

# The Market for Human Smuggling into Europe: A Macro Perspective

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**Abstract** The public discourse on human smuggling into the European Union often evokes the presence of a few all-powerful ‘Mr Bigs’ who are able to ‘mastermind’ illegal operations. This article takes a closer look at the recent trends in relation to two key smuggling routes—the Eastern and the Central Mediterranean—with the aim to identify the analytical and empirical features of the markets for smuggling services. It shows that these markets have the ability to expand considerably and often over a short period of time. It then argues that this is consistent with the presence of many competitive enterprises, low barriers to entry, low skills and (relatively) low capital requirements. This is a far cry from how the public discourse is often framed. The costs to the smugglers of monitoring agents and clients are also likely to be modest—particularly in comparison with human trafficking. The article concludes by discussing some policy implications, including the adoption of land-based policies (regarded as more effective than naval operations) and a suggestion for a change in the terminology adopted in policy and intelligence reports.

## Introduction

Framing criminal markets as dominated by a few ‘Mr Bigs’ able to ‘mastermind’ illegal operations is often too tempting. Migrant smuggling is no exception. A handful of headlines that have recently appeared in the British press gives us a sense of the public discourse around the issue: ‘The pistol-packing Mr Big growing fat on migrants who will do anything to reach Britain’ was adopted by the *Daily Mail* when introducing a report on a smuggler based in Turkey (25 August 2015); ‘Migrant Mr Big exposed: Birmingham gangster who smuggles thousands of illegals into the UK in 24 hour a day operation’ wrote *The Sun* when reporting on an

‘exclusive’ investigation on human smuggling (8 February 2016). This view is not a prerogative of tabloids: ‘Liverpool asylum seeker is mastermind of Europe’s largest people smuggling operation’ wrote *The Telegraph* (4 December 2015) while *The Times* printed ‘Spies trace “Mr Big of people trafficking” ’ (9 June 2016; the label ‘people trafficking’ is erroneously employed in lieu of ‘smuggling’). The terms ‘mafia’ and ‘godfather’ have also been used in connection with this phenomenon: ‘Calais migrant crisis: “English mafia” trafficking people to UK’ one could read on the BBC (14 August 2015), and ‘Exposed: The Godfathers of a £20bn trade in people smuggling’ wrote *The*

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*Mirror* (23 April 2015). The latter also reads: ‘the boss of illegal immigration in the country [Turkey] is alleged to be Muammer Küçük, the kingpin of a major organisation spanning borders and languages like no other. Küçük’s gang *controls movements* in the Bosphorus, one of the world’s most strategic waterways, connecting the Black sea to the Mediterranean’ (23 April 2015; emphasis added). The implication is that each of these kingpins can exert some sort of monopolistic control over a certain route. However, does this stand up to a close empirical scrutiny? Furthermore, the extent of the illegal migration flows (see next section for details) and the resulting wide-ranging implications for policymakers and law enforcement agencies alike make it crucial to take a closer look at what has just happened at the European Union (EU) external border, and particularly at its southern border (Italy and Greece). This work will seek to explore the analytical features of the market for smuggling services by analysing the macro-level evidence on illegal border crossings into the EU between 2010 and the second quarter of 2016. This analysis will be supplemented with additional qualitative evidence. This, in turn, will offer policymakers an analytical base upon which to build future—and better targeted—policy responses.

## The market for smuggling services

Illegal migration into the EU is hardly a new phenomenon. Nonetheless, the magnitude of the illegal migration flows witnessed by the bloc has registered a steep increase in the past few years—particularly at its southern border. According to the figures released by the European Border and Coast Guard Agency (Frontex), some 1.8 million illegal border crossings have been recorded between 2010 and the second quarter of 2016 just at the Greek and Italian borders. Behind this figure there are an equal number of personal stories of people moving out of their own country for a variety of reasons. Often these are stories of individuals leaving war

zones, poverty, or economic hardship. As important (and sometimes tragic) as they may be, the study of the motivations to migrate is beyond the scope of this article. The aim of this work is to explore some analytical and empirical features of the market for smuggling services that underpins such movement. It moves from the assumption that border crossings are a good proxy for the size of the market for smuggling services. Given that border crossings at the EU southern borders are hardly ever made without the assistance of smugglers (Int-3 and Int-4), this is a reasonable assumption.

This article interprets human smuggling as an illegal trade in which the commodity traded is primarily the illegal entry into a country (Kleemans, 2011; Campana and Varese, 2016). This sets smuggling apart from human trafficking as in the latter case the commodity traded is primarily control over a person (see Campana and Varese, 2016 for a discussion). Trade normally takes place in a market, which, by definition, is characterized by supply and demand. In this specific instance, migrants constitute the demand-side of the market. They are willing to buy a service, i.e. illegal entry into a country, for a variety of reasons that we shall not explore further (e.g. leaving war zones, poverty, economic hardship, or persecution). The demand for smuggling services is satisfied by a number of sellers. In this specific market, sellers are collectively defined as smugglers. The focus of this article is on the supply-side of the market. (More broadly, this works follows, among others, Schelling, 1971; Reuter, 1983; 1985; Gambetta, 1993; Varese, 2001; Campana 2011; Shortland and Varese, 2014 in its economic approach to the study of illegal markets.) Furthermore, the analysis shall focus on the Greek and the Italian borders to minimize potential biases related to the thorny issue of double counting that affects the data on the Balkan and the Albanian route; the Albanian and the Balkan illegal border crossings are—potentially to a very large extent—a subset of the Italian and Greek illegal border crossings. When the Balkan and Albanian routes are

excluded, the Greek and the Italian borders constantly account for more than 90% of all illegal border crossings detected at the EU level during the period under consideration.

The evidence for this article has been extracted from a number of official reports released by Frontex (see References for details) and has been supplemented with four semi-structured interviews carried out with Frontex analysts (see the Appendix for details). During these interviews, I was able to gather additional qualitative evidence as well as to discuss potential biases in the data collection strategy adopted by Frontex and EU Member States.

## Human smuggling into the EU: macro-level trends

In the EU terminology, illegal border crossings into Greece and Italy are normally referred to as, respectively, the Eastern Mediterranean route (this also includes the Aegean Sea) and the Central Mediterranean route (this also includes the Ionian Sea and Malta). [Figure 1](#) offers an overview of the number of illegal border crossings for these two routes between 2010 and 2015. It is worth recalling here that, from an analytical point of view, ‘illegal border crossing’ is the commodity supplied by smugglers. For ease of reading, I will henceforth refer to this commodity as IBC.

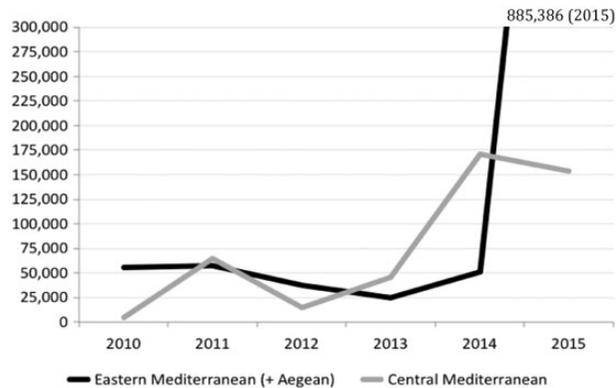
Both the Central Mediterranean route and, even more remarkably, the Eastern Mediterranean route have shown a considerable increase in the last two years. The rate of change year-on-year gives us a further indication of the extent of the growth experienced by these markets. The number of IBCs

along the Eastern Mediterranean route increased by 1,641% from 2014 to 2015. This translates into 885,386 illegal entries in 2015 compared to 50,834 in the previous year (+834,552). IBCs also increased remarkably along the Central Mediterranean route: +199% between 2012 and 2013 followed by +277% (2013–14). Interestingly, this route also recorded a +1,344% year-on-year change between 2010 and 2011: this is a level of growth similar to the one registered by the Eastern Mediterranean route in 2015.<sup>1</sup> In other words, the ability of the market for smuggling services to grow by such very high rates does not appear to be a specificity of a single route. When favourable conditions arise, the market for IBCs is quick to expand. [Figure 2](#) offers a more fine-grained picture based on quarterly data. To take into account the seasonality of the phenomenon (mostly due to weather and sea conditions), each quarter is compared to the same quarter of the previous year.

The ability of the market for IBCs to expand quickly is confirmed by the quarterly analysis. For instance, between Q4/14 and Q4/15, IBCs in the Eastern Mediterranean route increased by 3,011%. This is reflected in the absolute number of IBCs: they rose from 14,152 in Q1/15 to 68,168 the following quarter (+678% year-on-year), then to 319,146 in Q3/15 (+1,329% year-on-year) and finally to 483,910 in Q4/15 (+3,011% year-on-year). The picture also shows the likely effect of the implementation of the EU–Turkey agreement that came into force in the second-half of March 2016—notice the slowdown in Q1/16 and the negative growth in Q2/16 compared to Q2/15 (−87%).<sup>2</sup> It is worth noting here that the EU–Turkey agreement is mostly based on a set of land-based

<sup>1</sup> Although from a lower base: from 4,450 to 64,241 IBCs.

<sup>2</sup> The EU–Turkey agreement appears to have fallen short of completely ‘shutting down’ the Eastern Mediterranean route, as 172,982 IBCs were still recorded between January and September 2016 (the latest data available from Frontex). These partial figures show a considerable decrease over the 2015 peak (885,386 IBCs), but this is still a higher level of IBCs compared to 2014 (50,834, see [Figure 1](#)). Broadly speaking, this agreement has brought the Eastern Mediterranean route in line with the Central Mediterranean route (the latter recorded 127,599 IBCs between January and September 2016).



**Figure 1:** Illegal border crossings (2010–15).

policies (as opposed to naval operations such as the ones carried out in the Central Mediterranean).<sup>3</sup>

### Further evidence on the market for smuggling services

Frontex dispatches teams to collect first-hand information from migrants at the time of their first arrival on European soil (Int-1 and Int-2). Member States are also feeding to Frontex analyst intelligence collected from interviews with migrants (Int-1 and Int-2). Part of this intelligence relates to the structure of the smuggling markets. While I did not have first-hand access to the intelligence collected by Frontex and individual Member States, Frontex analysts were able to discuss with me aspects of the market structure.

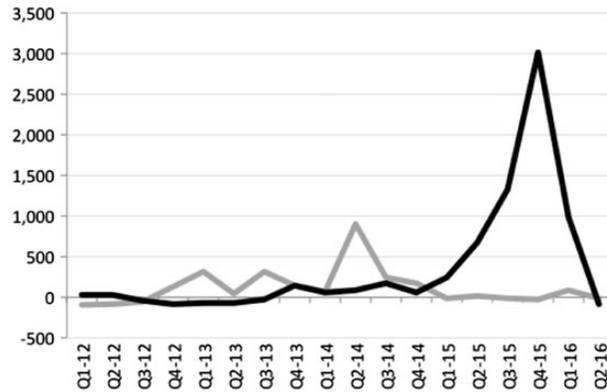
According to an operational analyst who is assigned to the Eastern Mediterranean route, there is evidence of a multiplicity of smuggling networks operating on this route; in addition, these networks appear to compete against each other (Int-3).<sup>4</sup> The analyst maintains that, ‘when a new route opens,

very soon they [the existing networks] will have competition’ (Int-3).

The behaviour of individual actors offers some evidence of the low barriers to entry in smuggling markets. According to the same operational analyst, there are numerous recorded instances of individuals that have entered the market after spotting an opportunity for profit (Int-3). These individuals can assume a variety of roles. For instance, some have approached migrants on long-distance buses directed to Istanbul and ‘advertised’ the service of a certain network of smugglers (Int-3). Moreover, there are reported cases of street vendors who have started selling smuggling services alongside their original products. Most of these sellers, however, do not seem to be fully fledged members of any specific organization or bound by an exclusivity clause in their agreement with a network of smugglers (Int-3). This would make these actors similar to independent insurance or mortgage brokers. If interpreted in this way, the label that is often used to describe this role is misleading. In policy reports and intelligence documents, they are often referred to as ‘recruiters’; however, ‘brokers’ would seem a more appropriate term (I interpret ‘broker’

<sup>3</sup> Amenta *et al.* (2016) have tested the effect of naval operations on the market for smuggling services in the Central Mediterranean, and have concluded that Operation Mare Nostrum and its replacements appear to have increased the departures from Libya.

<sup>4</sup> For a discussion of the term ‘network’, see Campana (2016b).



**Figure 2:** IBCs: Rate of change for Central Mediterranean (grey) and Eastern Mediterranean (black), Q1 2012–Q2 2016.

Note: Percentage of change year-on-year for each quarter.

as an independent agent who arranges transactions between a buyer and a seller for a commission).

Furthermore, the evidence collected by Frontex also suggests that, during the sudden expansion of the Eastern Mediterranean route in 2015, new groups appear to have entered the market (Int-3; Int-4). ‘The networks that were already there were no longer able to cope with the demand’ explains an operational analyst (Int-4). According to the same analyst, these new groups entered the market ‘as fast as they [could]’ (Int-4). For instance, fishermen started to get more and more involved in smuggling operations: ‘if you carry 20 people in a boat, that could be the equivalent of five bad years of fishing’ (Int-4). Similar instances have been recorded in relation to the Central Mediterranean route. For instance, a Joint Report Africa-Frontex Intelligence Community indicates that in Agadez—a key hub in Niger located on the route from West Africa to Libya—‘the steady demise of regular tourism prompted many former tour guides to switch and cater for the transiting migrants’ (Frontex, 2016a, p. 26).

Crucially, smuggling networks do not appear to have any sort of territorial control over the Turkish

coast: ‘today they may try from one city, tomorrow from a complete different one’ notes an operational analyst (Int-3). This supports the idea that, for such a market to expand at a very high rate, there must be no monopolistic control. Intelligence collected in Agadez points in the same direction: ‘the smuggling service industry is not controlled by one person or group’, states the Joint Report by the Africa-Frontex Intelligence Community (Frontex, 2016a, p. 6).<sup>5</sup> Preliminary findings from an empirical in-depth study of the network underpinning smuggling operations between the Horn of Africa and Northern Europe via Libya and Italy (the Central Mediterranean route) show no indication of monopolistic control over the market at any stage along the route. Rather, there seems to be a high degree of competition among largely independent and autonomous smugglers (Campana, 2016c; incidentally, there is no indication of any involvement of the Sicilian Mafia in smuggling activities taking place in Sicily).

In addition, smugglers may have to face radical changes in the composition of the demand due to migrants switching between routes. For example, the number of Syrian migrants arriving in Italy

<sup>5</sup> According to the same Joint Report, roughly 100,000 West African migrants were estimated to be in transit through Agadez en route to Libya in 2015. These numbers were considered to be ‘as much as four times higher compared to the period prior to 2011’ (Frontex, 2016a, p. 26).

went up from 11,307 in 2013 to 42,323 in 2014 and then dropped to 7,448 in 2015 (IOM, 2015, p. 73; 2016, p. 17).<sup>6</sup> Arguably, this drop was the consequence of a change in smuggling decisions made by the migrants. If we look at the share of Syrian nationals among the migrants arriving in Italy, this was stable in 2013 and 2014 – respectively 26% and 25% – and then dropped to less than 5% in 2015 (IOM, 2015: 73; IOM, 2016: 17). At the same time, the Eastern Mediterranean route boomed (Figure 1) with some 436,000 Syrians arriving in Greece in 2015 (51.6% of the total: IOM, 2016, p. 10).<sup>7</sup> As smuggling operations tend to have a potentially large ethnic component (Int-3), changes in the demand-side are likely to have an impact on the supply-side. This potentially translates into new smugglers entering a market when the demand generated by migrants from the same nationality/ethnicity increases and/or smugglers relocating their operations following a shift in demand. Both patterns are hard to reconcile with a situation of high barriers to entry.

Finally, to support sudden and sizeable expansions in the market, smugglers and migrants alike need to rely on an infrastructure that is able to handle transnational payments and is equally flexible. According to many sources, the *hawala* system appears to perform this role well, and it is a popular choice among actors looking for a financial infrastructure to support smuggling-related transactions (Int-3, Int-4; on *hawala* more generally, see Varese, 2015; van de Bunt, 2008).

## Theoretical implications

What are the analytical implications of the evidence discussed? The recent trends in smuggling activities presented above suggest that markets for smuggling services are able to grow considerably and often

over a relatively short period of time. Such an ability to expand in response to changes in external factors (i.e. higher demand and/or lower pressure from law enforcement agencies) does not seem to be confined to a single route. In fact, both the Eastern Mediterranean and the Central Mediterranean routes have registered similar percentage increases at different points between 2010 and 2015. It is worth noting that we are considering here only ‘successful’ IBCs, i.e. situations in which the smugglers have managed to successfully deliver the services they promised (we leave aside here considerations about the quality, safety, and price of these services). The volume of activities generated by scammers and inept smugglers is not counted. The number of IBCs is, therefore, an indication of the level of successful market exchanges. So, what characteristics should a market possess in order to achieve an output that is consistent with the pattern described above?

To answer this question, one would need to collect data on the organizational arrangements and the behaviour of smugglers in each of the routes considered. I plan to do so in greater detail in future works (see Campana, 2016c for a first step in this direction). Still, some preliminary reflections on the analytical features of the market for smuggling services can be drawn based on the macro-level trends as well as the qualitative evidence presented.

First, the absence of large monopolies. Arguably, monopolies would find it hard to satisfy such a sudden and vast increase in demand for their services. On the contrary, the trends in smuggling activities described seem to be consistent with a situation of market competition, i.e. a condition under which buyers and sellers are free to enter a given market.

Secondly, assuming that a large number of new smugglers have indeed entered the market to satisfy

<sup>6</sup> This is a self-declared nationality.

<sup>7</sup> The figure reported by Frontex for the same route is slightly higher: 496,290 IBCs by Syrian nationals; the quota, however, is very similar: 58.4%.

the large and sudden increase in demand, the implication is that these markets are likely to have low barriers to entry.

Thirdly, the high rate of growth suggests that the level of resources required for an actor to successfully enter the market or for an existing actor to expand his operations is likely to be relatively low. These resources include skills and capital requirements. For incumbents, the set-up costs are also likely to be relatively low.

Finally, I have argued elsewhere (Campana, 2016a) that one of the key factors hindering the growth of human trafficking organizations is (high) monitoring costs. Acquiring control over a victim with the purpose of exploitation entails a high degree of monitoring (on monitoring costs more generally, see Reuter, 1983; 1985; also Campana and Varese, 2013). Although not directly comparable, a parallel reading of the data on IBCs and non-EU victims of human trafficking identified in the EU immediately shows that the two phenomena manifest themselves at a different level of magnitude: on average, 2,198 non-EU victims of trafficking were identified between 2010 and 2012 (these are the most recent figures available at the EU level: see Eurostat, 2015, p. 39; cf. Figure 1).<sup>8</sup> The expectation is that monitoring costs in the case of human smuggling are drastically lower than in the case of trafficking.

## Conclusions and policy implications

This article has taken a closer look at macro-level trends in human smuggling into the EU to tease out some analytical and empirical features of the market for smuggling services. It has focused on two main routes: the Eastern Mediterranean route and the Central Mediterranean route. It has shown that, in both cases, the market was able to grow considerably and often over a relatively short

period of time. This article then conjectured that, for a market to be able to achieve such an outcome, it needs to possess at least some of the following features: first, the absence of large monopolies. The existence of market arrangements more geared towards competition seems to be consistent with the trends observed and the preliminary evidence presented. Secondly, the presence of low barriers to entry. This includes low skills and (relatively) low capital requirements; newcomers are likely to face relatively low set-up costs. Furthermore, monitoring costs are in all probability limited, particularly when compared to related phenomena such as human trafficking. These features constitute a major departure from how human smuggling is framed in the public discourse. Moreover, a key element is the existence of an infrastructure to support financial transactions that is able to match and adapt to sudden changes in the smuggling market. The *hawala* system appears to possess this quality. The article has also offered some preliminary qualitative evidence mostly gathered through interviews with Frontex analysts that supports the analytical implications derived from the macro-level quantitative analysis.

What policy implications can be drawn from the discussion above? First of all, let me make clear that I shall not discuss the moral and political dimensions of migration and migration policies: this goes beyond the scope of this article. In a context in which states aim to minimize illegal migration, the ability of the market for smuggling services to grow exponentially and over a relatively short period of time poses a dramatic challenge for law enforcement authorities and states alike. The presence of low barriers to entry and a competitive environment means that the market can meet sudden surges in demand but, also, that the void created by the arrest of a single smuggler can quickly be filled by other actors.

Policing human smuggling is made even more challenging by the possibility for migrants to

<sup>8</sup> Non-EU victims of Human Trafficking identified in the EU were 2,421 in 2010, 2,002 in 2011, and 2,171 in 2012 (Eurostat, 2015, p. 39).

switch from one route to another. This casts some doubts over, for example, the probability that the EU naval operation in the Mediterranean, the so-called ‘Operation Sophia’ (EUNAVFOR MED), will actually manage to achieve its declared goal to tackle human smuggling through ‘the boarding, search, seizure and diversion of smugglers’ vessels on the high seas’ (EUEA, 2016, p. 1).<sup>9</sup> Shortland and Varese (2014) have suggested that the best way to fight piracy in Somalia is to adopt a land-based solution that involves working with communities. Land-based policies also seem to be equally more effective than sea operations in the case of human smuggling (see, e.g. the preliminary evidence regarding the EU–Turkey agreement and Amenta *et al.* 2016 on the unintended consequences of operation ‘Mare Nostrum’). In addition, smugglers appear to be rational actors who enter this market when the opportunities arise and the benefits outweigh the costs. Therefore, working on the structure of incentives (and disincentives) in transit countries may prove to be an effective strategy in reducing the size of the market for IBCs.

Furthermore, there are indications that the market appears to be more demand-driven than supply-driven. This supports the adoption of wider policies that reduce the necessity to migrate and/or to rely on the smuggling market when needed. For instance, the adoption of schemes that resettle refugees directly from war-torn zones would be a step in this direction.

Finally, policy and intelligence analysts may wish to rethink the way they use the term ‘recruiter’ and possibly adopt the label ‘broker’ to describe the role performed by independent actors who advertise and sell smuggling services that they do not directly provide. (In a demand-driven market, ‘recruiter’ does not seem to be an appropriate label in any case.)

<sup>9</sup> Even more so without adopting an Australian-type policy of towing intercepted boats back to a third country (incidentally, this was done by Italy on 6 May 2009; the European Court of Human Rights ruled the push back of boats to Libya to be illegal on 23 February 2012, see *Hirsi Jamaa and others v. Italy*, 27765/09). There is little doubt about the ability of ‘Operation Sophia’ to provide humanitarian assistance to migrants—which is, indeed, a very noble task.

This article is a preliminary attempt to offer an analytical reflection on the features of the market for smuggling services in relation to two smuggling routes. Its findings are, therefore, limited to these routes and the time period observed; future comparative research across routes and over time is certainly needed. Secondly, this work can be complemented and extended by moving from the macro-level to the group level (meso-level) and the individual level (micro-level). I plan to explore these two levels in more detail in future works.

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## Appendix: Interviews

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**Int-4.** Analyst, Operational Analysis Unit. Warsaw, August 2016.