

# Incorporating organised crime into analysis of elite bargains and political settlements: Why it matters to understanding prospects for more peaceful, open and inclusive politics<sup>1</sup>

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## Summary

This briefing note synthesises findings and insights emerging from a SOC ACE Research Paper on political settlements/elite bargains analysis and serious organised crime (SOC). The paper argues that analytical efforts to understand political settlements and elite bargains in greater depth need to incorporate a more substantive and systematic exploration of SOC. SOC affects critical elements related to the nature and quality of elite bargains and political settlements – from the elites that constitute a bargain or settlement, to violence and stability, to ‘stateness’, or the extent to which a state is anchored in society, state capacity and political will, to legitimacy, to electoral politics – and fundamentally shapes the way political systems work and why. The research that this briefing note is based on draws on insights from a rich body of literature on organised crime and its impact on conflict, violence, governance and development to articulate how SOC can be more thoroughly integrated into political settlements and/or elite bargains analysis to enhance the depth, quality and accuracy of such analysis. The note also summarises lessons and implications that can guide further reflection in conflict and development circles on the nexus between organised crime and elite bargains/political settlements from a more politically informed, or ‘thinking and working politically’, perspective.

1 For the full research paper see Rocha Menocal, A (2022). *Incorporating Serious Organised Crime (SOC) into elite bargains and political settlements analysis: Why it matters to understand prospects for more peaceful, open and inclusive politics*. SOC ACE Research Paper No. 15. Birmingham, UK: University of Birmingham.

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## Background: Why incorporating SOC into an analysis of political settlements and elite bargains is important

One of the most important lessons to emerge in international development and (post-)conflict circles over the past two decades is that the challenge of promoting change is not only technical, but also deeply political in nature. As a result, international actors have tried to incorporate a more politically informed lens in policy thinking and practice – or to ‘think and work politically’.<sup>4</sup> Political settlements and elite bargains – or the kinds of deals, understandings, arrangements, and underlying ‘rules of the game’ that determine how public authority is exercised and how power and resources are distributed (see Box 1) – have become important concepts in thinking about conflict, fragility, and development and how these arrangements and understandings

shape prospects to foster more peaceful, open, and inclusive states and societies.<sup>5</sup>

This interest in political settlements and elite bargains among international actors as an analytical approach to better understand the political economy of – and engage more effectively in – conflict-afflicted and other developing settings has also led to a considerable investment in research.<sup>6</sup> In parallel, over the past several years serious organised crime (SOC) has become increasingly recognised not only as a security threat but also as a complex development and governance challenge that affects multiple dimensions of conflict and fragility and needs to be addressed as such.<sup>7</sup>

Yet, taking stock of the body of research funded by donors like the UK’s Foreign, Commonwealth and Development Office (FCDO) and others anchored in political settlements and/or elite bargains to inform efforts to think in more politically aware ways and draw out implications for working differently as a result, it is striking that, but for very few exceptions, this research has not incorporated SOC as an integral component of analysis in a systematic way.

### Box 1: Defining key terms<sup>8</sup>

Although the term may lack definitional clarity, there seems to be consensus about the substance of political settlements. At their core, **political settlements** constitute a common understanding or agreement, principally among elites, on the balance and distribution of power, allocation of resources and wealth, and on the rules of political engagement that leads to a significant reduction in anti-systemic violence and other forms of disruption.

**Elite bargains**, which tend to focus on agency, leadership and the choices leaders make, can be understood as discrete agreements that explicitly set out to renegotiate the distribution of power and allocation of resources between elites, cumulatively shaping and changing the overarching political settlement.

4 There is a vast literature on this. See Rocha Menocal (2022) for further reading.

5 See for example Behuria, P, Buur, L & Gray, H (2017). Studying political settlements in Africa. *African Affairs* 116(464), pp. 508-525, and Kelsall, T & Vom Hau, M (2020). Beyond Institutions: Political Settlements Analysis and Development. IBEI Working Paper no. 56. Barcelona: Institut Barcelona d’Estudis Internacionals (IBEI).

6 See for example Behuria et al. (2017). Further sources are provided in Rocha Menocal (2022).

7 See Jespersen, S et al. (2020). Serious and organised crime: Impacts on development: rapid evidence assessment. ITERU and RUSI, among others.

8 See Rocha Menocal (2022) for a full discussion of how these terms are defined and a list of references.

This is an important gap that matters for our understanding of both political settlements and elite bargains and for how change happens. The central argument highlighted in this briefing note is that analytical efforts to understand political settlements and elite bargains in greater depth need to incorporate a more explicit and purposeful exploration of organised crime. SOC affects critical elements related to the nature and quality of elite bargains and political settlements and the ‘rules of the game’ – from the elites that constitute a bargain or settlement, to violence and stability, to ‘stateness’ or the extent to which a state is anchored in society, state capacity and political will, to legitimacy, to electoral politics. Not taking this into account more thoroughly risks developing an incomplete picture of what the levers of power are and how things work on the ground, which in turn can lead to misguided assumptions about what the challenges in a particular setting may be and how they can be addressed more effectively.<sup>9</sup>

But while political settlements or elite bargains research has not incorporated SOC as a core component of analysis, this briefing note highlights that it has a lot of potential to do so, given its focus on the balance of power between elites and their respective incentives and interests, as well as its emphasis on formal and informal ‘rules of the game’ and how these interact. Drawing on insights from a wider body of literature on organised crime and its impact on conflict, governance and development, as well as on the linkages between criminal and political violence,<sup>10</sup> this note articulates how SOC can be more thoroughly integrated into research focused on political settlements and/or elite bargains.

## Key findings

From a development perspective, the incidence of organised crime is especially relevant in contexts which are undergoing complex and uncertain processes of transformation – including from violent conflict to peace and from authoritarian rule to democracy. In such contexts, informal institutions are often not aligned with formal ones, and the rule of law is weak. A more purposeful analytical focus on how SOC actors relate to and are integrated into elite bargains and political settlements can be especially useful to develop a more grounded and politically aware understanding of how such actors affect power dynamics, the distribution of resources, and peace- and state-building processes more broadly, and what this implies for fostering more peaceful, open and inclusive states and societies.

Perhaps the most important insight from the wider literature on organised crime and politics that can substantially enrich research on political settlements and/or elite bargains is that there is no clear and neat distinction between SOC and the state. Far from being outliers, SOC actors are a systemic element of governance and state-making in all sorts of settings undergoing important processes of transformation. As suggested by a growing body of work on state capture,<sup>11</sup> state penetration is a core focus of criminal groups as they seek to pursue their activities and maintain order. Organised crime thus needs to be understood as part and parcel of transformed power relations and ongoing economic, political and social processes of contestation, negotiation and bargaining between a range of different actors to define the ‘rules of the game’.<sup>12</sup>

9 Cockayne, J (2016). *Hidden power: the strategic logic of organised crime*. Hurst; and Blattman, C, Duncan, G, Lessing, B & Tobón, S (2021). *Gang rule: Understanding and Countering Criminal Governance*. Working Paper. National Bureau of Economic Research. Cambridge, MA: NBER.

10 See Rocha Menocal (2022) for an overview of that literature.

11 See Cockayne (2016) among others.

12 Kleinfeld, R & Barham, A (2018). Complicit states complicit states and the governing strategy of privilege violence: When weakness is not the problem. *Annual Review of Political Science*, 21, pp. 215–223; Gutiérrez-Sanín, F & Gutiérrez, JA (2022). State, political power and criminality in civil war: An editorial revisiting old debates from different angles. *Journal of Political Power*, 15(1), pp. 1–13; and Schultze-Kraft, M (2018). *Criminal orders, governance and armed conflict*. Palgrave Pivot.

Linkages between criminals and other elites can include a variety of dynamics that will shape the nature of the political settlement. One crucial dimension of this interaction is the extent to which SOC and state actors collaborate or compete with one another and why, and the effect this has on the legitimacy of different actors on the ground and broader processes to foster more peaceful, open and inclusive states and societies.<sup>13</sup>

The research and analysis this briefing note is based on explores key questions related to the different mechanisms through which organised criminal gangs (OCGs) engage with the state in different settings, and how they influence politics and the economy as a result, which remains an understudied area of enquiry.<sup>14</sup> It outlines various elements that are at the core of political settlements and elite bargains. These include:

**Relevant elites:** Elites may well be the ‘bread and butter’ of political settlements and/or elite bargains analysis. Having a contextually grounded understanding of such questions as who the relevant elites are in a given context, the balance of power between them, what shapes their interests and behaviours, and how they relate to different constituencies is at the core of what it means for international development actors to think and work politically. Yet, as of yet, little of the donor-funded research on political settlements and/or elite bargains has incorporated SOC actors as relevant elites in a systematic way. This is critical, since SOC actors are themselves integral elite players (re)shaping the ‘rules of the game’, and hence will have considerable influence on prospects for peace and prosperity.

**Violence and (relative) stability:** While political settlements and elite bargains may provide crucial sources of stability, this does not mean that they fully contain political violence. Violence may

not simply be the reflection of political crisis, but may also be a core characteristic of the very making, functioning and reproduction of political settlements and elite bargains – and it can thus be a defining mechanism for building political order and stability. While this is something that research on political settlements and elite bargains has increasingly recognised,<sup>15</sup> for the most part this research has not systematically explored what the role of SOC actors has been in generating and/or contributing to violence, for what purposes and to what effect. Critical questions that need further exploration within political settlements/elite bargains analysis include among others: what does ‘crimi-elite’<sup>16</sup> power look like and how does it work? How have state and other non-state actors responded to the violence and the role of SOC actors in it? How does all this affect prospects of fostering more peaceful, open, inclusive, equitable and representative politics?

**Stateness, state capacity and political will:** Understanding how the state functions and why is at the very core of political settlements and elite bargains analysis. In many conflict-affected and other transition contexts, the state is often not sufficiently autonomous, does not wield uncontested authority, and does not have a monopoly over the means of coercion throughout its territory. Rather, it faces competing sources of power, legitimacy, violence and ideology. But the ways in which the state operates at the local and national level, both formally and informally, cannot be fully understood without looking at how organised crime interacts with it.<sup>17</sup> A greater recognition of how SOC affects stateness can be especially useful in terms of problematising simplistic and linear notions of both state capacity and political will. The problem may not always be one of state weakness, which tends

13 Barnes, N (2017). Criminal politics: An integrated approach to the study of organized crime, politics, and violence. *Perspectives on Politics*, 15(4), pp. 967–987.

14 Barnes (2017); Jespersen et al. (2020); Gutiérrez-Sanín & Gutiérrez (2022).

15 See for example Schultze-Kraft, M (2016). *Organised crime, violence and development: Topic guide*. GSDRC, University of Birmingham; Cheng et al. (2018). *Synthesis paper: Securing and sustaining elite bargains that reduce violent conflict*. Elite Bargains and Political Deals Project, Stabilisation Unit; Heaven et al. (2022). From elite bargains to more open and inclusive politics. Report produced for FCDO. University of Reading.

16 Williams, K (2018). Crime, drugs, and power in Honduras: Searching for better measures of state fragility. GDPO Working Paper 5. Global Drug Policy Observatory, Swansea University.

17 See for example Cockayne (2016).

to be a fundamental assumption in mainstream development thinking on conflict and fragility. In settings where collusion between SOC and state actors is profound, for instance, elite incentives across the criminal-political spectrum may well be to maintain weak formal institutions.<sup>18</sup>

**Legitimacy:** Understanding how organised crime may affect legitimacy ought to be at the core of political settlements and/or elite bargains analysis in international development. An analysis of legitimacy that considers more purposefully and systematically how SOC and state actors interact, and the extent to which they compete or collude, should help to problematise assumptions about how to improve the nature and quality of state-society relations.

Among other things, we know from existing literature that state authorities are not the sole repositories of legitimacy, and that non-state actors often vie for, and gain, legitimacy, through among other things filling real or perceived gaps in state performance and delivery.<sup>19</sup> But as emerging findings from research on organised crime suggest, this can also include organised crime actors themselves, who are not always viewed as illegitimate by the populations they interact with.<sup>20</sup> Another critical dimension of legitimacy that needs to be integrated more fully in donor-funded research on elite bargains and political settlements relates to social responses to SOC and the criminal-political nexus. Social groups will respond in various ways, some of which may be violent (for example, self-defence groups to provide protection against the activities of SOC actors), while others less so.<sup>21</sup> One widespread social reaction to SOC, and in particular the state's real or perceived complicity with organised crime, has been what Briscoe and Kalkman describe as 'near-universal discontent'<sup>22</sup> with elites that are seen as

irredeemably corrupt and out of touch, and with political systems that, while ostensibly democratic, seem to be dysfunctional. This disillusionment has profoundly undermined the legitimacy of and trust in the state and its formal institutions, and has fed polarisation and fragmentation.

**Electoral politics:** One of the most significant ways in which SOC infiltrates political systems is through electoral politics, including political parties and elections, at both the national and especially the local level. The issue of how criminal actors seek to capture and shape their political environment through the electoral process, and what effects this has on governance and state-society relations in (post-)conflict and other democratising settings, has been increasingly recognised in the field of international development.<sup>23</sup> For the most part, however, this question has not been explored through the lens of political settlements or elite bargains – although it could not be more relevant. Among other things, evidence suggests that the flow of illicit money into electoral politics, and associated networks of political corruption, profoundly undermine the quality of democratic governance, including in terms of which actors have greater weight and influence in a given political system and why.<sup>24</sup>

## Implications

As this briefing note highlights, a more thorough and purposeful incorporation of SOC can enrich the substance, quality, depth and detail of political settlements and elite bargains analysis. This is important to understand more accurately how things work in a given context and why, and what this implies for prospects to foster more peaceful, open and inclusive states and societies. With its

18 Kleinfeld and Barham (2018).

19 See for example McCullough, A (2015). *The legitimacy of states and armed non-state actors: Topic Guide*. GSDRC, University of Birmingham.

20 See Jespersen et al. (2020) among others.

21 Domingo, P & Jespersen, S (2022, forthcoming). Key objectives, strategic choices, and the impact of societal responses to violence: lessons for policy and practice. In: Stack, T (ed.), *Citizens against crime and violence: Societal responses in Mexico*. Rutgers University Press.

22 Briscoe, I & Kalkman, P (2016). *The new criminal powers: The spread of illicit links to politics across the world and how it can be tackled* (CRU Report). Clingendael Institute – the Netherlands Institute of International Relations.

23 Jespersen et al. (2020).

24 See among others Barnes (2017) and Jespersen et al. (2020). Further references are provided in Rocha Menocal 2022.

emphasis on elite incentives and interests, power relations and institutional dynamics, political settlements analysis is well suited to integrate SOC more fully and explicitly. Failing to do so, on the other hand, risks omitting from the analysis powerful actors who have considerable influence in shaping the ‘rules of the game’ and pathways for change, which could lead to misguided assumptions or diagnoses of what is going on in a particular setting and why, and to the adoption of policy approaches and responses that may not adequately address the problem at hand and can generate unintended consequences or even do harm.

A deeper exploration of how SOC affects the nature and quality of elite bargains and political settlements, and with what consequences, is essential in order to refine our understanding of crucial elements related to elite bargains/political settlements. The research and analysis on which this briefing note is based highlight a series of questions that can help to guide more purposeful thinking on the crime-politics nexus. These include:

- What are the relations and power dynamics that anchor organised crime within political, social and economic processes at different levels, and how do these dynamics work as SOC actors interact with the state and other powerful elites, from the local to the national to the transnational and global?
- How do SOC actors/networks influence the state at different levels? Do they collaborate, or compete – and when, how and why, and to what effect?
- What does the nexus between criminal and other elites look like and how does it work within a given socio-political order?
- What do these interactions and links imply for violence, stability, and prospects for peace? For presumed weak state capacity and lack of political will, including in terms of how the state functions and how authority is exercised and by whom? For legitimacy and how it is constructed and contested and what this implies for the relationship between states and citizens and the resilience of given political orders? For electoral politics and whose voices may count

more or less, why, and to what effect?

- How do all these dynamics affect the nature and substance of elite bargains and political settlement and how these evolve over time?

These questions are, of course, context-specific, and they will need to be examined empirically, through research and policy lesson-learning. However, the research synthesised in this briefing note helps to articulate key insights about the complex nature of the crime-politics nexus that need to be more thoroughly incorporated into analysis of political settlements and elite bargains. This is necessary in order to develop a more nuanced and accurate understanding of prospects to foster more resilient, peaceful, inclusive and open states and societies. The analysis presented here is intended to invite further dialogue and cross-fertilisation between experts in organised crime, international development and foreign affairs, so as to build greater synergies across different literatures and conceptual approaches that can help to draw out more nuanced implications for policy and practice.

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The Serious Organised Crime & Anti-Corruption Evidence (SOC ACE) research programme aims to help 'unlock the black box of political will' for tackling serious organised crime, illicit finance and transnational corruption through research that informs politically feasible, technically sound interventions and strategies. Funded by the UK's Foreign, Commonwealth & Development Office (FCDO), SOC ACE is a new component in the Anti-Corruption Evidence (ACE) research programme, alongside Global Integrity ACE and SOAS ACE. SOC ACE is managed by the University of Birmingham, working in collaboration with a number of leading research organisations and through consultation and engagement with key stakeholders.

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