

Globalization and Transnational Crime

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JAMES J.F. FOREST, SEP 16 2020

Globalization, generally described as the removal of barriers to cross-national movement of goods and funds, has been beneficial for transnational organized crime networks. The global forces of supply and demand have created new markets for illicit goods and services provided by criminal organizations. There is high demand for things like drugs (particularly in Europe and North America), weapons (in Africa and the Middle East), exotic wildlife and animal parts (Asia), and exploitable humans (virtually everywhere). The Organization for Economic Cooperation and Development (OECD) has recently estimated that the international trade in counterfeit and stolen goods amounts to as much as half a trillion dollars. Criminal networks also have new opportunities to establish facilities in various countries from which they can produce and distribute their illicit goods, decreasing costs and maximizing profits. Similarly, just as we see with legal multinational corporations, transnational criminal networks can outsource an array of support services to areas around the world with internet connectivity and lower labor costs.

For example, massive amounts of cocaine are now smuggled by ship and air from Latin America (mainly Colombia, Peru, Brazil and Venezuela) to West Africa, and heroin is smuggled from Central and South Asia to East Africa (and sometimes West Africa as well). In both cases, the drugs then make their way from East and West Africa to the primary drug consumer markets in Europe and the U.S. According to the 2018 UNODC World Drug Report, 'the quantity of cocaine seized in Africa doubled in 2016, with countries in North Africa seeing a six fold increase and accounting for 69 per cent of all the cocaine seized in the region in 2016.' Interpol's *World Atlas of Illicit Flows* identifies a handful of countries as being particularly important transit hubs for drug trafficking, including Guinea-Bissau, Cape Verde, the Canary Islands, Morocco, Algeria, Libya and Ethiopia. This report also notes that illicit trafficking and use of captagon (a brand name for the drug fenethylamine, a combination of amphetamine and theophylline, which increases alertness) is rising throughout Africa. India is allegedly a primary source for both of these drugs, and increased use is particularly noticeable in Mali, Chad, and Nigeria. While Niger, Benin and Togo have been described as important transit hubs. Meanwhile, dozens of methamphetamine labs have been discovered throughout West Africa, including one in Nigeria capable of producing billions of dollars' worth of the drug.

Of course, criminal enterprises also generate millions of dollars in profits each year from trafficking in small arms and light weapons, cigarettes, counterfeit DVDs, and many other items. Globalized shipping, including the intermodal maritime system, can be exploited by transnational organized crime networks to smuggle huge shipments of illicit items in cargo containers. They seek to take advantage of the fact that the overwhelming number of containers shipped each year make it physically impossible to inspect each one. As maritime security expert Peter Cook notes, 'The greatest challenge ... is the sheer volume of containers moving through the ports and the speed with which they have to be processed.' In August 2018, U.S. government authorities announced the seizure of counterfeit luxury goods (including purses, handbags, and belts) worth at least \$500 million, that had been manufactured in China. Over 30 men and women were arrested—all of Chinese heritage and living in the U.S. illegally. This was the culmination of a six-year investigation, which found that twenty of the cargo containers came into the U.S. through the Port of New York and New Jersey, and two through the Port of Los Angeles. In another of the largest counterfeit-goods cases ever prosecuted in the U.S., 29 people were arrested in New York, New Jersey, Texas, and Florida for trying to smuggle \$325 million worth of fake goods from China into the U.S.

But worse than drugs or counterfeit goods is the recent increase of human traffickers using compromised intermodal shipping containers. Illegal immigrants apprehended at ports in Britain, Canada and the U.S. (among other countries)

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after arriving inside shipping containers revealed that many of them had paid a criminal network large sums of cash for the dangerous journey inside a steel crate. For others, this journey ended tragically, like the 39 Vietnamese whose bodies were discovered in a cargo container at a British port in March 2020. The same month, the bodies of 64 Ethiopians were found in a shipping container in Mozambique. In both instances, authorities believed the victims had suffocated to death.

Globalization also facilitates new opportunities for intersections (especially logistical, financial and operational) between terrorist networks and transnational organized crime. The ability for terrorists to attract and move financial resources, weapons and operatives throughout the world is greatly enhanced when collaborating with existing routes developed and maintained by transnational criminal networks. Further, there are individuals who can navigate both the legal and illegal economic sectors (such as accountants, attorneys, notaries, bankers, and real estate brokers), providing services to legitimate customers, criminals, and terrorists alike. And while globalization has led to an increased volume of legitimate cross-border financial transactions and investment, it also has allowed criminals to launder the proceeds of crime more easily.

Finally, myriad opportunities for both transnational criminals and terrorists are now available via the Internet. These days, Internet connectivity worldwide brings new opportunities for credit card fraud, theft of corporate data (or holding it hostage for ransom), extortion, identity theft, and a range of other kinds of potentially lucrative criminal activities online. Money laundering schemes of various forms can flourish within a digital environment that is weakly governed yet connected with the rest of the world. Globalization allows greater access to the products and services available on the so-called Dark Web, from purchasing explosives or other weapons to hiring a competent cross-border smuggler, document forgery expert or bomb-maker. And of course, operational communication is now much easier between criminal or terrorist network operatives in disparate parts of the world. According to Yuri Fedotov, the executive director of the United Nations Office of Drugs and Crime, 'Thanks to advances in technology, communication, finance and transport, loose networks of terrorists and organized criminal groups that operate internationally can easily link with each other. By pooling their resources and expertise, they can significantly increase their capacity to do harm.'

To sum up, transnational organized crime networks have benefited significantly from globalization, and will continue to do so for the foreseeable future. As a result, there is a growing need for effective international cooperation in security, intelligence and law enforcement across all countries of origin, transit and destination. No country, even the most powerful, can effectively confront the challenges of transnational organized crime entirely on its own. This is no time for increased nationalism or the kinds of rhetoric and policies that lead to political isolation. Every country, including the US, must re-invigorate their engagement with international institutions and incentivize a collaborative effort to turn the tide against these transnational criminal networks. Failure to do so will only further embolden, enable and enrich them, at our expense.

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