



Topic: Promoting effective international cooperation to combat transnational organized crime

Introduction to topic:

Due to increased globalization and the rise of technology, transnational crime presents relatively lower risks for criminals today. Many perpetrators can operate remotely and take advantage of global shadow financial systems, a lack of financial transparency, and secrecy jurisdictions to launder their money.

The financial toll of organized schemes is further emphasized by the fact that, according to the United Nations Office of Drugs and Crime (UNODC), 40% of cocaine and heroin are interdicted between production and consumption, but less than 1% of drug money is recovered. The core issue is that the current efforts to suppress transnational crime by law enforcement is focused on materials and manifestations of the crimes at hand, rather than on the money the crimes generate. Our methods to combat transnational organized crime needs to shift to one that is more multilaterally- oriented, and all stakeholders need to be involved and measures need to be taken at all levels of governance. International cooperation is at the forefront of this shift and is essential to the combatting of transnational organized crime.

Definition of key terms:

Transnational Organized Crime

The definition of transnational organized crime is essential to this issue. It is the movement of persons, goods and services across sovereign national jurisdictions in a manner exempt of acceptable norms and standards.

Money Laundering

Money laundering is central to transnational crime and it is defined as the concealment of the origins of illegally obtained money, typically by means of transfers involving foreign banks or legitimate businesses.

Drug Trafficking

The definition provided by the United Nations Office on Drugs and Crime (UNODC) for the phrase drugs trafficking is the “cultivation, manufacture, distribution, and sale of substances which are subject to drug prohibition laws.”

Financial Transparency

Financial transparency refers to the state in which all relevant information is fully and freely available to the public according to the financial dictionary. In most cases in this report, this state is not the reality since many jurisdictions lack this transparency due to a multitude of external factors, or a lack of capacity for transparency.

Shadow Market

According to Investopedia, the definition for the shadow market is “any unregulated private market in which individuals or entities can purchase assets or property that is not currently publicly traded”. Most transnational organized crime schemes operate on this market and abuse its anonymity and lack of financial transparency.

Background information:



Drug Trafficking

Drug trafficking is an issue that has had immense destabilizing effects on all stakeholder countries no matter what step of the drug trafficking process they are involved in. This illegal trade has placed an immense burden on the government to lessen its effects on the general population which include increases in violence and public health threats.

One of the challenges of this particular transnational crime market also our inability to determine its market’s worth accurately. Data at hand comes from the limited instances and since we have a limited number of instances to observe, our data is often inaccurate. Furthermore, many countries take on different definitions of drug trafficking and thus measure activities differently. This means that the data sharing through international cooperation between nations and regions is made difficult by the different natures of the data.

To undermine governance and loosen drug control, these drug organizations have an interest in employing violence and other destabilizing acts to limit government’s capabilities as it reduces transportation costs and thus increases profit. When a nation is unstable and full of violence, it is easier to move into and within the state, thus lowering the costs for the transporters who oversee the concealing the trafficking scheme. The violence experienced in countries as a result of drugs trafficking is highly alarming.

Human Trafficking

One of the fastest growing transnational organized crime markets, is the trafficking of people: the “recruitment, transportation, harbouring or receipt of persons, by means of coercion, abduction, deception or abuse of power or a vulnerability, for the purpose of exploitation,” (GFI). The brutality, violence, and human rights violations in this context are motivated by profit maximization, a clear characteristic of organized crime. It is important to distinguish between human trafficking which is involuntary, and human smuggling which is voluntary.

Basic economic principles describe human trafficking very clearly. There are few barriers to entry of the market which means that the demand for cheap labour is met through a multitude of suppliers (traffickers) which offer differentiated products (victims). Human trafficking lines the pockets of many different types of people. Recruiters and transporters receive a share of the profits, but the bulk profit goes to the businesses that exploit forced labour. This highlights how the prosecution of traffickers and the interception of trafficking is insufficient. For the system to be dismantled, the businesses themselves need to be prosecuted.

Currently, it is thought that about 21 million people are victims of human trafficking. Human trafficking is particularly distressing because the victims are usually some of the most vulnerable people and communities, such as the, uneducated, unemployed, homeless, poor, young, and marginalized. This further also includes illegal immigrants and those in crisis situations.

Illegal Organ Trade

The severe shortage of legally-sourced organs around the world, has given rise to the market of illegal organ trade. This refers to both the trafficking of persons for organ harvesting and the illicit transportation of organs across borders. In this case, both the recipient and the vendor are desperate. The vendor, the person who is illegally selling their organs, hopes to alleviate debt and escape poverty, while the recipient might face death if they do not get the necessary transplant. Though these actions are illegal, the true inhumanity lies in the brokers and scouts.

The annual market volume of illegal trade is estimated to be between US \$840 million to \$1.7 billion. Though only 10% of organ transplants globally rely on illegally acquired organs, the revenues from the trade are very high. The most common illegally transplanted organs include kidneys, livers, hearts, lungs and pancreases. Kidneys are by far the most common transplant, considering the donor/vendor can continue to live without considering health impacts. The other organs however, rely on the harvesting from non-living persons.

Through the use of arbitrage, brokers are able to profit off of the desperation of both the vendor and the recipients. They pay the vendors a tiny fee in comparison to what they charge the recipients. They further create competition among donors, increasing the profits as in sheer

desperation, donors will accept less money. This means that brokers receive the largest share of profits yet have little risk of detention as they can conduct most of these activities remotely.

Major Countries and Organizations Involved

ICPO Interpol

The International Criminal Police Organization, commonly referred to as Interpol, is the main working body against transnational organized crime as it is the facilitator of international police cooperation. Interpol does not have any supranational power and is not able to make any arrests, instead it functions as an administrative liaison among law enforcement agencies.

World Customs organization (WCO)

An intergovernmental organization charged with the task of improving the effectiveness and efficiency of customs administrations worldwide. It represents 182 different administrations that account for 98% of trade globally. In the context of transnational organized crime, they have stated that their mission is “to enhance the protection of society and the national territory, and to secure and facilitate international trade”

United Nations Office on Drugs and Crime (UNODC)

The United Nations Office on Drugs and Crime is the primary UN organ concerned with transnational organized crime. It has passed a number of resolutions further specifying protocol on transnational crime. The Committee on Crime Prevention and Criminal Justice (CCPCJ) is a sub-organ of the UNODC and has relative executive power on issues of transnational crime. It produces annual reports and ties together many other international organizations such as the WCO and Interpol.

Italy

Despite being a More Economically Developed Country and a member of many crime prevention organizations, it is 15th Country on the World Economic Forum (WEF) list of organized crime. It is the entry point of the black market of human smuggling and people smuggling in Europe from the African and Asian continent. This has particularly been a problem with the ongoing Syrian Refugee crisis. Many other European countries also deem it in their national interest to abate this black market as it is a collective security issue. Furthermore, there is a significance of cocaine smuggling in Sicily and some North African gangs have spread influence in Italy.

China

China is infamous for the counterfeit products it produces and ships worldwide. It is estimated that annually, \$20 billion of profit is lost by foreign firms to Chinese counterfeiting. For instance, near Shanghai the city of Yimu is informally known as “counterfeit central” Here, international buyers buy counterfeited products in bulk. About 100,000 products are sold, of which up to 90% is fake. The rudimentary problem with the eradication of the counterfeiting industry in China is that the government is reluctant to commence with a crackdown considering the millions of jobs it provides for people in need. To try and stop the counterfeiting industry would take fundamental changes in the society and economy which will prove to be a great challenge.

United States of America

The USA is a great stakeholder in the fight against transnational organized crime and has long been a leader in the war on drugs, particularly across the US-Mexican border. A range of different agencies are implemented including the National Guard, United States Southern Command, Department of Homeland Security, Department of State, Drugs Enforcement Administration, Federal Bureau of Investigation, and Department of Treasury

Relevant UN Treaties and Events

- The Milan Plan of Action, 29 November 1985 (**A/RES/40/32**)
- Model Treaty on Extradition and Model Treaty on Mutual Assistance in Criminal Matters, 14 December 1990 (**A/RES/45/117**)
- The United Nations Convention against Transnational Organized Crime, **15 November 2000 (A/RES/55/25)**

Possible Solutions

Increased access to data

With an increasingly complex system of transnationally organized crime, oversight is essential. With improved techniques to collect evidence reliable such as electronic surveillance or undercover operations the efficiency of crime prevention could be improved. A key issue with this is the lack of incentive to share data between countries. A mutually beneficial mechanism should be set up to share data transnationally and thus allow for national action to be taken but also improves the effectiveness of other organizations such as Interpol. This also includes the information sharing between law enforcement and customs agencies, such as the WCO.

Improve financial transparency

A crackdown on secrecy jurisdictions and the improvement of financial transparency at all levels of governance is essential in the fight against transnational organized crime. As emphasized in the introduction of this report, money is the core of transnational organized crime, not the schemes itself, and money laundering as a result of the Global Shadow market and secrecy

jurisdictions is the main facilitator of this. The international criminalization of money laundering and effective implementation mechanism would be a strong solution to this problem.

Education

Another less conventional solution would be to implement mass media campaigns to state the need for public participation to promote public security. The involvement of citizens and the support for the fight against transnational organized crime can increase the budget of operating bodies such as Interpol or WCO. As stated by the executive chief of NGO “fair trials”: “The effectiveness of Interpol’s activities is highly dependent on its reputation as an essential tool in the global fight against crime, and the level of confidence placed on its systems”. This outlines the need for public involvement and support on the issues at hand.

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