THE GLOBAL ILLICIT ECONOMY

Trajectories of transnational organized crime
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Through stark images and charts, this report gives a graphic illustration of how the global illicit economy has boomed in the past 20 years and how it poses a serious threat to security, development and justice.

With so many major challenges in our world today, it may seem that tackling transnational organized crime is a lower priority than addressing climate change, pandemics, inequality or migration. But organized crime is a common denominator to all of these challenges: it enables them, and it profits from them. As a result, organized crime is a driver of unsustainable development.

This report is impressionistic. It is designed to show the inter-relationships and interdependence between global mega-trends and the trajectories of organized crime since 2000, the year the UN Convention against Transnational Organized Crime (UNTOC) was adopted. It is written from the perspective of civil society, drawing on consultations with the Global Initiative Against Transnational Organized Crime’s secretariat, its Network of Experts, and recipients of the Global Initiative Resilience Fund, including nine consultations held in five regions. It is based on data that is in the public domain that has been gathered through research and analysis.

We hope this report can bring fresh approaches and different perspectives to intergovernmental processes. Furthermore, we hope it can stimulate new thinking and be a catalytic resource for more effective responses to organized crime. We appreciate the opportunities available for us to do this, for example through the review mechanism of the UNTOC Conference of Parties as well as the UN Crime Congress.

As this report shows, organized crime is harming so many aspects of life on our planet. Left unchecked, the shadows of the future look even more sinister. We need to change the trajectory. We hope this report can raise awareness and provoke debate. Most importantly, we hope that it can stimulate action to strengthen local resilience and lead to a global strategy against organized crime.

Mark Shaw
Director
Global Initiative Against Transnational Organized Crime
THE EXPANDING REACH OF TRANSNATIONAL ORGANIZED CRIME
Since the early 1990s, transnational organized crime has boomed all over the world, a trend that has only accelerated in the past 20 years, despite the signing of the United Nations Convention against Transnational Organized Crime (UNTOC) in 2000.

In just a few decades, transnational crime as we know it has changed beyond recognition - and so has its impact. What was once thought of as a handful of mafias operating in a few problem cities has become a pervasive threat to peace, justice and development the world over.

This criminal transformation has been driven by the geopolitical, economic and technological shifts that have taken place since the turn of the century, with organized criminal groups some of the biggest beneficiaries of globalization. These groups have taken advantage of the opening of new markets, supply chains and technologies, while exploiting weak regulation in financial markets and cyberspace.

Since 2000, the ‘great accelerator’ - new technologies, including information communications technology (ICT) - has supercharged illicit markets by improving operations and covert communications, increasing crime groups’ adaptability to enforcement measures and expanding the size and diversity of both groups and markets. In the process, the criminal underworld has become seamlessly joined with the upperworlds of business and politics, blurring distinctions between illegal and legal.

This concealed threat spreads where resistance is weak. The symptoms of harm manifest in politics, business, health, the environment, development and security. Where social antibodies are stronger, the contagion of crime mutates, looking for other opportunities to grow.

By exploiting weakness, organized crime in turn increases vulnerability, thereby exacerbating the very societal problems of underdevelopment, criminal governance, flows of people and violent conflicts that sustain organized crime, while also damaging our societies and planet in the process. As a result, transnational organized crime is both a driver and a profiteer of many of the ills affecting our planet.

Short-term, militarized or corrupt responses make the problem even worse.

This special report looks at the drivers and enablers of transnational organized crime, the trajectories of key illicit economies over the past 20 years and what those evolving paths indicate as to how organized crime groups will operate in the future. It concludes by forecasting the future of organized crime and sets out possible building blocks for a global strategy to counter the threat.
ENABLERS OF ILLICIT ECONOMIES

Our world is changing at an almost unimaginable speed, but such change often comes at a high cost. In our relationship with the planet, we are living beyond our means, while economic growth continues in a way that disproportionately benefits a small global elite. The pace of innovation in spheres such as social media and artificial intelligence often outstrips awareness of what those innovations might entail, leaving regulators playing catch-up. But in other areas, we are not moving fast enough, such as conflict resolution and curbing climate change.

This environment provides the ideal conditions – a growing consumer base, more advanced tools and more areas of instability and low governability – for transnational organized crime to operate, expand and more deeply embed itself in modern society.

The eight drivers and enablers outlined below have all accelerated the growth of illicit markets and created new opportunities for the convergence of the illicit and licit worlds, and will continue to do so in the near future.
THE FOURTH INDUSTRIAL REVOLUTION
The great accelerator
As innovation continues to outpace regulation, new technologies allow illicit economies to grow by improving and encrypting communications; creating new marketplaces on the surface web and dark web; changing ways of doing business (for example, by anonymizing payments through cryptocurrencies); increasing adaptability to enforcement measures through tools such as encrypted phones; and expanding reach. The internet has shaped illicit economies by widely expanding the customer base, lowering the barriers of entry for supply and demand and enabling greater anonymity and access to new recruits for employment and/or victimization. It has fostered the dramatic growth of the cybercrime market itself, and escalated new forms of crime within that market, such as ransomware and phishing. Lockdowns during the coronavirus pandemic showed how reliant populations are on technology, in particular the internet and ICT, and how quickly this reliance can be exploited by criminals.

Tech tools are changing how criminal groups operate – and further insulating them from detection. Not only are there encrypted communication apps, but there are encrypted mobile devices. In 2020, European authorities hacked EncroChat, an encrypted phone system used by criminals, resulting in over 800 arrests across multiple countries. Digital technology has modernized monetary transactions between smugglers and migrants, among others. Central American gangs use social media to threaten and extort payments from emigrants across borders. The ability for surveillance has exploded and democratized in alarming ways. High-end spyware that can hack phones has been bought by cartels through corrupt officials, but lower quality bugging devices and spyware are readily available for criminal groups to purchase online or in shops. Mexican cartels have used drones for surveillance, to drop shipments and even as weapons.

In illegal, unreported and unregulated fishing, criminals abuse the Automatic Identification System (AIS) for fishing vessels by manipulating GPS data, spoofing the system to create ‘ghost boats’ going dark by turning off their AIS and failing to report their next port of call.
Some illicit markets are easy to access on the surface web, such as the illicit wildlife trade and illicit trade in cultural property. Digitally enabled trade is a major and growing part of the international illicit wildlife market, with the world’s major social networking and e-commerce platforms being used for illegal activity. Looking to the future, rapidly expanding internet access in key source countries for illegally traded species (such as Indonesia, one of the world’s great biodiversity hotspots and a hub for trade in endangered reptile and parrot species) and demand countries (such as China, a major destination market for ivory and rhino horn) indicates that the role of technology as a facilitator will only continue to grow.

The illicit trade in cultural property has moved away from established auction houses (which are exposed to public scrutiny) and now takes place largely on the surface web. Traders advertise on public and semi-public platforms, both on the surface web and dark web, while buyers use technologies to access, watch, record, disseminate and store information and materials on the victims.

On the dark web, the drug trade is characterized by low operating costs, high use of cryptocurrency and young tech-savvy dealers, rather than cartels. For the consumer, risks of making purchases in open-air markets are reduced and anonymity is easier to maintain. Illegal drugs are also marketed and sold on social media platforms, and consumers can comment, message or contact the seller directly to make a purchase. Sellers advertise illicit substances through photos and status updates. Drug trafficking organizations also use social media to recruit low-level employees, such as couriers.

The growth in cybercrime and cyber-enabled crime, through tech advancements, is likely to far outstrip the ability of the state and private sector to counter it. When regulation lags behind innovation, technological developments further link legal, grey and illegal activity. The more permissible private tech enterprises are, the more these platforms and services can be used for legal and illegal purposes.

One area to watch is un- and under-regulated online political campaigning. The interest and ability for hacker groups and criminal entities to work alone or with governments to manipulate political processes will only increase.

Research found 32 of the 40 elections and referendums held between June 2018 and May 2020 experienced digital election interference. The 2016 US election campaign revealed how governments, companies and campaigns all took advantage of unregulated spaces such as Facebook to manipulate voters through opaque and legally ambiguous means. On top of this, fake news has proved to be a nascent grey transnational industry, with a global reach. A fake news industry built around the US election cycle in North Macedonia has the support of the town’s mayor, who noted that it was not breaking any laws and was generating income.

A second area to watch is the rapidly growing data industry, which is ripe for an illicit economy to build around the opaque legal one. A largely unregulated data market links together and sells information collected covertly through online activity. Companies gather and trade in people’s health stats, GPS location, contact lists, political leanings, purchase histories, browsing histories and numerous other data points – largely without people’s knowledge. As personal histories and identities are catalogued by a growing for-profit industry or by government agencies, these databases are a gold mine for the purposes of corruption, coercion and extortion. Criminal groups could access these systems through theft, hacking, corruption, purchasing the data through a front company – and as long as it remains a secretive industry, the ability to tap into it remains that much easier.
CLIMATE CHANGE
A threat multiplier
The impact of climate change is being felt in all areas, and illicit markets are no exception. Crime and environmental degradation have a circular relationship. Environmental shifts driven by climate change, such as extreme weather and drought, increase resource scarcity, put pressure on local economies and generate instability—all of which encourages the emergence of new illicit markets, which themselves aggravate environmental degradation. Unregulated extraction, for example, pollutes air, land and waterways, and causes deforestation, while landing strips and roadways built for illicit trafficking have brought about deforestation. Nearly half of all tropical deforestation is caused by illegal logging to covert land for commercial agriculture.

While the exploitation of resources such as oil, precious stones, minerals and timber has been widely reported, there are ever-growing markets based on development and the unregulated sale of natural resources. Sand is used to produce concrete and cement for construction, as well as for glass, ceramics and electronic devices; with construction booms in many cities across the world, a need for sand has spurred an illicit trade. In India, sand mafias are illicitly mining sand and link-up to ‘land mafias’ known to seize well-located real estate from its original occupants through threats of violence for a lucrative construction project. These gangs are known to use violence against community leaders, and have murdered reporters who expose this market and law enforcement officials who attempt to combat it.

The risks from climate change are greater in poorer countries already struggling to provide opportunities for their citizens and where state resources are limited. In some instances, these pressures, in combination with political choices, generate a pressing need for basic resources, such as water and energy—a need which is met by illicit markets, and in some cases, are monopolized by criminal groups. If you just consider water, there are many examples across the globe. In Bangalore, India, while the population doubled from 2001 to 2017, water infrastructure did not keep pace. As a result, a group of tanker truck owners, known as the ‘water mafia,’ distribute water across the city, fixing prices and controlling the market. There is no running water in the Kibera slum in Nairobi, Kenya, where residents pay water cartels up to 50 times more than in the city’s most affluent areas. If you consider the government on these water mafia has doubled the price of illegal water throughout the city. A water scarcity crisis in South Africa in 2018 led to panic stockpiling and a black market selling water to individuals.
INFRASTRUCTURE AND TRADE
Co-opting globalization
Globalization has given rise to unprecedented movements of money, goods, people and contraband around the world, bringing enormous opportunities for both licit and illicit markets. Infrastructure hubs – for air, sea and land travel, as well as trade – create particular vulnerabilities.\textsuperscript{15} The phenomenal growth in trade using containers, for example, has aided and abetted the illicit movement of goods. By 2019, some 811 million 20-foot containers were in service around the world, up from 220 million in 2000.\textsuperscript{16} The sheer volume makes monitoring extremely difficult; more than 90% of global trade goes via containers, but only around 2% is controlled.\textsuperscript{17}

The number of commercial airlines and flights also experienced similar growth: by 2018 the International Civil Aviation Organization reported that the total number of passengers being carried on scheduled services had risen to 4.3 billion – a figure that (pre-pandemic) was expected to double every 15 years.\textsuperscript{18} Air travel has been a key conduit of illicit goods, most of which goes undetected. The occasional news reports of sensational seizures at major international airports of contraband (mainly drugs but also wildlife products) represent only a tiny proportion of the illicit movements that take place on commercial airlines.\textsuperscript{19}

Furthermore, the rapid growth of the internet and the creation of Free Trade Zones (FTZs), privacy jurisdictions and tax havens has significantly reduced the ability of governments to regulate the smuggling of licit and illicit goods. Since 1986, the number of FTZs has grown from 176 to more than 3 500 today, with the biggest growth in Asia. These FTZs – where oversight and regulation is poor – offer an entry point for the blending of illicit goods into licit supply chains.\textsuperscript{20} The OECD estimates a 5.9% increase in total value of fake goods for each free trade zone added to an economy.\textsuperscript{21} But while lack of regulation is often to blame, overregulation can also be a problem. Too much bureaucratic red tape, an increase in the number of borders (and heightened border security after 9/11 and then the pandemic) as well as high taxes (for example, on cigarettes and alcohol) create incentives for illicit trade.

Development projects, such as construction, also represent opportunities for criminal groups. The construction of Highway 10 in Iraq linking Baghdad to Amman, which was part of US$12 billion investment by the US, was exploited by gangs, militias and jihadists of the Islamic State, who extorted drivers by setting up roadblocks and demanding US$300 for passage.\textsuperscript{22} In El Salvador, the construction of the Northern Transnational Highway resulted in an increase in gang-related crimes including extortion and homicide.\textsuperscript{23} With China predicted to lead global growth by 2025,\textsuperscript{24} its Belt and Road Initiative – an economic growth policy spanning 140 countries – is a critical project to watch in this regard. In Latin America and the Caribbean, China’s development lending has been larger than that of the World Bank, Inter-American Development Bank (IDB) and the CAF Development Bank of Latin America combined, totalling roughly US$140 billion between 2005 and 2018.\textsuperscript{25} Mega-projects create opportunities – including for corruption. In Africa, fast-paced, poorly governed infrastructure developments are attempting to shrink an identified 50% gap between infrastructure needs and projected expenditure.\textsuperscript{26}

The shutdown caused by the coronavirus pandemic has created deeper and more sudden shocks to the global economy than previous global disruptions.\textsuperscript{27} It has had major impacts on logistics operations for criminal groups. And the shuttering of businesses has dried up revenue for extortion payments by criminal groups. But the post-pandemic recovery will also offer opportunities for criminal groups to exploit both the economic hardship caused by the pandemic and the major inflows of capital designed to alleviate it.
INTERNATIONAL BANKING AND ILLICIT FINANCIAL FLOWS
Dark money
Opaque banking systems let corrupt officials, businesses and criminals hide vast amounts of wealth

The opaque global banking system that developed at the start of the new millennium has allowed legal and illegal profits to come together to create billion-dollar reservoirs of untouchable assets, while reinforcing the power and influence of the actors who utilize them. Despite the lessons learned from the 2008 financial crisis and the desperate need for revenue in state coffers, this system continues to provide a shared opportunity for governments, businesses and criminals to hide vast amounts of wealth, as revealed by investigations such as the Panama Papers.

Diversion of resources through illicit financial flows (IFFs) from developing countries and the enabling environment created by anonymous company structures, global financial centres and offshore jurisdictions have been widely described as major obstacles to global equality and development. The syphoning off of money into tax havens by wealthy individuals and corporations lowers revenue for a government to perform its functions, making it harder for governments to respond to the needs of the people and provide basic public services.

In this way, a symbiotic relationship exists between the elites who champion the existing systems and the criminal groups who add financial weight to the banking system while enjoying its lack of transparency. Those who profit from this system have few incentives to change. As trillions of dollars are being mobilized for the pandemic economic recovery, the lack of will to track and regulate informal financial flows makes the moment ripe for significant movements of IFFs, and deeper involvement by criminal actors in the legal economy.
The battle against dark money wages on

Oliver Bullough is a UK-based journalist and author who specializes in covering financial crime and the former Soviet Union. His most recent book is Moneyland: Why Thieves and Crooks Now Rule the World and How to Take It Back.

What has changed in your view regarding illicit economies?
It may not always feel like it, but the last decade has been a golden age in the battle against dark money. Public anger about tax dodging following the financial crisis of 2008/2009, combined with increased awareness of the damage being done by kleptocracy, has put the struggle for oversight of the global financial system onto the political agenda more than ever before.

In 2010, Obama signed the Foreign Account Tax Compliance Act, to compel foreign banks to help deter hiding income offshore; and in a string of anti-money-laundering directives, the European Union extended transparency into trusts, foundations and shell companies. Britain’s parliament imposed transparency on the UK’s recalcitrant offshore territories. In the last days of the Trump presidency, Congress started the process of stripping anonymity from shell companies, which could spell the end to the largest surviving secrecy haven.

Enforcement has also got tougher. Twenty years ago, some regimes still treated a bribe as a legitimate tax-deductible business expense, which is now unimaginable, so we have come a long way.

What are the biggest risks?
The battle against the misuse of the world’s financial system remains dependent on the whims of politicians. For example, Britain launched the Extractive Industries Transparency Initiative in 2002, which made transparency a theme for the G8 in 2013. But then, in 2017, the US Department of the Interior announced that American oil majors would not need to comply with requirements of the Initiative. Transnational financial crime is dealt with by many government portfolios and, without clear political direction from the top, there is a tendency for it to drift into the ‘someone else’s problem’ file.

What do you think the situation will be like in five years?
With Brexit and Trump’s administration, it was possible we’d lose the will of the two countries that pushed hardest for transnational action against illicit finance. Biden has promised to revive the momentum, but the new president has many priorities, and it is unclear whether he will have time to tackle dirty money, alongside all the other crises in his in-tray.

So we need to guard against retrogression. As long as kleptocrats remain in power and use the West’s financial system to hide their money, as the recent revelations about Isabel dos Santos’s business empire have revealed, we will continue to face this problem.

What approaches work to strengthen responses against illicit economies in your field?
The fight against tax dodging was overwhelmingly driven by Barack Obama’s Justice Department. Legal initiatives from that time have stripped away much of the murky undergrowth that money used to hide beneath.

In the battle against kleptocracy, meanwhile, the political direction has come from Britain, which – with its traditional genius for hypocrisy – has on the one hand the City of London, the world’s largest laundromat for dirty money, while its foreign policy pushes hard against corruption. Various UK prime ministers have sought to shine light into the dark places where kleptocrats, organized criminals and corporations hide their money.

Civil society activists have also risen to the challenge worldwide. The stand-out example has been the International Consortium of Investigative Journalists, which united writers from all over the world to bring offshore skulduggery to our front pages in the form of the Panama Papers, which drew attention to the tricks of the rich and powerful.
INEQUALITY
The widening gap
Decades of globalization and trade liberalization have created massive disparities in wealth and power. Before the coronavirus pandemic, opportunities for working in the legal economy were already diminishing. As a result of the pandemic, the situation has become even worse, especially for those working in the informal economy – estimated at 60% of the global workforce.

These conditions create space for illicit economies to expand, offer services and employ (often coercively) an increasing number of people. Those who control such markets grow in power and influence (and cross over into legal spaces), while those at the lowest levels face greater risks and hardship, such as being coerced into forced and child labour markets or subjected to human trafficking or extortion. People at the lowest levels also bear the brunt of law enforcement, typically in the lowest-income, most marginalized areas. Enforcement of illicit markets meets the least resistance in settings that are ignored by the more affluent in society and where people are less empowered to resist – not least because abuses are undocumented or unaddressed. Heavy-handed responses by armed police or the military often result in deaths and arrests, but change little for the criminal market overall or the structural factors that create vulnerability in marginalized communities.

These illicit economies often intersect with and feed into any number of legal industries, including fishing, cobalt and gold mining and the timber trade. A lack of transparency in global supply chains allows companies and consumers to ignore the criminal behaviour that is often behind the production of many popular products. Such behaviour has been further enabled by privatization, the creation of tax havens and growing online commerce, all of which have eroded the state’s ability to regulate trade. The current global economic crisis is an opportunity for criminal groups to further entrench their hold over these secondary economies.
CONFLICT AND ILLICIT MARKETS
The benefits of instability
Those who profit from conflict have few incentives for peace

Areas of violent conflict are incubators for a range of illicit markets, including arms smuggling, oil extraction, migrant smuggling, human trafficking, opium production, gold and mineral mining or charcoal trafficking. In such contexts, institutions are usually weak, opportunities for profiteering are high and there is a volatile mix of weapons, lawlessness and young combatants who are desensitized to violence. For instance, human smuggling and trafficking, as well as drug trafficking, occurs through points of instability in the Sahel and Libya. And illicit diamond mining is fuelling conflict in the Central African Republic.

The relationship between conflict and crime is circular: while conflict may give rise to illicit activity, crime also further entrenches conflict. The illicit arms trade – from small arms to military equipment – floods fragile states with weapons and vastly increases the power of armed groups over the government. Criminal actors and conflict actors become merged, with armed non-state actors often controlling illicit markets, the proceeds from which enrich the groups and perpetuate violence.

The 2018 World Atlas of Illicit Flows states that environmental crime – which includes wildlife crime, fuel smuggling and the illicit mining of gold, diamonds and other natural resources – is now the largest source of income for non-state armed groups and terrorist organizations, accounting for 38% of the financing of conflicts. The commodities flow from armed groups along the supply chain to businesses and legal operations around the world. In this context, failures of conflict resolution may fuel a self-sustaining dynamic between conflict and crime. Indeed, it is often the case that conflict mediation and high-level bargains to resolve fighting do not address the underlying illicit economies, enabling armed groups to emerge from conflicts to continue to pursue criminal agendas.

In addition to traditional conflicts, new modalities of cyber warfare and the criminal markets associated with them are developing with little pushback. States and their intelligence agencies often use criminal proxies to carry out attacks on military facilities, critical infrastructure, hospitals, businesses and energy facilities. Disinformation campaigns launched by one state to interfere in another’s politics and society are becoming increasingly common. This looks likely to become a lucrative and growing opportunity space for criminal groups, with serious consequences for international relations.
What has changed in your community regarding organized crime?
Although the so-called ‘war on drugs’ is not a new strategy in the Philippines, it is only now that the larger community has become conscious about extra-judicial killings and arbitrary raids linked to the anti-drugs campaign, and the apparent use of this campaign to target political opponents. Since the majority killed are alleged to be low-level traffickers, there’s a sense that those who may be involved at the top of the drug networks are walking away untouched, protected by impunity. This is distracting us from dealing with the system that needs to be fixed. As a result, we end up making people deemed disposable pay with their lives for the failure of this system.

What are the biggest risks faced by your community?
The space we work in can be a highly politicized and dangerous environment where organizations can be arbitrarily targeted by the government. It requires being constantly on alert. There’s an ‘if you’re not aligned with us, you’re against us’ political mentality, feeding into increased perception of surveillance and fear. Though no longer front-page news, extrajudicial killings linked to the anti-drugs campaign continue. Outside the main cities, things are happening but are not reported. That’s the scary part – there might be things that we don’t hear about and therefore cannot respond to. Mistrust is palpable. It becomes harder for community members to know who they can trust.

What do you think the situation will be like in five years?
We have our elections in 2022, and so many things can happen between now and then. The focus on drug-related issues during these past four years is the most there’s ever been, and we hope this continues, only in a more informed way. Now is also the time to contribute to making changes in the system. For example, we are currently paying more attention to women who are incarcerated because of drug-related charges, and this is something we weren’t looking at before. We also need to ask ourselves why this administration was able to use drugs so effectively as a tool against our people.

In your experience, what approaches work to weaken organized crime in your community?
How we understand the issue always dictates how we will respond. So treating the drugs situation as a public-health issue might be one step in the right direction. It is important, however, that those in power cease perpetuating stigma and shift their mindset to recognize the range of realities of the drug use experience. The voices and experiences of people involved with drugs must be valued and respected. They need to be at the decision-making table, together with government officials. Not only will this make for more responsive policies and programmes, but it will also allow officials to recognize how people who use drugs are, in fact, part of the community. We need to listen to each other more. Respecting each other’s realities, and connecting with each other as human beings are key. When we do that, we become better able to recognize the bits of common ground between us.

Ma. Inez Feria is the founder and director of NoBox Philippines, a civil society organization working on reforming drug policies and laws through advocacy, community engagement and capacity building.

FINDING COMMON GROUND, NOT A COMMON ENEMY, AMIDST A WAR ON DRUGS
DEMOGRAPHY AND MOBILITY
Rising vulnerabilities
For smugglers, the failure by states to provide safer and more secure legal alternatives for movement has been good business.
URBANIZATION

Many people on the move are heading for cities. The speed and scale of this rural-to-urban migration has been outstripping the ability of many municipalities to provide public services, administration and security. The result, particularly in the developing world, is often the growth of informal urban settlements, such as slums. Where the state cannot or does not provide governance, services and protection, criminal groups and gangs often step in and take advantage. During the coronavirus crisis, gangs and criminal groups have enforced quarantines, bought groceries and offered extensions on extortion payments, all in an effort to further embed their community leadership role. But these same gangs extort local communities, escalate levels of violence and create unstable living conditions for residents. Studies show that many of the most violent cities in the world are not in war zones but in Latin America, the Caribbean, the US and South Africa, largely attributed to gang violence. For example, Cape Town, with a population of some 4 million people, saw 2 868 murders in 2018 (a homicide rate of 69 murders per 100 000 inhabitants).\(^2\)

Rapid urbanization creates high demand for resources such as sand for the production of concrete and glass, water in areas lacking infrastructure and charcoal to heat homes and for use as cooking fuel. Unregulated markets – such as for water or charcoal – are often co-opted by organized criminal groups, enriching them and creating a dependency for certain urban communities. Legal economies have not kept up with urban population growth, allowing illicit economies to provide an alternative space for work and income generation. Urban migration is also driven by resource scarcity and degradation in rural areas. Illegal or unregulated logging, for example, has displaced populations to urban centres, further straining civic resources.
THE PRICE OF DEMOCRACY
Soaring costs and corruption
Democracy is under threat from the criminalization of power.
What has changed in your community regarding illicit economies?
Guinea-Bissau has been an established transit point for drug trafficking for some time, but now the number of drug users in the country is growing each day. Our youth are developing mental-health problems, while criminality rates have been on the rise over the last two years. Our health system is not capable of responding to these problems, and our police officers, and the law enforcement system generally, are not equipped to respond to these developments. Things will only get worse as long as no new systems are put in place to counter this.

What are the biggest risks?
The biggest risk is that drug traffickers are trying to take over the country, getting involved in politics and influencing political decisions. Drug traffickers exert a lot of influence over our politicians. If the situation continues, in the very short term we will lose control of our country and it will become a paradise for drug lords and other criminals.

What do you think the situation will be like in five years?
As predicted, the current authorities lack political willingness to fight drug trafficking. As a result, the country’s law enforcement agencies, in particular the Judicial Police, cannot undertake investigations into drug trafficking in a proper manner. Also, the Office of the Prosecutor General has been under political influence. This poses a huge obstacle in the fight against organized crime and allows criminals to take advantage of the situation. Ever since Guinea-Bissau’s independence, the state has failed to enhance institutions and build an effective law-enforcement system. Poor oversight and a lack of border surveillance permit criminals to operate in our country.

What approaches are successful in strengthening responses in your area of work?
Since criminals have captured government institutions, civil society is our only hope. More work needs to be done to establish a bigger civil society network and strengthen its capacity. One of the most important approaches is to raise awareness in the community, because transnational organized crime is not well known in the country – citizens don’t examine the situation critically. We need to start overseeing and monitoring criminal patterns, and involve decision-makers and the international community. People need to understand the dire consequences of drug trafficking, and not only focus on its immediate material value.
In November 2000, UNTOC was adopted by a resolution of the UN General Assembly and came into force in September 2003. UNTOC was designed to promote cooperation in the global effort to prevent and combat transitional organized crime, but in the 20 years that have elapsed since the first countries signed on in Palermo, illicit markets have boomed, diversified and become ever more interlinked.

This section examines five overarching markets: (1) markets for human exploitation, (2) illicit environmental markets, (3) illicit drug markets, (4) cybercrime and (5) illicit trade in legal goods.

We find that globalization has facilitated a global architecture for operating outside the legal economy that is so robust that when one product becomes risky or unprofitable, organized criminal groups shift to a new one, either by tapping existing connections or engaging with a new set of service providers.

The timelines in the following sections are illustrative trajectories of the five illicit markets, depicting visually how these markets have developed over the last 20 years. They are not intended as trend analysis.
HUMAN EXPLOITATION
Trafficking in persons listed as an offence in 35% of countries.

By 2008, trafficking in persons was listed as an offence in 80% of countries.

2.4 million: the number of people ILO predicts work in forced labour globally.

$32 billion: the value of the human trafficking market.

26 countries have institutions systematically collecting and sharing data on human trafficking.

65 countries worldwide have institutions systematically collecting and sharing data on human trafficking.

2000–2014 Forced displacement grows on average by 1.6 million people a year.

104 356: total sea arrivals to Europe - five times higher than the previous year.

65 countries have erected border walls.

COVID-19: 1 April 2020, 95% of the global population live in countries with restrictions on international arrivals.

Almost 17 million CSAM reports, accounting for nearly 70 million images and videos.

95% of irregular migration to Europe is facilitated by smugglers.

Child trafficking rises following earthquake in Haiti, a country with already more than 300,000 children in forced labour.

420.3 million: people are in modern slavery, of which 16 million are exploited in the private sector, including for domestic work, construction or agriculture; 15 million in forced marriage; 4.8 million are victims of forced sexual exploitation; 4 million is forced labour imposed by state authorities.

The dark web starts to be widely used for CSAM and other illicit activities.

May 2015: Thailand discovers 20 informal prison camps close to the Thai–Malaysian border, leading to a crackdown during which smugglers abandon 5,000 people at sea.

2008–2016: Environmental disasters increase prevalence of vulnerable populations, with an estimated 227.6 million displaced.

360 migrants die when a boat carrying migrants from Libya to Italy sinks off Lampedusa.

3.5 million: the number of Venezuelans who have left the country since 2015.

COVID-19 crisis continues to change the pattern of sexual exploitation, operating less on the streets and moving online.

Facebook takes action on 30.5 million pieces of content for CSAM in first nine months of 2020. Following exposure on illegal content, and economic pressures, Pornhub removes unverified content, reducing video content from 13 million to 4 million, requires verification for uploading.

80% of countries by 2008.

6160 Illicit markets

2020–2024: Environmental disasters increase prevalence of vulnerable populations, with an estimated 22.7 million displaced.

2000–2020 Human exploitation, 2000–2020

Human trafficking

Human smuggling

Online sexual exploitation

Child sexual abuse material (CSAM): 1 million reports filed in 2010.

Child trafficking rises following earthquake in Haiti, a country with already more than 300,000 children in forced labour.

Forced labour generates $150 billion a year in profits in the private economy worldwide ($99 billion from commercial sexual exploitation; $51 billion from forced economic exploitation). August: 6,000 Yazidi women and children are kidnapped by ISIS, many for sexual slavery.

April: 276 Chibok schoolgirls are kidnapped by Boko Haram for sexual slavery.


IOM estimates that over 3,500 migrants died in 2015 globally, including 3,771 deaths crossing the Mediterranean Sea.

4.5 million: the number of Venezuelans who have left the country since 2015.

95% of irregular migration to Europe is facilitated by smugglers.

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80% of countries by 2008.
Opportunities for human trafficking have grown with advances in technology and the increasing incidence worldwide of vulnerable populations. As of 2017, the total number of detected victims of human trafficking around the world was estimated to be roughly 40.3 million. The vast majority are women and girls, who are victims of both labour and sexual exploitation. Egregious displays of sexual slavery and slave markets in Syria, Iraq, Libya and Nigeria have exposed the dangers among occupied populations, refugees and internally displaced people.

The internet has fundamentally changed the market for sexual exploitation, in particular that of children, making it far more widespread and difficult to police and providing criminals with access, affordability and anonymity (the so-called ‘triple phenomenon’). Traffickers are facilitating online child sexual exploitation, modernizing payment transactions, marketing women and girls via the internet and social media, and using chat groups for communication and solicitation on the dark web. The last 20 years have witnessed a rise in online communities built around predatory criminal sexual interests. As well as facilitating the sharing and spreading of illicit sexual abusive material, these virtual communities provide a (misplaced) sense of validation and legitimization for potential and current sexual offenders.

Forced labour is found in many sectors: domestic servitude; agriculture and fishing; begging; construction, mining, quarrying and brick kilns; and manufacturing, processing and packaging. It is also linked to fraudulent recruitment practices and debt bondage: people borrowing money or being trapped into paying inflated costs for food, accommodation and transportation and then having to work until it is paid off. The coronavirus pandemic increased the probability of abuse and reduced the chance of being identified and rescued, especially in sectors that are hard to access or dangerous, for instance in areas of illegal logging, illegal mining and illegal fishing, which all saw a drop in labour inspections and weak enforcement of laws on labour trafficking (which were already lax for victims in exploitative situations before the pandemic).

Migrant smuggling has increased as a result of a number of push factors, including conflict and violence, inequality, demography and climate change. Migration policies have become increasingly linked to national security agendas and handled within governments’ security portfolios. Wealthy countries have been fortifying their borders; in 1990, only 15 countries worldwide had border walls, whereas by 2019, there were about 70. Hostility towards migrants has made them an increasingly vulnerable population: receiving countries have reduced opportunities for lawful entry, including seeking asylum, and in transit countries migrants are increasingly at risk of violence and of becoming victims of human trafficking. Migrants are dying en route in greater numbers. Heightened border controls are forcing people onto riskier routes, and migrant smugglers treat their lives with greater disdain.

The operating risks continue to rise, operators with a lower risk appetite will be driven out, leaving an opening for organized crime groups, who are more likely to exploit migrants for greater profit. This will be used to further justify tough measures against migrant smuggling networks by governments and accelerate the dynamics of criminal-group capture of migration.
ILLICIT ENVIRONMENTAL MARKETS
Late 1990s and early 2000s: organized crime moves into hazardous e-waste disposal, offering below market prices for waste disposal by contravening international and domestic regulations on waste disposal, export and trade.

1990s: Ecomafias emerge in Italy to manage illegal waste.

1990s/early 2000s: Sanctions on Iraq generate illegal trade; tensions between oil companies and residents of the Niger Delta emerge in 1990s.

Brazil: 90% of logging production during the 1990s is illegal.

90% of the world’s electronic waste is dumped or traded illegally, valued at $19 billion a year. Greatest recipients: Ghana, Nigeria, China, Hong Kong, Pakistan, India, Bangladesh and Vietnam.

Kimberley Process established, recognizing need to stop trade in conflict diamonds.

$1.3 billion: the value of gold shipped from African countries to UAE, weighing 67 tonnes.

UK Environment Agency launches the country’s largest ever electrical waste crime case, bringing four companies and 11 individuals to court for illegal export of e-waste to West Africa.

Groups in Niger Delta become increasingly militarized.

Kleiberly Process established, recognizing need to stop trade in conflict diamonds.

Surge in oil smuggling as ISIS takes control of major Syrian and Iraqi oilfields.

Nigeria loses $1.5 billion a month from oil smuggling. In South East Asia, about 3% of all fuel consumed is sourced from the black market, possibly worth up to $10 billion a year.

2006–2016: China accounts for an estimated half of all global illegal timber imports. India and Vietnam are other major consumers.

Illegal logging accounts for 15–30% of all global timber production, valued at between $51 billion and $152 billion per year.

Greatest recipients: Ghana, Nigeria, China, Hong Kong, Pakistan, India, Bangladesh and Vietnam.

90% of the world’s timber trade is illegal, valued at $19 billion a year.

Illegal logging accounts for 15–30% of all global timber production, valued at between $51 billion and $152 billion per year.

2000–2020: Chinese authorities dismantle organized crime network that illegally exported 2,500 tonnes of waste, including hazardous e-waste, from the Canary Islands to Nigeria and other African countries.

Singaporean authorities seize 3,000 tonnes of Malagasy rosewood.

June 2020: Spanish authorities dismantle organized crime network that illegally exported 2,500 tonnes of waste, including hazardous e-waste, from the Canary Islands to Nigeria and other African countries.

Indonesia overtakes Brazil as the leading country for deforestation, largely attributable to illegal logging.

Illegal logging valued at 10% of global timber trade.

Illegal logging accounts for 15–30% of all global timber production, valued at between $51 billion and $152 billion per year.

$15.1 billion: the value of exports of gold from African countries to UAE, weighing 446 tonnes. Much of the gold is assumed to be smuggled, not recorded in the exporting states.

Up to 87% of Colombia’s and 91% of Venezuela’s gold exports are illegally produced.

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Wildlife crimes, 2000–2020


2.7 million: the number of African pangolins killed by poachers every year.

6 000: the number of African elephants slaughtered every year; more than 100 000 were slaughtered between 2010 and 2012.


9 000% increase in rate of rhino poaching from 2007 to 2014. Poaching peaked in 2014, and more than 1 000 rhinos continue to be poached every year.

$100 000: estimated price for around a kilogram of rhino horn on the black market – a higher value by weight than gold or platinum.

60%: proportion of the elephant population in Tanzania lost to poaching between 2009 and 2014.

Online IWT: shift away from e-commerce sites to the advertising and trading of animals on social-media platforms

More than 800 kg of wild-caught fish are stolen from the oceans every second.

50 tonnes: the volume of shark fins seized by Peru’s customs authority between November 2018 and December 2019.

8 tonnes of pangolin scales (from more than 14 000 animals) and over 1 000 elephant tusks are seized at a Hong Kong customs facility in January.

30 metric tonnes of pangolin products are found in Borneo in February.

12 tonnes: the volume of pangolin found in a Singapore seizure in April, equivalent to 36 000 slaughtered pangolins.

7.48 tonnes of ivory are seized by Chinese authorities in April – possibly the second or third largest seizure of ivory of all time.

50%: the proportion of IUU fishing as a percentage of the world’s total catch.

IUU contributes to global overfishing: nearly 90% of the world’s marine fish stocks are fully exploited, overexploited or depleted.

COVID lockdown increases poaching opportunities: nine rhinos are poached in the first few weeks of lockdown in South Africa.

Wildlife poaching reports more than double in India during the COVID-19 pandemic. Big cat poaching accounts for 20% of all incidents.

Two-thirds: the proportion of rhino in South Africa’s Kruger National Park lost to poachers over a decade.

800 kg of wild-caught fish are stolen from the oceans every second.

Elephant population in crisis owing to substantial increases in poaching from 2007.

Animal substitution: evidence that African lion bones are substituted for tiger bones as an ingredient in traditional medicinal ‘wines’ emerges for the first time.

30 000: number of African elephants slaughtered every year; more than 100 000 were slaughtered between 2010 and 2012.

6 000 turtles and tortoises are seized in Malaysia; 30 arrests carried out.

50 tonnes: the volume of abalone illegally harvested a year between 2000 and 2016; value: $42 million.

Elephant poaching peaks in 2011.

40%: of all Tiger seizures worldwide occur in India between 2000 and 2018.

6 000: the number of Hollywood’s Kruger National Park lost to poachers over a decade.

8 tonnes of pangolin scales (from more than 14 000 animals) and over 1 000 elephant tusks are seized at a Hong Kong customs facility in January.

40% of all Tiger seizures worldwide occur in India between 2000 and 2018.

China bans all domestic ivory trading.

Big cats: 187 tigers are seized in raid by the authorities on Tiger Temple, a controversial tourist attraction in Thailand.

50%: proportion of the elephant population in Tanzania lost to poaching between 2009 and 2014.

Global tiger population approaches record low in 2010.

6968 Illicit markets

Big cats: 187 tigers are seized in raid by the authorities on Tiger Temple, a controversial tourist attraction in Thailand.

110: the minimum number of tigers estimated to be killed annually by authorities from illegal trade in the 13 tiger population countries between 2000 and 2016.
With high demand and profits, illicit wildlife trafficking has become a multi-billion-dollar industry

Unsustainable growth, over-consumption, waste and greed have propelled the growth of environmental illicit markets. While environmental markets are diverse, ranging from natural mineral resources to flora and fauna, several key factors have contributed to their common growth in the past 20 years, such as instability and conflict at the source; urbanization and resource scarcity; and expanding consumer markets.

Illegal logging and the illicit wildlife trade remain key markets, and a growing array of natural resources are sourced and traded illegally. With high demand and profit (and low enforcement, punishment and prosecution), illicit wildlife trafficking has become a multi-billion-dollar industry. Demand for scarce natural resources has grown, including endangered species; rare tropical hardwoods for furniture; terrestrial fauna for use in traditional medicine; and marine species for cuisine. Online trade, including on major social networking and e-commerce platforms, is a large and growing part of the international market. Scarcity fuels wildlife substitution across wildlife markets. For instance, as poaching drastically reduced the tiger population, a growing illegal wildlife trade in lion parts emerged in 2005. In another example, the increasing scarcity of pangolin – today the world’s most trafficked mammal – in Asia has increased the market for more abundant African pangolin species.

The burden in supplying these markets falls disproportionately on the Global South, where high levels of biodiversity and numbers of ‘exotic’ species can be found. In particular, equatorial and tropical states have been plundered, since this region is the source of the world’s highest concentration of biodiversity and many of the sought-after minerals and diamonds. Trafficking in wildlife is threatening human health, increasing species extinction and damaging the ecosystem. As has been pointed out, ‘sustainable development cannot occur in the world when such significant resources are looted.’

Some criminal organizations have diversified into environmental crime. In South America, the historic rise in gold prices during the 2008 financial crisis led drug trafficking organizations to move into mining. By 2016, FARC, the Colombian left-wing guerrilla group, was estimated to generate 20% of its funding from illegal gold mining. As a consequence of this increase in gold mining, deforestation in the Amazon has increased, fuelling climate change and increasing human and labour rights violations related to the extraction process.

In some instances, demand for natural resources for licit markets has led to environmental crime. The tech boom of the late 1990s significantly increased the need for rare earth and precious metals and minerals, such as gold, cobalt and coltan. But many of these supply chains – for instance for gold, coltan, wolframite and cassiterite – are controlled, traded and taxed by armed insurgents or corrupt officials.

The massive growth of the tech industry has also led to the dumping of illicit e-waste to dispose of some of the 20 million to 50 million metric tonnes of e-waste now generated worldwide each year. In 2015, the UN Environment Programme estimated that 90% of the world’s e-waste, worth some US$19 billion, is traded or dumped illegally. In countries such as Ghana, Nigeria, Pakistan, India and Brazil, millions of tonnes of hazardous e-waste are illegally imported from Europe and the US.

In addition to illegal dumping, a lack of due diligence by waste generators and government regulators has allowed organized criminal groups to create licit recycling, scrap and waste-disposal firms, which claim to dispose of e-waste legally, but in reality fraudulently export the waste as ‘re usable’ or ‘second-hand’ to developing countries, where it is stripped in dangerous conditions involving acid baths, open flames and other techniques.

Combating environmental crimes is hindered by the fact that illicit markets run in parallel with the exploitation of the planet’s finite resources for human development and profit incentives by governments and corporations. Illicit natural-resource markets also often connect with informal markets, such as the charcoal trade, which in some cases provide basic needs for large populations, and sometimes involve complex issues of land rights and access.

When governments turn their attention to these markets, they often criminalize impoverished communities involved in the trade. Some enforcement efforts have tended towards militarization, for instance in addressing the wildlife trade across Africa. While the connections between legal and illegal markets and supply chains make it harder to disentangle the two from a policy perspective, trying to suppress certain markets through military or law enforcement alone will not stop environmental crime.
Sandhya Ravishankar is a journalist from Chennai, India. She is the founder and editor of The Lede, an independent journalistic portal covering the south of India. She has reported extensively on illegal sand mining along the south India coastline.

What has changed in your community regarding illicit economies?
Along India’s southern coast, mining groups have been disrupting life in villages so they can mine for sand. They buy up land and apply for mining commissions by greasing palms. They promise the village heads that they will fix things in the community, say a temple renovation, but it is mostly mining that goes ahead. They recruit unemployed youngsters to be their eyes and ears, and to work as their local enforcers. These youngsters have been known to attack villagers opposed to the mining projects. Villages would become divided over support for the projects.

What are the biggest risks?
Sand mining is changing the coastline. Besides resources being looted, mining depletes fishing stock. Those of us working to expose these corrupt practices live with the constant fear of what will happen to us and our families. The miners said they were hiring private detectives to follow me around and take photos and videos. I have suffered character assassination as a result of my reporting. In 2018, I met with a police officer, a source for one of my investigations. Someone took the CCTV footage and edited it to create the lie that I was a political spy. The most frustrating part of it is that no matter how many complaints you file to the police, nothing happens. You need to be self-reliant for your protection – you can’t rely on law enforcement.

What do you think the situation will be like in five years?
Sand mining could go from being completely banned to being privatized in two years. Last year, the central government banned private companies from mining sand. Anyone who wants to export sand has to go through the government agency. But it’s not yet an act of parliament, so it might be repealed. Miners used the confusion between central and state government to flood courts with litigation to get a stay order so as to be able to continue exporting.

The miners have the support of the political system. Politicians and police don’t take action, because the head miner has been a proxy for their ill-gotten wealth. Miners fund elections for political parties. Many, not all, policemen are on their payroll, so as long as this system of corruption continues, the miners are not likely to see any major action being taken against them. Corruption is in their blood, in the system. It’s an economy that functions better than the real one, so why let it stop?

What approaches can strengthen responses against illicit economies in your area of work?
I’m not sure what people can do other than alert journalists like me, because it is a frightening situation for the villagers. If I were a villager, I wouldn’t want to be disappeared. There is a need for this to be treated as a global problem, and not only as a local issue. There is lack of awareness of how the whole of India is affected by this issue.
ILLICIT DRUGS
Global drug market evolutions, 2000–2020

- **Opioids**
  - Global seizures in 2018: 4.3 million kg.
  - Latin American cartels shifted to routes through Western Africa.
  - US crackdown on pseudoephedrine/pseudoephedrine sales.

- **ATS/NPS**
  - Synthetic opioids: reported to UNODC's Early Warning Advisory.
  - Global production of synthetic opioids increased by 120% between 2010 and 2018.
  - Two-thirds of opioid-related overdose deaths in the US involve synthetic opioids.

- **Cannabis**
  - Late 1990s: California legalizes medical cannabis.
  - 2001: Canada legalizes medical cannabis.
  - 2012: Uruguay legalizes recreational cannabis.

- **Cocaine**
  - 2020: Largest ever seizure of meth in South East Asia (Myanmar) – 3.75 million meth tablets, 500 kg of crystal meth.

- **Opium production**
  - Opium production is estimated to account for 62% of the country's GDP.

- **Methamphetamine**
  - Between 2009 and 2010, meth production and distribution by Mexican cartels increased by 120%.
  - UN estimates 7.45 million meth production in 2019.

- **Heroin**
  - 2016: Largest heroin seizure in the US – 2.66 tonnes.
  - Two-thirds of heroin users are first introduced to opioids through prescription drugs.
  - 80% of American heroin users are first introduced to opioids through prescription drugs.

- **Marijuana**
  - 2017: The first US state to approve legal recreational market.
  - More than 50 countries have adopted medicinal cannabis programmes, and recreational markets are legal in Canada, Uruguay and 15 US states.

- **Opium cultivation**
  - Escalating identification of new psychoactive substances (NPS) in EU: between 2011 and 2015, 402 NPS are identified; 113 in 2015.

- **Fentanyl**
  - 2020: Global seizures of fentanyl and similar substances increase by 88%.
  - UN estimates 1.1 tonnes of fentanyl seized in 2019.

- **Cocaine production**
  - Latin American cartels shift to routes through Western Africa.
  - Flows through Western Africa contribute to political instability, including the so-called 'coca-coupe' in Guinea-Bissau.
  - Escalating identification of new psychoactive substances (NPS) in EU: between 2011 and 2015, 402 NPS are identified; 113 in 2015.

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Over the last 20 years, the volume of drugs, types of illegal substances and reach of drug markets through new trafficking routes have all grown significantly. Poppy cultivation for opium and heroin production is soaring, with Afghanistan continuing to produce roughly 85% of global supply. The introduction and mass marketing of highly addictive opioid pharmaceuticals by large pharmaceutical companies in the US since the late 1990s have created a health epidemic, which in turn has given rise to a heroin and fentanyl crisis. After a brief decline in cocaine production between 2006 and 2013, production hit an estimated all-time high of 1,976 tonnes in 2017, with markets in Europe driving much of the demand.

New psychoactive substances (NPS) – synthetic substitutes for illicit substances – have proliferated in the past 20 years, with over 950 different types reported to the UNODC’s Early Warning Advisory on NPS by December 2019. Meanwhile, cannabis herb and resin continue to be produced and traded with relative ease. This boom in the market has empowered criminal groups and led to new relationships between criminal groups, armed groups and political actors. Entire service industries exist alongside drug trafficking, combining protection (legal support) and management of illicit assets (including banking, real estate development, and money laundering for political contributions). Many drug trafficking organizations have also diversified their portfolio to include resource extraction, migrant smuggling and extortion, further enriching themselves and establishing power.

Modes of production have also gone global, with the increasing shift to synthetic substances over the last 20 years decreasing dependence on proximity to crop cultivation. Mexican cartels, for instance, have been involved in establishing meth labs in Nigeria to sell to markets in Asia. In addition, new retail markets on the surface and dark web have created new avenues for selling and purchasing substances, particularly NPS, which began showing up in online marketplaces in the first decade of the twenty-first century. While dark web sales remain a niche market in comparison to traditional retail modes of the drug trade, illicit drugs are the dominant product on dark web marketplaces. There is an increasing prominence of Internet-based tools in the drug trade, including secure communications platforms, financial transfer instruments, anonymized e-currencies and closed online marketplaces across various platforms, including Facebook.

The illicit drug trade has generated huge amounts of money and influence, both of which can destabilize existing political conditions, economic development, state security and public safety. But instability and conflict can disrupt drug trafficking as much as they create new opportunities. Across the Sahel, banditry and instability caused by conflict in Libya and Mali have disrupted high-value drugs trafficking, evidenced by violent competition for control.

Militarized responses to drug markets have accelerated since the turn of the millennium, and appear set to carry forward into the next five years. Particularly after the end of the Cold War, the US redirected military cooperation across Latin America to drug trafficking responses, including Plan Colombia in 2000 and Plan Mérida in 2007. In the Philippines, President Rodrigo Duterte’s own ‘war on drugs’ has led to an estimated unofficial death toll of 20,000 people, most of whom have been killed by security forces and armed vigilante groups. In Mexico, 60,000 people have disappeared at the hands of cartels and state security forces since the country’s ‘war on drugs’ began in 2006, with the state’s targeting of ‘kingpins’ resulting in the splintering of the four major cartels into nine major groups. Drug smuggling groups, cartels and gangs have in turn further militarized as they compete for control, and extreme levels of violence are common place between rival groups, and between cartels and governments, leading to major human rights abuses in the communities in which they operate.

In the last 10 years, the opening up of regulated recreational markets for cannabis in Canada, Uruguay and South Africa, plus legal markets within prohibitionist regimes, such as 15 US states, have pushed a legalization debate at the global level, although most countries continue law enforcement measures against the cannabis trade. At the multilateral level, there have been major shifts in policy discussions in the period between the United Nations General Assembly special sessions on the world drug problem (UNGASS) in 1998 and 2016, with signs that the ‘drug-free world’ consensus is cracking.
What has changed in your community regarding organized crime?

The biggest change is that the large criminal organizations are no longer visible in society. Today, the boss is not named, they have more of a business profile. Years ago, people liked to show that they were close to a big boss, they were even paid a salary. But these structures have broken down. Now, their operations are run more along the lines of service provision, where young people are used for extortion, prostitution, micro trafficking, theft and arms trafficking. Hired killers are no longer adult men; they are now children, since they don’t face the country’s judicial system. Recently a young boy was arrested in Cali; he is 17 and has already killed 30 people.

What are the biggest risks faced by your community?

Synthetic drug use is a grave risk. Kids are using these substances from an early age. There is no prevention strategy and we don’t know how their chemical components are going to impact our youth’s health.

What do you think the situation will be like in five years?

It’s uncertain. Criminals might focus more on state institutions, because they understand that if they can permeate them, due to corruption, they will dominate state business.

I do know that some people involved in drug trafficking have the intention of legalizing their business if it becomes possible, but others will fight to stop drug legalization to maintain complete control of production, distribution and profits. For instance, psychiatric drugs are produced legally by pharmaceutical labs that comply with regulations, but criminal organizations become involved during distribution. So some of the business becomes illegal, and some remains legal. Without any drug-use prevention strategy, legalizing drugs would send a bigger supply to consumers. And I believe those controlling the market would be the same drug trafficking groups.

In your experience, what approaches work to weaken organized crime in your community?

In our community, there are many criminal opportunities, while a legal ‘culture’ is lacking. So we talk to the youth about legal opportunities, about the dignity of the human being. So we promote culture, sports and art, as ways of generating leisure for at-risk young people; we suggest a new life plan that will allow them to have a respectable job – promoting a culture of legality, and not of easy money from crime. We want them to recover hope and faith in legal institutions, and take that space away from criminal networks.
CYBERCRIME
2000–2020

- 4% of the world’s population have access to the internet.
- ToR software first appears, allowing access to dark web.
- 6% of the world’s population have access to the internet.
- Cyberdependence crimes.
- Silk Road, first dark web market, appears operating on ToR. Shut down in 2013.
- AllInVain: The first cryptocurrency hack steals 25,000 Bitcoin.
- 77 million users impacted by PlayStation Network and Qriocity breach.
- Bitcoin transaction on the dark web is worth $250 million.
- Bitcoin, first cryptocurrency, appears.
- 700+: media items reporting on cybercrime incidents worldwide.
- Bitcoin transaction on the dark web is worth $872 million.
- Identity theft is the leading type of data breach (56% of total).
- WannaCry worldwide ransomware attack affects more than 200,000 computers in 150 countries.
- February–March: malicious domains – 788% growth in high-risk registrations' domain names containing keywords such as 'coronavirus' or 'COVID'.
- Hackers breach 11 major cryptocurrency exchanges, stealing over $283 million worth of cryptocurrency.
- $1.1 billion: the value of cryptocurrencies' total market capitalization.
- $11.5 billion: the estimated cost of ransomware attacks globally.
- 91% of IT service provider’s clients victimized by ransomware.
- A ransomware attack on businesses occurs every 40 seconds.
- By 2021, a ransomware attack on businesses occurs every 11 seconds.
- $20 billion: the estimated cost of ransomware attacks globally.
- $2 billion: the estimated cost of ransomware attacks globally.
- $11.5 billion: the estimated cost of ransomware attacks globally.
- $262 billion: the value of cryptocurrencies' total market capitalization.
- $20 billion: the estimated cost of ransomware attacks globally.
- $8 billion: the estimated cost of ransomware attacks globally.
- $1.1 billion: the value of cryptocurrencies' total market capitalization.
- Hackers breach 11 major cryptocurrency exchanges, stealing over $283 million worth of cryptocurrency.
- $11.5 billion: the estimated cost of ransomware attacks globally.
- 91% of malware observed has the ability to constantly change its code to evade detection (i.e., it is polymorphic).
- Identity theft is the leading type of data breach (56% of total).
- In the US, email extortion complaints, including ‘sextortion’, rise by 242% in 2018 to 51,146 reported crime incidents, with total losses of $83 million.
- February–March: malicious domains – 788% growth in high-risk registrations' domain names containing keywords such as 'coronavirus' or 'COVID'.
- Hackers breach 11 major cryptocurrency exchanges, stealing over $283 million worth of cryptocurrency.
- $1.1 billion: the value of cryptocurrencies' total market capitalization.
Since 2000, the cybercrime market has professionalized, the dark web has matured and the ease of engaging in criminal activity on the internet has lowered the threshold for engagement and increased opportunities. The growth of online commercial activity – a key feature of the virtual economy – has provided enormous opportunities for fraud, identity theft and cyber extortion. Movement restrictions imposed by the coronavirus pandemic saw people move online to an unprecedented degree – children in online school, adults working from home and people socializing online. Online shopping increased by 6–10 percentage points as a result of the pandemic, and many of these trends may persist in its aftermath.

What is often called cybercrime is actually a large, diversified, profit-driven industry, with individuals or groups often filling specific functions, with a division of labour. It is its own illicit market and is readily available to drive activity in other illicit markets. On dark web marketplaces, people buy and sell illicit goods such as compromised credit cards, lists of passwords, Instagram user names and weapons, as well as services ranging from spam campaigns to targeted hits. People can also buy the tools to carry out cyber-dependent crimes. For instance, a ransomware kit can be bought for US$175 on the dark web, while, according to one source, the average ransom payment for a large enterprise is $780 000. This market is truly global – it has no boundaries. Activities can move from one continent to the next almost in an instant.

Organized criminal groups do not govern the cybercrime industry or marketplace, but rather operate within the system by investing, selling their skills, making use of new revenue streams through cybercrime and purchasing assistance. They engage in cybercrime activities, for instance by laundering money through online gambling or purchasing bulk credit card details.

At the UN, states have struggled to address cybercrime in a coherent manner, with the increased use of cyber tools and platforms for political and military objectives by states contributing to a lack of trust among governments over cyber-related issues. While states agree that cybercrime is a common international concern, they do not share a common understanding of how cooperation should work to address the challenge. In many ways, this lack of agreement has given a central role to private sector online service providers, including social networking platforms, in sharing data with enforcement and removing content relating to illicit markets. The lack of agreement in the international response is connected to a growing breakdown in trust among governments, private companies and citizens regarding how cyberspace could, or should, be regulated – even at national and regional levels.
ILLEGAL TRADE IN LICIT AND COUNTERFEIT GOODS
European Union Customs authorities seize over 75 million articles and handle more anti-counterfeiting cases than ever before, mostly cigarettes, CDs, DVDs and toys.

INTERPOL-led effort Operation Pangea launched to disrupt online sale of counterfeit and illicit health products.

Since its launch, Operation Pangea has removed more than 105 million units of counterfeit pharmaceuticals from circulation.

Authorities from seven European countries dismantle an international organized crime ring involved in the illegal storage and sale of some 670 000 kg of tobacco.

US Agency says two out of five products purchased online are counterfeit.

WHO estimates that over 30% of pharmaceuticals in developing countries are fake and may contain highly toxic substances.

Operation Pangea XIII: police, customs and health regulatory authorities from 90 countries seize 4.4 million units of illicit pharmaceuticals, and 37 000 unauthorized and counterfeit medical devices valued at $14 million.

Operation Pangea XIII finds 2 000 online links advertising items related to COVID-19.

Over 456 billion cigarettes a year are sold illegally, resulting in a loss of $40 billion each year in taxes globally.

10-15% of the €11 billion pesticide market in Europe is believed to be illegal.

A study found 60 per cent of weapons illegally sold on the dark web come from the US.

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$1 billion: the estimated annual value of illegal trafficking of small arms and light weapons.

$461 billion: the value of global exports of counterfeit and pirated goods.

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As this report has made clear, the lines between the underworld and upperworlds of business and politics have become blurred. The illicit trade in legal goods—which includes the theft and diversion of products, and the adulteration, counterfeiting and production of substandard goods—clearly demonstrates this, being characterized by one expert as 'a full-fledged exchange in which legal, illegal, and gray-area goods can be endlessly substituted and combined'.

Licit and illicit goods often use the same supply chains and are sold by the same vendors. Cargo aircraft may carry an illicit commodity (like weapons) in one direction, and a licit one (like flowers) on the return journey.

Illicit trade is initiated, enabled and protected by a wide range of actors, from violent groups in conflict zones to unethical corporations and corrupt officials at all levels of government. Criminal organizations play a major role in facilitating illicit trade, exploiting vulnerabilities throughout supply chains (including regulatory and legislative weaknesses) and governance and market failures.

In other cases, legal products are diverted—wittingly or unwittingly—by criminal groups with the help of corrupt officials. These products range from cigarettes to precursor chemicals and e-waste. Other legal goods—like luxury goods (watches and jewellery), cars, art or antiquities—are stolen by criminal groups and gangs on request for rich clients. The negative impacts of illicit trade are felt most in developing countries and among vulnerable populations, yet dealing in illicit goods remains a low-risk business since the issue receives little attention.

The global illicit arms trade is one of the most dangerous examples of this phenomenon. Despite the 2014 Arms Trade Treaty, global arms trading is on the rise and many of these arms end up in the illicit trade. The UN’s High Representative for Disarmament Affairs said in 2020 there were approximately one billion small arms in circulation around the world, being used by ‘terrorists, parties to intra-State conflict, organized criminals and warring gangs’. Conflict zones and areas of instability act as bazaars for illicit arms trafficking by enabling access to previously restricted weapons through looted stockpiles and by increasing legal procurement in unstable conditions. One report found that in Yemen the Saudi-led coalition was handing US military equipment—guns, anti-tank missiles, and artillery—to third parties to buy the loyalties of militias or tribes, strengthen armed actors and influence political dynamics. These weapons were found to be openly sold by arms dealers in markets. These arms markets are never contained to the conflict areas, increasing the risk of violence and instability regionally and circulating long after conflict is over. For instance, in El Salvador, assault rifles currently used by gangs are believed to be from the 1980–1992 civil war, while in the Balkans, criminal groups still use and trade weapons from the conflicts that ravaged the former Yugoslavia in the 1990s.
The diversion of arms from domestic legal markets remains a key challenge. Most illegal and unregistered guns in Mexico, Guatemala, El Salvador and Honduras come from sellers in the US. In Mexico alone, the illegal trade generates a hundred million dollars in annual revenue for US gun makers. Seventy per cent of guns recovered by authorities in Mexico, for instance, were originally sold in the US, most of them in border states such as Texas, California and Arizona. A 2017 study found 60% of weapons illegally sold on the dark web come from the US.

Some smuggling groups provide black market goods such as medications, foodstuffs or fuel as almost a humanitarian or redistributive service, and broadcast these purportedly benevolent acts among their local communities in order to acquire greater legitimacy and advantage. (For example, in return, after receiving such goods, local communities may be inclined to overlook or even participate in the smuggling of drugs or guns, or fail to cooperate with law enforcement.) This phenomenon is common along borders where conflicts and sanctions regimes have hindered legal trade, such as on the Syria–Turkey border or the Iraq–Iran border, and in areas where states are absent, as was seen when cartels and gangs delivered food and other supplies during the pandemic in certain neighbourhoods around the world.

The OECD claims the trade in counterfeit and pirated goods was estimated at 3% of global trade in 2019. Counterfeit products, including toys, electronics, beauty products and fake luxury goods, make up a large percentage of the market. It is estimated that counterfeit fashion alone brings in US$600 billion a year (representing 5 to 7% of the market). Some fake products have serious health and safety implications, like substandard or fake pesticides, medical equipment, industrial goods, contaminated food and beverages, and counterfeit medicine. For instance, 10–15% of the €11 billion pesticide market in Europe is believed to be illegal. Online marketplaces have become major sources for counterfeit trade. One study by the US Government Accountability Office found that two out of five products online were counterfeit.

The World Health Organization estimates that counterfeit medicines could be responsible for more than one million deaths a year. In March 2020 – the height of the first wave of the pandemic – the INTERPOL-coordinated Operation Pangea saw authorities from 90 countries take collective action against the illicit online sale of medicines and medical products, resulting in 121 arrests worldwide and the seizure of potentially dangerous pharmaceuticals worth more than US$14 million. Counterfeit masks were seized in Italy, while online adverts for masks exploded on both dark web forums and the surface web. The cynical exploitation of the pandemic to sell useless protective and medical equipment is now compounded by fake vaccines.
What has changed in your community regarding illicit economies?
Drug trafficking and cigarette smuggling have become the most important elements of the Montenegrin organized crime structure. The whole criminal industry in this country largely depends on these markets. Drug trafficking, especially cocaine from Latin America, is becoming the top criminal activity in Montenegro. This is a huge problem. We knew these drugs used to go through Portugal, Spain or Italy, but Montenegrin gangs are now diverting them to the Balkans. Contract killings are also a huge industry – paid assassins are not hard to find in this country.

What are the biggest risks?
It’s devastating to know that there has been no political change in the country since the fall of the Berlin Wall. This system has been set up to support ruling elites, organized crime and corrupt officials. That makes everyday life for ordinary citizens very difficult. In a small country like Montenegro, where everybody knows each other, it’s not possible to have a serious, coordinated, organized multi-billion-dollar criminal industry without the involvement of state authorities.

Journalists, me included, have been threatened by criminals and top government officials emboldened by impunity. We operate on the assumption that our phones are under surveillance and that our meetings and contacts are being monitored by the secret service. Press freedom in Montenegro is bad – it’s not an easy job to do in a country like this, and young journalists are afraid to cover these forms of malpractice.

What do you think the situation will be like in five years?
Certain changes can be expected, given that there were political changes in the country a few months ago. New people, new relations and new systems will be in place. However, corruption and clientelism are very much present in this country, and it’s not easy to talk about regime change. Due to political support, we think organized crime will remain powerful in the next five years.

What approaches can strengthen responses in your area of work?
Media freedom is crucial. The media needs to be financially and logistically supported in a better way to avoid depending on the government or any other structure in Montenegro. Only then will the press be free to operate. In addition, the EU should put more pressure on the government with regard to investigating attacks on journalists. We need international media to conduct investigations here and expose what is happening; Montenegro cannot produce any results on its own.

Vladimir Otasevic is a Montenegrin investigative journalist. He writes for the daily newspaper, Dan, on organized criminal corruption and government institutions in Montenegro. He is also the CEO and editor of crime and corruption reporting network LUPA, a non-profit association that develops investigative journalism in Montenegro. The country’s press freedom is currently ranked one of the lowest in Europe according to Reporters Without Borders’ Press Freedom Index.
A MORE EFFECTIVE RESPONSE
EMERGING TRENDS: HOW WILL TRANSNATIONAL ORGANIZED CRIME OPERATE?

The many trends, challenges and opportunities discussed above have several main implications for transnational organized crime:

- Groups that have dominated markets have an advantage to maintain control and expand into other forms of crime.
- The global growth in illicit economies has also created a larger pool of service providers operating within and across markets, having a stake in their continuation.
- Transnational organized crime will continue to fill an intermediary role in a rapidly changing and fortifying world.
- Violence related to transnational organized crime will increase.
- Groups will seek increasing political power.

DOMINANT GROUPS AND NETWORKS WILL EXPAND

Organized criminal groups are key beneficiaries in these markets. The cost of dominating an illicit market has gone up as government enforcement has become more militarized, requiring more money, hardware and the ability to circumvent military tactics and fortified borders. This has strengthened known criminal groups and cartels, from the Balkans to Italy to Mexico. Some operate as if they were multinational organizations; some operate with the support of the highest levels of government and military; and some are able to challenge the authority of the state in their regions.

AS THESE ECONOMIES GROW, SO WILL NETWORKS OF SERVICE PROVIDERS

For example, where there are barriers to mobility, criminal groups will play a key role as gatekeepers and service providers - a form of ‘Uberization’ of crime – providing select services as part of a larger illegal economy, such as trafficking goods and people, smuggling migrants and providing protection. In conflict and post-conflict zones, from the Sahel to the DRC to Colombia, the number of armed groups operating as illicit market entrepreneurs, rather than ideologically-driven spoilers, has expanded and presents a major challenge to conflict resolution. As can be seen with cybercrime, the market is made up of individuals with certain specialties.

VIOLENT INTERMEDIARIES

Where there is inequality or instability, organized crime groups will advance their role as intermediaries. Whereas criminal groups once focused on gambling or circumventing prohibition, they now supply communities with commodities needed for human survival and provide ‘over markets providing the staples of life’. As certain commodities become more scarce, expect mafias to profit from food and water insecurity and counterfeit medicines (not least anti-viral drugs). As long as conflicts remain unresolved and there is even more instability as a result of geopolitical rivalries, criminals will exploit new opportunities: war profiteering (trafficking of weapons and smuggling); extracting commodities (gold, minerals, oil, antiques and drugs); smuggling through ‘grey areas’ of instability and weak governance; bustling sanctions; and teaming up with governments to carry out assassinations or cyber attacks.

VIOLENCE RELATED TO TRANSNATIONAL ORGANIZED CRIME WILL INCREASE

Not only are conflicts between, and within, criminal groups often settled with violence, but such violence also regularly claims the lives of innocent people – those caught in the crossfire between rival criminal groups, or between criminals and the authorities. A very large number of people are targeted for murder because they choose to take a stand against organized crime, or because it is their job to investigate and end it. For instance, in Colombia, the UN recorded the killing of 120 human-rights defenders in 2020, many at the hands of armed criminal groups.

Besides violence used to police opponents and fight for control of markets, the violence between criminal groups and the state continues to escalate in many countries and across more markets, such as the illegal wildlife trade.

Aggressive policing, including militarized responses, is often self-justified by the state’s countering of illicit economies, such as migrant smuggling, piracy and illicit drug markets. But just as criminal groups are splintering and fortifying with weapons, so too is the global security framework. One result has been the growth in the global market for private security services (PSS), which includes private guarding, surveillance and armed transport, now worth an estimated US$24 billion. These fractured security structures blend private and public regimes, national and international actors, and are ripe for corruption and violence – and even criminal group infiltration – as transparency shrinks. Private multinational companies use PSSs to protect their assets in fragile states, where companies and/or PSSs cut deals with criminal groups (sometimes in league with other armed groups) to leave them alone. The privatization of the security space further undermines the credibility and legitimacy of the state, and its monopoly on the legitimate use of violence.

GROUPS WILL SEEK INCREASING POLITICAL POWER

Criminal groups will continue to fill leadership gaps where public security or governance is weak. They will offer protection through extortion and rackets, or by forming private security companies. As economies continue to struggle from the COVID-19 economic crisis and labour shifts to automation, people may find work and purpose by joining the ranks of criminal groups, while communities become dependent on them for loans, social support and ‘grey market’ services. This is already true in many urban slums, but rural areas are increasingly depopulated and neglected, raising the risk of criminal governance in key corridors, border areas or even regions of countries.

As organized criminal groups employ the tools of business, technology and politics to their advantage, some will continue to move up the social ladder, furthering the convergence of interests among political, business and criminal elites. As economies weaken, affluent criminal groups will be well placed to buy up businesses, prop up banks, invest in real estate and employ the best lawyers and tech experts. As they gain respectability, access and money, criminal groups will start to look more like entrepreneurs, getting involved in tendering processes – for example for lucrative healthcare, renewable energy and infrastructure development projects. Advances in technology and its use by criminal groups, such as encryption, the dark web, or cryptocurrencies, will further conceal linkages between criminal actors, businesses and politicians.
Given the current trajectories and without an adequate response, the problem of transnational organized crime will only get worse. Multilateral responses still take a formulaic approach to many markets, steeped in a decades-long belief in ‘business as usual’. We are continuing to tinker around the edges of a phenomenon that is vast, invasive and highly adaptable. At face value, progress does appear to have been made, with more instruments and tools at the disposal of the international community than ever before. We now have UNTOC, UNCAC, OECD, OSCE, UNSC and the G20, as well as regional bodies such as the Organization of American States and Council of Europe – all producing instruments and recommendations on transnational organized crime – but in some ways the nature and proliferation of this multilateral action only makes matters worse, giving the sense of progress on paper but with no tangible return.

A set of traditionally promoted responses to organized crime and illicit trafficking may do as much harm as good. State violence targeted against criminal groups often catches the poor and marginalized in its vortex, leaving rich and influential crime bosses in safety (or even in government). Specialized police units may be directed at opposition politicians as much as at organized crime, and tough military-style measures against poaching, migrant smuggling or drugs (not least in cities) can become self-perpetuating ends in themselves, not resolving problems, but absorbing resources and creating militarized institutional interests in furthering ‘a war on organized crime’.

The result has been a negative feedback loop between drivers and enablers – including weak governance, barriers to mobility and access, inequality, and impunity – that exacerbate vulnerability and promote an ecosystem conducive to illicit economies. There are no easy solutions to this plethora of interconnected problems, but continuing to consider them as a predominantly technical problem is stymying the response. And remaining inert will only continue to allow this tsunami of criminal intent to grow, diversify and further integrate itself into the legitimate economy, governance and society, with huge impact on people’s life chances.

We propose the following nine recommendations, divided into three types: three structural kick-off requirements; three recommendations that address the most acute priority harms; and three foundational prerequisites needed to underpin all meaningful, long-term and sustainable responses.
THREE STRUCTURAL REQUIREMENTS: CREATING AN EVIDENCE BASIS AND DIRECTION

DEVELOP AN OVERARCHING STRATEGIC RESPONSE

Despite all the regulations, frameworks and cooperation, the problems are getting worse, while the need to address them has never been more urgent. In part, the lack of an effective coordinated response is structural: multilateral forums looking at organized crime are fragmented across multiple governance frameworks, agencies and mandates. Much like the response to terrorism, or the threat of piracy, the fight against transnational organized crime needs to be raised to a political level and given priority under an encompassing strategic umbrella.

ENSURE REGULAR GLOBAL REPORTING ACROSS A NUMBER OF MARKETS

Again, the analytical framework on transnational organized crime is too siloed and too heavily driven by law enforcement analysis. There is no overarching framework to see what is happening, how dynamics are interconnected and to monitor how things are changing. There should be a single UN-system report on the organization’s strategy and response to organized crime and illicit markets. This should include an assessment of the impact of diverse resolutions, and be used to build political momentum with strategic member state partners from all regions where organized crime is present as a policy issue. The assessment should also highlight issues related to distorted development, environmental consequences and the impact on politics, including political party funding.

ELEVATE LOCAL INPUTS IN POLICY

The drivers, impacts and harms of transnational organized crime are diverse, yet the policy space is dominated by central government. In the global policy space, where major decisions trickle down to country- and local-level interventions, local policy and institutions are left out of the conversation, despite being central to enacting the response, and the input from civil society and local communities is often intentionally blocked rather than enabled. For a long-term and sustainable solution that is centred on furthering the development of all peoples, there should be a stronger focus on and greater investment in increasing resilience within communities.
In what ways have you seen things change in your community regarding organized crime?
Things have changed in two ways. Firstly, there is a real fear in the community of losing one’s life in the midst of the crossfire between criminal organizations and the state. And, secondly, people are now very aware of who actually governs, in the sense that the alliance between criminal organizations and some government officials is simply a known fact that people live with. We are used to co-existing with those who could perhaps be the actual perpetrators.

What are the biggest risks faced by your community?
The violence. Living in Culiacán means feeling the constant threat of spontaneous shootings. Innocent people get killed, and women are especially vulnerable. Aggression, threats, forced displacements, disappearances and assassinations continue. And impunity is still very high for the perpetrators. There is a constant presence of the army in the streets, and you can’t turn to the police for help. At certain times, the whole city has been under siege for days due to violent encounters between authorities and criminals. Organized crime has the power to keep everybody in lockdown.

What do you think the situation will be like in five years?
As long as there is no political will to end impunity and counter the violence, the situation will continue or even worsen. Criminal organizations keep evolving; they adapt and reproduce, and will continue to be powerful if the state doesn’t combat them effectively.

In your experience, what approaches can be effective in weakening organized crime in your community?
Most approaches have ceased to be effective, with the exception of those that counter sociocultural practices that promote and encourage a drug-trafficking culture. In Sinaloa, the narcs have been there forever – and they have become socially accepted. Young people join criminal groups not only for the money but also to accrue power and achieve a greater status.

The biggest obstacle to combating organized crime is the state’s incapacity to counter corruption and impunity. This is fuelled by complicity between the state and criminal organizations, which enables money laundering and corruption, and the lack of support forthcoming to victims of violence. As long as we have informal economies, the opportunity to accumulate wealth through transnational organized crime, a weak political system and the absence of rule of law, countering organized crime is practically a utopia.
FOCUS ON REDUCING VIOLENCE
DRIVEN BY ILLICIT MARKETS

The protection of human life should be a key aim in designing policy to mitigate illicit markets and transnational organized crime. This priority should focus on three areas:

1. Reduce violence perpetrated by criminal groups and associated with illicit markets.
2. Reduce violence and human rights abuses perpetrated by state forces, including extrajudicial killings, in their response to illicit markets and transnational organized crime.
3. Prioritize protection for those who are pushing back, such as journalists and civil society activists, in particular by fighting against the tactic of assassination to silence those who oppose organized crime and corrupt dealings.

RECOGNIZE CRIMINAL (AND CORPORATE CRIMINAL) ROLES IN ENVIRONMENTAL DEGRADATION

The involvement of illicit interests in illegal logging, resource extraction, fishing and species predation has too long been considered an environmental issue to be addressed within the frameworks of trade policy. In fact, there is increasing evidence of systematic organized criminal intent and behaviour by a plethora of actors, and urgent action is required to protect the planet and key ecosystems.

CREATE SPACE FOR OPEN DIALOGUE ON DRUG POLICY

With global cooperation on combating transnational organized crime heavily skewed towards efforts to reduce the illicit drug economy, the politicization and polarization of the drug policy forum has prevented the formation of an evidence-led response or coherent legal and enforcement frameworks, and hindered the capturing and sharing of experiences and innovations occurring at regional, national or sub-national levels. The drug policy debate needs a reset to ensure that responses can be designed both to suppress illegal drug trafficking and the criminal groups involved, and to reduce the harms that come from the illicit trade in narcotics.

THREE PRIORITY HARMS: TAKING ACTION ON THE MOST URGENT ISSUES
THREE PREREQUISITES: UNDERCUTTING THE ENABLING ENVIRONMENT OF CRIMINAL BEHAVIOUR

ADDRESS ONLINE MARKETS

We need to make it harder for illicit markets to expand globally, and the internet is a key area for this. With an increasingly known volume of illicit trade occurring on social media platforms and the surface web, stronger online regulation is needed. There is also a need to build awareness of and filters around online criminality. Partnerships with online platform companies are critical, but so too is the need for regulation that both safeguards rights and safety.

END TAX HAVENS

Multiple grand-scale investigations have laid bare the role of the private sector in creating the kind of facilitating environment that allows illicit finance to thrive. If governments and the private sector do not cut off opportunities to move dark money globally (and anonymously), the financing of criminal networks will continue to strengthen, while fundamentally undermining the response.

PRIORITIZE ANTI-CORRUPTION

Citizens around the world have said that their key priority is to fight corruption. Regardless of the intervention, the effectiveness will always be undermined if high-level official involvement in criminal markets sustains and protects these markets and degrades the institutions of the people involved, be it business, a police force or a political party. Governments need to shine a light on and confront the links between organized crime, politics and business, in particular by promoting reforms and transparency in party political financing, and address the growing disconnect that corruption creates between citizens and state institutions.
While the impression created by this report may be bleak, we cannot look away or be fatalistic. Rather, the challenge is to better understand the nature of the global illicit economy, its relationship with and impact on so many other challenges (like climate change, development, inequality, good governance and migration), and address it with a sense of urgency. Only in this way will we be able to change the trajectory of transnational organized crime and promote sustainable peace and development, and safer communities.
ENABLERS OF ILLEGAL ECONOMIES


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IMAGE CREDITS

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UN Photo: UNCR Phil Behan.

The rest of the images featured in this publication were taken from https://unsplash.com/.
This report shows how organized crime has gone global in the past 20 years and is harming so many aspects of life on our planet.

Organized crime perpetuates and profits from the world’s major challenges and is a driver of unsustainable development. Left unchecked, the shadows of the future look even more sinister.

New approaches and a global approach are needed if we are going to change the trajectories of organized crime.