

PART I

INTERNATIONAL CRIMINOLOGY

Decades of study have produced considerable understanding of street crimes and delinquency, but it is unclear whether this knowledge has direct application to transnational and international crimes. Vincenzo Ruggiero (Chapter 4) argues that many standard criminological theories including positivism, functionalism, labeling theory, and conflict theory could be adapted to explain the politically motivated violence of international crimes. On the other hand, these theories, mostly developed through studies of deprived offenders, seem less able to explain transnational organized crimes, particularly their rapid growth. It is more likely that the explanations will be found in the increase of globalization with the attendant huge expansion of world trade and migration and the explosions of new technologies and electronic communications. These changes have opened up new opportunities, not just for legal enterprises, but also for lucrative criminal enterprises to prosper and grow.

Marcus Felson's routine activity theory (Chapter 2), which deals with the relationship between social change and the waxing and waning of crime opportunities, is one criminological theory that can be invoked to explain the effect of these changes. Indeed, as explained by Louise Shelley, in the opening chapter, terrorists and transnational offenders, just like other people, take advantage of increased travel, trade, rapid money movements,

telecommunications, and computer links. Globalization undoubtedly helps explain the increasing flow of people from one country to another. Many people flee harsh living conditions in their home countries, or they seek refuge from war crimes and other human rights violations. In other instances, criminal syndicates deceive or kidnap vulnerable individuals and transfer them to host countries to work in servitude or in the commercial sex trade. Migration, therefore, fuels transnational crime and produces the conditions for massive victimization of vulnerable people (see Chapter 3 by Roberta Belli, Joshua Freilich, and Graeme Newman).

If traditional criminology has only little to offer to the study of international and transnational crimes, this is not so for its neglected offspring – victimology. In the criminal law of Western countries, there has been little place for the victims of crime, but the needs of victims is a major preoccupation of the International Criminal Court and other international legal entities (see Chapter 5 by Jan Van Dijk and Jo-Anne Wemmers). Women and children are particularly at risk of victimization, and victimologists have consistently identified them as requiring special protections under international human rights and humanitarian law (see Chapter 6 by Cécile Van de Voorde and Rosemary Barberet). Chapter 7 by Mangai Natarajan and Monica Ciobanu discuss the status of women as offenders, as victims, as subjects of treatment, and as employees in the criminal justice system, and offer suggestions for protecting their status and their rights.

Finally, Edward Snajdr (Chapter 8) reminds us that definitions of crime are conditioned by the prevailing norms and culture of a society, and that any attempt to explain transnational and international crimes will have to address the reality and complexity of cultural variation. Only then can questions be answered, questions such as: Why do genocides occur in some parts of the world but not others? Why does the rest of the world ignore them when they happen? Why is one man's freedom fighter, another man's terrorist? Why are certain countries targeted by international terrorism? Why are women targets for rape and torture during wartime? Why are children used as soldiers? One can hardly think of questions that are more in need of answers.

1 The Globalization of Crime

Louise Shelley

Transnational crime is not a new phenomenon. The Barbary pirates that terrorized the numerous states along the Mediterranean, the trade in coolies from Macao by nineteenth-century Chinese crime groups (Seagrave, 1995), and the international movement and exchanges of Italian mafiosi for the last century illustrate that crime has always been global. Already in the 1930s, Italian organized criminals in the United States were traveling to Kobe, Japan, and Shanghai, China, to buy drugs, and members of U.S. crime gangs took refuge in China in the 1930s to avoid the reach of American law enforcement (Kaplan & Dubro, 2003). Italian organized crime was renewed in the United States by new recruits from Italy, and the postwar resurgence of the Mafia in Italy was facilitated by the arrival of American mafiosi with the U.S. military in Sicily in 1943. An active white slave trade existed between Eastern Europe and Argentina and Brazil in the early decades of the twentieth century (Glickman, 2000; Vincent, 2005).

What has changed from the earlier decades of transnational crime is the speed, the extent, and the diversity of the actors involved. Globalization has increased the opportunities for criminals, and criminals have been among the major beneficiaries of globalization. The criminals' international expansion has been made possible by the increasing movement of people and goods and the increasing ease of communication that have made it possible to hide the illicit among the expanding licit movement of people and goods. More significantly, the control of crime is state-based, whereas nonstate actors such as criminals and terrorists operate transnationally, exploiting the loopholes within state-based legal systems to expand their reach.

Globalization is coupled with an ideology of free markets and free trade, as well as a decline in state intervention. According to advocates of globalization, reducing international regulations and barriers to trade and investment will increase trade and development. Crime groups have exploited the enormous decline in regulations, the lessened border controls, and the greater freedom to expand their activities across borders and into new regions of the world. They travel to regions where they cannot be extradited, base their operations in countries with ineffective or corrupted law enforcement, and launder their money in countries with bank secrecy or few effective controls. By segmenting their operations, they benefit from globalization while simultaneously reducing the risks of operating.

In the 1960s, most of the growth of transnational crime was linked to the rise of drug trafficking in such regions as Asia, Latin America, Africa, and even Italy, the home of the original Mafia. By the late 1980s, the trade in drugs was already equal to that of textiles and steel (United Nations International Drug Control Programme, 1997). Though the drug trade remains the most lucrative aspect of transnational crime, the last few decades have seen an enormous rise in human trafficking and smuggling (Naím, 2006). Yet what all these transnational crimes have in common is that they are conducted primarily by actors based in developing countries who cannot compete in the legitimate economies of the world, which are dominated by multinational corporations based in the most affluent countries. Therefore, the criminals have exploited and developed the demand for illicit commodities such as drugs, people, arms, and endangered species.

Globalization has increased the economic disparities between the citizens of the developed and developing worlds. Marginalization of many rural communities, decline of small-scale agriculture, and problems of enhanced international competition have contributed to the rise of the drug trade as farmers look for valuable crops to support their families. The financial need is exploited by the international crime groups. The same economic and demographic forces have created pressures for emigration, yet barriers to entry into the most affluent societies have increased. Criminals have been able to exploit the demand for people for use as cheap labor and for sexual services, making human smuggling and trafficking grow rapidly.

GLOBALIZATION OF CRIME: FORMS AND METHODS

The drug trade was the first illicit sector to maximize profits in a globalized world. But as the market for drugs became more competitive and the

The Globalization of Crime

5

international response to it increased, profits were reduced through competition and enhanced risk. Many other forms of crime have therefore expanded as criminals exploited the possibilities of global trade. These crimes include human trafficking and smuggling; trafficking in arms, endangered species, art, and antiquities; illegal dumping of hazardous waste; and counterfeiting and credit card frauds.

Money laundering has occurred on a mass scale because the financial system can move money rapidly through bank accounts in several countries in a short period. A transaction that might take only one hour to complete and involve banks in three different countries will take law enforcement more than a year to untangle – if they have the full cooperation of law enforcement and banks in each of these countries. With the increase in offshore banking, criminals are able to hide their money in these global safe havens without any fear of law enforcement. Moreover, banks often do not perform more than nominal due diligence (Global Witness, 2009).

Global criminal activity has been facilitated by the possibility of speedy and secure communication. Child pornography has spread because the Internet makes it possible to distribute pornography anonymously through Web sites. Material can be produced in one country and distributed in another by means of the Web, e-mail, and an international financial system that facilitates wire transfers. Drug traffickers can use encryption to provide security for their messages concerning their business operations. Informal financial transfers can be made without a trace, aided by instant messages on computers, and wire transfers made by fax or computer to offshore locales place massive amounts of funds outside of any state regulation.

POLITICAL TRANSITIONS AND GLOBALIZED CRIME

The end of the Cold War has had an enormous impact on the rise of transnational crime. The most important consequences are the political and economic transition under way in the former communist states and the concomitant rise in regional conflicts. With the end of the superpower conflict, the potential for large-scale conflict has diminished, but since the late 1990s there has been a phenomenal rise in the number of regional conflicts. Although regional in nature, these conflicts have entered into the global economy because the arms and the manpower they require have often been paid for by transnational criminal activity. Drugs and diamonds are just two of the commodities that have been entered into the illicit economy to pay for the arms needed to fuel the conflicts (Nordstrom, 2007). In turn,

these conflicts have produced unprecedented numbers of refugees and have destroyed the legitimate economies of their regions.

These conflicts decimate the state and divert government energy away from the social welfare of citizens. All efforts are instead devoted to the maintenance of power and the suppression of rebellions. Citizens are left without social protections or a means of financial support. The low priority attached to women and children in conflict regions has made them particularly vulnerable to traffickers in those regions. Psychologically damaged by years of conflict, they have neither the psychological nor the financial means to resist the human traffickers. They are moved along the same global routes used by the human smugglers who exploit men trying to leave economically difficult situations to find employment in more affluent societies.

DECLINE OF BORDER CONTROLS AND GLOBALIZED CRIME

The decline of border controls has proved to be an important facilitator of transnational crime. In some cases, the decline is a consequence of deliberate policy decisions, whereas in other cases it is a result of major political transitions that have followed the end of the Cold War. The introduction of the Schengen Agreement within the European Union and NAFTA in North America permits individuals to travel within a significant part of Western Europe without border checks. This means that criminals can enter Europe at one point and freely move within a significant part of the continent without any passport controls. This has been exploited by Chinese smugglers, who have moved hundreds of thousands of Chinese into France from other entry points in Europe, and by Ukrainian criminals who took advantage of easy access to visas from the German embassy in Kyiv to move large numbers of criminals and traffic women to different parts of Europe.

Border regions in conflict or weakened states experience an absence of effective border controls. In many Asian multiborder areas there is an absence of governmental control, where the crime groups and the smugglers have become the dominant powers. Illustrative of this is the Golden Triangle region in which drugs, women, and children trafficked from Cambodia, Laos, Myanmar, and southern China flow into northern Thailand. In the triborder area of Argentina, Brazil, and Paraguay, crossborder smuggling thrives. But the links between terrorism and crime also flourish in such lawless areas. For example, Hezbollah planned and financially supported its

bombing of the Jewish communities in Argentina in the mid-1990s from this region.

The borders of the former Soviet Union are penetrated not only by drug traffickers from Afghanistan. With the collapse of effective controls across the eleven time zones that represent the former USSR, the borders have been rendered indefensible. Across them flow an incredible range of commodities including arms, military technology, nuclear materials, and precious metals; increasingly, there is also an illicit flow of people across these borders.

The porous border areas of Europe, particularly the large seacoasts along the Mediterranean, are the locus of significant smuggling. In Morocco, for example, networks smuggling men to Europe have been adapted for human trafficking, bringing African women into the European sex markets. Large-scale smuggling of illegal migrants is underway from Africa into Spain, and the Italian coast receives Asian immigrants as well as immigrants from North Africa.

A similar dynamic exists along the U.S.–Mexico border, which has large sections that are poorly policed (Andreas, 2000). This border has been the locus of smuggling for more than a century. The Mexican drug cartels have grown dramatically in the last two decades as their proximity to the loosely guarded U.S.–Mexican frontier has given them a competitive advantage over the Colombian cartels. The ever present demand for cheap labor in the United States and the huge economic imbalance between the U.S. and Mexican economies have fueled a huge illicit population flow across the U.S. border.

GLOBALIZATION OF CRIME GROUPS

Crime groups on all continents try to globalize their activities for many of the same reasons as their legitimate counterparts. They seek to exploit valuable international markets, to run internationally integrated businesses, and to reduce risk. They obtain entrée into new markets outside their regions in different ways. When organized crime is closely linked with legitimate business, for example, in the Russian and Japanese cases, the global expansion of legitimate business provides the opportunity for the criminals to globalize. For example, as Japan's large corporations globalized their business, the criminals moved with them, extorting from the corporations' foreign affiliates (Kaplan & Dubro, 2003). Therefore, the illegitimate business follows the patterns of the legitimate business.

Colombian drug organizations have been the most successful in globalizing their business activities. They have far surpassed in profitability the traditional crime groups of Italy and Japan. Their success is based on many of the same principles found in the globalization of large legitimate corporations. They run network-based businesses, not top-down hierarchical structures. They integrate their businesses across continents. The drug cultivation and processing are done at low-cost production sites in Latin America, their products are marketed to the lucrative Western European and American markets, and the profits are laundered at home, in off-shore locales such as the Caribbean, and in international financial centers (Thoumi, 2003).

Specialists from different countries are hired to help with transport, money laundering, and the information technology needed to encrypt their communications. Colorful examples of this globalization of Colombian organized crime include the Tarzan case in the United States in which a Russian organized crime figure was prosecuted for working with members of Colombian drug trafficking organizations to purchase Russian submarines and other technology to facilitate their activities. This operation failed. Russian scientists were subsequently imported to Colombia to build a submarine (Lintner, 2002).

SUMMARY AND CONCLUSION

Globalization has contributed to an enormous growth in crime across borders as criminals exploit the ability to move goods and people. Technologies, such as satellite and cell phones, the Internet, and the Web, have been used to facilitate communication among criminals. Although the narcotics trade has been international for a long time yet it has increased significantly with globalization. Globalization has also contributed to an enormous increase in the following categories of crime: human smuggling and trafficking, arms trafficking, trafficking in art, counterfeit goods, credit card fraud, and counterfeiting. Money laundering has increased dramatically in the globalized economy; the illicit funds move along with the licit funds and are frequently hidden in the numerous offshore financial havens that have proliferated in recent decades.

The problems that have caused this globalization of crime are very deep-seated. They result from the enormous disparities in wealth among countries, the rise of regional conflicts, and the increasing movement of goods and people and the increasing speed and facility of communication. States

The Globalization of Crime

9

have little capacity to fight this transnational crime because state laws are nation-based but the criminals are operating globally.

REFERENCES

- Andreas, P. (2000). *Border Games Policing the U.S.–Mexico Divide*. Ithaca: Cornell University Press.
- Glickman, N. (2000). *The Jewish White Slave Trade and the Untold Story of Raquel Liberman*. New York: Garland.
- Global Witness. (2009). *Undue Diligence: How Banks Do Business with Corrupt Regimes*. London: Global Witness.
- Kaplan, D. E. & A. Dubro (2003). *Yakuza Japan's Criminal Underworld*. Berkeley: University of California Press.
- Lintner, B. (2002). *Blood Brothers: The Criminal Underworld of Asia*. New York: Palgrave Macmillan.
- Naím, M. (2006) *Illicit: How Smugglers, Traffickers and Copycats Are Hijacking the Global Economy*. New York: Anchor.
- Nordstrom, C. (2007). *Global Outlaws: Crime, Money and Power in the Contemporary World*. Berkeley and Los Angeles: University of California.
- Seagrave, S. (1995). *Lords of the Rim: The Invisible Empire of the Overseas Chinese*. London and New York: Bantam Press.
- Thoumi, F. E. (2003). *Illegal Drugs, Economy and Society in the Andes*. Washington, D.C.: Woodrow Wilson Center Press.
- United Nations International Drug Control Programme. (1997). *World Drug Report*. Oxford: Oxford University Press.
- Vincent, I. (2005). *Bodies and Souls: The Tragic Plight of Three Jewish Women Forced into Prostitution in the Americas*. New York: William Morrow.

WEB SITES

- Terrorism, Transnational Crime and Corruption Center (TraCCC): <http://policy-traccc.gmu.edu>
- United Nations Office on Drugs and Crime: <http://www.unodc.org>
- Nathanson Centre on Transnational Human Rights, Crime and Security www.osgoode.yorku.ca/NathansonBackUp/Publications/nathanso.htm
- International Narcotics Control Strategy Report (issued annually): www.state.gov/p/inl/rls/nrcrpt/
- International Organization for Migration: www.iom.int

ABOUT THE AUTHOR

Louise Shelley is a professor in the School of Public Policy at George Mason University and the founder and director of the Terrorism, Transnational Crime and Corruption Center. She has just published a book entitled *Human*

Trafficking: A Global Perspective (Cambridge University Press, 2010) and is currently writing one on the relationship of crime, terrorism, and corruption. She is the author of many articles and book chapters on different aspects of transnational crime. She serves on the global agenda council on illicit trade of the World Economic Forum.