

The Shadow Triangle: when smuggling replaces welfare

April 19th 2012

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In this tiny remote corner between Kosovo, Albania and Montenegro, illicit smuggling is the rule, backed by inefficient and often accommodating authorities.

Recently, journalists and scholars have focused their attention on the transborder area located between **Albania, Montenegro and Kosovo**. Here, the Deçan-Plav route has become a channel for smuggling weapons and drugs as well as human trafficking. The same area, **lake Vermica**, bordering Kosovo and Albania, has been described as an open gate for cross-border criminality by law-enforcement authorities. These woody and inhospitable borders are ideal for smuggling.

Around here, clandestine trafficking has sprung up transforming the shadow economic activities into an income for survival. On the field, in fact, the general insight is that the smuggling is sustained because it performs an economic function in a context of pronounced economic weakness.

A crucial crossroads for organised crime

What is evident is that this region is an extremely important hub of transnational organized crime. Plus, international police suspects that criminal groups engaged in smuggling rely on close links to people in power. Several enquiries have shown how pervasive the connection is between the licit and illicit sector. A pacesetter in this investigative field, was the investigation published by [Balkan Insight in May 2009](#), when, for the first time, the attention was focused on the strategic role played by Lake Vermica.

This inquiry proved that the lake in south-eastern Kosovo is being used to smuggle **arms, counterfeit documents, drugs** and stolen **car parts**. Several witnesses said that small boats frequently enter from the Albanian side and anchor on the north shore of the lake, opposite, and inaccessible from the border point, according to documents published by the [European Commission Liaison Office in Kosovo-ECLLO](#).

The journalists' sources have been supported by a senior border police official and by a police officer with in-depth knowledge of smuggling in Kosovo. In their perspective, intercepting the smugglers is a hard task due the shortage of logistical means. Speaking on condition of anonymity, one **border official** at Vermica told Balkan Insight: «All we can properly control is smuggling during the day, but we lack the equipment which would enable us to control the situation during the night, which is the time when all the smuggling happens. We have a single static camera which is not enough to ensure safety and to tackle smuggling».

Meanwhile the scenario is evolving. The Kosovo government has announced plans for an important **highway that will run from Prizren to the Albanian border**. Negotiations involve the American-Turkish Company, Bechtel-Enka Joint Venture. Kosovo Prime Minister Hashim Thaci told local media that Kosovo would greatly benefit from the project because it will open various European corridors and create construction jobs. If these corridors will be used as the new infrastructures of the illicit flows too remains an open question. The same open question that concerns the new strategy plans by the [EU to face trans-border smuggling](#).

Necessary illegal businesses?

Nonetheless, some structural elements can be fixed. First, the illicit sector has various nuances. If on the one side, crimes such as the **trafficking of human beings**, especially women and children, produce social blame, on the other side, crimes like **drug** or **arms smuggling** are perceived as an acceptable form of enterprise. In this context, smuggling does not act on a pre-existing market but is the market itself.

The last consideration, here, affects the relationship between smuggling and the socio-political system. In the considered area, the illicit sector acts as provider of **services, jobs** and in *latu sensu* of **welfare**. In this context smugglers have a new, more professionalized profile. Smuggling guarantees a strong step up in class. In this "**shadow triangle**" several notorious smugglers hold public positions having taken advantage of this. This is a basic turning point: in this way the illicit sector emancipates itself from the marginal role of a provider, acting and intervening directly in political life. State officers, employed in key institutions like

welfare, police and other services involved in border control, also became included in the illicit system through the expansion of corruption networks.

For these reasons trans-border organized crime has a destructive effect not only on the economy, but also on the institutions and the rule of law. These illicit activities plan the outline of the shadow economy as a "quasi" economic system, which combines legal with illegal and criminal methods and licit forms of business, and which is to a great extent protected from law enforcement.

Weak institutional countermeasures

The major concerns still revolve around the work of the public sector, procurement, the judiciary and law enforcement, with the number of final convictions in corruption cases remaining very low. There is no mechanism for tracking investigations, indictments, prosecutions and convictions that would ensure transparency on the status of corruption cases. The inter-agency cooperation on corruption is insufficient and results in inconsistent implementation of legislation, strategies and action plans as well as information to the public. The inter-ministerial working group on anti-corruption measures has failed to deliver tangible results. The inefficiency of the **judicial system** has an especially destructive effect on the efforts to counteract the economy of crime, which is only partly due to imperfect legislation. In practice, not only does organized crime remain unpunished, but it also uses the judiciary **to eliminate** competitors through corruption.

A blurry optimism ahead

However, in Kosovo, according to an [Eulex report](#), there were in the last months some positive steps in tackling economic crime, financial crime and corruption. The first was the establishment of the Directorate of Economic Crime and Corruption Investigations by the Kosovo Police Director General in December 2009.

The second is related to the NGOs' commitment in the fight against corruption and smuggling. Their analyses, reports and policy recommendations demonstrated a significant capacity in identifying strengths and weaknesses in the rule of law mechanisms.

The third step forward was the institution in February 2010 of the "Anti Corruption Task Force" whose objective it is to investigate and fight high profile corruption-related crimes.

The steps forward in the direction of effectively fighting smuggling are far from having an effective spin-off. In this sense, the general feeling is that illicit practices will continue because they also affect part of the international contingent displaced in Kosovo.

On September 21, 2010 there were **several arrests among soldiers from the NATO mission** in Kosovo-KFOR, suspected of selling fuel intended for military purposes from one of their bases to petrol stations. KFOR admitted in a statement that soldiers were suspected of having been involved in the case of **fuel smuggling, tax evasion, and misuse of economic authorization**, officially condemned as criminal acts. However, despite the acknowledgement, no troops have been arrested to date.

During 2008 and 2009, **three million litres of contraband fuel** were suspected of being sold to three private petrol stations: AS Graniti in Stime owned by Agim and SaliBeqaj, Alb Petrol in Podujevo owned by IdrizEjupi and Onazis in Pristina owned by brothers Nazmi and Nexhmi Kastrati. Again, it has been reported that soldiers from the Ukrainian contingent, based in the southern Kosovo town of Strpce, are suspected of involvement in the alleged smuggling operation.

Paradoxically, KFOR soldiers are protected by diplomatic immunity which would have to be lifted if any of them were to face trial in Kosovo.

**** This article is an excerpt from the publication E.R.Petrillo, 'Shadow triangle. Trans-border smuggling between Kosovo, Albania and Montenegro', in Bruns B. et Miggelbrink J. (eds.), 2012, Subverting borders. Doing research on smuggling and small-scale trade, VS Research, Leipzig.*