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# Macro trends in the smuggling of migrants into Europe: An analytical exploration

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## **Abstract**

*In this paper I take a closer look at the recent trends in two key migrant smuggling routes into the European Union — the eastern and the central Mediterranean — with the aim of identifying the analytical and empirical features of the markets for smuggling services. I show that these markets have the ability to expand considerably and often over a short period of time. I then argue that this is consistent with the presence of many competitive enterprises, low barriers to entry, low skills and (relatively) low capital requirements. The costs to the smugglers of monitoring agents and clients are also likely to be modest, particularly in comparison with human trafficking. The paper concludes by discussing some policy implications, including the adoption of land-based policies (regarded as more effective than naval operations).*

## **Keywords:**

*Human smuggling, illegal border crossing, migration, central Mediterranean route, eastern Mediterranean route*

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## **Introduction**

Illegal migration into the European Union is hardly a new phenomenon. Nonetheless, the magnitude of the flows witnessed by the bloc has registered a steep increase in the past few years, particularly at its southern borders. According to figures released by the European Border and Coast Guard Agency (Frontex), some 2 million illegal border crossings have been recorded between 2010 and the end of 2016 just at the Greek and Italian borders. This poses an extremely difficult challenge to law enforcement agencies across Europe, and more generally to Member States and the European Union as a whole. In this paper, I will

take a closer look at the evidence on migrant smuggling collected by individual Member States and then collated and disseminated by Frontex through a number of official reports (see References for details). The goal of this paper is to tease out the analytical features of the market for (human) smuggling services by exploring the macro-level evidence on illegal border crossings. This, in turn, should offer policymakers an analytical base upon which to build future policy responses.

## The market for smuggling services

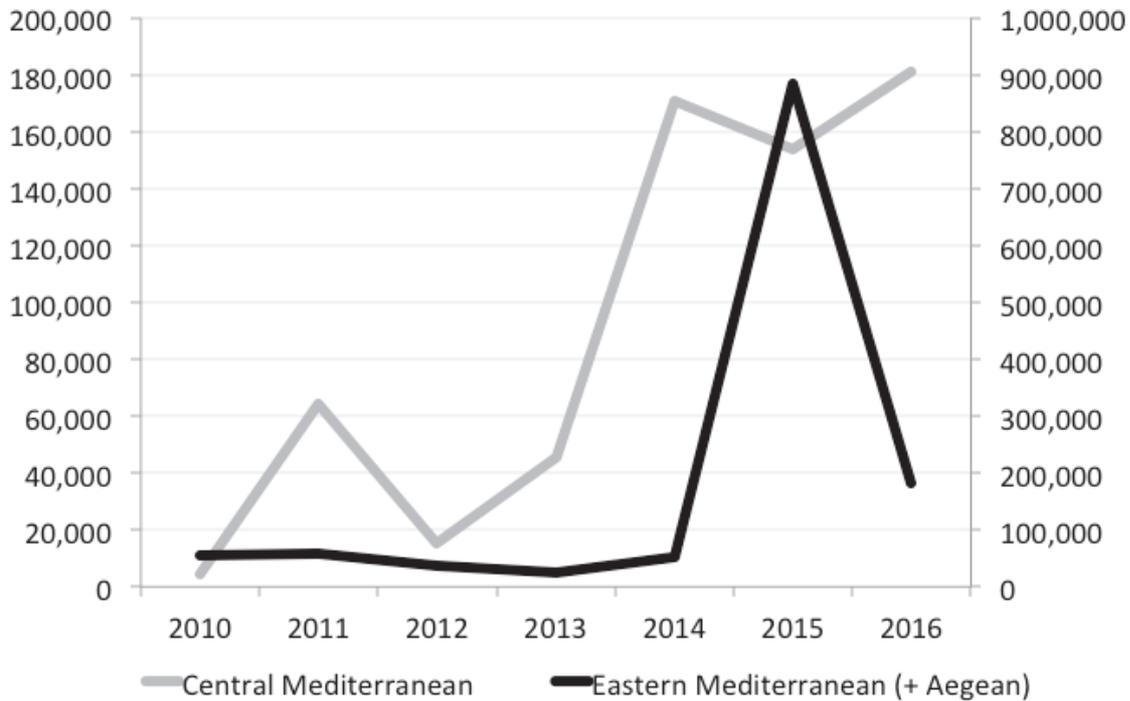
In this work, I interpret human smuggling as an illegal trade in which the commodity traded is primarily the illegal entry into a country (Campana and Varese 2016; Kleemans 2011). This sets smuggling apart from human trafficking, as in the latter case the commodity traded is primarily control over a person (see Campana and Varese 2016 for a discussion; also UN 2000a, b). Trade normally takes place in a market, which, by definition, is characterised 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 (e.g. leaving war zones, poverty, economic hardship or persecution) that we shall not explore further. The demand for smuggling services is satisfied by a number of sellers. In this specific market, sellers are collectively defined as smugglers. Furthermore, the analysis presented below will focus on the Greek and the Italian borders to minimise potential biases related to the thorny issue of double-counting that affects the data on the Balkan and the Albanian routes; 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.

## Eastern and Central Mediterranean routes: 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 2016. 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 2014-2015. The rate of change year-on-year gives 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:

Figure 1 — Illegal Border Crossings (2010-2016) <sup>(6)</sup>

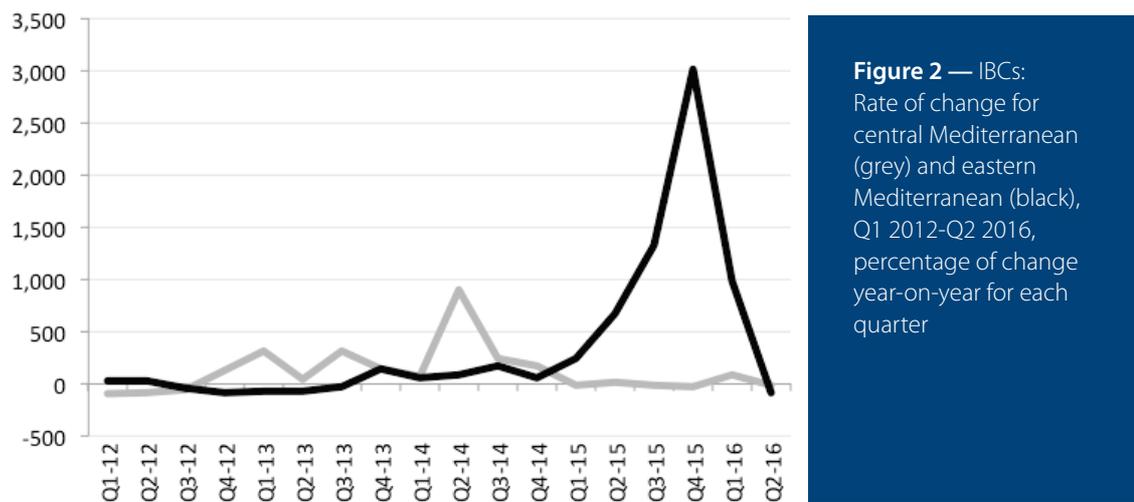


+ 199 % between 2012 and 2013 followed by + 277 % (2013-2014). Interestingly, this route also recorded a + 1.344 % year-on-year change between 2010 and 2011: this is a level of growth similar to that registered by the eastern Mediterranean route in 2015 <sup>(7)</sup>. In other words, the ability of 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 % y-on-y). 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 %). The available evidence suggests that, while 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),

<sup>(6)</sup> Central Mediterranean route is plotted on the left scale; eastern Mediterranean route on the right scale.

<sup>(7)</sup> Although from a lower base: from 4 450 to 64 241 IBCs.



there has been nonetheless a considerable decrease over the 2015 peak (885 386 IBCs)<sup>(8)</sup> It is worth noting here that the EU–Turkey agreement is based mostly on a set of land-based policies (as opposed to naval operations such as those carried out in the central Mediterranean).

## 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 deliver successfully the services they promised (leaving aside 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 to achieve an output consistent with the pattern described above?

<sup>(8)</sup> The level of IBCs recorded in 2016 is still higher than that recorded in 2014 (50 834, see Figure 1).

I will now turn to a discussion of these characteristics with a caveat: a macro-level analysis such as the one discussed in this paper allows only for some preliminary conjectures on the analytical features of the market for smuggling services: additional micro-level studies are certainly needed to gain a more detailed picture.

Firstly, 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 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 enter the market successfully 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.

Moreover, I have argued elsewhere (Campana 2016a) that one of the key factors hindering the growth of human trafficking organisations 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 and 1985). Although not directly comparable, a parallel reading of the data on IBCs and non-EU victims of human trafficking identified in the European Union 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: 39; cf. Figure 1) <sup>(9)</sup>. Thus, the expectation is that monitoring costs in the case of human smuggling are drastically lower than in the case of trafficking.

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 seeking a financial infrastructure to support smuggling-related transactions (on *hawala* more generally, see Varese 2015; van de Bunt 2008).

<sup>(9)</sup> Non-EU victims of Human Trafficking identified in the European Union were 2 421 in 2010, 2 002 in 2011 and 2 171 in 2012 (Eurostat 2015: 39).

## Policy implications

What policy implications can be drawn from the discussion above? In a context in which States aim to minimise 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.

While the EU–Turkey agreement appears to have been relatively successful in decreasing IBCs in the eastern Mediterranean, the EU naval operations in the central Mediterranean do not appear to have been able to achieve the same outcome. The latest EU naval operation in the Mediterranean, the so-called ‘Operation Sophia’ (Eunavfor MED), was launched with the goal of tackling human smuggling through ‘the boarding, search, seizure and diversion of smugglers’ vessels on the high seas’ (EUEA 2016: 1). The available evidence does not point in the direction of a success in this respect <sup>(10)</sup>. Furthermore, it is difficult to imagine how naval operations can be successful in reducing the number of IBCs 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; on 23 February 2012, the European Court of Human Rights ruled the push-back of boats to Libya to be illegal: see *Hirsi Jamaa and others v. Italy*, 27765/09). Amenta et al. (2016) have empirically 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 size of the market for smuggling services. They have shown that these operations have produced a number of unintended consequences, including (a) stimulating departures from Libya, and thus the profits for smugglers, and (b) providing a subsidy to smuggling organisations by way of an ‘insurance package’ offered by smugglers to migrants.

Land-based policies may prove to be more effective than sea operations (Shortland and Varese 2014 have come to a similar conclusion in relation to tackling Somali piracy). 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.

Finally, 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 adop-

<sup>(10)</sup> There is little doubt about the ability of ‘Operation Sophia’ to provide humanitarian assistance to migrants — which is, indeed, a very noble task.

tion of schemes that resettle refugees directly from war-torn zones would be a step in this direction.

## Conclusions

This paper has taken a closer look at macro-level trends in human smuggling into the European Union to tease out some analytical and empirical features of the market for smuggling services. It has shown that this market was able to grow considerably and often over a relatively short period of time in relation to both the central Mediterranean and the eastern Mediterranean routes. In this paper I then conjectured that, for a market to be able to achieve such an outcome, it must possess at least some of the following features: firstly, 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 <sup>(1)</sup>. 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. 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. Finally, some policy implications were discussed.

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<sup>(1)</sup> Additional evidence is discussed in Campana (2017).

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