

IV RACKETEERING

General

4.1 Racketeering is the cement which holds the various sections of the Republican movement (PIRA/Sinn Fein) together. The money raised finances the purchase of arms, ammunition and explosives; equally it finances the IRA's political wing, Sinn Fein, and its public relations activities; and through control of certain key areas of West Belfast life it draws the people there into the paramilitary net. This section demonstrates the scale of the Republican movement's activities - and illustrates how these tend to marginalise the acceptance of governmental activity. The economic activity generated by racketeering is crucial to the well-being of West Belfast, and yet it also serves to create further community alienation from the rest of Northern Ireland.

4.2 The quantification of the extent of racketeering in West Belfast is not easy, but estimates run into millions of pounds and involve activities spread across a wide spectrum of economic activities. The significance of these operations is not purely monetary. It is indicative of the extent to which paramilitary organisations are linked to everyday life in the community and reflects the difficulties facing the Government in attempting to remove that influence, in order to introduce stable and good government.

Black Taxis

4.3 Black taxis form the very basis of the transport network in West Belfast. All the taxis in CWB are influenced by paramilitaries. That is not to say that all the drivers

necessarily support PIRA or its aims, but this is an indication of the way in which the organisation is able to draw people in and make them dependent. Apart from school leaving times, public transport in CWB is scarce. Those wishing to get around the area are reliant on a service linked to a paramilitary organisation. It is an example of the organisation providing a service which benefits the people of the area as well as the paramilitaries. That is a common factor in the whole range of areas examined.

Clubs

- 4.4 In addition to dominating the public transport system, PIRA also have a large influence in all the social clubs in West Belfast. Those run by Associated Clubs (ACL) are all under the direct influence of PIRA. Other clubs may not actually be run by the organisation but are still influenced by it, and a percentage of bar takings find their way into PIRA coffers.
- 4.5 It is largely a way of life for the people of West Belfast to attend these clubs. They are more pleasant and more plentiful than ordinary pubs, often offer live entertainment, and other facilities that are not available elsewhere. They are well-run, and well-maintained. People may or may not know where the profits go, but they go where the best enjoyment is to be had. In recent times, however, there has been some fall in popularity due to the increase in the price of drink, bringing the clubs into line with public houses. PIRA additionally own a company which runs gaming machines. They install these in clubs throughout West Belfast and take all profits.

Building Sites

- 4.6 PIRA also make a good deal of their money out of building sites through tax exemption certificate fraud (an Inland Revenue fraud conducted by those who are employed on building sites registering as self employed people and receiving gross payment and avoiding paying the tax at a later point) and through "doing the double" (that is doing paid work and claiming social security at the same time.) Additionally PIRA "encourage" foremen on sites around Belfast to take on certain people whom they wish to see employed. Those people do not need to be paid by PIRA thus saving the organisation funds. PIRA also gain an influence on the site itself.

Legitimate business operations

- 4.7 Increasingly PIRA also run various legitimate businesses. Primarily these cover areas such as insurance companies, pubs and abuse of various grants on the ACE and LEDU schemes. These sidelines make smaller profits but add to the way in which PIRA pervades different forms of life in West Belfast.

The Black Economy

- 4.8 Overall, the black economy in West Belfast is large. PIRA influence or run large parts of the social and transport systems as well as making large numbers of people dependent upon their favour for employment. In this way, racketeering forms the interface between the economic and the security aspects of life in West Belfast. The efforts of the Anti-Racketeering Unit will in time make matters more difficult for the paramilitaries but it is unrealistic to expect the black economy to disappear overnight. It is also in some ways undesirable, as one major effect of

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government action to remove all forms of paramilitary finance would be to hit hard at the more deprived members of this urban society who require the services being offered most keenly, and thereby to increase the alienation they feel. It is essential that a replacement network of services be put into place before drastic action is taken. Arguably it is in the Government's interests to challenge the role of the paramilitaries by ensuring alternative services exist, even if they are not in themselves cost-effective initially.

Comment

- 4.9 Whilst it is easy to see the harmful effects that accrue from the various illegal and legal money-making operations described above, it is important to remember that many of the paramilitary-run operations are a significant source of employment and much needed economic activity in CWB. It is notable that PIRA do not go in for extortion in the same way that the loyalist paramilitaries do. The complete removal of all paramilitary influence is one aim of NIO policy, but that could lead to short-term economic decline, unemployment etc, thereby negating the inner-city regeneration programmes and probably affecting CWB as badly if not worse than anywhere else. The community, as well as the paramilitary organisations would suffer. This is a difficulty which the Government needs to address. However by siphoning off the profits from the above areas, the paramilitaries do adversely affect re-investment, expansion and further development of the businesses concerned. The paramilitaries are thus an essentially parasitic influence even in the business arena.