with business?

I believe that the worst entanglement is that of terrorism with corruption. It is at the center of all challenges that today’s terrorism confronts us with. A North African president recently said that the Arab Spring and its consequences were the result of corruption and young people without perspectives. This is completely in line with the conclusions in my book.

But corruption does not automatically mean terrorism.

Yes, indeed. But the “dirty entanglements” that I describe are about a triad. Corruption is the background to all of them. It enables the financial transactions funding and facilitating crime. And, in the current case of terrorism by ISIS (the Islamic State; editorial note), it is being used to pay the large number of foot soldiers – the terrorists from many countries who have joined the fighting there.

Three or four decades ago, with the IRA in England or the Baader Meinhof Group in Germany, corruption was not an important factor at all. Then, terrorism was driven by ideology, and perhaps sometimes by the joy that one terrorist or the other may have gotten from killing and destroying.

In my book, I describe this change. Corruption has always been an essential part of criminality but formerly, it was usually not playing a pivotal role in terrorism. Today, on the other hand, terrorism is growing particularly on the fertile soil of very corrupt states denying their citizens access to resources and their young people a viable future.

You underline in your book that some terrorists see terror exclusively as a source of income, completely detached from any political or religious idea. One of the examples cited by you is Abu-Sayaf in the Philippines. Does this apply to individual ISIS terrorists too?

ISIS is made up of a very large number of movements. It is indisputable, though, that many of the extremists from Europe or the U.S.A. who have joined ISIS do have a criminal record. And some of them have returned and committed further criminal offenses that do not necessarily have anything to do with terrorism. This is one side of the coin.

Well, so what about the other?

If we see ISIS as being an amalgamation of various movements, then there are, for one thing, the elites from the old Baath Party from the Saddam Hussein era. This was a markedly corrupt society, led by that Baath Party. Any one-party system will lead to large-scale corruption because it gives very much power to only a few people. During the final stage of Saddam’s rule, many Baath operatives were seen incorporating bogus companies to put money on the side for themselves. As I describe in my book, U.S. experts, prior to the invasion (in 2003, editorial note), understood those bogus firms to be an attempt at procuring nuclear weapons – it became clear only later on that this was all about illegal self-enrichment. Baath cadres were engaging in many other types of illegal business, including oil smuggling in particular.

... which, today, is an essential factor in the funding of ISIS...

Precisely. Smuggling from out of Iraq began during the Oil-for-Food Program of the United Nations, and they’re smuggling again today, including cigarettes and other merchandise. This demonstrates the large number of movements belonging also to criminality that are part of ISIS today. Younger-age criminals from the West join organized crime made up of the old Baath elite, under the banner of radical Islam. And in the territories they have conquered, these fanatics are in turn using the means of coercion and force to extort protection money and extra taxes. These funds are inter alia being used to purchase weapons from the black market – which will work only if there are corrupt structures in place where someone will be selling weapons.

Talking about young criminals from the West joining ISIS, what’s the importance to them of the idea of forgiveness through Jihad – you only need to fight for Allah and will obtain immediate forgiveness for earlier sins such as engaging in the drugs business, committing robbery, or causing physical injury?

This is an important point. Many of them are not out to fight for the sake of fighting but rather to find redemption and forgiveness. This is what is making ISIS propaganda very attractive. Other recruits from the West want to escape poor social conditions or destroyed families.

ISIS as a rallying point for all the uprooted who are hoping for forgiveness?

But it’s not only that. On the other hand, ISIS does have some very special recruiting criteria as well. Thus, for instance, they are looking for people with a good command of English to help them to spread the global message, or people who
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are technology-savvy and know a thing or two about the Internet. Of course they need fighters but their recruiting is not just done at random for anyone knocking on their door, but they will also pick people very selectively in accordance with the skills they need.

The Baath elites in Iraq appeared to be secular and distant from religion; it was only when his overthrow was imminent that Saddam started playing his religious card. Today, these old cadres are entangled with terrorists of a very religious motivation. How do these things go together?

This is a very peculiar marriage of convenience. Many Isis fighters first wanted to focus on Syria but then they were joined by Baath people seeking to retrieve, as it were, those parts of Iraq that were – at least formally – under the control of the then prime minister of Iraq, Al-Maliki. These Sunni Baath cadres felt they were being treated unfairly by Maliki, and that’s why they returned with the backing of the power of Isis to liberate Sunni territory from the rule of the Shi-ite government in Baghdad.

Is it not that these very different interests on the part of radical religious leaders, secular Baath cadres, and criminals might considerably destabilize this terrorist organization?

From my point of view, this is indeed one of the congenital weak points of Isis. This is a very peculiar coalition whose members do not share the same interests and the same world view. But because Isis is being attacked from the outside, cohesion has been developing. This may lead to absurd situations. We know, for instance, that Isis persecutes and fights the Kurds. But it is only a few weeks ago that two ministers of the Kurdish autonomous government in the north of Iraq were being accused of participating in large-scale oil racketeering with Isis.

In your book, you throw light on the various sources of income for terrorism. What are they?

The most important source of finance at present is oil smuggling. From this, they are collecting at least one million dollars per day. But, of course, the money they are drawing from seized territory is becoming more and more important. This is protection money, taxes, receipts from the local trade, fees, etc. – and this factor increases with the territory they rule. This is why there has been an enormous boost in their income.

Isis is deemed the richest terrorist organization of all time, with two billion dollars in its war chest. But it does have to pay its fighters every day, and also civilian employees in conquered territory, and it has to purchase ammunitions and new weapons.

Not only civilian employees. In those regions, you have to include people in your ‘payroll’ who are not really doing anything at all – just to ensure that they will stay loyal to Isis. And indeed this leads to an exciting question: does their income outweigh their expenses? Or will the money they have now be dwindling away at some point? This cannot be judged from the outside. But in any event, they do have enormous resources for the time being.

Are you optimistic that we can not only stop Isis militarily but cut off the roots of terrorism as well?

The military approach is indeed not sufficient. Bombing Isis is not going to solve the problems. We need to destroy the economic structures of the terrorists. We need to try a holistic approach covering all of society. Everyone has to be on board – civil society, government, multilateral organizations. Even so, I’m not optimistic that we will see comprehensive success in the short term. This is a task that might take decades, I’m afraid.

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