

**DOCTORAL THESIS**  
**2016**

**TRANSNATIONAL  
ORGANIZED CRIME:  
ITS NATURE AND THREATS TO  
PEACE**

**DANIEL RUIZ LOPEZ**

**(DEA)**

**INTERNATIONAL SECURITY**

**DIRECTOR: JOSE ANTONIO SANAHUJA  
PERALES**

**DOCTORAL THESIS  
2016**

**TRANSNATIONAL  
ORGANIZED CRIME:  
ITS NATURE AND THREATS TO  
PEACE**

**DANIEL RUIZ LOPEZ**

**(DEA)**

**INTERNATIONAL SECURITY**

**DIRECTOR: JOSE ANTONIO SANAHUJA  
PERALES**

# Acknowledgements

I would like to thank the scholars and friends who took the time to guide a practitioner like me in the PHD journey, which resulted being complex and challenging, but rewarding: Johan Galtung, Richard Friman, Loretta Napoleoni, Fabio Armao, David Held, Paul Rogers, Vincenzo Ruggiero, Ronen Palan, Raymond Baker, Petrus van Duyne, Klaus von Lampe, Michael Levi, Bojan Dobovšek, Alfredo Schulte-Bockholt, Antonio Mazzitelli, Paul Radu, Georgios Antonopoulos, Muzong Kodi, Peer Schouten, Charles Goredema, Alessandro Scotti, Mark Shaw, Rubina Khan, Ray Gundur, Hassan Partow, Christian Nelleman, Orlando da Silva, Martin Kobler, Chris Hege, Raul Sanchez, Karin Weber among others. Their support, guidance and inspiration has been very encouraging and enlightening for the drafting of this stimulating text.

I particularly grateful my supervisor, Professor Jose-Antonio Sanahuja, for his incisive guidance and support, as well as the United Nations Secretariat for allowing me to distract time from actual peacekeeping work in order to undertake theoretical research.

# Table of Contents

Acknowledgements.....	1
Table of Contents.....	2
Table of Figures .....	8
Abbreviations.....	15
Abstract.....	19
Summary in Spanish .....	21
1 Introduction.....	47
1.1 Object of Research .....	47
1.2 Theoretical Framework .....	54
1.3 Research questions and hypothesis .....	55
1.4 Significance of the study .....	57
1.5 Delimitations .....	58
1.6 Organization of the chapters: .....	59
2 Theoretical framework.....	61
2.1 The Concept of Structural Power according to Susan Strange .....	62
2.2 The primary structures .....	66
2.2.1 The security structure.....	67
2.2.2 The production structure .....	68
2.2.3 The finance structure.....	69
2.2.4 The knowledge structure.....	71
2.3 The secondary structures .....	72
2.3.1 The Transportation Systems .....	73



2.3.2	Trade .....	74
2.3.3	Energy .....	74
2.3.4	Welfare.....	75
2.4	The Structural Power from a Social-Constructivist perspective .....	76
2.4.1	The ideational base as constitutive of the international system of power... ..	81
2.4.2	The security structure.....	84
2.4.3	The production structure .....	86
2.4.4	The finance structure.....	88
2.4.5	Welfare as the fourth primary structure .....	91
2.5	The Agency-Structure problem.....	95
2.6	Critical IPE.....	97
2.7	Inter/Multi-Disciplinarity .....	100
3	Definitions and quantifications .....	103
3.1	Definitions of Transnational Organized Crime.....	103
3.1.1	Illicit versus Illegal .....	111
3.1.2	The concept of harm .....	113
3.1.3	Proposed Definition of TOC.....	114
3.1.4	Comments .....	117
3.2	Quantification of Transnational Organized Crime.....	118
3.2.1	Comments .....	125
4	TOC and Society.....	126
4.1	TOC and the State .....	126
4.1.1	Quasi-governmental criminal structures .....	126
4.1.2	State crime .....	135
4.1.3	Beyond the states .....	137
4.1.4	Comments .....	138

4.2	TOC and Markets .....	140
4.2.1	Neoliberalism, the nameless ideology .....	160
4.2.2	Lobbying and Revolving Doors.....	166
4.2.3	Comments .....	167
4.3	Civil and Uncivil Society .....	169
4.3.1	Information or manufacture of consent?.....	172
4.3.2	Religions .....	178
4.3.3	TOC and the individual.....	181
4.3.4	Comments .....	183
5	Traditional type of TOC.....	185
5.1	Theft with or without violence .....	185
5.2	Illicit and Harmful Trade.....	191
5.2.1	Drug Trafficking .....	192
5.2.2	Production and trafficking of counterfeit medicines .....	205
5.2.3	Production and illegal/illicit trade of arms.....	208
5.2.4	Trafficking in natural resources .....	221
5.2.5	Human trafficking and slavery.....	234
5.2.6	Toxic waste trafficking .....	245
5.3	Conclusions .....	247
6	White collar/ economic crimes .....	254
6.1	Corruption .....	255
6.1.1	Private Sector Corruption .....	263
6.2	Illicit Financial Flows.....	265
6.2.1	Money laundering and Capital Flight .....	268
6.2.2	Secrecy Jurisdictions.....	276
6.2.3	Base Erosion and Profit Shifting.....	294

6.2.4	Mispricing .....	296
6.2.5	Economic crisis and tax havens .....	298
6.2.6	Export Credit Agencies .....	301
6.3	Fraud.....	303
6.4	Investor-state dispute settlements.....	306
6.5	Kleptocracy, PEPs and Stolen Assets Recovery .....	308
6.6	Conclusions .....	316
7	Transnational Environmental Harms/ Crimes .....	321
7.1	Planetary Boundaries.....	327
7.2	Climate Change .....	342
7.2.1	The science.....	355
7.3	Biodiversity loss and extinctions.....	360
7.4	The other planetary boundaries .....	366
7.4.1	Land system change .....	366
7.4.2	Ocean acidification .....	372
7.4.3	Stratospheric ozone depletion .....	373
7.4.4	Chemical pollution and the release of novel entities .....	374
7.4.5	Freshwater consumption and the global hydrological cycle.....	379
7.4.6	Nitrogen and phosphorus flows .....	380
7.4.7	Atmospheric aerosol loading .....	383
7.5	Efforts to address the environmental crisis .....	384
7.5.1	Mitigation.....	384
7.5.2	Adaptation.....	387
7.5.3	The liberal efforts to resolve the crisis.....	387
7.5.4	Critical Proposals .....	392
7.5.5	Organized Denial/ Agnotology .....	398

7.6	War Crimes, the Environment and the Livelihoods of the Population under Armed Conflicts.....	412
7.7	Conclusions .....	415
8	Threats to Peace and International Security.....	421
8.1	Theories of Violence and Peace .....	422
8.2	Threats to Direct Peace .....	423
8.2.1	Organised Crime and International Humanitarian Law .....	428
8.2.2	War and disaster profiteering.....	429
8.2.3	TOC and conflict.....	433
8.2.4	Case studies.....	438
8.2.5	Comments .....	460
8.3	Threats to Structural Peace.....	462
8.3.1	Organised Crime and the Sustainable Development Goals .....	467
8.3.2	Organised Crime and Human Security .....	495
8.3.3	Sustainable Security.....	499
8.3.4	Organised Crime and Human Rights .....	501
8.4	Threats to Cultural Peace .....	509
8.4.1	Manipulation of public opinion .....	512
8.4.2	Privatization of scientific knowledge.....	513
8.4.3	Patents .....	514
8.5	Conclusions .....	515
9	What is to be done? .....	517
9.1	What is being done.....	517
9.2	How to go beyond: critical proposals.....	522
10	Conclusions.....	527
10.1	Empirical findings .....	528
10.1.1	How can TOC be defined?.....	528

10.1.2	What are the links between TOC and the rest of society? .....	529
10.1.3	What are the types of organized crime?.....	531
10.1.4	Should all these phenomena be considered as “crimes”? .....	533
10.1.5	Why is there so little information about TOC?.....	534
10.1.6	What are TOC’s threats to peace? .....	535
10.1.7	Why did TOC thrive in the last decades, and why is it so difficult to control? 536	
10.1.8	Is the theoretical framework of the Structural Power adequate for the research in TOC?537	
10.1.9	What can be deduced from this study in relation with the agent-structure issue? 543	
10.1.10	Is Critical GPE/IPE the right approach to study TOC?.....	544
10.1.11	Is Interdisciplinarity necessary to analyse TOC?.....	545
10.1.12	Is TOC a parasitical or embedded phenomenon in the global neoliberal system? 546	
10.1.13	What could be the perceptions of TOC by the main IR schools of thought? 547	
10.2	Theoretical and policy implications .....	549
10.3	Recommendations for future research.....	552
10.4	Limitations of the study.....	553
10.5	Conclusions .....	553
11	Bibliography .....	555

# Table of Figures

Figure 1: Pyramid representing structural power according to Susan Strange (1988: 27). .....	67
Figure 2: Pyramid representing the social-constructivist approach to structural power, which includes four structures (including welfare) and the ideational base of knowledge .....	79
Figure 3: Spaces of competing authorities (adapted from Van Schendel, 2005 and Ruggiero 2012) .....	112
<i>Figure 4: Matrix of harm caused by organized crime (Shaw, Mark et al. 2012: Spotting the Spoilers) .....</i>	<i>114</i>
Figure 5: Comparison of the cost of some world phenomena with the revenues of organized crime (author's elaboration).....	124
Figure 6: Lupsha's Three Stages of Criminal-State Relations.....	130
Figure 7: Measuring state capture in 1999 (source: WB and EBRD).....	131
Figure 8: Organized crime grid (Armao 2009) .....	134
Figure 9: Gross Domestic Product 2003 (worldmapper) .....	149
Figure 10: the reversing origins of US corporate profits, 1950-2004 (Harvey 2010) ....	156
Figure 11: Derivatives market turnover in relation to world economic output (Harvey 2010) .....	157
Figure 12: Donor Aid Transparency in 2012 (Aid Transparency Index 2012, PWYF) .	171
Figure 13: Journalists killed since 2006 (source: Press Emblem Campaign; www.presseblem.ch).....	173
Figure 14: The political economy of criminal enterprise and protection (source: Mark Shaw) .....	188
Figure 15: Locations of all reported piracy attacks (2000-2009) (IMB-ICC) .....	189
Figure 16: Piracy incidents attributed to Somali pirates (2006-2009).....	190
Figure 17: Main trafficking routes at global level (UNODC) .....	191
Figure 18: Global potential opium production 1998-2014 (UNODC) .....	193
Figure 19: Main global flows of opiates (UNODC) .....	194

Figure 20: Main global trafficking flows of cocaine (UNODC) .....	195
Figure 21: Cocaine base price per kilo in 2003 (Europol).....	196
Figure 22: Prevalence of the use of drugs in the world population (World Drug Report 2009) .....	197
Figure 23: Estimates of annual drug consumption 1998-2008 (United Nations).....	198
Figure 24: Percentage of cocaine consumption in Europe in 2007-2008 (UNODC). ....	198
Figure 25: Global heroin consumption in 2008 (UNODC) .....	199
Figure 26: discrepancies between levels of control and levels of harm of drugs (GCDP) .....	202
Figure 27: Prices of cocaine and heroin from production to retail (source: European Communities, 2009).....	205
Figure 28: Percentage of chloroquine pill that did not pass the strength test in some countries, 2003 (WHO).....	206
Figure 29: Defence Companies Anti-Corruption Index 2012 (TI-UK) .....	212
Figure 30: World Military Expenditure 1988-2014 (SIPRI) .....	214
Figure 31: Firearms per active duty military (UNODC) .....	217
Figure 32: Civilian firearms ownership in 2006 or latest year available (UNODC).....	217
Figure 33: Number of firearms in civilian property in selected countries (millions, UNODC).....	218
Figure 34: Countries with the highest military expenditure in 2011 (SIPRI 2012).....	219
Figure 35: Analysis of a market and supply chain for a wildlife product (source: Shaw and Kemp, 2012) .....	223
Figure 36: Major natural resources trafficking (GRID-Arendal 2012) .....	224
Figure 37: EITI compliance (green: compliant; blue: candidate; grey: other) .....	226
Figure 38: Estimated proportion of timber exports from 14 REDD countries and Brazil that was illegal in 2007 (Globaltimber) .....	230
Figure 39: Duration of internal armed conflicts associated with conflict resources since 1975 (UNEP, Ruiz).....	232
Figure 40: Detected victims of trafficking in persons, by age and gender, 2011 (source: UNODC 2014).....	236
<i>Figure 41: Forms of exploitation among detected trafficking victims, by region of detection 2010-2012 (source: UNODC).....</i>	<i>236</i>

Figure 42: Products of slavery: Variety of products highly likely to be produced by child or forced labour (source: Anti-Slavery).....	238
Figure 43: USA Government tier placement regarding human trafficking (US Govt. 2011) .....	240
Figure 44: Estimated prevalence of modern slavery.....	242
Figure 45: Transparency International Corruption Perception Index in 2014 (red indicates high perception of corruption, yellow indicates low) .....	257
Figure 46: Bribery within business sectors (TI, 2011) .....	258
Figure 47: "I paid a bribe" reporting system in India. ....	262
Figure 48: Illicit Financial Flows: different flows, methods by which they are created and circulated, some tools available to address the problem, and regulatory framework (Hansen-Shino, OECD, 2012). ....	266
Figure 49: Growth of Illicit Financial Flows 2003-2012 (GFI).....	268
Figure 50: The Money Laundering cycle (source: UNODC) .....	270
Figure 51: Estimate of yearly global black money flows (US\$ billions, Baker, Raymond 2005: Capitalism's Achilles Heel, p. 172): .....	273
Figure 52: Countries with the highest losses of income as percentage of government revenue (average of the years 2002-2006, in US\$ millions) (sources: WB, CIA, GFI). ....	274
Figure 53: Global gambling market in 2009, in percentage of the total US\$ 335 billion, including internet gambling (The Economist). ....	275
Figure 54: Offshore financial assets – High net worth individuals (TJN 2012).....	278
Figure 55: Financial Secrecy Index (TJN, 2015).....	284
Figure 56: Tax-havens assets in US\$ billions (David Bain, Wealth Bulletin, and 19th January 2009).....	285
Figure 57: "Dodgy Shopping Count", which represents how many providers a customer would have to approach before being offered an untraceable shell company. ....	287
Figure 58: The archipelago of financial criminality, Philippe Recacewicz (Le Monde Diplomatique, April 2000).....	294
Figure 59: Share of debt in developing countries from export credits (Eurodad 2011) .	303
Figure 60: The top ten Kleptocrats until 2004 (TI GCR 2004) .....	308
Figure 61: Debts which can be attributed to dictators (Illegitimate Loans: lenders, not borrowers are responsible, Thirds World Quarterly, vol 27, 2, 2000, p 217).....	309
Figure 62: Global Trends in Governance, 1946-2013 (Marshall, 2014) .....	310



<i>Figure 63: Sustainable human development (UNEP, 2011)</i> .....	324
Figure 64: Population of the World, estimates 1950-2015 (Source UN Population Division 2015) .....	331
<i>Figure 65: World Ecological Footprint by component (Global Footprint Network)</i> .....	332
<i>Figure 66: The Ecological Footprint's evolution 1960-2050 (footprintnetwork)</i> .....	333
Figure 67: Model of humanity's direct and indirect effects on the Earth system (Vitousek, 1997) .....	335
<i>Figure 68: Global indicators for most of the policy issues assessed by the EPI 2014..</i>	336
Figure 69: The last glacial cycle and selected events in human history. The Holocene is the last 10,000 years (Young and Steffen 2009).....	337
Figure 70: The nine planetary boundaries (source SRC).....	339
Figure 71: Current status of the control variables for seven of the planetary boundaries. (Will Steffen et al. 2015) .....	340
Figure 72: The interaction between the biosphere integrity planetary boundary and other planetary boundaries. (Source: Stockholm Resilience Centre).....	341
<i>Figure 73: Annual lobbying expenses in the USA related to energy (Centre for Responsive Politics)</i> .....	347
<i>Figure 74: Crossed vulnerability to Corruption/ Climate Change (TI 2011/ WB)</i> .....	347
<i>Figure 75: Time required to reach equilibrium after climate change (Climate Works Foundation, 2011)</i> .....	349
Figure 76: Map of carbon emissions in 2000 (www.worldmapper.org).....	349
Figure 77: World GHG Emissions Flow Chart (World Resources Institute) .....	350
Figure 78: Climate Change Index (IGBP) .....	352
Figure 79: Projected temperature change for a 4C rise (1986–2005 to 2081-2100) (PPCC AR5).....	352
Figure 80: Corporate sponsors of COP21 (CEO 2015a) .....	355
Figure 81: Atmospheric CO <sub>2</sub> concentrations in the past 800,000 years (Wright & Nyberg 2015) .....	356
Figure 82: Greenhouse gas characteristics (Stern Review 2006) .....	357
Figure 83: Keeling curve of atmospheric CO <sub>2</sub> concentration (1958-2013) (Sachs 2015) .....	357
Figure 84: Global temperature deviation since 1850 (NASA) .....	358

Figure 85: Temperature increases and potential risks (Stern Review Report 2006) .....	359
Figure 86: Prospects of drought 2080-2099 (Sachs 2015).....	359
Figure 87: The six great extinctions (source: Sachs 2015, Ruiz) .....	361
<i>Figure 88: The Living Planet Index represents the state of biodiversity, 1970-2010 (WWF)</i> .....	362
Figure 89: Threats to endangered species (WWF 2014) .....	363
Figure 90: World Ecological Footprint and Biocapacity (Global Footprint Network 2015) .....	363
Figure 91: World population projections (source UN-DESA Population Division 2015) .....	365
Figure 92: Surface Ocean CO <sub>2</sub> and pH (IPCC 2013).....	373
Figure 93: The worst oil spillages in history (millions of gallons, histoy.com). .....	378
Figure 94: World rock phosphate production vs. world population (source: SRC) .....	382
Figure 95: Link between food and phosphate rock prices (source: SRC) .....	382
Figure 96: Peak phosphorus curve indicating a peak in production by 2033 (source: SRC) .....	383
Figure 97: Pathways of CO <sub>2</sub> emissions: estimated CO <sub>2</sub> emissions over the past three decades compared with the IS92, SRES, and the RCPs. (Sachs 2015) .....	385
Figure 98: Emission reduction wedges for California in 2050 (Sachs 2015).....	386
Figure 99: Overview over the life cycle impacts and material requirements of different technology groups compared to the global electricity generation mix in the year 2010 (source: UNEP).....	386
Figure 100: Corporate influence over the policy process (Influencemap) .....	399
Figure 101: Main channels of corporate influence in climate negotiations (Fernandes and Girard 2011).....	402
Figure 102: Key components of the climate change denial machine (Dunlap & McCright 2011). .....	404
Figure 103: Total foundation funding distribution – 2003 to 2010 US climate change counter-movement organizations (Brulle 2014). .....	405
Figure 104: Total Foundation Recipient Income Distribution – 2003 to 2010 US Climate Change Countermovement Organizations (source: Brulle 2014).....	406
Figure 105: Exxon: Science vs. Misinformation (source: Inside Climate News).....	410

Figure 106: Transnational Organised Crime and Instability (UNODC).....	425
Figure 107: Security Council Resolutions or Statements referencing organized crime (2004-14, GIATOC 2015) .....	427
Figure 108: Primary commodity exports and the financing of conflict (Ramsbotham 2011) .....	435
Figure 109: Strategies of organized non-state violence towards governance resources (Cockayne 2011).....	437
Figure 110: Armed civil conflicts involving high-value natural resources, 1970–2008 (Lujala 2012).....	438
Figure 111: Heroin trafficking from Afghanistan (UNODC 2010).....	439
Figure 112: Global potential opium production, 1980-2009 (UNODC 2009) .....	440
Figure 113: Drug trafficking in Afghanistan: protection and patronage (Source: UNODC and WB).....	445
Figure 114: the impact of mineral smuggling in Central Africa (UNODC).....	447
Figure 115: Major mineral deposits in DRC (HRW, 2005) .....	448
Figure 116: key mining areas benefiting the FDLR and CNDP in 2009 (UNODC).....	449
Figure 117: Gold and tin prices 2002-2011 (World Bank).....	450
Figure 118: Gross value of contraband flows from the DRC in 2010 (UNODC) .....	456
Figure 119: The two concepts of development (Evans and Thomas 2014).....	464
Figure 120: Moving from fragility and violence to institutional resilience in citizen security, justice and jobs (source: WDR 2011) .....	467
Figure 121: Bribery and maternal mortality (TI, 2010).....	473
<i>Figure 122: Bribery and literacy rates (TI, 2010).....</i>	<i>475</i>
<i>Figure 123: Bribery and access to water (TI 2010) .....</i>	<i>478</i>
Figure 124: Total support for fossil fuels, in missions of current US\$ (source: OECD 2015 inventory of support measures for fossil fuels).....	479
Figure 125: The wealth of the richest 62 individuals continues to grow, while that of the poorest half of the world stagnates (Oxfam, 2016).....	482
Figure 126: Top income shares USA 1913-2012 (source: The World Top Incomes Database).....	482
Figure 127: Homicide and income inequality in the USA and Canada (source: Daly, Wilson and Vadsev 2001) .....	483

Figure 128: Percentage of people who say the economic system in their country favours the wealthy (World Economic Forum 2014) .....	484
Figure 129: Share of global wealth of the 1 percent and bottom 99 percent respectively (source: Credit Suisse) .....	485
Figure 130: The flow of money between rich and poor countries (source: ECOSOC, GFI, OECD) .....	492
Figure 131: Military spending compared to development aid in 2009 (International Peace Bureau).....	493
Figure 132: Global Hunger Index 2015 (source: IFPRI) .....	497
Figure 133: Perspective of human deaths due to selected causes (Ruiz).....	498
Figure 134: Comparing different causes of avoidable mortality (Roberts 2009) .....	498
Figure 135: Climate Change and Human Rights (CIEL 2011) .....	506

# Abbreviations

ACD: Anthropogenic Climate Disruption

AML: Anti Money Laundering

ATS: Amphetamine Type Stimulant

ATTAC: Association pour la Taxation des Transactions financières et l'Aide aux Citoyens.

BAN: Basel Action Network

BAU: Business as Usual

BIS: Bank of International Settlements

CAD: Development Aid Committee (OECD)

CPI: Corruption Perception Index (TI)

DEA: Drug Enforcement Agency (USA)

ECA: European Court of Auditors

ECA: Export Credit Agency

EITI: Extractive Industry Transparency Initiative

EPI: Environmental Performance Index

Eurojust: European Union's Judicial Cooperation Unit

Europol: European Police Office

FAFO: Institute of Applied International Studies, Norway

FATF: Financial Action Task Force

FFI: Fossil Fuel Industry

FIU: Financial Intelligence Unit

FDI: Foreign Direct Investment.

FSB: Financial Stability Board

GCDP: The Global Commission on Drug Policy

GDP: Gross Domestic Product

GFI: Global Financial Integrity

GHGE: Greenhouse Gas Emission.

GMO: Genetically Modified Organism

GW: Global Witness

IASOC: International Association for the Study of Organized Crime.

ICIJ: International Consortium of Investigative Journalists

IFF: Illicit Financial Flows

IHL: International Humanitarian Law

ILO: International Labour Organization

IMF: International Monetary Fund

INTERPOL: International Criminal Police Organization.

INTOSAI: International Organization of Supreme Audit Institutions

IOM: International Organization for Migration

IPA: International Peace Academy

IPI: International Peace Institute

IUU: Illegal, Unreported and Unregulated (fishing)

ISDS: Investor-State Dispute Settlement

LPI: Living Planning Index (WWF)

MAD: Mutually Assured Destruction

OBU: Offshore Banking Unit

ODA: Official Development Aid

OECD: Organization for Economic Cooperation and Development

OFC: Offshore Financial Centre.

OHCHR: Office of the High Commissioner for Human Rights

OLAF : Office européen de la Lutte Anti-Fraude – European Anti-Fraud Office

PEP: Politically Exposed Person

PMC: Private Military Company

PWYP: Publish What You Pay

SAP: Structural Adjustment Programme

SDG: Sustainable Development Goals

SIPRI: Stockholm International Peace Research Institute

SRC: Stockholm Resilience Centre

TCC: Transnational Capitalist Class

TCSP: Trust and Company Service Provider.

TEC: Transnational Environmental Crime

TI: Transparency International

TJN: Tax Justice Network

TMC: Transnational Managerial Class

TNC: Transnational Corporation

TOC: Transnational Organized Crime

UNCAC: UN Convention against Corruption

UNDP: United Nations Development Programme.

UNGC: UN Global Compact

UNGIFT: UN Global Initiative to Fight Human Trafficking.

UNODC: UN Office against Drugs and Crime.

UNTOC: UN Convention against Transnational Organized Crime

VNSA: Violent Non State Actor

WB: World Bank

WEF: World Economic Forum

WFP: UN World Food Programme

WTO: World Trade Organization.



# Abstract

This thesis analyses the nature and threats to peace represented by Transnational Organized Crime (TOC). Considering that TOC is an important power agent in a fast shifting world, a social constructivist version of the *theory of structural power* has been employed as the theoretical framework to study it, based mainly on Susan Strange and Robert Cox. It was also analysed from a critical IPE and multidisciplinary perspective. This has facilitated an analysis of the *ideas, institutions and material capabilities* of TOC within the power structures and their interrelations.

Based on the principle of the *harms* caused by TOC instead of the traditional law, the study considers three categories of TOC: the *traditional* type which includes mainly the illegal trafficking of commodities and racketeering; the *economic* type which includes corruption, fraud, illicit financial flows, tax evasion and money laundering; the *environmental* type which includes serious harms to the biosphere, as climate change and biodiversity destruction.

Although these harms represent a major threat to humanity and the planet, most of them have not yet been *criminalized*, some because they are new phenomena, but most because the *elites* involved in them prevent it.

The *information* about TOC is scarce because of its clandestine and secretive nature, but also because the elites connected to it inhibit the disclosure of information in the media and the financing of academic research on TOC.

Thus TOC represents a major *threat to direct, structural and cultural peace*. It is a peril to international peace, to human rights and to the implementation of the Sustainable Development Goals (SDG).

TOC is facilitated by *bad governance*: excessive securitization (drug trafficking), weak control (failed states, borders, high seas, arms trafficking), de-regulation (money laundering, tax evasion, fraud) or procrastination (climate change).

Traditional TOC has an origin similar to that of the *state*, and has a conspicuous role in the ‘new wars’, the main difference being that the former’s goal is profit, while the latter’s should be the welfare of the population. Economic and environmental TOC are embedded in the state system through the elites that control both. TOC is essentially a *market* activity, and the lines between legal and illegal business are being blurred in the neoliberal context. *Civil society* is highly engaged in combatting TOC, as are some NGOs and religious leaders, but others like the corporate media are ready to cooperate with TOC for profit.

Despite the proliferation of *international regimes* promoted by the liberal ideology in the last decades, its efficiency in controlling TOC is limited. This thesis supports the promotion of a *cosmopolitan* governance system that would control the ungoverned spaces in coordination with the states.

# Summary in Spanish

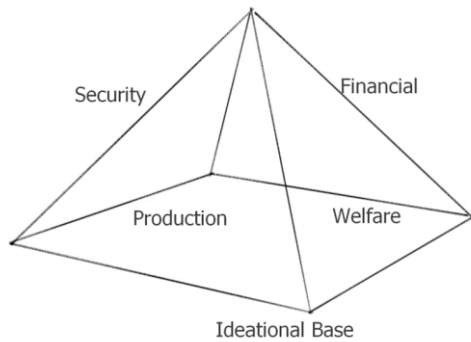
## Introducción

El Crimen Organizado Transnacional (TOC) no es un fenómeno nuevo, pero ha adquirido nuevo énfasis en las últimas décadas. La tesis intenta descubrir la verdadera naturaleza del TOC, que crímenes incluye, que relaciones tiene con otras entidades de la sociedad, que amenazas representa para la paz, porque ha aumentado su poder recientemente, y porque no se ha desarrollado más este campo de investigación. Para estudiarlo, se emplea como *Marco Teórico una versión social-constructivista de la teoría del poder estructural*.

*Susan Strange*, pionera de la disciplina moderna de la Economía Política Internacional (IPE), con el objeto de analizar la relación de poder entre los estados y los mercados, propuso el siguiente sistema de poder estructural basado en el Conocimiento, la Seguridad, la Producción y las Finanzas para entender quién gana (Cui bono?). Estas cuatro estructuras están complementadas por otras cuatro: Transporte, Comercio, Energía y Bienestar.

*Robert Cox* (1981), autor de la escuela crítica de IPE, considera que las estructuras históricas están constituidas por tres tipos de fuerzas: *capacidades materiales* (potenciales constructivos o destructivos, incluido el cambio tecnológico), *ideas* (significados intersubjetivos, identidades, valores, ideologías) e *instituciones* (normas, organizaciones, etc.).

*Tooze* (2000a) y *Sanahuja* (2008) proponen una versión social-constructivista del poder estructural que combina las dos ideas anteriores, y comprende las estructuras de *Seguridad, Producción, Finanzas y Bienestar* sobre la *Base Ideacional del Conocimiento*. El principal



cambio consiste en considerar al Conocimiento no como un tipo de poder estructural más, sino como la base ideacional de cada una de las otras estructuras, respondiendo a la nueva epistemología reflexivista, sustituyéndolo por el Bienestar, sector en auge en el ámbito de las

Relaciones Internacionales (RI). Cada una de las estructuras está compuesta por capacidades materiales, instituciones e ideas. En la teoría del poder estructural existe una relación de mutua constitución entre los actores y la estructura. Es importante analizar cómo opera el TOC como actor de poder para entender los cambios en el poder estructural.

El abordaje de la tesis desde la perspectiva de la *IPE Crítica* y la utilización del marco teórico social-constructivista del Poder Estructural, son aportes innovadores de la tesis. Otro aporte innovador es su carácter *multidisciplinar* que combina la IPE, la criminología, la ecología y el periodismo de investigación.

## Definición

Desde el fin de la Guerra Fría, la comunidad internacional ha empezado a preocuparse por el auge de TOC, y ha multiplicado los regímenes relativos al mismo, en particular la Convención contra el TOC (UNTOC, 1998) y la Convención contra la Corrupción (UNCAC, 2003). Sin embargo, las definiciones encontradas en estos tratados, fruto de difíciles consensos, son ambiguas y débiles, se basan en legislaciones existentes, en “teorías de resolución de problemas” cuyo objetivo último es mantener el statu quo. Prueba de ello es la existencia de 180 definiciones diferentes del TOC (IASOC). Esta tesis propone una definición del TOC basada en el concepto del *daño* aportado por la IPE crítica (Linklater 2011) y la criminología crítica (Hillyard 2004):

*Daño grave, extenso y duradero causado a la sociedad y al ambiente natural por un grupo organizado con ánimo de lucro.*

Esta definición simple permite trascender la falta de consenso con relación al concepto del “crimen”, pues hay mayor consenso con relación al concepto de daño. Permite incluir no solo a la sociedad, sino también a la naturaleza como víctima. Limita el concepto a daños que sean *graves, extensos y duraderos* (concepto inspirado del Derecho Internacional Humanitario), y a aquel infligido con *ánimo de lucro*. Esta definición tiene además una perspectiva de mayor duración histórica respecto a las definiciones tradicionales que cambian según cambia la ley vigente.

Otro aspecto normativo importante es la distinción de lo *Ilegal (malum prohibitum)*, condenado por la ley, de lo *Ilícito (malum in se)*, lo condenado por la sociedad. De hecho muchos actos condenados por la sociedad no lo son por la ley y vice-versa.

## **Cuantificación**

Una de las mayores dificultades en la investigación sobre el TOC es la falta de información, debido al carácter clandestino y sigiloso del fenómeno, pero como dice Peter Andreas (2004), “no hay que actuar como si solo el lado lícito de la IPE existiera”. Para obtener esta información, académicos, gobiernos y organizaciones internacionales utilizan datos indirectos en tiempo y espacio, extraídos de estadísticas económicas, archivos judiciales, escasas encuestas, reconstruyendo información al modo de astrónomos o paleontólogos.

Por otra parte, el valor monetario del TOC varía también según de si se considera únicamente la economía ilegal, o también la *ilícita* o la informal. En todo caso consiste en una parte importante de la economía mundial. Peor aún, existe un proceso de fusión entre

la economía ilícita y la lícita, de *criminales-empresarios* con *empresarios-criminales* (Queloz 1999).

## **TOC y Estado**

Según Charles Tilly (1985), los orígenes y métodos del Estado y del TOC tienen mucho en común. El Estado solo consiguió imponerse sobre los señores feudales en Europa con el encarecimiento de la tecnología militar que facilita al Estado controlar el monopolio del uso de la violencia. La colonización europea fue iniciada por compañías privadas (compañías de Indias) con comportamientos altamente dañinos para las poblaciones sometidas. Como el TOC, el Estado puede crear una amenaza contra la sociedad, para luego protegerla a cambio de una retribución.

Mancur Olson (1993) introduce los conceptos del “bandido errante” que saquea, y del “bandido estacionario” que invierte y gobierna, para explicar la transición entre bandas armadas y Estado. Según Paul Collier (2000), los grupos rebeldes en los estados fallidos siguen comportándose como bandidos, y frecuentemente están más motivados por la *avaricia* que por rectificar *agravios*. Acemoglu (2012) sostiene que las *élites extractivas* impiden el desarrollo económico y social de las naciones para mantener sus rentas. Hirschfeld (2015) considera al Estado como como una *exaptación*, o evolución accidental, de la banda criminal. El Estado y el crimen organizado pueden transmutarse entre el uno y el otro, la mayor diferencia entre ellos consistiendo en su intención: la de favorecer a la sociedad o a los intereses particulares.

Peter Lupsha (1991), define los tres grados de las relaciones entre la criminalidad organizada y el Estado como *predatoria*, *parasítica* y *simbiótica*. Según Hellman & Kaufmann (2000), existe un real peligro de que la criminalidad *capture* al Estado a través

de la corrupción en nuestra época. John Perkins (2004) testimonia sobre los métodos de los *sicarios económicos* que los Estados hegemónicos utilizan para imponerse sobre los Estados periféricos. Chambliss (1989) denuncia que los Estados frecuentemente violen sus propias leyes para conseguir sus intereses.

Skaperdas (2001) reivindica que el crimen organizado prolifera en los *espacios no gobernados* por motivos geográficos (selva, alta mar), sociales (chabolas), raciales (guetos), de prohibición (drogas), o colapso del gobierno (estados fallidos).

Diferentes organizaciones internacionales se han implicado en la lucha contra el TOC (UNODC, ILO, UNEP, WHO, Interpol, ICRC, ICC, IMF, WB, FATF, OCDE), y se han desarrollado numerosos regímenes para este propósito en las últimas décadas, pero con resultados limitados.

## **TOC y Mercados**

Según John Picarelli (2009), el TOC es un actor racional con vocación esencialmente económica. La *revolución neoliberal* iniciada en los años 1980 con el consecuente proceso de *desregulación, privatización, financialización y mercantilización*, ha facilitado que todo sea objeto de transacción, incluido bienes ilegales, ilícitos o ajenos. Esta revolución ha concentrado el poder económico y político en una pequeña oligarquía, la *Clase Capitalista Transnacional* (TCC) (Gill 2008, Van del Pijl 1998), coordinada por organizaciones opacas como el Foro Económico Mundial o el Club de Bilderberg. La TCC ha conseguido formar un *bloque histórico* a partir de los años 1980, que controla con una mezcla de poder *disciplinario, capilaridad y panopticismo*, así como con el *nuevo constitucionalismo* (a través del cual encauza los regímenes internacionales a favor de sus intereses).

El *crimen de cuello blanco* ha utilizado los *paraísos fiscales* para ocultar y blanquear dinero sucio. Este tipo de criminalidad se ha beneficiado del uso de internet y de las técnicas modernas de gestión. Al mismo tiempo, algunas empresas legales han adoptado técnicas de tipo criminal. Incluso en el sector productivo (agricultura, textil, construcción, etc.) ciertas empresas han adoptado métodos disciplinarios de control de sus empleados. En el sector financiero, los numerosos escándalos ocurridos a partir de los años 1980 han culminado en la grave crisis económica de 2008, provocada por los abusos en el sector de las finanzas, sin que (casi) ninguno de los responsables haya sido condenado penalmente hasta hoy. La dependencia de los gobiernos de dinero creado a través de la emisión de crédito por entidades privadas les ha alejado la soberanía.

Según Costanza (2009b), uno de los motivos de la crisis radica en la naturaleza de la economía liberal, que no debería basarse solo en el capital financiero, sino en los capitales *construido, humano, social y natural*, conceptos que la actual medida del PIB ignora.

Según Tombs & White (2015) las *corporaciones privadas* tienen que ser abolidas, pues están diseñadas para causar daño a la sociedad y a la naturaleza con impunidad, y son difíciles de reformar. Las empresas *Demasiado Grandes para Fallar* ejercen una influencia política excesiva, difícil de equilibrar por los poderes públicos (Morin 2015).

Según David Harvey (2003), las élites occidentales han organizado la *acumulación por desposesión* a través de prácticas como la privatización, la financiarización, la gestión y manipulación de crisis y la redistribución estatal de la renta.

El capitalismo moderno ha creado el *Lobby* para influenciar la toma de decisiones políticas y legislativas, y conseguir entre otros la reducción de impuestos para empresas multinacionales (TNC) (George 2015). Las *Puertas Giratorias* es otro mecanismo



destinado a mantener las relaciones incestuosas entre empresas y gobiernos (Salinger 2005).

En síntesis, el neoliberalismo ha permitido el aumento del poder de las empresas con respecto a los gobiernos en los campos de la producción, las finanzas, así como el del bienestar y la seguridad, a través de la creación de un bloque histórico hegemónico dotado de ideas como la de la *economía de goteo*. Ocurre también una transferencia de poder entre la TCC y el resto de la sociedad a nivel global, favoreciendo una nueva lucha de clases.

## **TOC y Sociedad Civil**

A partir de los años 1990, un movimiento de *empresarios morales* ha emprendido una campaña contra el COT con *ONGs* como Global Witness, Transparency International, ATTAC, Corpwatch, GFI o UNCAC Coalition, hostigadas frecuentemente por las potentes organizaciones que denuncian.

Pero el estamento que más responsabilidad tiene por denunciar al TOC es el *periodismo*, y en particular el de *investigación*, víctima frecuente de los potentes intereses que denuncian como lo fue la italiana Ilaria Alpi asesinada en 1994 en Somalia, o los 1208 periodistas asesinados desde 1992 según el Comité para la Protección de los Periodistas. El auge de las comunicaciones por internet ha permitido el acceso a grandes cantidades de información criminal que exponen los nuevos *Alertadores* como Wikileaks. Esto también tiene relación con la batalla por la *neutralidad de internet*.

Sin embargo, los *medios de comunicación mainstream* han sido mayoritariamente capturados por la TCC, constituyendo grandes conglomerados cuya objetividad es hoy en día poco creíble. Se han transformado en altavoces la ideología del bloque hegemónico,

siguiendo las enseñanzas de Edward Bernays (1928), y llegando a promocionar dudas sobre temas de sociedad tan importantes como el tabaco o el cambio climático.

Las *religiones*, como promotores de las normas morales, se oponen oficialmente al crimen, tachándolo de *pecado* merecedores del infierno. La usura en particular ha sido condenada hasta recientemente por la mayoría de las grandes religiones. Ante el bloque neoliberal, algunas han sabido presentarse como fuerzas contra-hegemónicas, como algunas versiones radicales del Islam o las posiciones emancipadoras del Papa Francisco. Este último se ha convertido en el paladino de las causas sociales y ambientales, en particular con su encíclica ecologista *Laudato Si* (2015).

Como dicen Van Duyne (2003) o Naim (2005), los mercados criminales viven de *ciudadanos* honestos, lo que nos lleva a la tesis de Arendt de la *banalidad del mal* (1963) y a los debates sobre el origen del mal en el hombre de Rousseau y Hobbes. Tomasello (2009) piensa que el ser humano ha desarrollado genéticamente un *equilibrio entre cooperación y egoísmo* para sobrevivir en sociedad, pero que la cultura neoliberal ha exacerbado este último rasgo en detrimento del primero.

## **TOC Tradicional**

El TOC tradicional es aquel asociado en el imaginario colectivo a la *Mafia*, y que consiste principalmente en el *comercio ilícito, el bandidismo y las extorsiones*. Según Peter Andreas (2011), la *violencia* puede considerarse como un *daño colateral* de una transacción ilícita (en un mundo criminal no regulado por el Estado).

La *piratería* marítima es una de las formas más antiguas de TOC, actividad que se ha recrudecido recientemente gracias a la posibilidad de cobrar rescates en sofisticados centros financieros offshore (Vigueras 2008).

El *tráfico de drogas* es uno de los negocios ilícitos de mayor rendimiento. La lucha internacional contra este tráfico empezó en 1909 y está hoy regulado por un tupido régimen de carácter represivo. La causa de que sea tan lucrativo es precisamente su injusta *prohibición*, y la continuación de la *guerra contra la droga* podría tener otros motivos como el control securitario de las sociedades, una especie de neoliberalismo disciplinario (Gill 2008) o capitalismo de desastre (Naomi Klein 2007) por parte del bloque hegemónico, además de justificar desmesurados presupuestos de las fuerzas de seguridad (Van Duynes). El problema del tráfico de drogas debería enfocarse más como un problema de *salud pública* que de *seguridad*. Por otro lado, los mayores beneficios no se hacen en los países de producción, sino en los de consumo, lo que indica donde se encuentra la dirección de este negocio global.

El tráfico de *medicinas falsas* es responsable de la muerte de millones de personas al año según la WHO, principalmente en países pobres, y su valor podría ascender a 32.000 millones USD. Una de las causas de este tráfico es el precio excesivo de las medicinas legales, impuesto por el actual sistema de propiedad intelectual.

El lucrativo *comercio de armas* es el sector en que lo legal y lo ilegal más se funden, así como el mercado y el Estado. Los grandes traficantes ilegales normalmente están conectados con los servicios de inteligencia de los países poderosos, como fue el caso del Mercader de la Muerte Viktor Bout, y sirven frecuentemente para violar regímenes de sanciones. Según Transparencia Internacional (TI) el 50% de las denuncias por cohecho están relacionadas con el sector de la defensa, y se han detectado sobornos en un 50% de los contratos de defensa (Henriksson 2007). El *Protocolo del UNTOC contra la producción y tráfico ilegal de armas ligeras* fue aprobado en 2000, pero sus provisiones no son de cumplimiento obligatorio. El *Tratado de Comercio de Armas* que entró finalmente en vigor

en 2014 contribuirá a controlar la ilegalidad y la corrupción de este sector, pero no contiene provisiones fuertes. Anualmente los conflictos armados causan la muerte directa de 330.000 personas (AI 2006), aparte de millones de muertes indirectas, desplazados, heridos y miseria. En su discurso de despedida (1961) el presidente Eisenhower ya advirtió de la influencia indebida del *complejo militar industrial*. El tráfico de armas tiene un fuerte impacto en todas las estructuras de poder: seguridad, producción, finanzas y bienestar.

Según Michael Klare (2012), el mundo se encuentra ante una crisis sin precedentes de los *Recursos Naturales*, lo que los hace objeto particularmente rentable de tráfico ilícitos. Según UNEP más del 40% de los conflictos están relacionados con su explotación. En las últimas décadas se han desarrollado numerosos regímenes para encauzar estos tráfico como el Proceso de Kimberley para los diamantes, el EITI para la transparencia de las industrias extractivas, o el CITES para las especies amenazadas, pero las provisiones son débiles o de cumplimiento voluntario. Los países exportadores de recursos incluyen a 2/3 de la población mundial y sufren la *Maldición de los Recursos* (Auty 1993). Muchas de las *Nuevas Guerras* se han financiado con el tráfico de recursos naturales, los cuales se han convertido a menudo en su verdadera causa.

El *tráfico de seres humanos* está prohibido por la Convención sobre el Trabajo Forzado de la OMT de 1930, la Convención sobre Prostitución de 1951, el UNTOC y el Estatuto de Roma del ICC. La ONG Free de Slaves considera que hay 27 millones de esclavos en el mundo. El grupo rebelde Daesh ha restaurado la legalidad de la esclavitud en los territorios que controla. El crimen asociado de *tráfico de migrantes* se diferencia del anterior en que las víctimas son voluntarias, y su demanda ha aumentado debido a las grandes diferencias de riqueza entre países pobres y ricos y las barreras que estos imponen al movimiento de mano de obra.

El *tráfico de residuos peligrosos* prospera debido a las contradicciones del modo de producción capitalista que considera los residuos como una *externalidad*. Resulta mucho menos oneroso encargar la enajenación de los residuos al TOC que su incineración legal. Normalmente el TOC se limita a deshacerse de ellos enterrándolos, hundiéndolos o depositándolos en el tercer mundo, como fue el caso del Probo Koala en Abijan en 2006. La principal convención para evitarlo es la de Basilea de 1992, pero pocos países industriales han adherido.

## **Crimen económico**

Edwin Sutherland (1939) introdujo el concepto del *Crimen de Cuello Blanco*, y lo definió como un *crimen cometido por una persona respetable y de alto estatus social en el marco de sus ocupaciones*. Según Madsen (2009), el crimen económico y el TOC tradicional se apoyan mutuamente.

TI, que publica desde 1995 el índice de percepción de la *corrupción*, la define como el *abuso del poder encomendado para beneficio personal*. La UNCAC (2005) es el primer instrumento internacional contra la corrupción y es de cumplimiento obligatorio. Incluye provisiones para la recuperación de activos. Según la OCDE, la corrupción es un enorme obstáculo para el desarrollo político, económico y social.

Según GFI, los *Flujos Financieros Ilícitos* (IFF) consisten en el *movimiento transfronterizo de dinero ganado, transferido o utilizado ilegalmente*. Montaban en 2012 a un billón USD y han crecido de un 9% anualmente desde 2003.

TI define el *blanqueo de capitales* como el *proceso de ocultar el origen, propiedad o destino de dinero obtenido ilegalmente entre actividades legales*. Según Levi (2002), el blanqueo era una actividad casi legal hasta los años 1980.

Según Ronen Palan (2010) la mitad de todas las transacciones del mundo transitan por *Paraísos Fiscales*, así como un billón USD procedente de la evasión fiscal, y la mayor parte del dinero sucio. Son jurisdicciones que combinan secreto bancario con legislación de incorporación flexible, residencia virtual y fiscalidad nula para clientes no residentes. La ONG TJN publica anualmente un Índice de Secreto Financiero, en el cual figuran en cabeza la City de Londres (junto con otras dependencias de la Corona), Suiza, Hong Kong, USA, Singapur y Luxemburgo. El FATF, creado por la OCDE en 1989 para combatir el blanqueo de capitales, ha intentado establecer una lista negra de jurisdicciones no cooperativas, pero actualmente se encuentra vacía.

Las *Empresas Fantasma* permiten mover grandes cantidades de dinero internacionalmente sin que se pueda trazar. Findley (2012) hizo un estudio empírico que demostró cuán fácil es crear compañías fantasma, especialmente en países de la OCDE.

La *Erosión de la base imponible y traslado de beneficios (BEPS)* designa a las estrategias de planificación fiscal utilizadas por las empresas multinacionales para aprovecharse de las discrepancias e inconsistencias de los sistemas fiscales nacionales y trasladar sus beneficios a países de escasa o nula tributación, donde las entidades apenas ejercen alguna actividad económica, y eludir de esta forma el pago del impuesto sobre sociedades. En 2013, la OCDE inició un proceso destinado a reducir este fenómeno.

Otro tentáculo del crimen económico es *Manipulación de los Precios* que consiste en la sobre- o sub-facturación destinada a evadir impuestos o transferir fondos al extranjero. Según Christian Aid, el 60% de todas las transacciones internacionales tienen lugar dentro de una misma TNC, y la manipulación cuesta 160.000 M USD al año a los países en desarrollo. La OCDE publicó en 1995 una guía para garantizar el *principio de plena competencia*.

Las *Agencias de Crédito a la Exportación (ECA)* financian proyectos con pocas garantías sociales y ambientales, y suelen ser origen de corrupción en países en desarrollo.

La *Estafa* es un engaño deliberado para conseguir un beneficio injusto o ilegal, o para desposeer a una víctima de un derecho. El ansia por el beneficio promovido por el neoliberalismo ha suscitado una espiral en el número y tamaño de las estafas, como la de Bernard Madoff (2008), la manipulación del Libor (2012) o la de las emisiones de Volkswagen (2015).

Los *Arbitrajes de Diferencias Inversor-Estado (ISDS)*, incluidos en la mayoría de los tratados de comercio actuales, otorgan a un inversor extranjero el derecho a iniciar un procedimiento de arbitraje de diferencias contra un gobierno extranjero, privándole de su soberanía.

## **Crimen Ambiental**

Los daños ambientales empezaron a ser criminalizados muy recientemente. El crimen ambiental es un proceso mucho más perverso que el del tráfico de recursos naturales y consiste en la destrucción de la biosfera. El sistema económico actual, que considera el ambiente como origen de beneficios, y su degradación como una *externalidad*, es en gran parte responsable de la destrucción de la casa común de esta y futuras generaciones. Higgins (2010) propuso que se incluya el Ecocidio en el estatuto del ICC. Recientemente Bolivia promulgó la Ley de la Tierra Madre que concede derechos humanos al planeta. Ulrich Beck advierte sobre los daños introducidos en la Sociedad del Riesgo por la propia modernidad.

En 1798 Thomas Malthus advirtió sobre el riesgo de que el aumento de la producción agrícola no pueda seguir el crecimiento demográfico. En 1972 tuvo lugar la primera

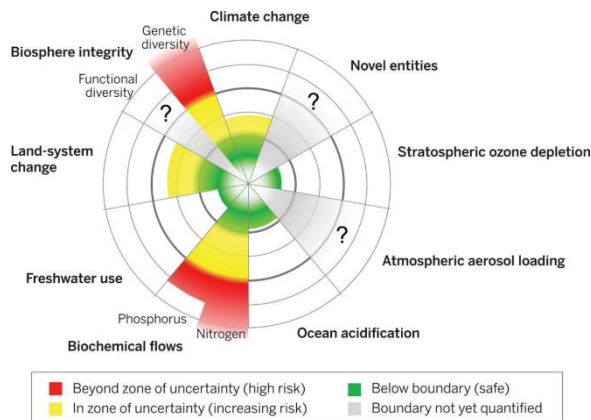
conferencia sobre el Ambiente Humano, y el Club de Roma publicó Los Límites del Crecimiento, que alertaba de un colapso debido a la escasez de recursos naturales para mantener la actividad económica en el Siglo XXI. En 2009 el *Centro de Resiliencia de Estocolmo* (SRC) propuso un marco de *Límites Planetarios* que definen un *espacio seguro para la operación humana*, basado en investigación científica. La transgresión de esos límites puede causar *cambios ambientales abruptos e irreversibles*. Han sido identificados 9 límites, que marcan una zona segura para la humanidad si se respetan. El *Grupo de alto nivel sobre la sostenibilidad mundial* de la ONU adoptó este criterio en la preparación de la cumbre sobre el desarrollo sostenible.

Jeffrey Sachs (2015) calcula que cuando el PIB de la población de los países pobres alcance el de los países ricos en 2050, el PIB global se multiplicara por 3, causando el caos ambiental. La producción actual de energía causa un aumento de 2 ppm CO<sub>2</sub> al año, lo cual ha provocado el incremento de su concentración de 180 a 400 ppm en 150 años. Paul Crutzen (2010) propuso el término *Antropoceno* para designar nuestra era geológica tan impactada por la acción humana.

La humanidad consume anualmente los recursos de 1,5 planetas llegando al *exceso ecológico*, el cual puede conducir a conflictos armados, hambre, epidemias y emigración debido a la escasez de los recursos. La *agricultura* es uno de los sistemas más afectados por el cambio climático, pero también es el que más lo afecta, lo cual podría llegar a hacer ciertas las predicciones de Malthus en este siglo.



Según Will Stephen (2015), los *Nueve Límites Planetarios* son: *Cambio climático, Pérdida de biodiversidad, Ciclos de nitrógeno y fósforo, Acidificación de los océanos, Cambios en*



*el uso de la tierra, Utilización del agua dulce, Agotamiento del ozono estratosférico, Carga de aerosoles atmosféricos y Polución química.* Tres de ellos ya han excedido el límite: la biodiversidad y los ciclos de nitrógeno y

fósforo. Todos ellos se autoalimentan en un sistema “reflexivo”, que puede causar desbordamientos. El riesgo de un colapso ambiental es tan inminente, que la degradación empieza a ser *securitizada* (Buzan et al.1998).

Debido al *Cambio Climático*, la pérdida de hielo marítimo polar en verano es irreversible, lo cual podría provocar peligrosos bucles. La acumulación de CO<sub>2</sub> en la atmósfera ha alcanzado los 400 ppm y tardará siglos en disminuir, aunque dejase de emitirse. Este límite representa la amenaza más peligrosa para el planeta por tratarse de una crisis global, por la dificultad de movilizar a todo el mundo debido a la deferencia de intereses, porque afecta también a las generaciones futuras, porque los combustibles fósiles son el núcleo de la economía actual, porque la evolución del cambio climático es lenta a escala humana, porque las soluciones son complejas y afectan a los principales sectores de la economía, y porque el sector de la energía incluye algunas de las empresas más poderosas del mundo. Es probable que la temperatura global aumente de al menos 3C y el nivel del mar se alce de un metro a finales del siglo, lo cual acarrearía sequías, inseguridad alimentaria, enfermedades, cambios en las costas, desastres naturales y migraciones de masa. Además el cambio climático reforzará otras amenazas ya existentes, y amenaza trastornar una

civilización humana que se desarrolló al amparo de un clima estable durante los últimos 10.000 años.

Aunque se conocían los efectos de los gases de efecto de invernadero (GHG) sobre el cambio climático desde su descubrimiento por Arrhenius en 1896, la industria de los combustibles fósiles, responsable de la mayoría de las emisiones producidas hasta hoy, ha conseguido impedir acuerdos serios en torno a la Convención sobre el Cambio Climático (UNFCCC) desde hace más de 20 años, gracias a su poder político. La industria de combustibles fósiles ha conseguido desviar la atención hacia soluciones falsas como la *negación del cambio climático* en sí, la *captura de carbono*, la *geoingeniería*, o los *mercados de carbono*. Ante la falta de resultados, proposiciones más *críticas* se han formulado en torno al *decrecimiento*, la *reducción del consumo*, y la *economía colaborativa*, frente al imperativo de crecimiento continuo del neoliberalismo.

Para *mitigar* los efectos del cambio climático, habría principalmente que reducir los GHG y la deforestación. La *adaptación* consistirá principalmente en la protección de las zonas urbanas de las grandes tormentas y la elevación del mar, así como la adaptación la agricultura a la sequía.

Las mayores causas de *Pérdida de Biodiversidad* son las demandas de agua, alimentos y recursos naturales, la polución, las modificaciones en el uso de la tierra, el cambio climático, la acidificación de los océanos, las especies invasivas y los flujos de nitrógeno y ozono. El ser humano está causando la *Sexta Extinción*. Según el WWF, la biodiversidad se ha reducido en un 50% desde 1970 (LPI 2014). La Convención sobre Diversidad Biológica (1992) y el CITES (1973) son los acuerdos más importantes en este ámbito. La única especie que continua reproduciéndose de manera explosiva es el homo sapiens.

La mayor parte de las *tierras naturales han sido modificadas* para convertirlas en agrícolas o urbanas, lo cual ha impactado fuertemente a la biodiversidad, el agua potable y los ciclos de carbono, nitrógeno y fósforo. Según la FAO, la tercera parte de las tierras del planeta están degradadas debido a erosión, salinización, compactación, acidificación y contaminación química, y las pocas tierras fértiles que quedan están siendo *acaparadas* por grandes inversores. La industria de la construcción, con un mercado evaluado en 3,2 billones USD anuales, es una de las causas de este cambio.

La *Acidificación De Los Océanos* está causada directamente por la disolución del CO<sub>2</sub> emitido por los seres humanos (una vez transformado en ácido carbónico). Este ácido impide la formación de carbonatos, base de los esqueletos de las especies marinas, principalmente conchas y plancton. El PH de los océanos ha aumentado en 30% desde la época pre-industrial.

El *Agotamiento del Ozono Estratosférico* reduce la filtración de la radiación UV, y está causado por la emisión de sustancias químicas que agotan el ozono. El *protocolo de Montreal* es uno de los pocos acuerdos ambientales que han tenido relativo éxito.

La *Polución Química*, que consiste en la emisión de sustancias tóxicas y persistentes como contaminantes sintéticos, metales pesados o materiales radiactivos pueden tener efectos irreversibles en los organismos vivos y en el ambiente físico.

El *Ciclo del Agua Dulce* está afectado principalmente por la presión humana y por el cambio climático, convirtiendo el agua dulce en un bien codiciado, 70% del cual se usa para la agricultura y 20% para la industria.

Los *Ciclos del Nitrógeno y del Fósforo* han sido modificados radicalmente por el hombre como resultado de los procesos industriales y agrícolas. Ambos son esenciales para el

crecimiento de las plantas. La mayor parte acaba en los océanos, causando modificaciones en los ecosistemas. Han protagonizado también la *revolución verde* que permitió un crecimiento sin precedentes de la población humana a mediados del siglo XX.

Los *Aerosoles Atmosféricos* afectan a la formación de la lluvia y el clima, y son producidos principalmente por la industria y agricultura humanas. Tienen también efectos en la salud de los organismos vivos (800.000 seres humanos mueren al año por su causa).

Los *Mercaderes de la Duda* son un grupo de académicos financiados por la industria de combustibles fósiles, y apoyados por medios de comunicación y relaciones públicas y políticos afines, para que siembren la duda sobre el conocimiento científico relativo al cambio climático, con el mismo sistema que la industria del tabaco utilizó en los años 1970 para sembrar duda sobre los efectos nocivos del tabaco (Oreskes & Conway 2010). El historiador de la ciencia Robert Proctor (2008) denominó a su estudio la *Agnotología, o estudio de la inducción de ignorancia o duda*. Sin embargo, la última sesión del COP en París incluyó la presencia masiva de representantes de las grandes empresas contaminadoras. Además, los gobiernos del G20 siguen concediendo unos 88.000 millones USD anuales en subsidios para la exploración de combustibles fósiles.

## **Amenazas a la Paz y a la Seguridad Internacional**

Según Buzan (2009), el concepto de la seguridad se ha “dilatado e intensificado” y su objeto ha pasado del Estado a la seguridad colectiva y después a la sociedad y la naturaleza. Johan Galtung distingue entre violencia *directa* (física), *estructural* (miseria, represión y alienación) y *cultural* (que justifica a las precedentes), las cuales se influyen mutuamente.

La escuela de la *libertad de vivir sin miedo* intenta limitar la *Seguridad Humana* a la responsabilidad de proteger a los seres humanos de la *Violencia Directa*. Este concepto ha

sido abusado por los poderes hegemónicos al efectuar las llamadas *Intervenciones Humanitarias* (eg: Libia, Kosovo). Según Tilly (1985), las guerras son la quintaesencia del *pizzo* y por lo tanto del crimen organizado. La violencia directa puede llevar a las sociedades a círculos viciosos de inestabilidad y miseria. Según Collier (2006), con el final de la guerra fría, muchos grupos rebeldes han tenido que recurrir a tráfico ilícitos para financiar su causa, aunque pueden acabar más interesados en los tráfico que en la causa inicial. Según Cockayne (2011), la comunidad internacional prefiere denominar a los desórdenes violentos *conflictos* más que *crímenes* para evitar acusar de criminal a una de las partes. En su relación con las autoridades, los grupos rebeldes pueden ser *predadores*, *parasitarios* o *simbióticos*, según como compartan las riquezas con las mismas.

Según Naomi Klein (2007), ciertos gobiernos aprovechan los choques de las crisis humanas o naturales para imponer reformas neoliberales. Por ejemplo, la invasión de Iraq ocultó enormes fraudes por parte del gobierno de ocupación amparado la impunidad (Whyte 2010, Ruggiero 2010). Entre los especuladores de guerra se encuentran las compañías de mercenarios, oficialmente prohibidas, pero en realidad parte sustancial de los modernos ejércitos occidentales.

El estudio de caso del *Tráfico de heroína en Afganistán* revela a un grupo criminal parasítico con relación al gobierno, y con profundas raíces étnicas y religiosas. El cultivo masivo de opio empezó durante la ocupación Soviética, animado por los servicios de inteligencia occidentales. Afganistán produce el 90% del opio mundial, el cual constituye una de sus principales fuentes de ingresos. Los Talibanes redujeron drásticamente su producción en 2001, probablemente para conseguir un aumento de su valor.

Los *recursos naturales* de la República Democrática del Congo (RDC) han atraído la codicia desde la creación del país Leopoldo II en el S. XIX (Hochschild 1998), y se hicieron

famosos durante el régimen del presidente Mobutu, fundador del concepto de la *cleptocracia*. Desde los años 1990 varios grupos armados (GA) han controlado algunas de las partes más ricas del país y las explotan con la complicidad de los gobiernos de los países vecinos, que se sirven de milicias interpuestas. El peso de los diferentes tráfico (oro, coltan, estaño, diamantes, madera exótica, etc.) varía con los cursos internacionales. Existen pocas diferencias entre las milicias y el ejército nacional, y sus miembros frecuentemente cambian de bando. Dependiendo de la situación los GAs pueden ser predadores, parásitos o simbióticos. La comunidad internacional ha desplegado su mayor misión de mantenimiento de la paz (MONUSCO), y ha desarrollado numerosos sistemas para reforzar la transparencia de este comercio (estándares de diligencia debida de la ONU, la OCDE, la CIRGL, Ley Dodd Frank USA), sin mucho éxito. Además, la extracción artesanal favorece el desarrollo de un sistema de esclavitud militarizada.

## **Amenazas a la paz estructural**

La consideración del bienestar social y la naturaleza como “externalidades” con relación al desarrollo económico los deja desprotegidos ante la agencia de la TCC. Según Reiman (2015) el prejuicio del legislador contra los pobres empieza cuando define el crimen, entre el que no se encuentran los daños causados por los ricos. El Banco Mundial (2011) propone soluciones para salir de la espiral del subdesarrollo y la violencia.

Los *Objetivos De Desarrollo Sostenible* (SDG, UNDP 2015) incluyen por primera vez un objetivo específico para combatir el TOC, el 16.4, que intenta “*reducir de manera significativa las corrientes financieras y de armas ilícitas, fortalecer la recuperación y devolución de bienes robados y luchar contra todas las formas de delincuencia organizada*”. Pero la mayoría de los 17 objetivos se beneficiaría con la reducción del TOC, y en particular los que tienen relación con la gobernanza y la paz, la protección del

ambiente y el cambio climático, la desigualdad y la reducción de la pobreza, el género, la salud, la educación, la energía y la infraestructura. Por el contrario, en los SDG han faltado importantes objetivos como la armonización global de los impuestos, o de reforma radical del sector financiero. Además, los propios conceptos de desarrollo, de crecimiento y de consumo bendecidos en el documento comportan un germen de *insostenibilidad* y de *daño*, principalmente de desequilibrio ecológico. Un defecto de los Objetivos es que su cumplimiento es voluntario.

La *Seguridad Humana* (que incluye las seguridades económica, alimentar, sanitaria, ambiental, personal, comunitaria, política) es uno de los campos más amenazados por el TOC.

La *Seguridad Sostenible* se desvía del enfoque tradicional del *control militar* que ha fallado últimamente (eg: en la guerra contra las drogas), e intenta remediar las causas profundas de los conflictos. Considera que hay que resolver los motores estructurales de la inestabilidad: *cambio climático, competición por los recursos, marginalización de la mayoría de la población y militarización global*.

El TOC viola prácticamente todos los *Derechos Humanos* definidos por la ONU, ya sean civiles y políticos, como sociales, económicos y culturales.

## **Amenazas a la paz cultural**

La Cultura de Paz definida por la Asamblea General de la ONU en 1998 esta también amenazada por el TOC en todos sus aspectos.

La mayor parte de los medios de comunicación tradicionales manipulan a la opinión debido a su dependencia de la oligarquía financiera (Chomsky 1988, RSF 2016).

Gran parte del conocimiento científico ha sido privatizado por las grandes casas editoriales, que no dan acceso a los países y clases pobres.

Según Boldrin (2013), la estricta aplicación del régimen de la *propiedad intelectual* no ha aumentado el progreso tecnológico. Drahos & Braithwaite (2002) piensan que las corporaciones han establecido un nuevo *feudalismo de las patentes* que solo beneficia a los ricos.

## ¿Qué hacer?

La comunidad internacional se ha esforzado en las últimas décadas en establecer un régimen de tratados que pueda controlar el TOC. No obstante la mayoría tienen provisiones débiles o son de cumplimiento voluntario, o no disponen de un organismo de ejecución y control. La versión inicial del Estatuto de Roma del ICC incluía los crímenes de *terrorismo* y *tráfico de drogas* (Pignatelli, 2002), pero se excluyeron de la versión final, probablemente por falta de claridad de ambos conceptos, y por motivos políticos y económicos. IPI (2009) propone que se incluyan especialistas en TOC y corrupción en las misiones de mantenimiento de la paz, los *chaquetas azules*.

Pero a pesar de la multiplicación reciente de regímenes, el TOC no ha disminuido, sino todo lo contrario. Siguiendo a Cox (1981), los regímenes responden a “*teorías de resolución de problemas*”, y la situación requiere acciones guiadas por un análisis crítico. El sistema Westfaliano tiene dificultades de actuar en los espacios *offshore* (paraísos fiscales, alta mar, atmosfera, etc.) y tiene un sistema de gestión internacional lento y débil. Habría que construir un sistema *Cosmopolita* sobre las bases ya alcanzadas de acervo legal y gestión global. Un sistema de democracia cosmopolita (Held 2010, Archibugi 2013) parece inevitable (Wendt 2003) para poder resolver los problemas analizado en este



estudio. Beck (2011) propone el establecimiento de una *Política Interna Global* en una época en que la difusión de los riesgos hace a las fronteras obsoletas. Según Held, el *Cosmopolitismo* se ha convertido en el *Nuevo Realismo*.

## Conclusiones

La *Definición* de TOC como “*daño grave, extenso y duradero causado por un grupo organizado a la sociedad y al ambiente con ánimo de lucro*” ha demostrado ser acertada, pues permite evitar la parcialidad de la definición legal manipulada por las élites, y englobar a los tipos de TOC *Tradicional, Económico y Ambiental*. Permite asimismo hacer el lazo entre lo *ilegal* y lo *ilícito*.

El TOC puede ser el embrión del *Estado* pero este también puede volver a transformarse en TOC. La mayor diferencia entre los dos es que el propósito del uno es el bienestar de la sociedad y el ambiente, mientras que el del otro es el lucro. El TOC es un importante motor de guerras, las cuales pasan a ser la *continuación del negocio por otros medios*.

Los *Mercados* pueden ser altamente criminógenos en el contexto de la *financiarización*, *privatización* y *desregulación* del neoliberalismo. Están generando una *lucha de clases* global entre la TCC y el resto de la sociedad y. Las barreras entre actores legales e ilegales se difuminan. Las grandes corporaciones privadas controlan el poder político mediante el *lobby* y las *puertas giratorias*. Las crisis son utilizadas como terapia de choque para acelerar la *acumulación por desposesión*, mientras que los grandes carteles están protegidos por el Estado por ser *demasiado grandes para fallar*. Un sistema de *democracia cosmopolita* podría controlar los espacios offshore.

La *Sociedad Civil* tiene una parte que lucha eficazmente contra el TOC (eg: Wikileaks, el Papa Francisco, ICIJ, TI, etc.), y otra que ha sido cooptada por en el bloque del TOC (eg:

medios de comunicación mainstream, académicos deshonestos). El neoliberalismo intenta cooptar al ciudadano al ensalzar su carácter competitivo con relación al cooperativo.

La tesis ha demostrado que hay *tres grandes tipos de TOC*:

- El *TOC Tradicional* practica tráfico ilegal o ilícito con o sin violencia, así como la extorsión. La mercancía aumenta de valor debido a obstáculos impuestos por los Estados (eg: drogas/prohibición). Tiene protagonismo en las nuevas guerras, y puede sustituir a los Estados fallidos. Los regímenes no han sido muy eficaces en su control.
- El *TOC Económico* consiste en la desposesión por engaño, principalmente a través del sistema financiero. Los otros dos tipos de crimen lo necesitan, debido a su capacidad para blanquear capitales. Contribuye a la creación de una TCC que controla a los Estados, y de una sociedad extremadamente desigual. Es un crimen poco reglamentado por la ley aun. Las reformas neoliberales han favorecido el desarrollo de los paraísos fiscales, elemento esencial de este tipo de crimen.
- El *TOC Ambiental* consiste en la destrucción de la biosfera para obtener lucro. La economía tradicional considera el ambiente como una externalidad, y ha conseguido la aparición de la nueva era geológica del Antropoceno. Los dos crímenes más dañinos son el cambio climático y la pérdida de biodiversidad. La industria de combustibles fósiles intenta ocultar el problema al público a través de la cooptación de académicos y periodistas, y bloquear los regímenes internacionales a través de políticos corruptos. Debido a su extensión y duración es el más peligroso de los tres tipos de TOC.

El TOC se caracteriza más en relación al *Daño* que causa que al autor del mismo. Se ha preferido definirlo de esta manera para no caer en las engañosas definiciones legalistas promovidas por las élites. Las diferentes legislaciones nacionales no pueden caracterizar un fenómeno global como el TOC. Esta tesis pretende por lo tanto contribuir a acelerar la tendencia cosmopolita de universalización de los derechos humanos.

El *Marco Teórico* de la *versión social constructivista del poder estructural* ha demostrado ser adecuado para estudiar un agente de poder como el TOC con fuertes lazos con la seguridad, las finanzas, el bienestar y la producción. El análisis de la interacción de las ideas, las instituciones y las capacidades en cada estructura han permitido explicar porque el TOC ha adquirido tanto poder últimamente. El carácter social constructivista de la teoría ha facilitado la explicación de las interacciones entre agentes.

El TOC es a la vez un *Agente* y una *Estructura*, pues como agente puede modificar las estructuras sociales a través de las ideas, instituciones y capacidades, y como estructura está influenciado por sus actores internos.

La mayoría de los estudios del TOC se han basado en teorías de resolución de problemas, sin poner en cuestión como se define lo que es crimen y no. El enfoque desde la *IPE Crítica*, y en particular el concepto del *Daño* ha permitido transcender este obstáculo. La *Reflexividad* ha permitido asimismo profundizar en el fenómeno, por ejemplo las agendas ocultas de los actores. La perspectiva *histórica* ha permitido transcender los puntos de vista estáticos del realismo. La IPE Crítica permite dar una perspectiva emancipadora con relación al TOC.

Debido a la novedad del tema y la diversidad de su naturaleza el estudio del TOC necesita un epistemología *Multi o Interdisciplinaria*, sin la cual se obtendría una *visión en túnel*. Las disciplinas de base son ellas mismas interdisciplinarias como la IPE, la criminología,

la ecología o el periodismo de investigación. La profundización en esta epistemología interdisciplinaria permitiría el desarrollo de un marco teórico para el estudio del TOC.

El *Crimen Tradicional* es *Parasitario* con relación al Estado ya que no es parte del mismo, pero se ve favorecido por algunas de sus disposiciones (eg: los obstáculos que elevan el valor de los tráficos). El *Crimen Económico* es *Simbiótico* con relación al Estado, pues los actores son los mismos en los dos estamentos, y el crimen económico sería imposible sin el apoyo activo del Estado. El *Crimen Ambiental* se puede considerar como un tipo de crimen económico que causa gravísimos daños al ambiente, y por lo tanto es también *Simbiótico* con relación al Estado.

La *Limitación* más seria para la investigación del TOC es la falta de datos debido a su carácter clandestino, y a la violencia que está dispuesto a ejercer para impedir que se desvelen sus secretos. Aunque la mayor causa de esta falta de información es la complicidad de ciertas élites.

# 1 Introduction

## *1.1 Object of Research*

The media often reports about drug trafficking gangs threatening the security of citizens and governments, human beings victims of trafficking (sometimes in spare parts), huge financial frauds depriving millions of citizens all over the world of their lifelong savings, or thousands of human beings being poisoned by harmfully disposed toxic wastes. These are the deeds of Transnational Organized Crime (TOC). They have for a long time been the field of study of Criminology.

International Relations have traditionally focused on the relations between states, and only recently has the discipline paid more attention to non-state actors and their role in the international relations. These actors, usually of economic or social character, can range from Transnational Corporations (TNCs), to Banks, to Non-Governmental Organizations, but they can also have a criminal character, the Transnational Organized Crime (TOC). These criminal networks sometimes have as much power as the state itself if not more. Since the end of the Cold War, the process of Globalization seems to have accelerated a process of diffusion of power from states to non-state actors. This study analyses the nature of TOC, as well as the threats that it represents to global peace.

TOC has grown considerably after the end of the Cold War, and is becoming a powerful international player, which represents a serious threat to positive peace. The traditional theories dealing with TOC are insufficient in the framework of globalization, and therefore

they will be analysed from a new perspective. Organized crime and corruption have always been a popular subject for fiction, but they have not been researched deeply by the academia, obviously due to its secretive character and therefore the lack of available data. On the one hand, there are few statistics about illegal activities, because the perpetrators, logically, hide all the information they can, to avoid investigations and prosecutions. For the same reason, criminals very seldom give interviews to researchers. Moreover, considering that crime and corruption are often practiced with the complicity of, or even directly by, certain members of the political and economic elites, there is not much official or private funding for academic research in this field. Another characteristic is that, as with post-colonial studies, the perceptions brought by fiction, like novels or films, can contribute to the knowledge about organized crime, in the absence of more objective sources.

The research in TOC follows the political trend of the moment. In the 1990s there was a surge on the subject when the West needed an enemy to replace the Soviet Union, and before it found the War on Terrorism in 2001. After the Iraq war, there has again been a surge in research on TOC, probably influenced by the dysfunctional economic and political system revealed in the aftermath of the 2008 economic and societal crisis, as well as the angst caused by the climate change crisis.

Until recently, one of the few disciplines that researched in TOC was *criminology*. However this discipline has traditionally focused on “blue-collar” crime or the crimes of the poor, as most harms committed by the elites (like corruption, fraud, money laundering, etc.) were not even considered as crimes in most legislations until only some years or decades ago. Outstanding authors that have given a thorough insight in the underworld of TOC are *Petrus van Duyne*, *Thomas Naylor*, *Peter Reuter*, *Alan Block*, *Jay Albanese*, *Howard Abadinsky*, *Vincenzo Ruggiero*, *Klaus von Lampe*, *Alex Cobham*, *John Lea* or

*Michael Levi*. They have analysed and described in a critical manner the world of TOC in its multiple forms. However, the discipline of criminology is limited by the framework defined by the existing law, which moreover has a national scope, and confines the research to one country.

TOC is the preferred domain of *investigative journalists*. It is their favourite business to dig into the hidden secrets of crime. The concentration of the media into a small number of conglomerates in the last decades has discouraged the mainstream of this profession to get involved into such controversial investigations. As a consequence, some journalist have decided to establish their own networks. Among them, some are specialized in TOC, like *the Bureau of Investigative Journalism* (which became famous by the release of the Iraq war logs), the *Organized Crime and Corruption Reporting Project* (focusing in the Balkans), or the *International Consortium of Investigative Journalists* (ICIJ) (which focuses on “cross-border crime, corruption, and the accountability of power”, and published the Panama Papers in 2016). Given the lack of available statistical data on organized crime, their articles are essential basic source for the analyses done by the scientific community. Some popular writers, linked to journalism, have also cautioned lately on the threat of transnational organized crime like *Moises Naim* (*Illicit*), *Loretta Napoleoni* (*Rogue Economics*), *John Perkins* (*the Economic Hitman*), *Nicolas Shaxson* (*Treasure Islands*) and *Misha Glenny* (*McMafia*). All of them transmit in their books their concern for the globalization of TOC and its ubiquity in the economy and politics, which they consider as a major threat to human civilization.

But journalists are not alone in this task, as several *NGOs* focusing on social and environmental issues are always ready to investigate and denounce misdeeds from TOC. Among them some are specialized in the corruption field like *Transparency International*

and *Global Witness*; *Global Financial Integrity* in illicit financial flows; *Tax Justice Network* on tax evasion; *Global Initiative against Transnational Organized Crime* on TOC, *Environmental Investigation Agency* in environmental crime. Other generalist NGOs also address the problems of TOC and corruption because of their impact in society and the environment like *Christian Aid*, *Oxfam*, *Amnesty International* and *Greenpeace*.

But the global reach that the digital technology facilitates has allowed some actors to attain greater prominence in denouncing misdeeds by exposing raw information related to TOC. These are the *whistleblowers*. Although the whistle-blowers have always existed, the internet and its hacking techniques have allowed them to obtain and leak unprecedentedly large volumes of raw information to the world population. Under those circumstances the mainstream media, which might otherwise have been under pressure to ignore these informations, feels obliged to pick them up, and then analyse them and publish them. Some of the most famous recent whistle-blowers are *Julian Assange* (WikiLeaks), *Edward Snowden* (NSA and the surveillance state), *Bradley Manning* (The Pentagon and war crimes in Iraq), *Jerome Kerviel* (BNP fraud), *Rudolf Elmer* (Julius Bar Bank fraud) or *Herve Falciani* (HSBC). The whistle-blowers have made invaluable information on TOC, and especially on “white-collar” crime, available for investigative journalists, law enforcement and academics.

During the last decades, *International Political Economy*, with its focus on the links between the political and the economic, developed an interest in TOC due to its dual nature as a political and economic actor, which can challenge the state. *Susan Strange*, through her research on the nature of power, and her concern by the room taken by legal and illegal economic actors, was a pioneer in this field. She was followed by other prominent researchers in the discipline like *Robert Cox*, *Thomas Friman*, *Ronen Palan*, *Roger Tooze*,



*Stephen Gill* and *Peter Andreas*. All of them addressed more or less extensively the problem of TOC as an actor that challenges the authority of the state and has an important transnational influence. Sociologist *Charles Tilly* wrote extensively on the similarities between the origins, structures and functioning of states and those of organized criminal groups, and theorized on how organized crime groups had evolved into states in the European Middle Ages. Security scholar *James Cockayne* has researched on the impact of organized crime in civil wars and fragile states. Economist *Paul Collier* has opened the debate on the motivation of participants in civil wars, whether economic gain (“greed”) or justice (“grievance”). In contrast, *Oliver Ramsbotham* and *Edward Azar* have analysed the “grievances” as part the intractable conflicts in the “new wars”. Geographer *Philippe le Billon* has published on the governance of natural resources and the crime that surrounds it. Critical IPE scholar *Andrew Linklater* has written on the concept of harm, and *Stephen Gill* on the historical structures of capitalism. *David Held*, *Daniele Archibugi* and *Ulrich Beck* are the main theorizers of cosmopolitanism.

International security expert *Michael Klare* argues that new “wars will be fought not over ideology but over access to dwindling supplies of precious natural commodities.”

*Johan Galtung*, the main researcher in the discipline of peace studies, has developed the concept of peace, no longer as the absence of direct violence only, but also the absence of structural violence and of the violent culture that justifies it.

Anthropologist *David Harvey* has developed the concept of “accumulation by dispossession” as a type of crime organized by the elites in the context of neoliberalism.

Criminologists *Rob White* and *Nigel South* have developed the discipline of environmental crime. Considering the weaknesses of the environmental protection legislations, they have insisted in the “harms” and “threats” that can be caused to the environment, with the hope

that they will soon be criminalized. Political sciences scholars *Robyn Eckersley* and *Riley Dunlap* have written extensively on environmental governance and climate change denial. Economist *Jeffrey Sachs* has published on sustainable development as the director of the Earth Institute at Columbia University. Environmental scientist *Johan Rockstrom* from the Stockholm Resilience Centre developed the concept of the Planetary Boundaries. The *Copenhagen School* scholars, who developed the concept of “securitization”, in particular the securitization of the environment and of the economy, should also be mentioned.

Finally, the important body of research in TOC, corruption, peace and conflict and the environment produced by governments and intergovernmental organizations, should also be mentioned. The main source is the *United Nations Office on Drugs and Crime (UNODC)*, which produces regular TOC Threat Assessments (TOCTA), among other publications. It also publishes reports on all types of crimes. UNODC is the custodian of the conventions on organized crime (UNTOC) and corruption (UNCAC). The *UN Interregional Crime and Justice Research Institute (UNICRI)* researches also on organized crime and corruption. The *United Nations Environmental Programme (UNEP)* publishes reports on environmental crime, and is also the custodian of the global environmental protection conventions. The United Nations Development Programme (UNDP) publishes yearly the Human Development Report since 1995, source on statistics of the situation of human development in the world. The *World Bank (WB)* publishes regular reports on global development, the World Development Report (WDR). The 2011 WDR was dedicated to the subject of “Conflict, Security, and Development” and has become a reference document on the links between development and violent conflict. The *International Criminal Police Organization (INTERPOL)*, apart of its operational work in coordinating the police forces world-wide, also publishes statistics and reports on transnational organized crime. Other regional organizations, mainly the *European Union*

(EU), the *Council of Europe* and the *Organization for Economic Cooperation and Development (OECD)*, also undertake research and set standards in the TOC and corruption fields. Some individual governments, in particular the *USA* and the *UK*, are also concerned by the subjects of transnational crime and corruption.

As we have seen, the research on TOC comes from very different academic fields: criminology, politics, economy, finance, management, security, international relations, political economy, sociology, environmental studies, anthropology, peace research, journalism, etc. There has been some collaborative research efforts between different disciplines regarding the subject of organized crime, and there has even been attempts to create a specific discipline, but the concept of TOC is not yet clearly defined enough to establish it. A problem that adds to these difficulties is the fact that the norms defining TOC have only evolved in the last decades. The convention on TOC was only adopted in 2000 and that on corruption in 2003. Many crimes, like money laundering, were legal until recently. Most environmental harms have only very recently been considered as crimes, and the worse of them, as is the causing of climate change, are not even criminalized yet. Moreover, as observed in the aftermath of the 2008 financial crisis, justice (or its implementation) still suffers from the inequity of targeting the most vulnerable members of society, avoiding to target the most powerful, who have the capacity to commit much more serious harms and crimes.

Considering all this, the present research will try to have an insight on the phenomenon of organized crime. It conceives transnational organized crime in its different shapes, from the traditional type of TOC of the “mafia type”; to the economic crimes and up to the environmental crimes. It considers that the essence of the crime does not lie in “who” does it, but in the nature and the effects of the crime, because one agent can replace another if

the activity is profitable, and the harm will continue to happen. Considering that TOC is an evolving concept, and that it is defined by few international conventions and different national laws, the study does not limit the scope to those activities that are considered as a crime today, but includes the activities that cause “harm” to (present and future) society and to the environment.

The main *innovation* of this thesis is to critically bring together the contributions of the numerous different disciplines that are concerned with the concept of TOC together and to establish a base for further research. Another significant innovation is the approach of the thesis from a Critical IPE perspective, as well as the use of the Revised Theory of the Structural Power as the theoretical framework. In fact, the study of the rise of TOC as an important actor in the global political economy in the last decades requires a framework that can facilitate the analysis of the complex changes in the power of this phenomenon.

This thesis was born from more than 20 years experience of peacekeeping, in which it has undergone the pervasive effects of TOC against peace.. This experience has led him to develop the hypothesis that organized crime is one of the main factors driving violent conflicts, be it in its motivation or in its financing. This, of course does not exclude other drivers like social, socio-economic or ideological ones, among others.

## ***1.2 Theoretical Framework***

To analyse the nature of TOC what its power is in relation to other actors will be scrutinized. To do this, the theory of the Structural Power developed by Susan Strange will be used.

The branch of International Political Economy (IPE) within the studies of International Relations (IR) developed in the 1970s the theory of the structural power to enable the difficult task of comparing the balance of power between political and the economic actors. This theory was mainly developed by the British researcher Susan Strange. It can be considered as an eclectic theory. Strange argues that the study of any issue-area within IPE should begin with a set of empirical questions: “By what political and economic processes, and thanks to what political and economic structures, did this outcome come about? Who benefited? Who paid? Who carried the risks? Who enjoyed new opportunities?” Such questions should be answered by examining decisions taken and bargains struck between the actors. But the analysis should acknowledge the constraints of, and interaction between four analytically distinct structures of power, “the power to influence the ideas of others (the knowledge structure), their access to credit (the financial structure), their prospects for security (the security structure), and their chances of a better life as producers and as consumers (the production structure)”.

This study will apply an updated, “post-strangean” version of the concept of structural power, inspired by social-constructivism, as suggested by Tooze (2000a) and Sanahuja (2008). This theory includes the power structures of Security, Production, Finance and Welfare, with the ideational base of Knowledge. The structure of knowledge, the ideas and beliefs represents a constitutive base of the other power structures of the international system. This theory will be developed more extensively in Chapter 2.

### ***1.3 Research questions and hypothesis***

The first research question is: What is the nature of TOC?

The main hypothesis is that it is a new social construction of an old phenomenon that threatens and harms society, the economy and the environment. The reason why it has grown recently to become an important threat is that it has gained structural power with respect to other actors.

This leads to the following secondary questions:

- How can TOC be defined?
- What are the links between TOC and the rest of society? As any other actor, TOC has close links to the state, the markets and civil society.
- What are the types of organized crime? Starting by the “traditional” category, we will analyse also the “white collar” type, and a new type, the “environmental crime”.
- Can all these phenomena really be considered as “crimes”? We will see that some have evolved with time to be constructed as “crimes”, but others, which cause serious harm, are not yet so.
- What is the reason why there is so little information about TOC? Besides being a clandestine activity, few people are interested in revealing its secrets.
- What are TOC’s threats to peace? TOC threatens direct, structural and cultural peace.
- Why did TOC thrive in recent decades, and why is it so difficult to control? The main reason why TOC has thrived recently is the changes in the structural power in the framework of globalization.
- Is the theoretical framework of the Structural Power adequate for the research in Organized Crime? Considering that Organized Crime is a power agent, studying it through the lenses of power should be an adequate methodology.

- What can be deduced from this study in relation with the agent-structure issue?
- Is Critical GPE/IPE the right approach to study TOC?
- Is Interdisciplinarity necessary to analyse TOC? Is TOC parasitical or embedded phenomenon in the global neoliberal system? The hypothesis is that TOC can be both parasitical and embedded in the neoliberal global order, depending on what type.
- What could be the perceptions of TOC by the main IR schools of thought? How would Realists, Liberals or Criticals analyse TOC.

## ***1.4 Significance of the study***

In the last decades, TOC has become a major threat to human society and to the environment. Susan Strange stated that “TOC is perhaps the major threat to the world system in the 1990s and beyond” (Strange, 1996). Political and international relations scientists have not researched enough the growth of this phenomenon which is both harmful and powerful thanks to its vast financial resources that allow it to buy wills or to threaten with violence. One of the reasons for this scarcity of research is the lack of available information about the clandestine activities of TOC, given that they are illegal or illegitimate in nature. The national and international law enforcement agencies are not very forthcoming in sharing information neither, maybe due to their lack of results in curbing TOC. Another possible reason for this lack of information about TOC could be the involvement of members of the elites in criminal activities (in particular in white collar crimes), who would therefore not facilitate research nor the release of data through the official institutions or the academia.

This study is a useful addition to the scholarly research because it analyses TOC from the point of view of the updated version of the theory of the structural power. It also adds to research because it analyses the threats caused by TOC from a multidisciplinary perspective.

It intends to contribute to policy by helping to improve the practice of peace: from preventive diplomacy, to peace-making, peacekeeping or peacebuilding, because it will help the practitioners to understand better the nature of TOC when they deal with criminal organizations in conflict situations (which is very likely). It will also help law enforcement, economists, justice and policy maker in the developed countries to understand and control organized crime in these types of society.

This new light on TOC should also be valuable to legislators by helping them to better understand the continuum of activities that go from illegal and illegitimate to licit and legitimate, as well as their ubiquity in politics and the modern economy.

Writing in the late 1990s, sociologist Manuel Castells (2001, 170–171) chastised his fellow social scientists for devoting little attention to the “global criminal economy.” Trends such as the expansion of criminal activities linked through highly flexible, international networks, he argued, represent a “fundamental dimension of our societies” with widespread social and economic ramifications (Friman 2009).

## ***1.5 Delimitations***

Although Organized Crime can be considered as a very old phenomenon, Transnational Organized Crime has had a clear resurgence during the recent process of neoliberal



globalization in the aftermath of the end of the Cold War. This research will therefore focus in the years since 1990s until the present.

Modern TOC is a phenomenon that takes advantage of the opportunities between, within and beyond states, to be able to obtain vast profits. It would be difficult to understand the networks of TOC if the scope of its study was limited to the local environment. Therefore the spatial scope of the study will be global, which includes all the levels: local, national, regional and especially transnational.

Globalization has seen the development of other types of transnational crimes, often much more publicized than TOC, as can be terrorism or genocide. However this study will focus on the *crimes for profit*, meaning that their main goal is profit, not direct power. The mind-set of the persons that commit harmful acts for profit have certain common characteristics, however different racketeering can be from money laundering or from waste dumping. This mind-set in turn, is very different from the psychology of individuals who act with an objective that is essentially political. This does not exclude overlaps between the two categories, though, especially if we consider that capital can be considered as a form of power (Nitzan and Bichler 2009).

## ***1.6 Organization of the chapters:***

Chapter 2 defines the theoretical framework based in the methodology of the structural power as introduced by Susan Strange, and updated under a social-constructivist light.

Chapter 3 analyses the main definitions of organized crime, starting with the official definition from the United Nations Convention on Transnational Organized Crime. It also

looks at the numerous definitions established by other organizations and the academia. A new definition of TOC is proposed in this thesis. Although there are few data about the revenues of TOC due to its clandestine character, some estimates of their size will be explored, in order to provide some perspective of its dimensions.

Chapter 4 analyses the mutual links of TOC with society, composed of state, market and civil society. How TOC is not only confronted with society, but also well embedded in it is analyzed.

Chapter 5 analyses the “Traditional” typology of TOC, consisting of theft (with or without violence) and trafficking of any kind of goods (preferably those that are forbidden). This restricted definition of TOC is the one present in the collective imaginary, which includes Mafias, smuggling, racketeering, violence, and is popular in fiction books and films.

Chapter 6 analyses the “white collar” crime. This typology is at the heart of all criminal activity because it is the gateway for the inclusion of the revenues of crime into the legal economy, which permits ultimately crime to be profitable. It is probably the most inscrutable of all types, due to its power and influence.

Chapter 7 analyses Environmental Crime, which is the most harmful to society and our house the Earth, due to its widespread and long-lasting effects. This type of TOC raises in particular the problem of inter-generational justice.

Chapter 8 looks at the threat of TOC to direct peace (violence and war), structural peace and cultural peace. It includes the case studies of Afghanistan and the Democratic Republic of Congo.

Chapter 9 explores possible solutions around the emancipatory cosmopolitan project.

## 2 Theoretical framework

Although the practice of piracy and banditry (as well as its repression) is very old, the social construction of “organized crime” as such is rather new. In fact it was not coined until the 1920s in the USA in the eve of prohibition, and legitimized by the Kefauver Commission on interstate criminal commerce in 1951, which started to promote the control of trafficking between States in the USA, which was until then as easy as between sovereign states. Academics in many fields, particularly in criminology and sociology started to research in organized crime, and established concepts as “white collar crime” by Edwin Sutherland in 1949. But in the field of International Relations, Susan Strange was the first scholar to be seriously concerned with the issue. In fact, her aim was to compare the power of the state to that of other non-state actors, among which organized crime. According to Friman (2003), in two of her last major books-*The Retreat of the State: The Diffusion of Power in the World Economy* (1996), and in *Mad Money* (1998) –“Strange extended her approach to the challenges to state power posed by transnational organized crime. In many ways, this extension was a professional risk. Transnational crime lies on the fringes of international relations (IR) scholarship and is often seen as too journalistic, as an issue plagued by the absence of reliable data, and even as too dangerous for the researcher to pursue. Strange's work in this context helped to legitimize scholarly inquiry on transnational crime”. (Friman 2003: 1)

The next pages will analyse the concept of Structural Power, and will test its validity for the study of the nature and threats of transnational organized crime in the whole study.

## ***2.1 The Concept of Structural Power according to Susan Strange***

As stated by Griffiths (2001), in the 1970s Susan Strange led the charge in criticising IR scholars' ignorance of the ways in which economic forces were altering traditional power politics. The events that followed the collapse of the Bretton Woods system for governing the global economy provided a good example of Strange's complaints. For example, according to pure economic logic, a shift from fixed to floating exchange rates should allow states to balance their basic accounts, yet states' deficit fell into more debt and creditors accumulated more capital. Strange draws from all three schools of thought (realists, liberals and Marxists) in developing the idea of *structural power* as a concept in IPE that can enable researchers to bring politics and economics together. Structural power "confers the power to decide how things shall be done, the power to shape frameworks within which states relate to each other, relate to people, or relate to corporate enterprises. The relative power of each party in a relationship is more, or less, if one party is also determining the surrounding structure of the relationship.

According to Griffiths (2001), Strange claims that the study of any "issue-area within IPE should begin with a set of empirical questions: By what political and economic processes, and thanks to what political and economic structures, did this outcome come about? After causes, come consequences: Who benefited? Who paid? Who carried the risks? Who enjoyed new opportunities? Such questions should then be answered by examining decisions taken and bargains struck between the relevant actors, including but not limited to governments. But the analysis should not be limited to explicit bargains (the outcome of

relational power between actors), but should acknowledge the constraints of and interaction between four distinct structures of power as well, the power to influence the ideas of others (the knowledge structure), their access to credit (the financial structure), their prospects for security (the security structure), their chances of a better life as producers and as consumers (the production structure)". For Strange, these four structures interact and change over time. No single structure always predominates over the others.

"Strange's distinction between the four kinds of structural power is most fully developed in *States and Markets* (1988), and her analysis of each illustrates well her theoretical eclecticism. Her description of the security structure is consistent with conventional realism. The production structure refers to the basic source of wealth creation in society and to the ways in which technologies of production structure the distribution of power among and between states and markets. The financial structure refers to the ways in which credit is created, distributed and managed" (Griffiths 2001). The knowledge structure concerns what is believed, what is known (and perceived as understood or given) and the channels by which these beliefs, ideas and knowledge are communicated or confined. Christopher May (1996) raised the possibility that the knowledge structure should be treated more seriously as prior to the other structures.

Strange's work on structural power was "inspired by her disagreement with those scholars who argued that the United States' politico-economic power over other states was on the wane in the same decade. The Bretton Woods arrangements that the United States had put in place to ensure an open trading system were inadequate to stop the alleged growth of protectionism among states. Furthermore, the apparent inability of the United States to maintain a trading surplus over its main competitors indicated that there was a growing imbalance between its military power and commitments, and its economic base.

Consequently, its willingness to provide authoritative international 'public goods', such as a stable, international currency and extended nuclear deterrence to Europe and Japan, was under threat. For Susan Strange, such analysis is a classic example of the failure to distinguish, between relational and structural power" (Griffiths 2001)

She argued that the "US government has lost power to the market – and the loss has been largely self-inflicted. In order to make the rest of the world safe and welcoming to American capitalism, successive US governments have broken down barriers to foreign investment and promoted capital mobility, have destroyed the Bretton Woods agreements, abused the GATT with unilateral Trade Acts, and deregulated markets for air transport and finance. And the list is not exhaustive" (Griffiths 2001). All these political decisions by the US have promoted structural change in the world economy, and from many of them the US government has shared with others deterioration in the legitimate authority of the state over the economy (Strange 1994).

In her most recent work, Strange was more interested in the degree to which structural power had changed so as to diffuse authority away from the territorial state. Rather than compete over territory, states now compete for market shares in the world economy. Consequently, their priorities have shifted away from defence and foreign policy towards trade and industrial policy, and they must now share authority with other actors. "State authority has leaked away, upwards, sideways, and downwards. In some matters, it seems even to have gone nowhere, just evaporated" (Strange 1995). Strange argues that the reason for this is primarily the rate of technological change in the production structure. Technological advance is so rapid that the amount of capital needed to develop competitive goods and services cannot be recouped on the basis of domestic sales alone. The changes have not only complicated the identity of actors engaged in the international economy, but

also the range of bargaining between states and firms. As states compete for shares in the global market, offering inducements to foreign firms to invest and manufacture products in their territory, their capability to tax and regulate markets is declining, and this process magnifies the difficulties of managing the global economy. All this is a result of structural changes in the nature of power that cannot be understood if one confines one's analysis to inter-state relations (Griffiths 2001).

According to Strange, "Power is simply the ability of a person or group of persons so to affect outcomes that their preferences take precedence over the preferences of others" (Strange, 1996: 17). From here, she distinguishes two types of power in the international political economy: relational power and structural power (Strange, 1988: 24-25). Relational power is about the capability of an actor to play according to the rules in order to defend its interests. Structural power is about the capacity to establish and re-write the rules according to one's own convenience (Strange, 1988: 24-25). She defines structural power as the power that "confers the power to decide how things shall be done, the power to shape frameworks within which states relate to each other, relate to people, or relate to corporate enterprises. The relative power of each party in a relationship is more, or less, if one party is also determining the surrounding structure of the relationship" (Strange, 1988: 25). She summarizes the analytical questions regarding the distribution of structural power as "Who gets what out of it – Who benefits and who loses" (Strange, 1988: 18).

Strange did not intend to build a general theory of change. She asserted that such a general theory is not possible. She agreed that Paul Feyerabend's '*methodological anarchism*' is helpful in giving epistemological grounds for her eclectic approach". (May 2002). She considered that *academic speak* was totally inappropriate to inform and engage with the general public, to whom the researchers should address, and not a small number of experts.

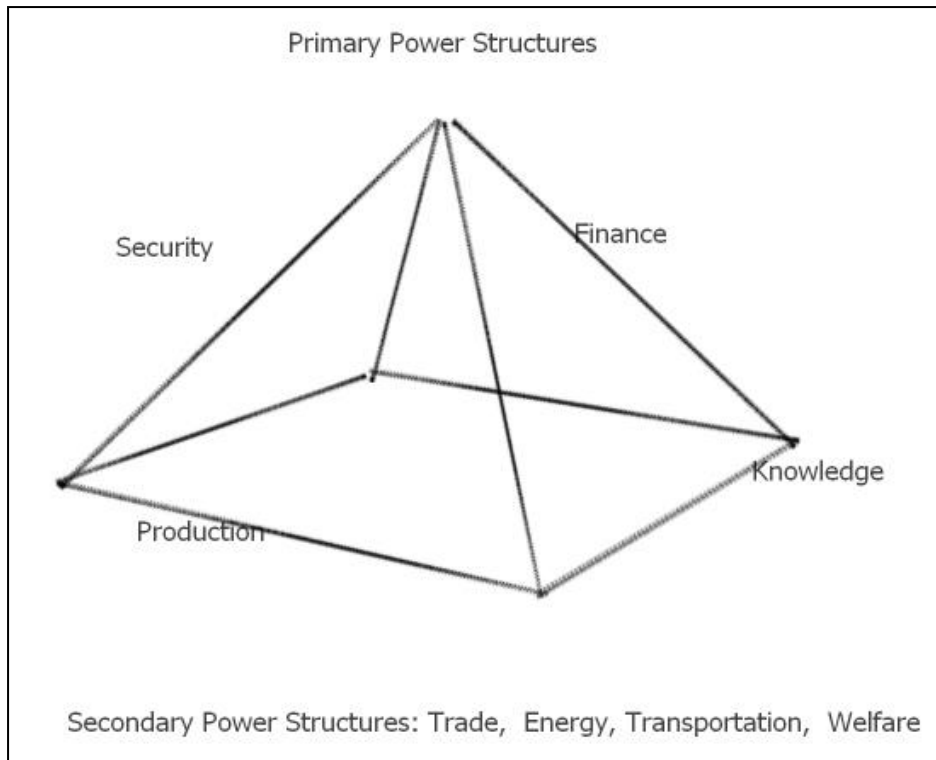
The only epistemological references that she recognized were Paul Feyerabend's (who defended that the only thing necessary for research was to do good questions) and Ibn Khaldun (1377) who tried to answer to the question "why are things as they are?"(Chavagneux 2010: 54).

The next sections will describe the four structures considered as primary by Strange: security, production, finance and knowledge. Strange recognizes that the choice of these primary sources of structural power is relatively arbitrary. Other issues as trade, energy, transport and welfare are considered by Strange as secondary structures, because they are shaped by the four basic structures (Strange, 1988: 28).

## ***2.2 The primary structures***

Strange depicts structural power as a pyramid, in which each of the sides represents one of the four primary structures. Each side touches the other three and represents one of the four structures through which power is exercised on particular relations (Strange 1988: 26):





*Figure 1: Pyramid representing structural power according to Susan Strange (1988: 27).*

## **2.2.1 The security structure**

The control over and influence upon security, the perception of risks and threats as a source of power lie in the security structure. The protectors acquire a type of power which lets them determine and limit the range of choices, or options available to others. By exercising this power, the providers of security may incidentally acquire for themselves special advantages in the production, or consumption of wealth and especially rights or privileges in social relations (Strange, 1988: 45). Although she mentions repeatedly in her works the importance of non-state actors, Strange continues to consider the state as the main actor, confirming her strong commitment to the Anglo-Saxon academic tradition, rooted in realism. From this state-centric approach, the basic questions raised are: “Who provides

security to whom? Against what perceived threat or threats? What price or terms are exacted for this security? (Strange, 1988: 45).

Strange stresses that the security structure is of paramount importance for the international system because the financial and economic development, the intellectual progress and welfare depend on a stable and secure world. Strange points out that new non-state actors, as insurgents or Mafias, are posing new security threats, against which states and societies are not prepared (Strange 1988: 59). In fact this power structure is very much used by the traditional TOC as the Mafias. They use fear to extort their victims. When the state is weak, they substitute it in the exercise of the “legitimate” use of violence. As they cannot recur to the services of justice provided by the state, they also use violence to resolve business differences with competitors.

## **2.2.2 The production structure**

Strange defines the production structure as the sum of all the arrangements determining what is produced, by whom and for whom, by what method and on what terms. The production structure creates wealth in a political economy (Strange, 1988: 64). Structural power is thus based in the control and the influence over the processes of production and in the definition of the range of options and limits, incentives and disincentives that permit the actors to produce one way or another. The states as well as the corporations, and even the markets can generate structural power through influence and control over production, the promotion of economic development and productive progress and the definition of rules that determine the range of options for the other actors. During the eighties, the production structure was marked by two profound changes that affect the relation between state and non-state actors, as well as between the agents and the structure: the change to capitalism

and the market-oriented type of production and the supplanting of a nationally geared production structure by one geared to serve the world markets (Strange, 1988: 64-65).

Since the eighties, the international production, the intra-sectoral and intra-firm trade have grown faster than the world trade. Strange points out that the relations between transnational corporations (TNCs) and political authorities are ambiguous. She stresses however, that both have a decisive role in the international relations. Strange also raises the problems of tax evasion and harmonization, as well as the risks posed by production as is the spilling of toxic chemicals.

### **2.2.3 The finance structure**

According to Strange, this structure comprises the agreements and institutions through which credit is created and the factors that determine the relative values of the different currencies (Strange, 1988: 90). This structure is defined as the sum of the agreements that govern the availability of capital, as well as all the factors that determine the terms in which currencies are exchanged. Structural power in the financial dimension means mainly the capacity to create and control the provision of credit.

The facilitation of access to credit influences the production structure, given that it can increase consumption and investment, allowing some actors to buy or invest today and pay tomorrow. Control over credit also permits to influence the amount of money in circulation, and the exchange and interest rates. It is fundamental to point out that credit is different from capital and money, given that credit is created and is based on the reliability and legitimacy of those that create it, while capital and money can be accumulated (Strange, 1988: 30).

All developed market economies require a credit system to permit investments in innovations, new technologies, research, etc. Therefore, the financial system is basic and of great impact in the economic and political international relations.

The governments and the banks, as well as the regulatory frameworks defined by both, share the power to create credit, which is then affected by the monetary policies and the behaviour of the markets. While in the eighties Strange did not develop fully the idea of the shifting of power towards the private actors, this became one of the central thesis of her last book, *Mad Money* (Strange, 1998; Sanahuja, 2008a: 329).

Strange warns of the wave of financial crime that started in the 1970s, and explains it by the “over-hasty decisions to deregulate financial institutions and markets and the integration and internationalization of financial markets” (Strange 1988: 93). She also raises the issue that developed monetary systems tend to increase inequality, widening the gap between rich and poor (Strange 1988: 96). She points out that these systems become unstable. The developing countries in the 1980s have accumulated excessive debt as a result of the breakdown of the Bretton Woods system. She regrets that a Marshall plan for the Eastern countries in order to re-capitalize them after the end of the Cold War was not developed.

As the purpose of crime is financial gain, most of the products of TOC ends up in the financial networks and mixes with legal money. This is the structure that, because of its deep de-regulation and digitalisation has given room in the last decade to most criminal activities like money-laundering, illegitimate loans, financial fraud, tax evasion, illicit financial flows, etc.

## 2.2.4 The knowledge structure

The knowledge structure “comprehends what is believed (and the moral conclusions and principles derived from those beliefs); what is known and perceived as understood; and the channels by which beliefs, ideas and knowledge are communicated – including some people and excluding others” (Strange 1988: 119).

Strange highlights that “a knowledge structure determines what knowledge is discovered, how it is stored, and who communicates it by what means to whom and on what terms.” (Strange, 1988: 121). Therefore the asymmetries between states as political authorities stem, among other, from the acquisition and access to knowledge. The structural power lies thus in the access and control over knowledge, information and beliefs. However, although she indicated indirectly that knowledge has an inter-subjective and dynamic character, Strange did not develop this idea, and she did not explain the difference between knowledge as power resource, and the role of the ideational factors as perceptions and values. Although she proposed to analyse “changes in the fundamental perceptions of and beliefs about the human condition which influence value judgements and, through them, political and economic decisions and policies” (Strange, 1988: 120), she did not acknowledge in her analysis the constitutive role of perceptions and values nor did she resolve the relation between knowledge and perceptions.

Strange’s analysis focuses in the provision and control over the information and communication systems and the use of language and the non-verbal communication channels. She illustrates this with the example of the English (“American”) language becoming the common language of the global economy. At the same time, the USA universities have come to dominate learning and the major professions involved in the

world market. This is not only due to the fact that the USA has vast intellectual, research and financial resources, but also that the English language is used in debates and publications (Strange, 1988: 137).

Strange highlights that knowledge and information were perceived for a long time as public goods, in the sense that they were freely accessible to all. She criticizes that this perspective does not take into consideration the fact that power is in the hands of those who control the flow of information and have the capacity to prevent the access to knowledge and information to others (Strange, 2008: 122). She therefore does not agree with the idea that knowledge and information are freely accessible to all.

TOC, like any other business, needs to have access to information to be able to act. Most of the white collar crime is done by highly educated and well informed persons, very often insiders of financial institutions. We could also say that the neoliberal ideology and its thrust to deregulate the financial structures is one of the causes of the recent surge in financial and other serious crime. The commercialization of knowledge (patents, private universities, private academic publications, etc.) can be considered as a misappropriation of a public good.

## ***2.3 The secondary structures***

Strange identified four secondary structures, “*transport systems: sea and air*”, “*trade*”, “*energy*” and “*welfare*”, that depend directly from the primary structures. But while the latter are limited to intrastate issues, the former imply transnational matters, beyond the state borders. However, in the context of globalization, the difference between internal and

external are blurred, rendering the separation between primary and secondary structures obsolete. In the framework of these changes, the secondary structures are subsumed into the primary ones. Strange admits that the selection of these structures is arbitrary and that “*international law*”, “*world food system*” or “*the environment*” could well have been part of them.

It is worth to notice the difference between *welfare* and the other secondary structures. Unlike the latter, welfare has an important role in the definition of the preferences of values and norms related (for example to the regulatory frameworks of production) and therefore should not be subordinated to them (Sanahuja 2008a: 330).

The next sections will provide a description of the secondary structures:

### **2.3.1 The Transportation Systems**

The transportation systems, especially the maritime and air systems, fit well within the primary structures, in particular the production and the security structures. The international character of the sea transport entails a problem both for states and the private sector to control their activities. Strange points out possible illegal activities related to the extensive use of sea containers (that facilitate uncontrolled trade of illicit goods), the system of flags of convenience (that permits ships to escape from the control of strong governments) and the risks to the environment from oil spill pollution.

The air transportation system is much more controlled by state authorities. A non-governmental organization as is the International Air Transport Association (IATA), the *airliners' cartel*, can only exist because it has been agreed by the governments (Strange, 1988: 156).

## **2.3.2 Trade**

According to Strange the trade structure depends from the four primary structures because the distribution of power and influence in this field stems from the access and control over security, finance, production and knowledge. The commercial exchanges are more than simple mechanisms of supply and demand. They reflect the complex international negotiations between the dominant actors, including political and economic interests. As production has been trans-nationalized in the 1990s, so has the participation of non-state actors in trade. It is therefore difficult to separate the production structure from trade, the latter resulting in being subsumed by the former. At the same time, it is important to take into account the strong connexions between the production structure and the structures of finance and security regarding international trade.

It is also in this important field of action of transnational crime, be it of the “traditional” type as it is mainly based in the trade of illicit goods as drugs, valuable minerals or slaves, or white-collar type with the unequal trade agreements.

## **2.3.3 Energy**

Strange highlights that energy is a vital factor for the development of production in the industrialized economies. No modern economy can function without transport, which in turn requires energy. The same actors that dominate the primary structures, specially production and security, exert a heavy influence in the energy factor. Therefore, any change happening in the international energy system has to take place under the influence of the four primary structures. As in the case of transport, the energy structure will be integrated



in the primary structures. The energy field is also prone to TOC, especially environmental crime, with the spilling of oil by corporations or the emission of greenhouse gases that cause climate change. Being a strategic sector that has lost much regulation from the state, it is also vulnerable to fraud, as was the case of the Enron scandal.

### **2.3.4 Welfare**

Strange defines the welfare structure in *States and Markets* as secondary. According to this concept, welfare is distributed mainly by the states through protection rules, resource transfers, or the allocation of public goods (Strange, 1988: 214-215). Development aid stands out as one of the main mechanisms of welfare transfer (Strange, 1988: 218). Structural power lies in the capability to create costs and limits, incentives and opportunities for the other actors through the control over mechanisms and flows of development aid. Thus the welfare structure can be part of the primary structures, as it can be considered as a source of power. Besides the distribution, or the re-distribution of economic welfare, this structure also includes multilateral rules and agreements regarding norms and values as the Universal Declaration of Human Rights. The protection of the basic human rights is considered as an essential part of this dimension. However Strange thinks that it is the interaction between the primary structures that determines the welfare dimension (Strange, 1988: 212). The welfare structure is different from the other secondary structures because it does not depend directly of the primary structures, as it defines its own rules, assigns resources and gives key importance to the values. It therefore has the characteristics of a primary structure. The UN 2030 Agenda for Sustainable Development, or the principles established by the OECD-DAC, as well as other agreements that regulate the control and access to international public goods (many of them concerning the

protection of the environment), are examples of the creation of rules for a structural framework of opportunities and limits for the actors to interact. It is interesting to note how the trafficking of illegal drugs has been “securitized” by the US government, instead of being addressed as a public health or welfare problem, probably for geopolitical and electoral calculations. In fact, it is the prohibition itself that rises tremendously the value of illicit drugs, making the problem even more intractable.

## ***2.4 The Structural Power from a Social-Constructivist perspective***

Social constructivism developed in the late 1980s and has been increasingly influential since the mid-1990s. The approach arose out of a set of events in world politics, notably the disintegration of the Soviet empire. This indicated that human agency had a much greater potential role in world politics than implied by realism or liberalism. The theoretical underpinnings of the approach are older, and relate to a series of social, scientific and philosophical works that dispute the notion that the social world is external to the people who live in it, and is not easily changed. Realism and liberalism to different degrees stress the regularities and 'certainties' of political life. By contrast, constructivism argues that we make and re-make the social world and so there is much more of a role for human agency than other theories allow. Moreover, constructivists note that those who see the world as fixed underestimate the possibilities for human progress and for the betterment of people's lives. According to Wendt (1992), even the self-help international system portrayed by realists is something that we make and re-make: as he puts it, *anarchy is what states make*

*of it*. Even more subversively, they think that not only is the structure of world politics amenable to change, but so are the identities and interests that the other theories take as given. Constructivism alleges that it is a fundamental mistake to think of world politics as something that cannot be changed.

According to Sanahuja (2008:383), it is necessary to re-theorise the theory of structural power and to address its inconsistencies and implications, beyond what Strange herself could or wanted to do in her fruitful academic life. As pointed out by Roger Tooze, the structural power theory being able to continue to be relevant depends of its capacity to (re)integrate values in the different structures. This implies that knowledge is not “one more structure”, but has a foundational role for the structural power. The welfare structure also needs to be promoted, so as to address the problem of its agents of change, in a normative horizon that will locate this revised “neo-strangean” theory of structural power next to other social-constructivist, neo-gramscian or neo-Kantian contributions and their proposals of construction of a fair, legitimate and efficient world order.

Susan Strange perceived the relations between the state and the private sector and between economics and politics as inseparable. Her thought was rooted in British positivism. While she incorporated some constructivist elements in her ontology, her positivist roots prevented her from following this track till the end, and to apply a radical change in her academic line (Tooze, 2000a: 189). This ambiguity is particularly clear in the knowledge structure. By definition, this structure contains social-constructivist ontological elements. Instead of assuming the constituent role of the knowledge structure, she limits its role to that of one additional primary structure.

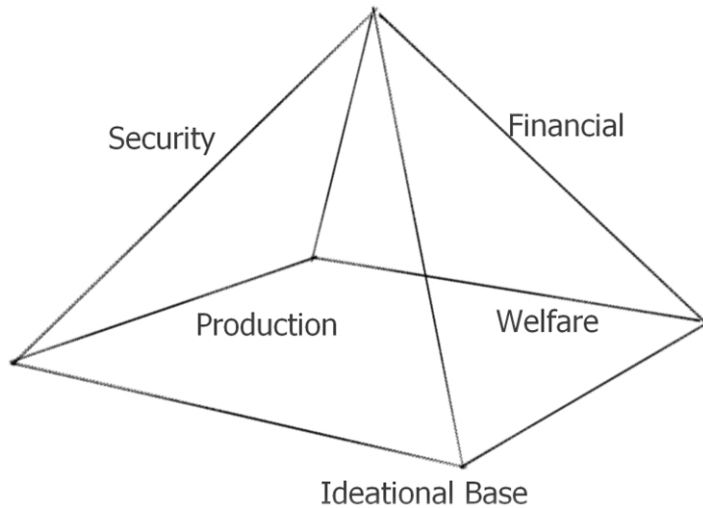
She also failed to apply a historical approach in her analysis, attributing structural change to technological progress. In any case, the intention of Strange was mainly to launch a

methodological framework for others to develop: “*My attempt may not be the best, and probably can be improved upon by others*” (Strange 1988: 34).

Strange defined knowledge as one of the primary structures. However this dimension contains constitutive elements of the other structures. The structure of ideas, beliefs and knowledge gains then a constitutive dimension, and becomes the base for the other power structures.

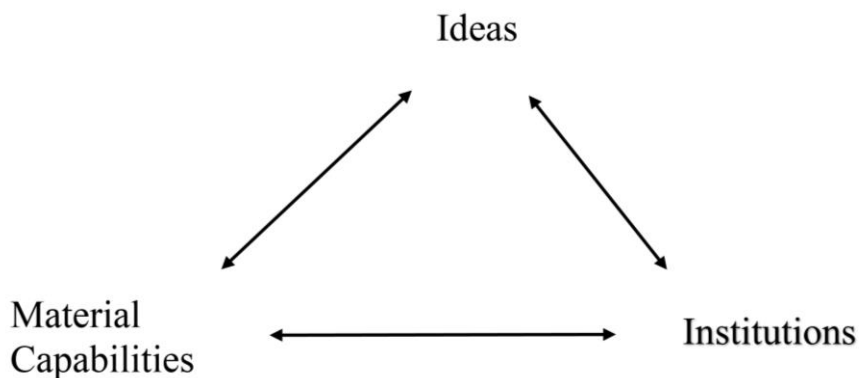
The *Welfare* structure, which was considered by Strange in *States and Markets* as a secondary structure, should be considered as primary. It is worth to note that Strange had considered this structure as primary in an older essay (Strange, 1983). The main arguments for this are: its growing weight in the international system concerning rules, values and norms; the role of the ideational base in it; and the distribution of resources, costs and incentives.

As shown in the following figure, the updated concept includes the power structures of *Security, Production, Finance and Welfare*, with the ideational base of *Knowledge*. The structure of knowledge, represents the “constitutive base” of the other power structures of the international system. According to Sanahuja and Cox, each of the Power Structures will then be integrated by Ideas (Identities, Values, Ideologies, Intersubjective Meanings, etc.), Institutions (Explicit or Implicit Norms, International Organizations, etc.) and Material Forces (including Technological Change) that interact inside these structures.



*Figure 2: Pyramid representing the social-constructivist approach to structural power, which includes four structures (including welfare) and the ideational base of knowledge*

Robert Cox, a neo-gramscian author, proposed in his seminal works of 1981 and 1987 a critical methodology of the historical structures, which are constituted of material capabilities, ideas and institutions. According to Cox (1981: 136), “three categories of forces (expressed as potentials) interact in a structure: material capabilities, ideas and institutions. No one-way determinism need be assumed among these three; the relationships can be assumed to be reciprocal. The question of which way the lines of force run is always an historical question to be answered by a study of the particular case”.



Cox applied the historical structures in three fields, as a wider analytical framework to: a) the social forces, as social relations generated by relations of production; b) the forms of State, resulting from the historical conformations between civil society and the administrative and coercive apparatus of the state as “State-civil society compacts”; and c) the world orders, defined as stable hegemonic configurations or periods of conflict and structural change.

The reflectivist epistemology and the relevance given to the ideas and intersubjective meanings as constitutive factors of social order are the theoretical element that most clearly differentiates Cox from Strange’s theory of structural power, both of whom belonged to the English School of IPE, and had intensive intellectual exchanges. Cox’s perspective shares the reflectivist epistemology of social constructivism and is therefore compatible with a revised version of the theory of structural power.

Each of the structures is now constituted by the following elements:

- (1) Ideas (knowledge, values, ideologies, and other intersubjective meanings), as part of the constitutive base;
- (2) Institutions (including not only the institutions themselves, but also the formal and informal norms), as part of the other four power structures,
- (3) Material capabilities (including the technological changes that drive social transformations).

In the next section, each of the adapted power structures will be described:

## 2.4.1 The ideational base as constitutive of the international system of power

In the new model, the ideational base constitutes the base of the structures of power of the international system.

By identifying access to and control over knowledge and information as the basic sources of international power, Strange stressed that the rivalry between states is based increasingly in the struggle for the structure of knowledge. She argued that power is shifting to the “information rich” instead of the “capital-rich” (Strange, 1988: 138). However, Strange did not distinguish clearly between knowledge as *idea* and *inter-subjective* value, and knowledge as *information* and power resource.

In this study, we will use the concept of *knowledge* only as a material power resource, while we will refer to *ideas* as the inter-subjective and constitutive perceptions of the power structures. As emphasized by Cox (1981), three types of forces interact in a structure: the *material capabilities*; the *ideas* (which include *intersubjective meanings and collective images*); and the *institutions*. “The way people think about the world is the fundamental condition for the world order” (Cox, 2006: 48). Through the definition and interpretation of principles and values as human rights, basic liberties, democracy or market economy and free trade, the base affects the other power structures.

Therefore, in every primary structure, power is based in the influence and control over the constitutive ideational base that comprises the ideas that determine the social construction of material reality and influence the material capabilities and the institutions. The

participation, influence and control over the international institutions are a key factor of structural power in the different areas of the international system.

The ideational factors included in the constitutive base can be disaggregated into the general categories of: identities, values, ideologies, intersubjective meanings. In international relations, the *ideas* are defined as beliefs shared by a great number of persons about the world. Therefore, the ideas have a significant influence in human action and consequently in the state and non-state action, in the creation of institutions, and in the conformation of the structures of international relations.

Knowledge and information are closely linked with the ideas, as any progress in research, innovation and development can only be accepted as knowledge if the collective ideas permit it. The ideas based in visions of the world are different from knowledge as a power resource, which is located in the different primary power structures. Innovation and technological development are good examples of this.

For instance, the international intellectual property provisions of the WTO prohibit the knowledge of an actor to be used without permission. Thus a power resource can be generated through the control of knowledge in the production structure. Wendt notes that the identities are inherently relational and that they are constituted by a series of meanings that an actor attributes to himself while acquiring the perspective from the others, as social object (Wendt, 1992: 397).

Hereafter are some examples that illustrate the influence of the ideational base in the primary structures of power:

In the *production* dimension, the constitutive base is manifested in the first place by the ideologies of the international political economy, as economic Liberalism, Mercantilism,



Capitalism or Marxism. These, in return, affect the production policies and concepts such as *private or state production* and *labour rights*. In the *finance* dimension, structural power lies in the control over the access to credit, and in the perception of an actor as a reliable debtor. In the *security* structure, the perception of the other as an enemy, allied or neutral plays a fundamental role in the provision or reception of protection. In the *welfare* structure, ideas and values are fundamental in the definition of what welfare means, who provides it, and who has access to it, and at what cost.

Criminologist Gambetta (2011) has studied how criminals communicate in the underworld of TOC and how they perceive themselves and each other. It is also worth mentioning how the social and legal perception of some commercial activities shifted with time from legal to illegal as slavery or drug trafficking (and the latter could be shifting back to legal again). Certain mafias use their common ethnic identity (Sicilians, Kosovars, Georgians, etc.) to reinforce cohesion in a hostile environment. A common value among all criminals, traditional and white-collar, is the cupidity that presides over all their activities.

An important aspect of this thesis is whether TOC has contributed to the diffusion of power of the neoliberal state in its capacity to model ideas and identities, to define norms and institutions, and to mobilize resources and material capabilities, or has just taken advantage of the retreat of the state to acquire more power. We will analyse whether certain types of TOC have grabbed specific power structures from the state, or other types of TOC have just opportunistically taken advantage of the weakening of the state. In other words, which types of TOC are *embedded* in the neoliberal global political economy and which are *parasitical*.

## 2.4.2 The security structure

Starting from the ideational base, the security structure comprises the three following elements:

(1) The ideas, including identities, values, ideologies and other intersubjective meanings (e.g.: the concepts of security and threat; how the “other” is perceived: enemy, friend, neutral; how does the actor define himself or is perceived by others; if an activity is perceived as licit or illicit, etc.)

(2) The institutions, including norms, conventions, international and soft law (e.g.: the UN Security Council, NATO; INTERPOL; UNODC, FATF, TI, the oath of Omertà in the Mafia, a code of solidarity inside the gang, whether mercenaries are legitimate or not, etc.) that assign roles and functions, prescribe behaviours and influence in the incentives and costs of action.

(3) The implementation material capabilities (e.g.: the military budget, the law-enforcement technology, the military capabilities of a criminal or insurgent group, the capacity of a group to hack the internet, etc.)

In the context of the changes in the armed conflicts, the international community is redefining the concept of security. While during the cold war, the Western and Eastern blocks saw each other as the main rivals, today non-state actors and transnational violence are perceived as the main threat by the state, which reflects in the security strategies of the international organizations.

The concept of security is also shifting from a focus in the state as the main security actor, to “multidimensional and global ideas that recognize the political, economic, social and environmental components of security and their links to development” (Sanahuja, 2008a:

346-347). For several decades, TOC has officially been perceived as a security threat, including by the Security Council.

A recent development in the field of security studies, “securitization”, aims at understanding "who securitizes (securitizing actor), on what issues (threats), for whom (referent object), why, with what results, and not least, under what conditions." (Buzan et al 1998, p32). In this context, we will see how the perception of drug trafficking can shift between constituting a security concern to constituting a public health (welfare) problem if “de-securitized”.

The *Human Security* concept recognizes that international wars are being replaced by internal conflicts that threaten individuals and societies. This concept is linked to that of *human development* promoted by the UN since 1994, and reveals the connexions between the security and the welfare structures. There is a debate on whether the concept of human security should consist on only *freedom from fear* (the protection against direct violence), or include also *freedom from want* (the protection against structural violence, or other types of necessities).

Moreover, some states are perceived as not being able or willing to provide security to their citizens, or even constituting themselves a threat. These states are labelled as *fragile or failed states*, which raises concepts as the *responsibility to protect* their citizens against threats, including from their own government. The emergence of the concept of human security is an example of the change of perceptions about security in the ideational base. It also reveals the *reflexivity* of the concept of security as it can “mean different things to different persons” (Sanahuja, 2008a: 346).

## 2.4.3 The production structure

Strange defines the production structure as the sum of all that determines what is produced, who produces it and for whom, with what method and in what way (Strange, 1988: 62).

The ideational base also has a constituent function in it, because it affects directly or indirectly the international production structure, the actors and the institutions. It includes the following elements:

- (1) The ideas, including identities, values, ideologies and other intersubjective meanings (e.g.: definition of production norms and values, neoliberalism, consumerism, vision of the global market, the “invisible hand”, the consideration of one product or trade as legitimate or not, etc.)
- (2) The institutions that define roles and provide the context in which the production actors operate, including norms, conventions, international and soft law (e.g.: the World Trade Organization; Corpwatch; the criminal organizations; the international conventions that regulate production; the trade agreements, etc.)
- (3) the material capabilities (e.g.: the gross domestic product (GDP), the economic growth, the industrial structure, the innovation capability, the fraudulent privatization of public assets, the revolving doors, the transportation networks, the container system, etc.)

The changes in the distribution of power lie in the trans-nationalization and privatization of production, and is characterized by the emergence of transnational companies, the increase of intra-firm trade and changes in the productive model: the trans-nationalization of the production chains through the delocalization of production (Sanahuja, 2008a: 348-349).

Knowledge applied to production in the form of technological development is fundamental to the material capability of the structure. During the eighties and nineties the production began to be more knowledge-intensive, and less labour-intensive. Cyber-crime is a crime that could only happen thanks to the massive use of internet for commercial transactions.

An example of the constitutive role of the ideas is the evolution of Europe from feudalism to capitalism in the 16<sup>th</sup> century. Capitalism, based in the market economy, trade competition, future orientation, and capital accumulation, is still the base of the international productive system (Giddens, 1987). In turn, this form of production and of capital accumulation has promoted technological innovation, which facilitated the industrialization that started in the 18<sup>th</sup> century in Europe. With the steam engine, industry managed to dominate agriculture, which promoted the growth of important urban centres and of the free market trade.

The processes of trans-nationalization of production were encouraged by the governments through the promotion of the ideas of liberalization and privatization. In turn these processes brought structural changes which hinder the capability of the states to influence and control, and have created the necessity to cooperate through international institutions. This same process of liberalization and privatization has also allowed the infiltration of the illicit economy into the licit one during the last decades.

Susan Strange was one of the first scholars to attempt to analyse organized crime with the framework of the structural power (Strange 1996, 1998). However Strange saw organized crime from a very particular angle: that of the quasi-state, hierarchic, ethnically-based, organization, based on the mafia model to which she was exposed in the early 1990s during her stay in Italy. She extended her analysis to other similar organizations like the Chinese Triads, the Japanese Yakuza, the Colombian narcos or the Russian Mafiya. In fact, in this

study shows that most transnational crimes are committed by much more horizontal, business-oriented, violence-averse, temporary networks. Actually, when referring to financial crimes (Strange 1998), she meant mainly the laundering of the proceeds of drug trafficking. While condemning tax avoidance, and other types of financial irregularities, she did not include them in the same group. Therefore the study evaluates the adequacy of this model to analyse organized crime in its broad definition, which includes harms (Linklater 2011) to the economy, society and the environment. Due to the polemic and clandestine nature of organized crime, there is still little consensus on its definition and size, which will be the object of another chapter.

#### **2.4.4 The finance structure**

According to Strange, the finance structure includes the arrangements, agreements and institutions that determine the availability, access to and distribution of credit, as well as other elements that rule the exchange of currencies (Strange, 1988: 30 and 90). The finance structure affects the production structure, as it establishes the options and limits to spend, consume and invest today and pay tomorrow (Strange, 1988: 88).

The creation of credit affects the management of the currency in which credit is denominated, and thus affects the exchange rate. Moreover, Strange warns that the capacity of banks and states to create credit for their own expenses and investments through the printing of paper money requires a control and a limit that could lead to a financial crisis and to uncontrolled inflation. The governments of the developed economies have a great deal of responsibility regarding the management of the financial system through the international regulations (Strange, 1988: 93-94).

The financial structure includes the following elements:

(1) the ideas, including identities, values, ideologies and other intersubjective meanings (e.g.: neoliberalism, the Washington Consensus, the perception of risk, the concept of credit, the perspectives of growth, the consideration of certain financial flows as licit or illicit, the principle of the socialization of losses and privatization of profits, the “too big to fail” (TBTF) concept, the trust in fiat money, the credibility as a debtor, the legitimacy of the tax havens, etc.)

(2) The institutions that prescribe roles and create the context in which the actors of the financial structure evolve, including norms, conventions, international and soft law (e.g.: the IMF, the Banks, the BIS, the SWIFT, the Libor; the stock exchange; anti-fraud organizations (FATF, TI, GFI); offshore banking; convicted financial organizations (BCCI, HSBC, UBS, Baer Bank, fiscal havens); the “transnational capitalist class” (TCC) and its networks (Trilateral Commission, Bilderberg Group, Davos, etc.)

(3) The financial material capabilities (e.g.: access to credit, public debt, currency speculation, the access to insider information, the capacity to create money from debt, etc.)

In this dimension, structural power is generated through the control over the creation and access to credit and the influence in the exchange rates. The ideational base has a relevant and decisive role in it, given that the financial system and the inter-subjective identity of the state and non-state actors are both composed of ideas and norms. Modern money is no longer based on a physical standard like gold, but entirely on the confidence entrusted in the institutions, norms and policies that back it.

Although the availability of reserves and currency are important factors for the creation of credit, they are less and less necessary. In order to create credit an actor needs mainly a

credible and recognized identity. To have access to credit, it is equally important for the actor to be perceived as credible and capable to repay it.

With the rupture of the Bretton Woods system in the 1970s, the USA promoted a more liberalized financial, monetary and credit system. This liberalization and privatization enhanced structural unbalances, opened the economies of other countries to the financial capital of Wall Street, and shifted power between states, and especially from the states to the markets (Sanahuja, 2008a: 264). Furthermore, the emergence of the Eurocurrency markets and the shock of the oil prices promoted even further the trans-nationalization and interdependence of the financial structure. This Mad Money (Strange 1998) favoured the excessive growth of the financial sector to the point of endangering the economy, and has stimulated the practice of abuses and crime by powerful actors.

These circumstances encouraged state and non-state actors to reduce their vulnerability and to take advantage of the situation. Some actors obtained unprecedented profits during the 1970s and 1980s. It also drove the developing countries to borrow, which led in turn to the debt crisis.

These dynamics promoted the growth of the secrecy jurisdictions, up to a point where half the world financial transactions are done through these centres, which facilitates tax evasion and money laundering (Palan, 2009)

The emergence of the idea of a global liberal and deregulated economy was encouraged by technological innovation in the telecommunications and informatics fields. The speed of the electronic operations, together with the innovation and imagination in the creation of financial products have promoted complexity and opacity, which makes the evaluation of risk and the control over the markets very complicated if not impossible (Sanahuja, 2008a: 364).



However, this change is not only to be attributed to technological change, but to the decisive actions of powerful state structures influenced by the neoliberal ideology, starting by the governments of Ronald Reagan in the US and Margaret Thatcher in the UK.

Since 2008, due to the financial crisis, which had its origin in the financial imbalances of the international system, trust in the financial liberalism is losing strength, and there is a claim for multilateral institutions with stronger regulatory power (Sanahuja, 2008b).

A note could be added on the fact that investments are not done with money, but with credit (Sanahuja 2008). According to Susan Strange, credit can be created and does not require previous accumulation. Credit depends on trust, which is the result of three factors: the political decisions regarding the offer and availability of international reserve currency; the existence of a monopoly or competition regarding the reserve currency; and the stability or the inflationary tendencies of the reserve currency.

### **2.4.5 Welfare as the fourth primary structure**

According to Strange's definition, *Welfare* in the international political economy includes the benefits and opportunities offered by the markets as well as those provided by state intervention (Strange, 1988: 207).

She indicated that welfare is part of the secondary structures because it does not provide with a margin of incentives and costs, nor does it establish preferences of ideas, values and institutions, but is oriented by the preferences established in the primary structures.

However, as stated earlier, the welfare structure is very different from the other secondary structures, because it has an important role in the definition of the preferences of values

and norms, and because it influences the other structures. It defines, for example, the regulatory framework of production, and therefore cannot be subordinated to it.

Either the Sustainable Development Goals, the Universal Declaration of Human Rights or the principles of development aid established by the OECD, as well as other agreements that control the access to global public goods as are the environmental treaties, are examples of the key role of the ideational base in the development of the structural framework. The structural power lies in the control over the (re-)distribution of and access to international welfare and global public goods (Sanahuja, 2008a: 330).

Thus what defines welfare as a primary structure is its growing weight in the international system regarding the creation of rules, values and norms, the distribution of resources and the definition of a structural framework of costs and incentives.

This thesis considers as welfare all what concerns social and environmental policies at the national and international levels. The Sustainable Development Goals define some of the main issues included in the welfare structure: ending poverty and hunger, improving health and education, making cities more sustainable, combating climate change, and protecting oceans and forests. It is interesting to see how the concept of the 2000 Millennium Development Goals has evolved in 2015 to “Sustainable” in a time of increasing concern for the environment and in particular for climate change.

The welfare structure consists of the following elements:

(1) the ideas including identities, values, ideologies and other intersubjective meanings (e.g.: values as justice, solidarity, human rights, vision of the global system, private vs. public goods, human rights, neo-colonialism, rent economy, patrimonialism, environment protection, development situation, core-periphery, etc.)

(2) The institutions, including norms, conventions, international and soft law (e.g.: OECD, UNDP, ILO, IPCC, UNEP, UNFCCC, slavery, human development, ICRC, the Geneva Conventions, “pax mafiosa”, etc.)

(3) The material capabilities (e.g.: direct foreign investments, climate change adaptation, drug-addict desintoxication programmes, human trafficking victims programmes, welfare provision by rebels, etc.)

The *ideational base* is fundamental in the welfare structure. It defines what the public goods are, who should provide them and who should receive them. It is based on ideas constructed in an inter-subjective and historical manner and has therefore a dynamic character.

Regarding human rights, the definition of the Universal Declaration of Human Rights took a long time to be defined, and still today there is no global agreement on its precise implementation. In the 1990s, the *economic and social rights* concept prompted the ideas of *human development*, which, in its wide interpretation reflects the connexion between the *welfare* and the *security* structures (UNDP 1994). These debates led to the Millennium Development Goals in the year 2000 and to the Sustainable Development Goals in 2015, which promote the idea that each human being should have access to a minimum level of *Welfare*.

Furthermore, the ideational base has an important role in the establishment of the material capabilities. For example, it influences directly the decisions on development aid, which include the power to control the access to welfare. The donor countries are guided by the OECD rules, in particular the Paris Declaration on Aid Effectiveness (2005), which links development aid to certain policies like *good governance* and *human rights* protection. It

also influences the decisions on whether to effectively stop the evasion of capitals and taxes from poor and rich countries alike.

The inter-subjective identities of the actors are also a key factor. A donor country with a paternalistic or imperialist image (North-South) will provoke more rejection from the beneficiary countries, than another country with an image of equal partnership (South-South).

The welfare structure is closely linked to the other primary structures in a relation of mutual influence. For instance the production structure is directly influenced by ideas as labour rights, while the finance structure is influenced by the decision to provide welfare to workers or to corporations.

The issue of the foreign debt of the developing countries, and particularly the Heavily Indebted Poor Countries (HIPC) has entered the international debate about the distribution of welfare and about development aid, which reveals a direct link with the financial structure. A very important issue, especially in what regards human trafficking and slavery are the ILO conventions. In 1998, the 86th International Labour Conference adopted the Declaration on Fundamental Principles and Rights at Work. This declaration contains four fundamental policies: the right of workers to associate freely and bargain collectively; the end of forced and compulsory labour; the end of child labour; and the end of unfair discrimination among workers. The ILO asserts that its members have an obligation to work towards fully respecting these principles, embodied in relevant ILO Conventions, which have been ratified by most member states

Global issues as the management of public goods transform the power structures and the traditional role of states.

## ***2.5 The Agency-Structure problem***

*“Men make their own history, but not of their own free will; not under circumstances they themselves have chosen but under the given and inherited circumstances with which they are directly confronted” Karl*

*Marx (1852)*

Since the 1980s the social sciences, including International Relations, have been shaken by debates on the theory of knowledge. This debate took place between the leading theories of the time, realism, institutionalism and structuralism (all of them rooted in rationalism and positivism), and the reflexive and critical post-positivist alternatives, including social-constructivism, post-structuralism, feminist theory and critical theory.

According to Wight (2006), there are many gaps in IR theory that can only be understood by focusing on the ontological differences that construct the theoretical landscape. He argues that politics is concerned with competing visions of how the world is and how it should be, thus “politics is ontology”. The agent-structure problem expresses an ontological concern with the question: how does human activity shape the social circumstances in which it takes place?

According to Wendt (1987), “The agent-structure problem has its origins in two truisms about social life which underlie most social scientific inquiry: 1) human beings and their organizations are purposeful actors whose actions help reproduce or transform the society in which they live; and 2) society is made up of social relationships, which structure the interactions between these purposeful actors. Taken together these truisms suggest that

human agents and social structures are, in one way or another, theoretically interdependent or mutually implicating entities.”

The agent-structure problem includes two problems: one ontological and one epistemological. The first one is the most important one and concerns the nature of both agents and structures and their interrelationship: what kind of entities they are and how they interrelate. This question can be addressed in two manners: either by making one unit of analysis ontologically primitive, or by giving them equal and irreducible ontological status. This can generate three possible answers to the ontological question, depending on which entity is made primitive: individualism (e.g. neorealism), structuralism (e.g. world systems theory) and structurationism. Neorealism “reduces” the structure of the state system to the properties of the “individual” states. World system theory considers state and class agents as a result of the reproduction of the capitalist world system, it “reifies” the social structure by treating it as an object analytically independent of the actions by which it is produced. The third answer, structurationism, sees agents and structures as “co-determined” or “mutually constituted”, yet ontologically distinct, entities, they are a “dialectical synthesis” existing in time and space. In Bhaskar's words (1982): “society is not the unconditioned creation of human agency (voluntarism), but neither does it exist independently of it (reification). And individual action neither completely determines (individualism) nor is completely determined by (determinism) social forms”.

Scientific realism provides the philosophical basis for the structural theorizing in the social sciences, the intuition that the capacities and existence of human agents are inseparable from society.

Agents are themselves constituted by structures, that can be external (social) or internal. All agents possess three intrinsic capacities in virtue of their internal organization: to have

a theoretical understanding of its activities that could supply reasons for its behavior; to reflexively monitor and adapt its behavior; to make decisions. Social structures are the result of the intended and unintended consequences of human action.

According to Wight (2006), structural research inquires into the powers of things, which they possess as a result of their inherent properties. Historical research, on the other hand, deals with actual events and objects, as they unfold through time, by treating them as phenomena that have been brought about by specific structural configurations (which will have to be identified by structural research).

According to Wight (2006), in the context of the agency-structure analysis, we are no longer in a realm of independent states so much as in a realm of intersecting and dynamic structural relational logics, and we should therefore think of global social relations rather than international relations.

This thesis will analyse how TOC, as power agents interact with the structure systems and each other to produce the situation in which the world is now.

## ***2.6 Critical IPE***

The modern critical social theory was born in the Enlightenment with Kant and Hegel, and was followed by Marx, continued through the neo-Marxist Frankfurt School to reach Jürgen Habermas, as well as Antonio Gramsci and the neo-Gramscian authors.

The critical wave in International Relations started in the 1980s and led to two trends: one influenced by Jürgen Habermas and his theory of communicative action, followed by

Andrew Linklater, and a neo-gramscian school, initiated by Robert Cox and Stephen Gill, and followed by the Amsterdam School.

The critical school represented a triple challenge: epistemological, ontological and normative. In the epistemological field it signifies a radical reflectivist revision of the relation between knowledge and the social and economic life. In the ontological field it redefines the agents and structures of the international system in a historical perspective. In the normative field, it unmasks the traditional theories' roles of perpetuation of the relations of domination and exclusion and proposed a theory for social transformation. According to Wendt (1987), "social scientific practice must be 'critical' to be 'scientific'."

In his seminal 1981 article, Cox made the difference between a "problem solving" theory, which aims to perpetuate the status quo by applying minor changes, and a "critical theory", which questions the social and international order as the "natural order".

Cox adapted the gramscian concept of "historical blocks" that explained the "hegemony" at a national level as domination through consent, to the concept of the "historical blocks" in International Relations. The congruence of three categories of forces - material capabilities, ideas and institutions - in a historical block is the foundation of the hegemonic stability.

The neo-gramscian trend has developed a "historical sociology of globalization", which includes the following concepts: the "global political economy" instead of its "International" version; the formation of the hegemonic "transnational capitalist class"; the internationalization of the state; the articulation of "counter-hegemonic" forces.

Stephen Gill defines three historical structures of the globalization process: the "disciplinary neoliberalism" (a form of structural, behavioral, capillary and panoptical



power); the “new constitutionalism” (transnational disciplinary neoliberalism through trade agreements); and the “market civilization” (neoliberal cult of the capitalist myth). The critical agenda proposes “counter-hegemonic movements” to confront the contradictions of neoliberalism.

Against the “transnational harm” of capitalism, Habermas proposes a transnational economic integration, a global civil society and the development of the “deliberative democracy” beyond the State level, and considers the European Union as a potential model of post-national demos.

Andrew Linklater proposes “cosmopolitan superposed forms of international society” that would include: a pluralist society of States based in principles of coexistence; a solidary society of States with common moral principles; a post-Westphalian framework where States give up part of their sovereignty in favor of common moral and political norms. He has also elaborated on the concept of “harm” from an IPE perspective, a key feature of this thesis.

Ronen Palan, is a leading researcher of the effects of the offshore finance in the GPE, and has been instrumental to draft the chapter on economic crime of this thesis.

Critical IPE can contribute to promote a global conversation to enable this new universal course, generate knowledge to assert these rights, and support collective action to make this new world order possible.

## ***2.7 Inter/Multi-Disciplinarity***

Although this thesis is mainly aligned with the discipline of International Relations, it has had to draw on other disciplines to understand the insights of the complex field of TOC. Many actors and structures interact in this situation, which requires the specialized knowledge from different fields. According to Peter Naess (in Bhaskar 2010), to analyse complex systems as climate change or TOC, it is important to avoid “reductionism” or “disciplinary tunnel vision”, or the “tendency to explain phenomena solely by means of theories and concepts belonging to one single discipline”.

As mentioned by Cox, “problem-solving” theory tends to restrict the issues to an area, a discipline, while “critical” theory reflects a process of change in a historical period and examines all its aspects, including the perspectives from different academic disciplines.

International political economy (IPE), as seen in the previous section, is in itself a complex multidisciplinary field that has transcended politics, economics and international relations, as well as other fields like sociology, history, cultural studies, globalization, international development, international trade, international finance and other. It was re-born in the 1970s, out of the failure of the traditional schools to predict the 1970s oil crisis, and was consolidated after similar failures to predict the end of the Cold War in the 1990s and the 2008 global economic crisis. IPE is a relatively mature discipline, and has well established schools of thought.

Criminology was born as well as a multidisciplinary discipline which draws especially upon sociology, psychology, psychiatry, anthropology, and law. Like other social sciences, it has a “critical” school, with novel, reflexive and emancipatory views on law, crime, and

justice. Particular attention is given to “Green Criminology” in what concerns the environmental crimes (with Nigel South and Rob White as referents) and to the “Crimes of the Powerful” in what concerns economic crimes (with David Whyte, Vincenzo Ruggiero and Steve Tombs as referents).

Considering the environmental crimes, and in particular climate change with all its complexity, an insight into the “natural science” of the environment is required, which is per se an interdisciplinary field which combines ecology, biology, physics, chemistry, zoology, mineralogy, oceanology, limnology, soil science, geology, atmospheric science and geodesy among others. After decades of interdisciplinary research of climate change research in the natural sciences field, the social sciences are starting to add their contribution. An institution like the IPCC is considered as an example of interdisciplinary and international research (Bhaskar 2010, p.36).

In his seminal lecture “The Two Cultures”, Peter Snow (1961) regretted that "the intellectual life of the whole of western society" was split into the titular two cultures - namely the sciences and the humanities - and that this was a major hindrance to solving the world's problems.

Journalism was the field in which Susan Strange started her career herself. Journalism, and in particular Investigative Journalism, which is the human activity that investigates and denounces organized crime, corruption, environmental destruction and other “harms”, is also in itself a multidisciplinary field, as the journalist needs to understand the fields which he/she investigates. Investigative Journalism, and its powerful new form of Whistleblowing facilitated by technological progress, is an essential (scientific?) discipline to unveil TOC, a field covered with opaqueness, penetration, secrecy, threat and deception.

For Mervyn Hartwig (2007), “multidisciplinary” research draws on more than one discipline, without challenging disciplinary identities, in order to study an object that transcends disciplinary boundaries. “Interdisciplinary” research is “constituted on the basis of the integration of a number of disciplines into a research cluster which provides, or purports to provide, a new framework or understanding”. The Critical Realist school of thought has proposed a methodology for interdisciplinary research, in particular in the field of climate change (Bhaskar 2010).

An important claim of ontology in critical realism is that reality consists of three separate domains: the empirical, the actual, and the real. The empirical domain covers the observations and experiences we make, be they direct or indirect. The actual is the domain covering all the manifest phenomena existing and events happening in real life, whether we experience them or not. The third domain is the real, based on the claim that all the manifest phenomena and events do not turn up accidentally and all by themselves, and are out of the reach of direct observations and experiences, but are present in the real world. Another concept of critical realism is about the open and closed systems. In closed systems, empirical regularities may exist. In open systems, however, empirical regularities are generally non-existent. The real always consist of open systems. In order to achieve empirical regularities in science, open systems have to be artificially closed by man. These concepts explain the necessity of interdisciplinarity in science.

The research in this thesis can be considered as multidisciplinary as it draws on several disciplines, but it could serve as the basis for the construction of a future framework that would transcend disciplinary boundaries, and serve as the theoretical framework for the analysis of organized crime.

## 3 Definitions and quantifications

*“The efforts of men are utilized in two different ways: they are directed to the production or transformation of economic goods, or else to the appropriation of goods produced by others.” (Vilfredo Pareto), Manual of Political Economy, 1906 [1972, p. 341]*

TOC is a complex phenomenon, and one way to understand it is to try to define it and to quantify it. Neither of the two is easy, given the secrecy around its activities and the lack of consensus among criminologists, politicians and economists about its deep nature.

### **3.1 Definitions of Transnational Organized Crime**

*“The only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others.” John Stuart Mill, On Liberty (1859)*

The construction of the concept of “Transnational Organized Crime” is a typical case of the influence of the ideational base in the definition of the international phenomena within the security structure. Although groups of TOCs have existed since the beginning of human civilization (pirates, slave traders, bandits, etc.), the expression “organized crime” was coined in the USA on the eve of prohibition in the 1920s, and legitimized by the *Kefauver Commission on interstate criminal commerce* in 1951. Only in the year 2000 did the United

Nations adopt the *Convention against Transnational Organized Crime* (UNTOC) or *Palermo Convention*. In 2004, the UN report - *A More Secure World: Our Shared Responsibilities. Report of the Secretary-General High level Panel on Threats, Challenges and Change* - included Transnational Organised Crime among the world's "six most serious clusters of threats now and in decades to come", at the same level as war, terrorism, poverty or nuclear weapons.

The Convention against Transnational Organised Crime gives the following definition of TOC:

- a) For the purposes of this Convention, an "organized criminal group" shall mean a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit;
- b) "Serious crime" shall mean conduct constituting an offence punishable by a maximum deprivation of liberty of at least four years or a more serious penalty;
- c) "Structured group" shall mean a group that is not randomly formed for the immediate commission of an offence and that does not need to have formally defined roles for its members, continuity of its membership or a developed structure.

This is a very broad definition, which incorporates different kinds of crimes and relies heavily upon different national criminal laws. This definition is problematic, as many actions causing serious harm to society or to the environment are not yet punishable with a minimum *deprivation of liberty of at least four years or a more serious penalty* in many (most?) countries.

The European Union proposed a common definition of organised crime in its Council Framework Decision 2008/841/JHA of 24 October 2008 (on the fight against organised crime):

1. 'criminal organisation' means a structured association, established over a period of time, of more than two persons acting in concert with a view to committing offences which are punishable by deprivation of liberty or a detention order of a maximum of at least four years or a more serious penalty, to obtain directly or indirectly a financial or other material benefit;
2. 'structured association' means an association that is not randomly formed for the immediate commission of an offence, nor does it need to have formally defined roles for its members, continuity of its membership, or a developed structure.

However, there are substantial contrasts in how organized crime is defined in the different institutions of the EU. While *Eurojust* uses the definition from the Council, *Europol* uses a slightly altered definition. The European Anti-Fraud Office (OLAF) and the European Court of Auditors (ECA) have no specific working definition of organised crime.

In one of their meetings, the EU noted that in order for something to be described as organized crime, at least *six* of the following characteristics are required and it must include characteristics *1, 3, 5, and 11* (in italics):

1. *Collaboration of more than two people;*
2. Each with own appointed tasks;
3. *For a prolonged or indefinite period of time (refers to the stability and (potential) durability;*
4. Using some form of discipline and control;
5. *Suspected of the commission of serious criminal offences;*

6. Operating at an international level;
7. Using violence or other means suitable for intimidation;
8. Using commercial or business-like structures;
9. Engaged in money laundering;
10. Exerting influence on politics, the media, public administration, judicial authorities or the economy;
11. *Determined by the pursuit of profit and/or power.*

Neither *Interpol* provides with a clear definition of Transnational Organised Crime. In its Conference of May 1988, however, the following definition was proposed:

*Any group having a corporate structure whose primary objective is to obtain money through illegal activities, often surviving on fear and corruption.*

The definitions of what TOC constitutes vary remarkably from one UN state member to another. Organised crime groups are usually involved in different sorts of criminal activities, encompassing several countries. These activities may include trafficking in human beings, weapons and drugs trafficking, armed robbery, forgery and money-laundering.

Looking at the case of Italy, one of the countries more clearly threatened by organized crime, a consensus emerged since the late 1980s among policymakers, law enforcement agencies, the public, and the scholars, that organized crime consists of criminal organizations, which, in that context, primarily means Southern Italian mafia organizations (Paoli 2014, page. 20). The key conceptual reference is the article 416 bis of the Italian Criminal Code, which was adopted in 1982 and that introduced the offense of *associazione a delinquere di tipo mafioso* (mafia-type criminal organization), thus bringing for the first time the sociological concept of mafia into the criminal code. Accordingly, a mafia-type



criminal organization consists of “three or more persons who use the power of intimidation afforded by the associative bond and the state of subjugation and criminal silence (*omertà*) which derives from such a bond to commit crimes, to acquire directly or indirectly the management or control of economic activities, concessions, authorizations or public contracts and services, to gain unfair benefits for themselves or for others or to prevent or obstruct the free exercise of the vote and to obtain votes for themselves or others during elections”. (Codice penale 2013). The Italian legislation has introduced several concepts: the control by criminals over economic and political activities, and the crime of belonging to a mafia-type organization.

On the other hand, as suggested by Naim (2013), organizations in our times are getting smaller and less hierarchical, including the criminal ones. Europol also sees a trend of organized crime organizations becoming “less organized”.

Klaus Von Lampe, scholar specialized in Organized Crime and president of the International Association for the Study of Organized Crime (IASOC), cites more than 180 different definitions of organized crime, coming from governments, multilateral organizations and academia. This is a clear example of how social constructions can be subjective and variable.

Even the Red Cross is concerned by the development of the phenomenon, and wisely indicates that: “while it cannot be ignored that specific political and institutional interests underlie the various initiatives to fight what is deemed to be ‘organized crime’, there can ultimately be no doubt of the existence of phenomena of collective criminality that can have devastating effects on state and society, impeding the rule of law, sustainable development, and, in particular, human security”. (Hauk, 2010)

We are not going to analyse the phenomenon of organised crime only in fragile or failed states, but at the global level, because of its dissemination across the global society. In fact, some of the major actors of organised crime are to be found in developed countries, where efficient financial centres are to be found, and where the bulk of the profit is stored. Other “anti-sovereign” locations that welcome organized crime are the numerous fiscal havens that have thrived in the last decades.

Research in organised crime is commonly based on two paradigms (Cartier-Bresson 2002):

- The Mafia Paradigm. This paradigm focuses on structural aspects, and on social networks. It is also based on the stereotyped description of the Sicilian Mafia. Literature and cinema have contributed to spread its perception as the representative of transnational organised crime, with its ethnic links, territorial establishment, hierarchical structure and occasional violent nature.
- The Business Paradigm. This paradigm provides a more dynamic description, based on action and networks. This paradigm is connected to the “White Collar Crime”. As Queloz states, the main difference lies between “criminal entrepreneurs” and “entrepreneur criminals” (Queloz 1999). It is not always easy to distinguish between both.

The political and economic globalisation that accelerated during the 1990s, together with the expansion of communications and transportation systems, supported the growth of international markets to which organised crime had never had access. The collapse of the Soviet Union represented a unique opportunity for organised crime to open to new markets, to provide opportunities of investment and favour the creation of new organisations, capable to maintain cross-border activities. According to Loretta Napoleoni (2008), the

involvement of the Eastern Bloc in the world of organised crime is the single fact that has most favoured the boom of organized crime.

Since 2001 an intensive debate was conducted around the threat of terrorism, but very little attention has been paid to organised crime. “Terrorists” should be regarded as common criminals, and not as “unlawful enemy combatants”, as “Homo Sacer” (Agamben, 1995) beyond the protection of any international regime, as the US Government suggests. Loretta Napoleoni (2008) thinks that the publicity given to Al Qaida in the Western society has just been a *case of the tail wagging the dog* in order to divert people’s attention from the disastrous financial situation prevalent. Paradoxically, Nelson Mandela is the person who has been on the American Government’s list of terrorists for the longest time. TOC is actually a much more serious (and concrete) threat for domestic and international security. Furthermore, after the Soviet Union and the USA ceased to strategically support rebel groups, the latter turned to the trafficking of strategic resources (diamonds, minerals, drugs, etc.) in order to continue financing their struggle. Consequently, the number of organised criminal organizations and of products subject to illegal trade has increased, and the incorporation of illicit capital within legal economy has been promoted (Favarel-Garrigues 2002).

According to Favarel-Garrigues, the mainstream media shifted the perception of the main threat from communism to transnational organised crime when the Eastern bloc collapsed, and eventually to terrorism after September 11<sup>th</sup> 2001. The suspicion that important sums of criminal funds could have been invested in the legal economy during the 2008 financial crisis, and the reckless behaviour by some of the corporate elites has brought back the debate about the importance of the threat of organized crime, and of the involvement of

“the powerful” in it. This is an evidence of the evolving character of the inter-subjective perceptions of the criminal or economic actors in society (Favarel-Garrigues 2002).

Because criminals do not turn to the courts to resolve the conflicts among them, the relations with other criminal groups tend to be based in kinship. Loyalty is a vital part of criminal associations, some of which are founded on their ethnic or family bonds, thereby creating homogenous groups (Von Lampe 2002). This is probably the reason of the success of some traditional criminal organisations, which have managed to evade the arm of the law for centuries: Mafia, Camorra, N'drangheta, Sacred United Crown, and the Serbian clan of Zemun, the Russian “Gangster in-Law”, the Chinese Triads, the Japanese Yakuza, the Cosa Nostra and many more.

Von Lampe (2005) argues that the concept of organised crime encompasses various phenomena, such as *illegal markets*, *quasi-governmental structures*, *corporate and state crime*. Three models of criminal organisations can be found: *political criminality*, which insinuates within weak governance states; *economic criminality*, which operates according to supply and demand; and *social criminality* - of cultural nature - where priority is given to kinship ties and loyalty (Von Lampe 2004).

According to Cockayne, transnational organised crime operates in shady areas “without sovereignty” of the international system, where state authority is weak and inefficient, such as war zones, cyberspace and secret bank accounts (Cockayne 2007).

Criminologist Thomas Naylor (2002:16) argues that “five characteristics - specialisation in market-based crimes, hierarchical and durable structures, use of violence and corruption to achieve monopoly power, high rates of return, and penetration of the legal economy - seem to be what organized crime is all about.”

Criminologist Alan Block (1983, p. vii) emphasizes that “organized crime is a social system and a social world. The system is composed of relationships binding professional criminals, politicians, law enforcers, and various entrepreneurs.” The terms “social systems” and “social world” refer to the more systematic collaborations between a large variety of actors, from the underworld, as well as from the economic and political “upperworld.”

Lately scholars and criminologists have suggested that the focus should be on “harmful behaviours” or “public wrongs” (Whyte 2009: 200), rather than traditional crimes, when studying “Organised Crime” (Matthews & Kauzlarich 2007). This concept minimises the importance of punishment in favour of social justice, a notion which has similarities with the concept of “human security”. In fact, given that the Universal Declaration of Human Rights is a universally recognized set of norms, it should be possible to measure the “deviance” of behaviours according to it (Green & Ward 2004). This should be a good start to avoid national legislations that fail to criminalize the crimes of the powerful (Whyte, 2009).

### **3.1.1 Illicit versus Illegal**

Another relevant point is the distinction between *illegal* (*malum prohibitum*) and *illicit* (*malum in se*). According to van Schendel (2005), there is a political continuum between *legal* and *illegal* acts. This feature has mainly a political significance, as it is the government who decides what is legal and what is not. The other continuum, between *licit* and *illicit* is decided by society, independently of the opinion of the government. The following table shows how both qualities can be combined to obtain an *Ideal state*, where all things are legal and licit, or *Anarchy*, where everything is illegal and illicit. In the middle

lies a situation where things considered as illicit by society are legalized by the state (e.g.: *Too big to fail banks*), or one where illegal activities are considered licit by society (e.g.: *smoking marihuana*). These values are rooted in the ideational base of the structural power in society.

	<b>Legal</b>	<b>Illegal</b> ( <i>Malum prohibitum</i> )
<b>Licit</b>	(A) Ideal State	(B) Underworld/Borderland
<b>Illicit</b> ( <i>Malum in se</i> )	(C) Crony Capitalism/ Failed State	(D) Anarchy

*Figure 3: Spaces of competing authorities (adapted from Van Schendel, 2005 and Ruggiero 2012)*

We can see how the “historical block” of capitalism has constructed the concept of “legality” different from “licitness”, so that the harms caused by their class are not forbidden by the “official” laws (e.g. bank bail-outs), and have managed to convince the rest of society that the harms that they cause can at most be considered as “illicit” by society, which implies a moral conviction, but not a legal one. Moreover, they have convinced the world population under the yoke of neoliberalism that their “illicit” activities are in any case necessary for the well-being of society (e.g. trickle down economy), and therefore not deserving legal conviction.

We have seen in this section that, although organized crime can have many forms and expressions, there is a ground for the existence of this construction, and that there are some inter-subjective patterns that are largely, if not universally agreed.

We will now analyse the concept of “harm”

### 3.1.2 The concept of harm

An important concept to explore is that of “Harm”. For criminologist Hylliard (2004), “crime forms only a small and often insignificant amount of the harm experienced by people”. He shows that, “while custom and tradition play an important role in the perpetuation of some types of harm, many forms of harm are rooted in the inequalities and social divisions systematically produced in - and by - contemporary states. Only once the origins, scale and consequences of social harms are identified, can the formulation of possible responses begin - and these are more likely to be located in public and social policy than in the criminal justice system”.

For Linklater (2011), “the need to control violent and non-violent harm has been central to human existence since societies first emerged”. He analyses the problem of harm in world politics which stems from the fact that societies require the power to harm in order to defend themselves from internal and external threats, but must also control the capacity to harm so that people cannot kill, injure, humiliate or exploit others as they please.

According to Shaw et al. (2012), “it is worth emphasizing that the impact of - and therefore the harm caused by - criminal markets and organized crime is still not well understood”. To facilitate an understanding of this, Shaw has built a Harm Framework adapted from the UK’s National Crime Agency’s. The framework “addresses the harm caused across a number of broad categories at the individual or local level, at the level of the community or region, and at the level of the state or international system”. Each of the categories is now considered in turn. These include political and structural harm; economic harm; physical harm; social harm; and environmental harm.

<b>Harms</b>	<b>Individual/ Local</b>	<b>Community/ Regional</b>	<b>Country/ International</b>
<b>Political and Structural Harm</b>	<ul style="list-style-type: none"> <li>• lack of trust in state structures</li> <li>• withdrawal from community life</li> <li>• key local institutions undermined, e.g. schools, local courts</li> </ul>	<ul style="list-style-type: none"> <li>• dysfunctional and corrupt city and regional government</li> <li>• inability to provide even basic services</li> </ul>	<ul style="list-style-type: none"> <li>• damage to over-arching political system</li> <li>• damage to country's reputation</li> </ul>
<b>Economic Harm</b>	<ul style="list-style-type: none"> <li>• increased prices</li> <li>• less choice</li> <li>• security fears when engaging in local business activities</li> <li>• brain drain</li> </ul>	<ul style="list-style-type: none"> <li>• economic decline of local communities and increased costs for local businesses</li> <li>• distorted development and increased property prices</li> <li>• lack of investment</li> </ul>	<ul style="list-style-type: none"> <li>• obstacles to economic development</li> <li>• foreign investment withdrawn as future prospects seem less viable</li> </ul>
<b>Physical Harm</b>	<ul style="list-style-type: none"> <li>• direct physical and emotional harm to individuals</li> <li>• injuries and death</li> </ul>	<ul style="list-style-type: none"> <li>• overall impact of violence and the spread of abuse and disease within communities</li> </ul>	<ul style="list-style-type: none"> <li>• increased economic and healthcare costs for families and central government</li> </ul>
<b>Environmental Harm</b>	<ul style="list-style-type: none"> <li>• degeneration of a locality</li> <li>• local resources plundered by external groups</li> </ul>	<ul style="list-style-type: none"> <li>• loss of community resources for future development</li> </ul>	<ul style="list-style-type: none"> <li>• long-term environmental damage</li> <li>• reduced earning capacity from natural resources in the long term</li> </ul>

*Figure 4: Matrix of harm caused by organized crime (Shaw, Mark et al. 2012: Spotting the Spoilers)*

Harm can be considered as a pure form of “material capability” within the forces considered by Cox (1981) and constitutive of the structures of power, as it has not yet been judged by moral considerations through the human institutions, as is the concept of “crime”.

### **3.1.3 Proposed Definition of TOC**

This thesis proposes the following definition of TOC:



*Severe, widespread and long-lasting harm caused to society or the environment by an organized group with the purpose of obtaining an economic profit.*

This simple definition of TOC is not based on the concept of “crime”, given that there is no international consensus on the concept of crime, but on the concept of “harm” (Linklater 2011; Hillyard 2004; Feinberg 1984). An important ontological element is the inclusion of “the environment”, together with “society” as victim of TOC. The UNTOC threshold of 4 years sentence is not very useful, as different countries’ criminal codes could impose this sentence for the enactment of very different harms, or none at all for very harmful acts. The qualification of “*severe, widespread and long-lasting*” is inspired by the environmental protection provisions of the IHL.

The purpose of these adjectives is to exclude harms that do not cause very serious damage in intensity, extension and duration. It is undeniable that most human interactions, in particular in capitalism, create “losers” and “winners”, for example in a normal commercial exchange where one wins and the other one loses. However, this analysis should focus at the macro level, where the harms can potentially be of great magnitude, although the effects can be diluted among a big number of individual victims (e.g.: financial fraud by some banks). We can establish that a serious harm is that which has a negative impact at least at a meso level, for example one that will cause prejudice to a social group (e.g.: the poor, an indigenous group) or an ecosystem (e.g. an oil spill, climate change).

Amartya Sen has proposed a “threshold” of harm regarding poverty as “absolute” and “relative”, related to the biological capacity to survive poverty, which gives a universal value to the concept of poverty. The human rights law goes in the same direction of establishing universal standards for “harms”, not only political and civil, but also social, economic and cultural, as we will see later in this thesis. This goes in line with the

“cosmopolitanization” of governance in the world. A similar standard regarding environmental law is also being developed, and should gain a similar weight if the planet is to be saved from irreversible damage in the next decades. As Cox (1995) suggests, the elements of a ‘supra-intersubjectivity’ might be found in the fact that everyone shares the same eco-system and that we are all affected by environmental decline, that it is in everyone’s interest to reduce global inequality, that we all recognise that violence is a sign of the breaking down of communication, and that we realise the importance of consensus on the issue of human rights. This supra-intersubjective civilisational tradition should, however, be rooted in the plurality (diversity) of co-existing traditions (Cox, 2003).

This concept of TOC is more focused on the “what?” than on the “who?” question (Paoli 2014), in other words on the crime more than on the criminal. This thesis suggests that the important factor is the illegal *activity* rather than the *actor* himself, because a lucrative activity can easily be taken over by someone else. There is no mention of the use of direct violence, given that not all serious crimes are committed with the use of physical violence (or the threat to use it), but by the use of deception. There is no emphasis on the nature of the group, as it is not relevant whether the group is large or small, vertically or horizontally structured, networked or cellular, long-lasting or not, low-class or high-class, but rather on the effects that they cause. There is no specific stress on the international character of the activity, as the crossing of borders is not the only way to add value to the business in the age of globalization, and in any case the harm has to be wide-spread, and therefore probably transnational, as the ideal spaces to commit crime are the poorly policed spaces across or beyond the borders. Regarding the “serious” character, there is a recent trend by some law enforcement agencies to call TOC “serious crime” rather than “organized crime” (e.g.: UK NCA; Europol), reinforcing the importance of the object over the agent. This rather open definition is instrumental to include in the same category the “traditional organized crime”,

the “white-collar crime” and “environmental crime”. Crime is thus at the same time a structure and an agent. As will be seen along the thesis, the construction of this concept will encompass activities based on the ideas, institutions and material capabilities of the structural power.

### **3.1.4 Comments**

The concept of TOC is a social construction that responds to social problems or “harms”. However, there is no clear intersubjective meaning of the term yet: some see it as “traditional” mafias (as in the films *The Godfather* or *Goodfellas*), others would like to include the “white collar” crime in it (which would mean that the elites would be involved in it), and still others see “environmental crime” as causing even greater harms to human beings and the rest of life on Earth, and therefore being part of TOC. The ideologies of the elites through history have determined what they considered to be reprehensible and punishable (usually what was not in favour of their class interests). This thesis proposes to consider as criminal those activities that cause harm to society and the environment, and not those that cause harm to the elites, as has been often the case in the past. The focus on the idea of “harm” instead of “crime” permits a more objective ontology, not blurred by the interests of powerful groups. This focus will also permit to give a longer life to the study, considering the speed at which norms change in a “liquid” society (Bauman 2000).

However the most important fact is that the world has finally agreed on a regime and a definition of TOC in the UN Convention of 1998, although this definition is too weak to permit an efficient global action against it. As with most international conventions it was the object of tough bargaining, and represents the lowest common denominator among the proposals. Another convention on the phenomenon of “corruption” (UN Convention

against Corruption, UNCAC) was also agreed as late as 2003. Several institutions specialized in fighting organized crime and corruption have been created at global and regional levels (UNODC, Interpol, Europol, FATF, etc.).

Regarding the material capabilities, the definition suggests that TOC can cause “serious, wide-spread and long-lasting harm” to society and the environment. It is therefore not an imaginary phenomenon, but one that has a strong physical effect.

The next section will try to grasp the size of the criminal business in an endeavour to understand the nature of TOC.

## ***3.2 Quantification of Transnational Organized Crime***

*“Not everything that counts can be counted, and not everything that can be counted counts.” Albert Einstein*

TOC being an illegal activity, any attempt to quantify it is necessarily difficult and always indirect and approximate. However, a sense of its proportions will be given, and a comparison to the size of other human activities. This section will highlight how difficult it is for governments to obtain information about the finance and production aspects of TOC. Conversely, it is obvious that the criminal organizations do have very accurate knowledge about the prices, costs, finances, otherwise TOC wouldn't be so profitable.

Peter Andreas (2004) said that “behaving as if only the licit side of International Political Economy (IPE) exists because it is the easiest to measure and quantify is the equivalent of

the drunkard saying that the reason he is stumbling around looking for his keys under the streetlight is because it is the only place where he can see. What we need are better flashlights so that we can also look for our keys down the dark alleys of the global economy”.

Economist James Henry (2012) stated that “estimating the size, growth and distribution of untaxed private wealth protected and serviced by the global offshore industry is necessarily an exercise in “night vision”. The subterranean system that we are trying to measure is the economic equivalent of an astrophysical ‘black hole’. Like those black holes, this one is virtually invisible and can be somewhat perilous to observers who venture too close. So, like astronomers, researchers on this topic have necessarily used indirect methods to do their estimates, conducting their measurements from a respectful distance. This indirect approach is painstaking, and has many inherent limitations, as we all see. Unlike in the field of astrophysics, however, the invisibility here is fundamentally man made. Private sector secrecy and the official government policies that protect it have placed most of the data that we need directly off limits even though it is, in principle, readily available”.

Former French anti-corruption Public Prosecutor Eva Joly (2000), wondered whether financial crime, depending on the sector, could have reached “*5, 10, 30 50 or even 100 percent of all corporations; but we will never find out because the issue is not investigated*”.

As stated in the joint Report by UNODC and the World Bank on Afghanistan: “Obtaining reliable data on organized crime in any setting is a significant research challenge. Studying organized crime in such a context has been compared to palaeontology (the study of fossils), i.e. the collection of small fragments of evidence from which broader hypotheses can be constructed and tested against other ideas and new finds.” (Buddenberg 2006)

The IMF figure of one trillion USD (published by the media in the 1990s) is generally quoted as the turnover of organised crime. Another frequently cited figure is that of between two and ten percent of world GDP, which corresponds to a figure of between US\$ one and five trillion laundered. Many figures quoted by the media are based on anecdotes, extrapolations from the rare criminal trials or from customs, police, intelligence and international organisation. Often these organisations apply arbitrary multiplying coefficients to the value of seized smuggled goods (Cartier-Bresson 2002).

The UNODC research paper of 2011 *Estimating illicit financial flows resulting from drug trafficking and other transnational organized crimes* confirms the initial IMF evaluation, suggesting that “all criminal proceeds are likely to have amounted to some 3.6 per cent of GDP or around US\$2.1 trillion in 2009”. The resulting best estimate of the amounts available for money-laundering would be within the IMF’s original ‘consensus range’, equivalent to some 2.7 percent of global GDP or US\$1.6 trillion in 2009. From this figure, money flows related to transnational organized crime activities represent the equivalent of some 1.5 percent of global GDP, 70 percent of which would have been available for laundering through the financial system. The largest income for transnational organized crime seems to come from illicit drugs, accounting for a fifth of all crime proceeds.

In a research conducted by Friedrich Schneider in the 1990s, the underground economy (“*black*” and criminal) represents the following percentage of GDP: developing countries 35- 44 percent, countries in transition 21- 30 percent, OECD countries 14-16 percent . Among developing countries, Nigeria and Egypt amounted respectively 77 and 69 percent. The illegal economy in Georgia amounted 64 percent of GDP; Russian illegal economy was 44 percent of GDP. In the OECD, Greece and Italy had respectively 30 and 27 percent.

In the majority of the countries where this research was conducted, the underground economy grew considerably throughout the duration of the study.

According to *U4 Anti-Corruption Resource Centre*, estimations of the financial impact of organised crime vary hugely, with yearly incomes that range between US\$ 0.5 and 1 trillion. This might seem to be an insignificant impact if compared to the social effects of organised crime and corruption that is inevitably associated with it (Reed 2009).

Calculations made by GFI estimate that the illegal financial flows in the 160 developing countries can reach between US\$ 850.000 million and one trillion per year. This calculation is to be considered a conservative one, as it does not account for: *trade mispricing* within the same TNC; the proceeds of criminal and commercial smuggling such as drugs, minerals, and contraband goods; and mispriced asset swaps, where ownership of commodities, shares, and properties are traded without cash flow (Kar & Cartwright-Smith 2008).

The World Bank estimates that the flight of public assets in developing countries includes:

- Cross border flows of capital from illegal activities, corruption and tax evasion, estimated between US\$ 1 and 1.6 trillion per year;
- Corrupt funds associated with bribing of public officials in developing and in transition countries, estimated at US\$ 20 to 40 billion per year (these figures correspond approximately to 20 per cent and 40 per cent of the Official Developments Aid) (World Bank, UNODC 2007).

According to Cartier-Bresson, it would be interesting to do an analysis of the social cost of crime in order to deduce the best national and international responses to it (Cartier-Bresson 2002).

In order to give a sense of proportion of the money moved by organized crime, we will compare it with the value of other social phenomena:

- The 2008 “bailout” of financial entities due to the global crisis, cost taxpayers worldwide US\$ 10.8 trillion (BBC 2009);
- Bonuses paid to Wall Street employees in 2005 amounted US\$ 21.5 billion;
- The United Nations system has a budget of US\$ 15 billion per year. The budget includes the UN Secretariat, peacekeeping operations, the UN Programmes and Funds, and the specialized organisations, excluding the World Bank (WB), the International Monetary Fund (IMF) and International Fund for Agricultural Development (IFAD);
- The Stockholm International Peace Research Institute (SIPRI) estimated that in 2007 the military expenditure was US\$ 1.3 trillion, which represents 2,5 percent of global GDP, and 13 times the amounts allocated to Official Development Aid;
- The world GDP in 2007 amounted to US\$ 54.3 trillion (World Bank 2009);
- The Official Development Aid (ODA) was US\$ 103.5 billion in 2003 (including: bilateral, multilateral, humanitarian aid and debt relief) (OECD 2009).

In the following chart we can see that the value of some of the criminal activities at global level is considerable compared to the budgets of legitimate human institutions as the United Nations or Development Aid. Looking from an IPE perspective, we can conclude that TOC is one of the main economic activities worldwide. Therefore it should have the power to influence the production and financial structures at local and global level. This type of analysis is important for decision-makers and academics so that they can have an idea of the power of TOC. Of course the figures concerning TOC are always approximate, and the



phenomenon of TOC itself is not a cohesive activity, but a wide range of them, that can go from smuggling, to fraud, to profiting from the environment, and involving a range of unrelated actors. This is also one reason why quantitative research methods are not very efficient in the study of TOC.

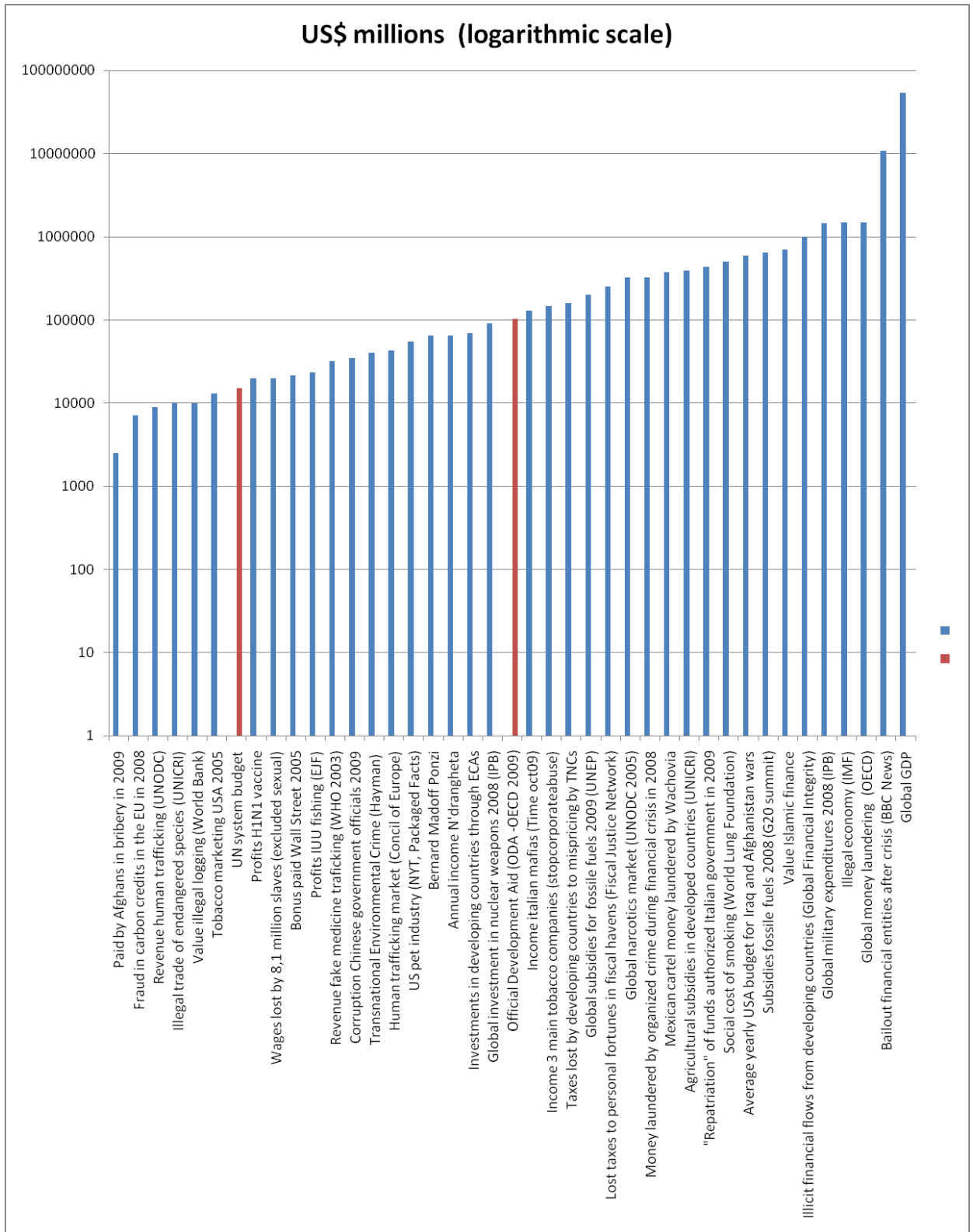


Figure 5: Comparison of the cost of some world phenomena with the revenues of organized crime (author's elaboration).

## 3.2.1 Comments

*Reports that say that something hasn't happened are always interesting to me, because as we know, there are known knowns; there are things we know we know.*

*We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns – the ones we don't know we don't know. And if one looks throughout the history of our country and other free countries, it is the latter category that tend to be the difficult ones.*

*Donald Rumsfeld 2002.*

Concerning the structural power theory, the quantification of TOC is mainly subject to the ideational base of the financial structural power, given its heavy reliance on monetary data. And it is the huge size of money moved by TOC that gives an idea of the power of TOC in the global political economy. Important institutions like the World Bank, the IMF or the United Nations have taken the risk to publish figures, without always having solid evidence. The fact that the data are unreliable and inaccurate should not discourage the academia from researching in it, on the contrary it should be a challenge. These figures also give us a clear indication that TOC's power is based mainly on finance. And the financial world is totally based on trust, and therefore in the world of ideas.

Regarding the material capabilities, we can see that TOC causes a heavy damage to society, the economy and the environment, although these effects are not always easy to quantify, due to the secrecy surrounding them.

## 4 TOC and Society

In this chapter, we will analyse the links between TOC and society, which can be traditionally considered as composed of state, markets and civil society.

### 4.1 TOC and the State

*“My father is no different than any powerful man, any man with power, like a president or senator”. Michael Corleone, The Godfather, 1972.*

We will see how the State interacts with TOC in the present post-Westphalian historical phase.

#### 4.1.1 Quasi-governmental criminal structures

As Charles Tilly (1985) stated, “If protection rackets represent organised crime at its smoothest, then war risking and state making – quintessential protection rackets with the advantage of legitimacy – qualify as our largest examples of organised crime.”. According to this author, there are many similarities between the building of a state and organised crime. Feudal lords made regular use of armed groups to levy taxes from peasants and traders, in a similar fashion as the mafia rackets. These War Lords vanquished their neighbours, increasing their own territorial dominions until their properties became kingdoms, and eventually turned into modern European states. Throughout the Renaissance and The Enlightenment, monarchs felt obliged to broker deals with their

subjects in order to obtain their consent to finance modern armies that had become very costly. In the 20th Century Max Weber moves further, defining the State as the only claimant to the “monopoly on the legitimate use of violence”

In this fashion, “rebel” groups can be assimilated to “incipient states”. In fact, the origin of many modern states can be found in insurgent groups, which struggled for power by force and were legitimized through armed violence during the process of decolonisation in the 1960s and the 1970s. According to Paul Collier (2000), rebel groups are structured similarly to organised crime groups. However, the main goal of mafia groups, is not to provide more and better services to their protégés, but to fight (violently if necessary) among the groups over the control of resources and markets, in a very similar way as feudal lords, kings, emperors did it for territory.

Tilly drew a compelling analogy between the state as the place of organised means of violence, and racketeering. He defined the racketeer "as someone who creates a threat and then charges for its reduction" in order to gain control and consolidate power. In this regard, a state and its government differ little from racketeering, to the extent that the threats against which they protect their citizens are often imaginary or are consequence of their own activities.

Economist Mancur Olson introduced the concept of the “roving bandit” and the “stationary bandit” (1993) as a way to express the transition from gangs to states. “Under anarchy, uncoordinated competitive theft by "roving bandits" destroys the incentive to invest and produce, leaving little for either the population or the bandits. Both can be better off if a bandit sets himself as a dictator – a “stationary bandit” who monopolizes and rationalizes theft in the form of taxes. A secure autocrat has an encompassing interest in his domain that leads to provide a peaceful order and other public goods that increase productivity. ”

Whenever an autocrat expects a brief tenure, it pays him to confiscate those assets whose tax yield over his tenure is less than their total value.

Acemoglu and Robinson (2012) claim that nations fail when they are led by “extractive elites” who concentrate political and economic power in “extractive institutions” that prevent the free markets. Instead, successful nations have historically developed “inclusive” political and economic institutions. With this theory, they demonstrate how the UK became successful with the diffusion of power represented by the 1688 revolution. Instead, in Spain, the political and economic institutions were kept under an oligarchic control that prevented economic progress. The authors say that this factor is more determinant than cultural and natural ones. However, if this theory may have been essential during the “modern” era, when the classical economy of “infinite growth” functioned, it may no longer be sufficient in the era of globalization, when the wealth of one nation is detrimental to that of another, and especially, when the growth of production in one nation implies major harms to the common natural environment of the Earth, in particular in terms of disruptive climate change. Of course the emancipatory principle that power should be diffused in society and inequalities should be reduced does contribute to a more sustainable system.

States often label antagonist groups as “terrorists”. By doing so they aim to destroy their legitimacy among their supporters, the population and the international community. In fact they will call “freedom fighters” the rebels who are friendly to their cause. President Bush even “declared war”, not to a state or an insurgent group, but to the “practice” of terrorism. However, this prophecy became self-fulfilled when some years later, the terrorists created a “state” in the form of the Islamic State in the Levant (ISIL). To prove its capacity as a state, ISIL made good show of its capacity to exert violence against the population, to tax

them and to trade with valuable goods (oil and antiquities). ISIL is an interesting case of the creation of a brand new state in modern times out of an insurgent rebel group.

The drying of funds from the West and the Soviet Union to their clients after the end of the Cold War, as well as the effects of the “Structural Adjustment Programmes” (SAP) of the International Financial Institutions throughout the 1990s exposed many countries to bankruptcy, and to the risk of becoming *failed states*. Many of those countries, as Somalia, DRC or Guinea-Bissau have fallen partially or totally under the control of criminal organizations. In these countries, non-state actors such as clans, ethnic groups, guerrilla groups or “war lords”, have inherited the monopoly "of the legitimate use of violence" and protection. Eventually, they might be recognised as States or semi-states by other states, as Kosovo or Somaliland.

Hirschfeld (2015) has researched on the evolution of gangs into states and vice-versa. She considers that states can be considered as “exaptations” of criminal gangs, exaptation being a biological term for a “structure or trait that originally evolved for one purpose but ends up taking on a different function as circumstances change over time”<sup>1</sup>. Territorial gangs, kleptocratic gangster-states, democratic states, empires and failed states are all understood as potential iterations of a dynamic, longitudinal, bidirectional evolutionary process. Any phase can “progress” to the next or the previous level, depending on the circumstances in a given area. Democracy may or may not emerge as a stabilizing phase at any point in this process.

---

<sup>1</sup> A usual example of exaptation are the bird feathers which evolved originally for the purpose of temperature regulation and became secondarily re-purposed for flight.

In an attempt to test the origin of modern states in insurgent groups, economist Sanchez de la Sierra (2014) presents the case of the creation of “quasi-states” by armed groups in the jungles of Eastern DRC (a space absent of the presence of the state) characterised by the establishment of monopolies of violence. He shows how they rationally chose to act like a state, providing social and security services to the population in exchange of taxes (*stationary bandit*), or to loot the populations when they have to move under pressure from other armed groups or the state (*roving bandit*).

Criminologist Peter Lupsha (1991) broke down the relationship between organized crime and the state into three stages: *predatory*, where criminal actors seek expansion at the expense of all external actors, including the state; *parasitic*, when the criminal groups suck and use the resources of the state; and *symbiotic*, in which the criminal organizations work in concert with the state. Lupsha described this relationship as sequential, but it need not be.

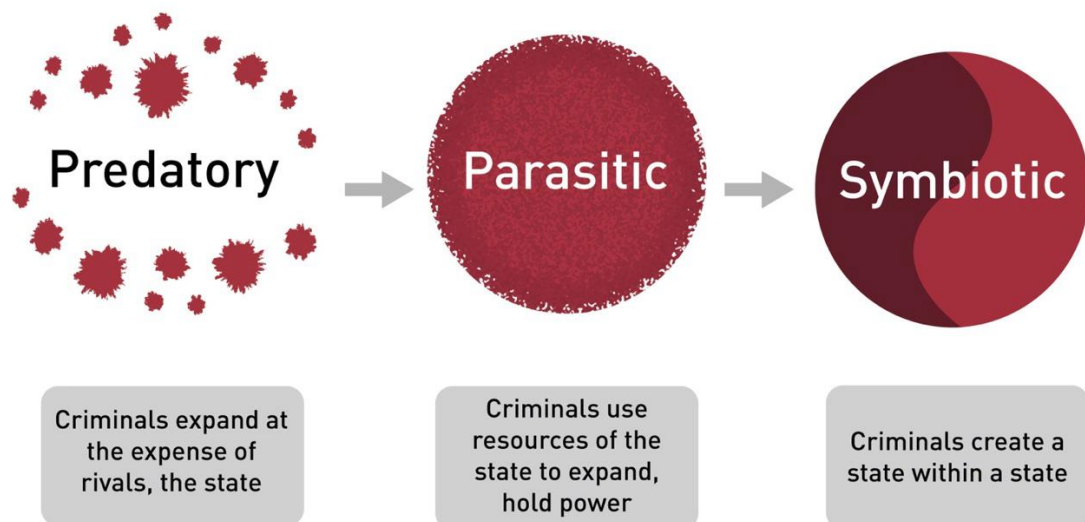


Figure 6: Lupsha's Three Stages of Criminal-State Relations.

The coincidence between the state and organised crime has become so strong that recently, in some countries in transition an 180° shift has been enacted. Oligarchies in these countries



have taken over the old communist political and legal systems, for the great benefit for their own businesses, phenomenon known as “state capture” (Hellman & Kaufmann 2000a and 2000b). In later years we have witnessed that this capture of the state is not limited to transition political economies, but can happen anywhere as we will see later.

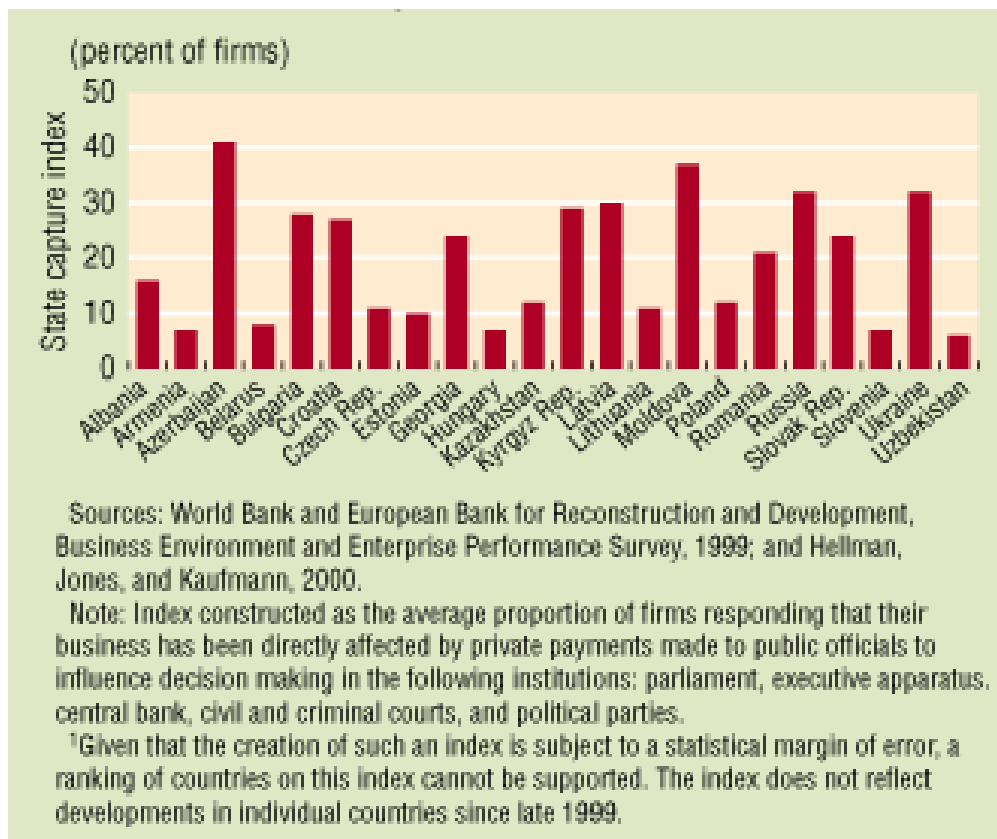


Figure 7: Measuring state capture in 1999 (source: WB and EBRD)

The state sometimes subcontracts organized crime to do certain tasks. For example, during WWII, the US Army used the Mafia, that the fascist regime had obliged to escape to the USA during the previous decades, to obtain intelligence, but also to help them establish the occupation civilian administration in Sicily (and prevent the rise of the Communist Party). After the war, the Mafia maintained its privileged political position, and managed to infiltrate the new Italian government until today, and to expand to the rest of the country and even beyond. In spite of the efforts deployed by the state and society during the 1990s

to control it, and the consequent reduction of violent attacks, the criminal networks continue to operate in parts of Italy with success. Other countries have seen recently this symbiosis between organized crime and the state as Mexico and Colombia.

An interesting account of how the US Government has used TOC to favour its hegemonic agenda is described by John Perkins (2004). He confesses his former career as an “Economic Hitman”, which he describes as “a highly paid professional who cheats countries around the globe out of trillions of dollars. They funnel money from the World Bank, the USAID, and other foreign “aid” organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet’s natural resources. Their tools include fraudulent financial reports, rigged elections, payoffs, extortion, sex, and murder. They play a game as old as empire, but one that has taken on new and terrifying dimensions during this time of globalization.”

Stergios Skaperdas (2001) says that organized crime emerges out of the power vacuum that is created by the “absence of state enforcement”, which can have many sources: geographic (e.g. the middle of the Amazon forest), social (e.g. in the slums), ethnic distance (e.g. in black ghettos during Apartheid in South Africa), prohibition (e.g. drugs, slaves), or simply the collapse of state institutions (war, revolution). Mafias and gangs are hierarchically organized and can be thought of as providing primitive state functions, with economic costs that are typically much higher than those associated with modern governance. The idea of the prohibition stimulating organized crime had already been suggested by Susan Strange (1996). Friman also insists that by the very act of criminalization, states create a space for criminal activity (Friman 2009, 13).

In today’s globalized economy, military success in the battlefield can depend significantly of the business success in the illicit economy. There are many examples of armed groups

that recur to trafficking to finance violence, for example drugs (KLA, PKK, Islamic Movement of Uzbekistan, Taleban, Colombian and Peruvian, Myanmar or Nepali armed groups); cigarettes (Hezbollah, paramilitaries in Northern Ireland) or natural resources (Colombia, Myanmar, Liberia, Sierra Leona, Angola, Nigeria, DRC, Iraq). In some cases, there can even be cooperation between rival groups. This indicates a commercialization of war, the emergence of war lords and the institutionalization of violent criminal disorder as a shadow economic system, undertaken by large scale criminal enterprises that connect the local markets to the global ones (Cockayne 2007).

In *Useful Enemies*, David Keen (2012) argues that “when the expressed goals in a war are not being achieved a number of unexpressed goals are nevertheless being fulfilled”. This is drawn out through an exploration of the economic benefits of collusion between rebels and government soldiers. Keen describes how easily soldiers and rebels come together and how they collude to maximise profits. Keen compares such practices to the recent “betting scandals in cricket and football that have reminded us that when we think we know what ‘game’ is being played we can be very much mistaken”.

According to De Goede (2009), policymakers have used the issue of terrorist finance to alter the “everyday financial behaviour” of private actors and establish new patterns of global governance.

Fabio Armao (2009) has represented organized crime in a grid, their position depending on whether their interests are political or economic, or whether they are based in the Centre or the Periphery of the world system. As we can see, the “real” criminal groups have economic interests: if they are in the Periphery they are *Mafiosi*, if they are in the Centre, they are *white collar criminals*. The groups with political interests can be *Terrorists* (if based in the

Periphery) or *Mercenaries* (if based in the Centre). The further we turn (counter clock wise), the higher is the use of violence (from *white collar criminals* to *mercenaries*).

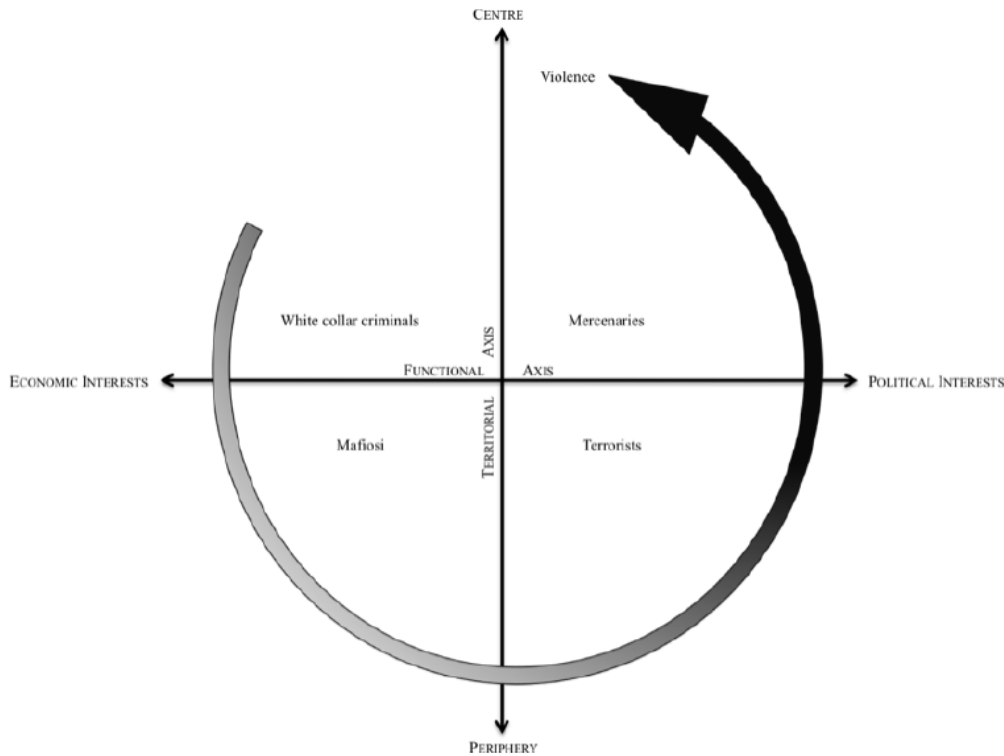


Figure 8: Organized crime grid (Armao 2009)

According to Moises Naim (2011) the criminals are in power, *Criminal networks are at the forefront of globalization, of technology and politics*. The leaders of these criminal cartels are not mere criminals, they are also heads of state, top military officers, politicians, spy chiefs or the owners of some of the world's largest and best endowed business conglomerates. To give an example, in 2006, the heads of police of 152 nations met in Brazil for the 75th General Assembly of INTERPOL. The speaker was Jackie Selebi, then South Africa's Chief of Police, who is now in jail serving a 15 years sentence for his role in leading one of his country's criminal organizations.

## 4.1.2 State crime

*“Power wears out those who don't have it”, Giulio Andreotti*

As Chambliss (1989) stated in his well-known *“Presidential Address to the American Society of Criminology”*, states have always pursued their own economic and political interests, often in clear violation of their own domestic laws, international law or international treaties.

Many deeds and incidents that cause serious social harm are not covered by criminal law or remain neglected. Corporate and state crime are two categories of offense that continue to be left out of legal, political, police and academic agendas, although the vast social damage they produce afflicts primarily the most disadvantaged and deprived people. The emphasis given to deeds defined as crimes, not only diverts attention from more serious social issues, but also ignores them. (Hillyard & Tombs 2007)

In a renowned article in 1996, sociologist Stanley Cohen said that “somewhere there in what some of us rather quaintly still refer to the 'real world', transformations are occurring in the way in which political conflicts are understood and sought to be regulated. These transformations - even when exaggerated - call into question the boundary between crime and politics in more disturbing ways than criminologists imagined.”

European States created private corporations, such as the *“East India Company”* in order to manage their colonies and *“protectorates”*. Perhaps The *Association Internationale Africaine* was the most harmful in modern history. It was a *“humanitarian NGO”* set up by King Leopold II of Belgium, in order to *“discover the Congo and civilize its inhabitants”*. It also claimed to fight against *Arab Slave Traders* (although he ended appointing one of

the main traders, Tippu Tip, as his representative in Maniema). The organisation was involved in racketeering the “*Free State of Congo*” and reached the point of causing the genocide of half of its population. It is estimated that the Congolese population decreased from 20 to 10 million people between 1885 and 1908 (UK Parliament 2006). And all this to extract from the Congo enormous wealth, especially rubber and ivory in that time. Such was the brutality of this organisation that contemporary kings and governments forced Leopold to relinquish his power and hand it over to the Belgian state. These types of “extractive” institutions are the ones that Acemogly and Robinson (2012) blame for the failure of nations. Of course, they do not refer to the metropolies (UK, Belgium), but the colonies (India, DRC), which are still today struggling with the local successors of these “extractive elites”.

As in the time of European colonial expansion in the 16th to 18th centuries, some states have recently found convenient to entrust some private organisations, called Private Military Companies (PMC), to seek “protection”. These organisations are extensively used by the USA in its wars in Iraq, Afghanistan, and Colombia. In 2015 the UAE officially deployed an army of South American mercenaries to fight on their behalf against Shiite factions in Yemen. The fact that the practice of the mercenaries is forbidden by international law, and the recent public scandals that they have caused are in no way decreasing the growth of this business.

We will now see what the international regimes are achieving regarding the control of TOC.

### **4.1.3 Beyond the states**

We will see later in this dissertation how the main intergovernmental institutions deal with the issues of TOC in more detail, but here is a short summary. The UN focal point on TOC is the UN Office on Drugs and Crime (UNODC). It is the custodian of the drug trafficking and organized crime regime and their numerous conventions, in particular the UN Convention on Transnational Organized Crime (UNTOC) and its Protocols and the UN Convention Against Corruption (UNCAC) as well as the drug trafficking conventions. The International Labour Organization (ILO) is concerned with Forced Labour and is the custodian of its numerous conventions. The UN Environmental Programme (UNEP) is the custodian of many of the environmental treaties at the global level. The World Health Organization (WHO) has an important role in harmonizing health standards, and therefore has the responsibility to determine harmful practices that damage human society. The International Organization for Migration deals with human trafficking. The International Police Bureau (Interpol) was born at the initiative of the heir states of the Habsburg Empire to control criminal activities in its former realm. It has the function of coordination of the law enforcement agencies of the states. The International Committee of the Red Cross (ICRC) is the custodian of the International Humanitarian Law, which has provisions on TOC. The UN International Criminal Court (ICC) is responsible for the prosecution of a series of international crimes that could include TOC. The World Bank, the World Trade Organization (WTO) and the International Monetary Fund (IMF) and the FATF are concerned with Illicit Financial Flows, illicit trade and corruption. The World Customs Organization coordinates the work of the national customs offices. Some regional organizations like the Organization for Economic Cooperation and Development (OECD) have a heavy impact in the governance of economic crimes, because it represents the main

developed countries. The same can be said of important international actors like the European Union or the United States. Other regional organizations like the African Union have an influence in the failed states.

As we can see, the international regime ruling TOC is very dispersed, and its efficiency is not ideal, although a great effort on harmonizing national laws has been done for decades. Some globalization researchers (Daniele Archibugi, David Held, Ulrich Beck, etc.) have proposed the harmonization of the world governance into a cosmopolitan system. This would represent the implementation of Kant's "perpetual peace" ideal. There is no doubt that the globalization of trade and finance, the universal access to information provided by the internet facilitate the processes of harmonization of the different civilizations, which was not possible in the times of Kant. There are many interpretations of how this could be articulated, but one of the common features is that it should be democratic, although it could be rooted on some of the present transnational systems: in the international organizations although they represent the governments and not the peoples, in the international markets (of products, finance or knowledge) although they favour mainly the elites, etc.

#### **4.1.4 Comments**

We have seen that, contrary to the prevailing knowledge, the state and organized crime have a common historical origin in the chieftains or warlords. Hirschfeld (2015) even suggests that the state is an *exaptation*, an *accidental evolution* of organized crime. They both use coercion to manage social life. The main difference is that the goal of the state is to produce the welfare of the community, while that of the criminal gang is to obtain a profit at the expense of society (and the natural world). That being said, in most real



occasions, the situation is mixed, with states committing crimes/ harms and gangsters providing social services. In fact the state-gang condition is a continuum, and not only gangs can turn to states, but also states can turn to gangs, as we can see with some failed states.

The main power structures concerned in this aspect of TOC are security and welfare, as they relate to the legitimate exercise of violence and the provision of welfare, as the main attributes of a state. However, as we will see in the next section, the modern state is often more involved in the production and finance structures than it pretends to be.

The technological changes associated with globalization have permitted TOC to have a borderless scope, while the state continues to be restricted for political reasons within the realm allocated to it by the Westphalian system. As we will see in this dissertation, the international regimes have been trying to submit the illicit markets to the state, but with limited success. A stronger action would be required from the state to control spaces that can be used to cause harms like the secrecy jurisdictions and the deregulated financial markets. A solution for this could be a cosmopolitan system that would govern the unregulated spaces between states (offshore finance, high seas, war between countries, universal justice, global commons, global environmental change, etc.).

There seems to be a race between the state and TOC as agents to see who becomes bigger and controls the other.

However, the main goal of the political power and violence of TOC is profit, and we will next examine the links between TOC and the markets.

## 4.2 TOC and Markets

*“I care not what puppet is placed upon the throne of England to rule this Empire on which the sun never sets. The man who controls Britain’s money supply controls the British Empire, and I control the British money supply.” Nathan*

*Mayer Rothschild (1777–1836)*

The German Socialist School and Karl Marx in particular (*Das Kapital*, 1867), had already highlighted in the 19th Century that the financial and social conditions imposed by the capitalist production process were criminogenic. They not only gave rise to a crime out of need, but also the crime of exploitation and abuse perpetrated by the bourgeoisie. In the same line, in 1905 the Dutchman William Bonger published a paper on Crime and Economic Conditions, in which he described crimes committed by the rich as a result of the maximisation intrinsic to the speculative logic of capitalisation (Queloz 2001).

As Ruggiero (1996) suggests, research in organised crime should incorporate “*White collar crime*”. It should not focus only on the mafia actor, rather on the nature of the crime. It is only towards the end of the 1990s that white collar crime was equated to traditional mafia crimes (Cartier Bresson 2002). The main characteristic of this broad definition is the inclusion of OC within legal business (Reed 2009). Moises Naim (2005) also insists that illicit trafficking is an economic phenomenon, not a moral one.

According to John Picarelli (2009), transnational organized crime is modelled as a function of economics. Criminals are rational actors, and the acquisition of profit is their sole or primary goal. Phrases such as *risk and reward*, *rent seeking*, *economies of scale*, and others appear in numerous studies, underscoring the belief that crime groups are best understood

as firms engaging in criminal activity. Economics is not the only explanatory paradigm, however. Over the past two decades, social scientists have turned to international norms and rules as important factors for analysing a wide range of empirical issues in international politics, including transnational crime. For these scholars, ideational factors help to explain the growth and behaviour of organized crime groups and the contexts within which criminal markets are embedded.

Cox (2003), claims that “the inter-subjectivity of the covert world is the dark side of laissez-faire in the overt market. It is a world of total commodification, with no limit or restraint other than that of the unregulated force available to those active within it. Everything – human beings, alive or dead, human body organs, narcotics, nuclear fuel, state and industrial secrets – is available for a certain quid pro quo.”

According to criminologist John Lea (2001), the increasingly blurring boundaries between organised crime, corporate crime and legitimate business is well known. Organised crime is a branch of big business: it is simply the illegal sector of capital. It has been estimated that by the middle of the 1990s the ‘*gross criminal product*’ of organised crime made it the 20th richest organisation in the world and richer than 150 sovereign states (Castells 1998: 169). The world’s gross criminal product was estimated at 20 percent of world trade.

According to critical criminologist Gregg Barak (2015), most people are well aware of ordinary criminal harms to person and property committed by the powerless and poor. “In contrast, the more harmful and systemic forms of injury to person and property committed by powerful and wealthy individuals, groups, and national states are neither calculated by governmental agencies nor annually reported by the mass media. As a result, most citizens of the world are unaware of the routinized “crimes of the powerful,” even though they are more likely to experience harms and injuries from these types of organized offenses than

they are from the atomized offenses of the powerless.” He also regrets that this ignorance is artificially maintained by the fact that “the discipline of criminology spends only five percent of its time researching, teaching, and writing about “white-collar” crime while devoting 95 percent of its time to “blue-collar” crime. Time and again, these powerful criminal activities have been conventionalized or neutralized by way of alliances, negotiations, and justifications that undermine the moralizations of these offenses

According to John Lea (2001), the structure of criminal enterprise no longer conforms to archaic forms of ‘*family*’ organisation such as characterised by the traditional Sicilian Mafia. Rather, newer flexible forms of ‘entrepreneurial’ criminal organisation and methods of operation, highly adapted to fast moving global networks, achieve increasing integration into the legitimate economy through sophisticated money laundering techniques. The use of encrypted electronic mail, anonymous web sites and the myriad of instantaneous transactions which constitute the Internet in general and financial markets in particular, render the legal and the illegal increasingly indistinguishable and where distinguished, beyond the reach of national law enforcement agencies. Criminality is normalised by the networks. (Castells 1998: 202, van Duyne 1997)

Lea adds that “legitimate business both actively seeks relations with criminal organisations and adopts methods akin to those of organised crime”. Immigrant smuggling eases labour supply problems in a variety of manufacturing sectors such as clothing and food, construction and agriculture and in ‘*dirty economies*’ where semi-legal employment is interspersed with employment in more directly criminal activity (Ruggiero 1997). Conversely, the global sphere of operations of multinational corporations enables the export of the most brutal aspects of cheap labour to convenient locations in the southern hemisphere where “workers have to contend with thugs hired by the bosses, blackleg trade

unions, strike-breakers, private police and death squads" (de Brie 2000). Such brutal labour regimes in third world countries can then be presented as characteristics of the "lack of governance" in these societies and having nothing to do with the dynamics of global capitalism. In fact competition and the need to minimise production costs create a situation in which "corporations find it less and less possible to operate without engaging in criminal activity" (Bello 2001). The collusion of multinational corporations with various forms of violence evokes memories of an earlier stage of capitalist development such as the period of the US '*robber barons*'.

The legal financial sector meanwhile, with an eye on the growing wealth of organised crime, may go out of its way to attract criminal investments. The closure of the Bank of Credit and Commerce International (BCCI) in 1991 gave a glimpse of the tip of an iceberg whereby legitimate private banks and investment traders openly tout for legal and illegal funds without objections about the distinction between the two (Chossudovsky 1996). A further indicator is the fact that legitimate capital is turning to the same tactics as organised crime. The activity of drugs cartels laundering their profits through "offshore" banking facilities (banks in states which guarantee zero taxation of deposits and absolute secrecy about the identity of investors) "pales, however, beside the gigantic losses to the public purse that result from the legally organised flight of capital." (Martin and Schumann 1997). In this way legitimate capital enhances its power over governments to reduce tax burdens not only with the threat to relocate employment but also by adopting some of the tactics and resources of organised crime. Indeed, criminal capital forces legitimate capital to compete with it to overcome the 'burden' of having to pay at least some minimal tax revenue. (Shelley 1998: 608-9)

The scandal of Enron and Arthur Andersen in 2001 was a creative, systematic, institutionalised and planned accountable fraud. Its approximate cost to taxpayers was US\$ 70 billion.

According to Loretta Napoleoni (2009), The United States Government financed “The War on Terror” by lowering interest rates from 6 to 1.5 percent, seeking to increase consumption, but ultimately causing the present financial crisis.

Because of organised crime's increasing sophistication, we will see that organised crime is rather perpetrated by “businessmen-criminals” than by a “criminal-businessmen” (Queoz 2001a). In his book “*Capitalism's Achilles Heel: Dirty Money and How to Renew the Free Market System*”, Raymond Baker analyses the illicit flows of “black money” across International borders, and he shows how black money, poverty and inequality are intrinsically connected.

When market criminals combine with state criminals, we have a kleptocracy. Classical examples of kleptocracy are Mobutu's regime in Zaire, or Sami Abacha's in Nigeria, Ferdinando Marcos' in the Philippines and Suharto's in Indonesia. More recent ones are the fallen rulers of Tunisia and Egypt. Unfortunately kleptocrats' misdeeds only come to the public light when they have already ceased from office. However, connivance between State and Corporations is becoming more and more common including in developed countries such as Italy or the USA. Daniel Kimange (2009) plays with Greek etymology in order to find a definition for the situation in post-communist Russia: “Kerdocracy” or *rule based on the desire for material gain*, or “Khrematisamenocracy”, being the *rule by those who transact business for their own profit*.

According to the experts, the deregulation of the financial markets (which encouraged an unlimited speculation on capital and currency) is the primary cause of the current economic

crisis. This speculation has definitely generated social harm, if it is not openly criminal. Loretta Napoleon argues that establishing a financial system that does not allow profit on capital (or usury), similar to the Islamic finance, might be a valid solution to avoid future crises. According to Hiatt, payments on Third World debt require more than US\$375 billion a year, several times the amount of foreign aid that Third World countries receive. This system has been called a “Marshall Plan in reverse,” with the countries of the Global South subsidizing the wealthy North, even as half the world’s population lives on less than \$2 a day (Hiatt, 2010).

According to the NGO Jubilee Debt Campaign (2015), the deregulation of lending and global financial flows started in the 1970s have triggered frequent debt crises globally. They consider that the rise in inequality and the concentration of wealth was an underlying cause of the 2008 financial crisis. This increased the funds going into speculation on risky financial assets and made people and governments more dependent on debt. Inequality reduces economic growth as rich people spend less money on goods and services than middle- and low-earners. To address this problem, governments started either increasing debts, or for the creditor countries, promoting exports through loaning. This allowed growth to continue even though little income was going to poorer groups in society. On the meantime, the rich invested more of their growing share of national income into speculative lending and risky financial investments, in search of higher profits. Rising inequality, together with financial deregulation, thus fuelled an unsustainable boom in lending and was an underlying factor behind the crisis which began in 2008.

In February 2009 the Time magazine published a list of 25 people *guilty* for the crisis. Among these 25, bankers and businessmen constituted the highest number (including Bernard Madoff); however, USA presidents and *the Consumers* were also included in it.

Economist Daniel Schechter (2010) argues that the financial crisis is a consequence of organised white collar crime, and that a solution to this problem cannot be found in academic debates on the economy, but rather in the prosecution of Wall Street *criminals*. He warns us that unless action is taken, we will be at danger of a second and even more serious financial crisis than the present one.

At the end of 2009 the Director of UNODC Antonio Maria Costa stated that when the financial meltdown started in 2008, he had seen evidence of organised crime funds being “the only available capital” for some Banks. Therefore, the majority of the US\$352 billion of revenue deriving from drug smuggling in that moment must have entered the economic system. This situation brings up the question about organised crime's influence on the economic system in times of crisis. Costa also stated that evidence of illegal funding being absorbed by the financial system had been provided by intelligence and fiscal agencies: “In some cases, money deriving from the illegal drug trade is the only available liquidity for capital investment. During the second half of 2008, liquidity represented the biggest problem for the official banking system and, for this very reason, it gained so much relevance. These funds are now part of the official system, and therefore have been laundered”.

In the USA in 1933 Ferdinand Pecora presided over the investigations on the causes of the economic crisis that preceded The Great Depression. His investigation created the foundations for the legislation that restored integrity to the markets and trust in the financial system. Up to the point when the protections imposed by The New Deal had been dismantled by the *deregulation* and lack of supervision of the 1980s, these rules constituted the basis of an economic order that provided prosperity and survived several crises. Taking this commission as an example, the Financial Crisis Inquiry Commission, created in 2009,



can access the necessary information to understand the causes of the present crisis, and to protect the US economy from future meltdowns. The Commission reported its findings in January 2011. Its 10 major findings were as follows:

- The financial crisis was avoidable;
- Widespread failures in financial regulation and supervision proved devastating to the stability of the financial markets;
- Dramatic failures of corporate governance and risk management at many systemically important financial institutions were a key cause of this crisis;
- A combination of excessive borrowing, risky investments, and lack of transparency put the financial system on a collision course with crisis;
- The government was ill prepared for the crisis, and its inconsistent response added to the uncertainty and panic in the financial markets;
- There was a systemic breakdown in accountability and ethics;
- Collapsing mortgage-lending standards and the mortgage securitization pipeline lit and spread the flame of contagion and crisis;
- Over-the-counter derivatives contributed significantly to this crisis;
- The failures of credit rating agencies were essential cogs in the wheel of financial destruction.

These are enough arguments for the start of criminal investigations of the persons in charge of the financial system. However, no systemic investigation on the responsibilities for the destructive crisis has been ordered.

An interesting situation revealed by the New York Times in 2002 was that of the widespread donations of Enron to the US parliament members. Of the 248 senators and House members serving on the 11 Congressional committees that are investigating the

Enron collapse, 212 received campaign contributions from Enron or its accounting firm, Arthur Andersen. Donations from these companies are so frequent in Congress that each of the top 20 Senate recipients of Enron donations are serving on at least one committee investigating Enron. The Senate's top 20 recipients of Andersen's contributions were as well serving on at least one investigative committee.

Another relevant matter is the monopoly on intellectual property practised by developed countries. Developing countries have no access to vital medical patents, which could support their development, such as those for AIDS or malaria treatment. An additional predatory practice against developing societies' economies is that of *biopiracy*. This phenomenon consists of fraudulent exploitation of indigenous traditional knowledge (e.g. traditional medicine) by developed countries' corporations, in order to patent the commodities and to make a profit without the permission of their real owners.

The usage of *open-source software*, with which its creators allow public access to their resources, is also relevant to this discourse. In 2004 a group of NGOs, scientists and academics proposed the creation of the World Intellectual *Wealth* Organisation as an alternative to the World Intellectual *Property* Organisation. This approach would change the essence of intellectual property, from being a self-interested *goal* to a *means* that would benefit all humanity.

If one wishes to evaluate the “*real*” economy, which includes everything that contributes to sustainable human welfare (as opposed to “*market*” economy), one has to measure and incorporate non-commercial contributions to human welfare proceeding from nature, family, friends and other social relations at different levels, as well as health and education. In order to conveniently summarise these contributions, we can classify four basic types of resources necessary to sustain the real economy, which produce human welfare: *built*

*capital, human capital, social capital and natural capital.* The market economy covers mainly the *built capital* (industries, offices, and other infrastructure and its by-products) and part of human capital (labour, health and education expenditures). *Human capital* includes health, knowledge and all the other qualities of individual human beings, who are able to function in a complex society. *Social capital* includes the formal and informal networks existing among people: family, friends and neighbours, as well as social institutions at all levels, like churches, social clubs, national and local governments, NGOs and international organisations. *Natural capital* encompasses ecosystems and the services that they provide. The ecosystem services occur at different levels, from global climate balance, protection from floods, soil formation, nutrient recycling, and leisure, to local and regional aesthetic services (Costanza 2009b).

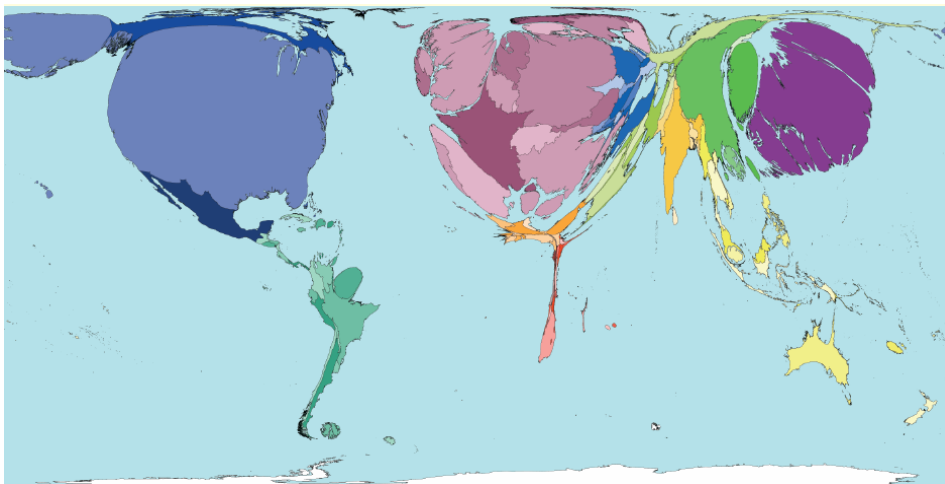


Figure 9: Gross Domestic Product 2003 (worldmapper)

Tombs & White (2015) consider that it is the “interdependence between states and corporations – in contrast to the dominant and prevalent claim that these entities exist in relations of antagonistic, external independence – that is the starting point for understanding the production of corporate crime and harm”. More specifically, the corporation is an essential part of the infrastructure of the modern capitalist state, albeit

that its place and roles therein are constantly in flux. They advocate for the abolition of the model of the corporation as the production entity.

Starting in the 1970s, the USA and the UK, together with the WB and IMF promoted a neoliberal agenda based on an extreme version the Washington Consensus to the countries of the South as a response to the debt crisis. After the end of the cold war, this system started to be applied at the global level, as a *new world order*. Based on the theories of the Chicago school, it advocates of a series of deregulation of the economic and financial markets, privatization of the state services (including security and welfare), reversing the progressive taxation, the deregulation of internal labour markets, and liberalization of trade and capital markets at the international level. According to Sanahuja (2014), this has led to the present crisis of neoliberalism: a concentration of political and economic power in the hands of a small transnational plutocracy, the subordination of the state to the needs of capital, the weakening of its social reproduction role generating more individualism and insecurity, the intensification of the exploitation of labour and nature, and a militarized re-affirmation of the hegemonic power through the “global war on terrorism” and the ensuing contradictions in the legitimacy of the western hegemony.

The work of Stephen Gill (1990, 2008) illustrates the “structural power of capitalism” and the “market civilization”. In his analysis of the Trilateral Commission, he describes an elite consensus-building site around economic and foreign policy, with its members commonly moving back and forth across professional lines of the academy, law, media, business and government as “organic intellectuals” of transnational liberalism, who are fully conscious of their important role in theorizing, popularizing and justifying ideological positions that represent the interests of the dominant class, but in a fashion that makes an appeal to all. In later work, Gill offers a concept that captures much of the power dynamics of

globalization and neoliberalism under the term *disciplinary neoliberalism*: “the structural power of capital (including the broad capacity to shape expectations, material constraints and incentives); an ability to promote uniformity and obedience within parties, cadres, and organizations, especially in class formations associated with transnational capital and particular instances of disciplinary practice in a Foucauldian sense. Thus, *disciplinary neoliberalism* is a concrete form of structural and behavioural power, combining the structural power of capital with *capillary power* and *panopticism*.” (Griffiths, 2009)

By *new constitutionalism* Gill refers to the increasing number of legal instruments, treaties, laws and institutions that progressively secure ever larger parts of social life for the logic of neoliberalism and away from any kind of democratic control. For Gill, “market civilization” refers to the micro level instantiations of neoliberal ideology, the way in which neoliberal values of the individual, property, privatization and hierarchy become pervasive globally. Examples include the increasing commodification of areas of social life such as healthcare, health insurance, religion, leisure, the patenting of human genes and other life forms. Gill also cites the “panopticon effect” at work in the enormous amount of data collected on individuals as market agents. He also claims that “the Internet in some significant ways facilitates this sorting, categorization and evaluation process, as well as acting as a kind of offshore cyberspace beyond the reach of many national regulation and taxation structures”.

According to Susan George (2015), lobbying has long been part of politics, but recently the links between big business and government have become stronger and more far-reaching than ever. TNCs demand control over the regulation of finance, public health, labour laws, food and agriculture, taxes, safety regulations and international trade and investment. They demand the right to private tribunals in which they can sue governments

for passing laws that could be detrimental to their present or future profits. But the TCC doesn't want to rule directly, and prefer to manoeuvre behind the scenes - setting standards, directing planning and moulding government to maximise their revenues. Through the UN Global Compact (UNGC) they have reached their influence to the highest levels of multilateral decision-making and now, through the Davos-inspired Global Redesign Initiative (2010), they are setting their sights on the management of global public policy. "Elected by and accountable to no one, secretive and highly organized, these shadow sovereigns are destroying the very notion of the common good and making a mockery of democracy" (George 2015).

In 2011, after six years of studies and consultations, Professor John Ruggie presented the Guiding Principles on Business and Human Rights to the international community. These principles are a compilation of relevant international law that conceptualizes human rights obligations in relation to business activities in the following terms: 1) the State duty to protect human rights; 2) the corporate responsibility to respect human rights; and 3) the responsibility of States and businesses to provide effective access to remedies. The UN Human Rights Council adopted the Guiding Principles, and established a Working Group composed of five independent experts mandated to monitor and promote their implementation. Many companies have made progress in adopting human rights policies, strengthening due diligence processes, and in other aspects of applying the Guiding Principles. However, those who believe that the implementation of the Guiding Principles has been too slow or even ineffective have argued that it is necessary to develop a "hard law" mechanism to hold businesses accountable for human rights violations. In 2014, Human Rights Council members engaged in an intense deliberation regarding the next steps in the field of business and human rights. The delegations of Ecuador and South Africa led an initiative to create a legally binding instrument to address human rights

violations by businesses. Opposing this effort were the United States and the European Union, among others, who argued *inter alia* that this “competing initiative” would undermine the implementation of the Guiding Principles. After much debate, a plurality of the Council approved Resolution 26/9, creating an open-ended intergovernmental working group to “elaborate an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises.”

Political theorist Sheldon Wolin (2015) exposes a structure in which citizens are politically apathetic and compliant - and where TCC is willing to keep them that way. At best the USA has turned into a "managed democracy" where the public is steered, not sovereign. At worst it is a place where corporate power no longer responds to the state. Wolin warns that unrestrained economic power risks to move to political power and has its own unsettling problems. Wolin examines the myths that explain the quest for an ever-expanding economy, and the pernicious attractions of the war on terror. He argues that democracy's best hope lies in citizens themselves learning anew to exercise power at the local level, a type of direct democracy.

As claimed by Nitzan and Bichler (2009), capital should not be counted as the “utils” of the liberal economists or the “labour” of the Marxists, but as a symbolic quantification of power. Capital represents the organized power of dominant groups to reshape – or reorder – their society.

According to criminologist Varese (2011: 12), the mafias emerge and relocate when particular structural economic conditions happen. “The critical factor is proximity to a sudden market expansion that is not properly regulated by the state and the presence of people who can step in to regulate such markets. In a nutshell, opportunities in the market

economy bring about mafias”. Governments should control the orderly development of markets, and thus neutralize a mafia's transplantation or emergence.

Political economist Jérôme Roos (2013) wonders how the “One percent” exercises its apparently unrestrained political influence over the state. More than just acquiring political influence with their wealth, private bankers obtain their power from the control over financial flows and the capacity to create money “out of thin air”. He identifies two types of money (commodity money and credit money) and two related forms of power (purchasing power and structural power), he demonstrates how the neoliberal privately created credit money has awarded global finance with exceptional structural power, turning states increasingly reliant on private banks to preserve the capital accumulation process. The creation of the indebted state under neoliberalism has produced a separation of state sovereignty and political representation, and thus represents an important challenge to traditional democratic practice.

According to Robinson (2000) and Van der Pijl (1998), a transnational capitalist class (TCC) has appeared as part of the world’s bourgeoisie that is related to transnational capital, the owners of the main global means of production as embodied in the TNCs and private financial institutions. The proliferation of TNCs, the surge in FDI, the increase of mergers and acquisitions, the growth of a global financial system, and the linking positions in the global corporate structure, are some indicators of the transnational integration of capitalists. The TCC manages global circuits of accumulation. This grants to the TCC a class identity, which is located spatially and politically above the national states. Robert Cox had earlier called this class the Transnational Managerial Class (1981: 147)

In “The Corporate Criminal: Why Corporations Must Be Abolished” (2015), criminologists Tombs and White, drawing upon a wide range of sources of empirical



evidence, historical analysis and theoretical argument, claim that the private, profit-making, corporation is a habitual and routine offender. They dissect the myth that the corporation can be a rational, responsible 'citizen'. It shows how in its present form, the corporation is permitted, licensed and encouraged to systematically kill, maim and steal for profit. Corporations are constructed through law and politics in ways that impel them to cause harm to people and the environment. Therefore, the corporation cannot be easily reformed and the only feasible solution to this 'crime' problem is to abolish the legal and political privileges that enable the corporation to act with impunity.

David Harvey (2003), drawing on Marx's concept of *primitive accumulation*, has developed the concept of *accumulation by dispossession*, which characterizes the neoliberal policies resulting in a "centralization of wealth and power in the hands of a few by dispossessing the public of their wealth or land". These neoliberal policies are led by four practices: "privatization, financialization, management and manipulation of crises, and state redistributions". *Privatization* and *commodification* of public assets have been amongst the most disputed aspects of neoliberalism. They are characterized by the process of transferring property from public ownership to private ownership, which serves the interests of the capitalist class. Among the most controversial and harmful among the privatization of services, is that of the health services, which implies the degradation of the health of the poorer classes. The privatization of the water distribution systems has caused many protests worldwide. The privatization of the education services bars the access of the young poor to higher education, disciplines the university students through lifelong debt, and hides research from the public behind costly private curtains. Regarding the security structures, many military services (e.g.: logistics, intelligence, protection) have been privatized in the rich countries' armies, to the point that during the occupation of Iraq there were more military contractors than US soldiers. The perception of these private warriors

has shifted from the image of the mercenary. Many police and prisons services have also been privatized, creating a market for prisoners. There is a trend to privatize other justice systems, as the courts to resolve corporation-state conflicts included in trade agreements like the NAFTA or TTIP.

Regarding *financialization*, geographer David Harvey (2010) says that it has been promoted by governmental deregulation, and has made the financial system one of the main centres of redistributive activity. This is done through stock promotions, Ponzi schemes, structured asset destruction through inflation, asset stripping through mergers and acquisitions, dispossession of assets (looting of pension funds and their reduction through stock and corporate collapses) by credit and stock manipulations. This relies on the fact that the amount of money in circulation is controlled by the boards of directors of privately owned banks, who are at the same time in the boards of corporations. At the core of accumulation by dispossession is the private control of the amount of money supply that can be handled for private gain, which includes the creation of unemployment.



Figure 10: the reversing origins of US corporate profits, 1950-2004 (Harvey 2010)

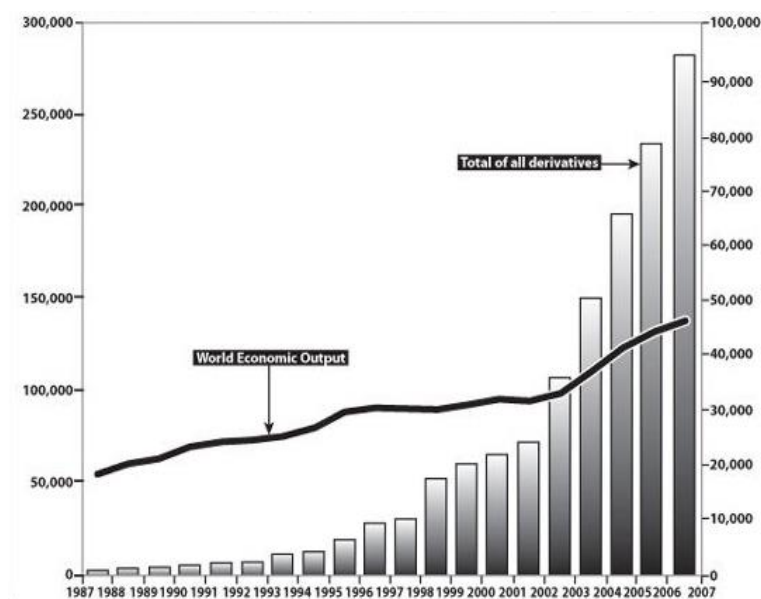


Figure 11: Derivatives market turnover in relation to world economic output (Harvey 2010)

By *creating and manipulating crises*, like abruptly increasing interest rates, Harvey alleges that developing countries can be forced into bankruptcy, and agreeing to such deals like structural adjustment programmes. This theme is also explained by Naomi Klein in “The Shock Doctrine” (2007). The neoliberal state is one of the main *redistributive policies* agents in favour of the elites, like changing the tax system to profit returns on investment rather than incomes and wages (of the poorer classes).

French Economist Francois Morin (2015) criticizes the 28 ‘too big to fail’ banks that control the world economy, as recognized by the G20 (2011). They are so powerful that the fall of one of them could cause the collapse the world economy. They constitute an oligopoly which is contrary to the public interest. Their dominant position confers them de facto power which is similar to those of big public institutions - particularly the capacity to fix the price of money - without sharing their objectives nor their duties. Through massive risk taking and fraudulent agreements they not only fragilise the markets, but also exert a political influence such that it cannot be counterbalanced by a public institution, and caused the political crisis affecting the western democracies. He suggests to ‘slaughter the banking

hydra' and repatriate the currency to the public realm if we want to protect the citizens from future financial disasters.

The UN Global Compact was established in 2000 and asks companies to *voluntarily* embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.
- Labour
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour;
- Principle 6: the elimination of discrimination in respect of employment and occupation

### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility;
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

However, as with other voluntary schemes, this initiative is not yielding substantive results beyond publicity for the adhering companies. Rather, the corporations are using this access to influence the decisions and principles of the UN bodies.

International political economists Mattli and Woods (2009) argue that regulation can be hijacked by special interests, and nowhere is this easier than at the global level. They analyse how and why this "regulatory capture" functions, and how it can be prevented. They propose an analytical framework to explain regulation at the global level. They present the challenges of a global economy in which many institutions are less transparent and are held less accountable by the media and public officials than are domestic institutions. They also explain how regulation has changed in areas like human rights, shipping safety, and global finance.

A group of NGOs has proposed the signature of an "International Peoples Treaty on the Control of Transnational Corporations" within the framework of the global campaign to "Dismantle Corporate Power and Stop Impunity". The campaign advocates for a stronger resistance to TNCs, and the promotion of effective mechanisms for social redistribution and the control of TNCs. It proposes moving toward the construction of alternative models of society and economy that do not have what Polanyi called the "profit motive" as a foundation. The campaign tries to ensure that the rights of citizens and peoples prevail over those of TNCs'.

## 4.2.1 Neoliberalism, the nameless ideology

According to George Monbiot (2016 bis), neoliberalism, the dominating ideology today, has no name. It is as if the people of the Soviet Union had never heard of communism. Anonymity is both a symptom and a cause of its power. It has played a major role in a remarkable variety of crises: the financial meltdown of 2007-8, the offshoring of wealth and power, the slow collapse of public health and education, resurgent child poverty, the epidemic of loneliness or the collapse of ecosystems.

So pervasive has neoliberalism become that it is seldom even recognized as an ideology. This utopian, millenarian faith is described as a neutral force, a kind of biological law, like Darwin's theory of evolution. Neoliberalism sees competition as the defining characteristic of human relations. It redefines citizens as consumers, whose democratic choices are best exercised by buying and selling, a process that rewards merit and punishes inefficiency. It maintains that "the market" delivers benefits that could never be achieved by planning. Attempts to limit competition are treated as inimical to liberty. Tax and regulation should be minimized, public services should be privatized. The organization of labour and collective bargaining by trade unions are portrayed as market distortions that impede the formation of a natural hierarchy of winners and losers. Inequality is recast as virtuous: a reward for utility and a generator of wealth, which trickles down to enrich everyone. Efforts to create a more equal society are both counterproductive and morally corrosive. The market ensures that everyone gets what they deserve. Its creeds are internalized and reproduced. The rich persuade themselves that they acquired their wealth through merit, ignoring the advantages – such as education, inheritance and class – that may have helped

to secure it. The poor begin to blame themselves for their failures, even when they can do little to change their circumstances.

The term neoliberalism was coined at a meeting in Paris in 1938. Among the delegates were two men who came to define the ideology, Ludwig von Mises and Friedrich Hayek. Both exiles from Austria, they saw social democracy, exemplified by Franklin Roosevelt's New Deal and the gradual development of Britain's welfare state, as manifestations of a collectivism that occupied the same spectrum as Nazism and communism. In *The Road to Serfdom*, published in 1944, Hayek argued that government planning, by crushing individualism, would lead inexorably to totalitarian control. It came to the attention of some very wealthy people, who saw in the philosophy an opportunity to free themselves from regulation and tax. When, in 1947, Hayek founded the first organization that would spread the doctrine of neoliberalism – the Mont Pelerin Society – it was supported financially by millionaires and their foundations.

With their help, he began to create what Stedman Jones (2012) describes as “a kind of neoliberal international”: a transatlantic network of academics, businessmen, journalists and activists. The movement's rich backers funded a series of think tanks which would refine and promote the ideology. Among them were the American Enterprise Institute, the Heritage Foundation, the Cato Institute, the Institute of Economic Affairs, and the Centre for Policy Studies and the Adam Smith Institute. They also financed academic positions and departments, particularly at the universities of Chicago and Virginia.

As it evolved, neoliberalism became more strident. Hayek's view that governments should regulate competition to prevent monopolies from forming gave way – among American apostles such as Milton Friedman – to the belief that monopoly power could be seen as a reward for efficiency. Something else happened during this transition: the movement lost

its name. In 1951, Friedman was happy to describe himself as a neoliberal. But soon after that, the term began to disappear. Stranger still, even as the ideology became crisper and the movement more coherent, the lost name was not replaced by any common alternative.

At first, despite its lavish funding, neoliberalism remained at the margins. The post-war consensus was almost universal: John Maynard Keynes's economic prescriptions were widely applied, full employment and the relief of poverty were common goals in the US and much of Western Europe, top rates of tax were high and governments sought social outcomes without embarrassment, developing new public services and safety nets.

But in the 1970s, when economic crises struck on both sides of the Atlantic, neoliberal ideas began to enter the mainstream. As Friedman remarked, "when the time came that you had to change ... there was an alternative ready there to be picked up". With the help of sympathetic journalists and political advisers, elements of neoliberalism, especially its prescriptions for monetary policy, were adopted in the US and the UK. After Margaret Thatcher and Ronald Reagan took power, the rest of the package soon followed: massive tax cuts for the rich, the crushing of trade unions, deregulation, privatization, outsourcing and competition in public services. Through the IMF, the World Bank, the Maastricht treaty and the World Trade Organization, neoliberal policies were imposed – often without democratic consent – on much of the world. Most remarkable was its adoption among parties that once belonged to the left: Labour and the Democrats, for example. As Stedman Jones notes, "it is hard to think of another utopia to have been as fully realized."

It may seem strange that a doctrine promising choice and freedom should have been promoted with the slogan "there is no alternative". But, as Hayek remarked on a visit to Pinochet's Chile – one of the first nations in which the programme was comprehensively



applied – “my personal preference leans toward a liberal dictatorship rather than toward a democratic government devoid of liberalism”.

Freedom from trade unions and collective bargaining means the freedom to suppress wages. Freedom from regulation means the freedom to poison rivers, endanger workers, and charge iniquitous rates of interest and design exotic financial instruments. Freedom from tax means freedom from the distribution of wealth that lifts people out of poverty.

Where neoliberal policies cannot be imposed domestically, they are imposed internationally, through trade treaties incorporating “investor-state dispute settlement”. When parliaments have voted to restrict sales of cigarettes, protect water supplies from mining companies, freeze energy bills or prevent pharmaceutical firms from ripping off the state, corporations have sued, often successfully. Democracy is considerably reduced.

Another paradox of neoliberalism is that universal competition relies upon universal quantification and comparison. The result is that workers, jobseekers and public services of every kind are subject to a stifling regime of assessment and monitoring, designed to identify the winners and punish the losers. The doctrine that Von Mises proposed would free us from the bureaucratic nightmare of central planning has instead created one.

Neoliberalism was not conceived as a self-serving racket, but it rapidly became one. Economic growth has been markedly slower in the neoliberal era than it was in the preceding decades, but not for the very rich. Inequality in the distribution of both income and wealth, after 60 years of decline, rose rapidly in this era, due to the smashing of trade unions, tax reductions, rising rents, privatisation and deregulation.

The privatisation or marketization of public services such as energy, water, trains, health, education, roads and prisons has enabled corporations to set up tollbooths in front of

essential assets and charge rent, either to citizens or to government, for their use. Financialization, as Andrew Sayer (2014) notes has had a similar impact. “Like rent,” he argues, “interest is ... unearned income that accrues without any effort”. As the poor become poorer and the rich become richer, the rich acquire increasing control over another crucial asset: money. Interest payments, overwhelmingly, are a transfer of money from the poor to the rich. Sayer argues that the past four decades have been characterised by a transfer of wealth not only from the poor to the rich, but within the ranks of the wealthy: from those who make their money by producing new goods or services to those who make their money by controlling existing assets and harvesting rent, interest or capital gains. Earned income has been supplanted by unearned income.

Neoliberal policies are everywhere beset by market failures. Not only are the banks too big to fail, but so are the corporations now charged with delivering public services. As Tony Judt (2010) pointed out, Hayek forgot that vital national services cannot be allowed to collapse, which means that competition cannot run its course. Business takes the profits, the state keeps the risk.

The greater the failure, the more extreme the ideology becomes. Governments use neoliberal crises as both excuse and opportunity to cut taxes, privatise remaining public services, rip holes in the social safety net, deregulate corporations and reregulate citizens.

Perhaps the most dangerous impact of neoliberalism is not the economic crises it has caused, but the political crisis. Neoliberal theory asserts, people can exercise choice through spending rather than voting. But some have more to spend than others: in the great consumer or shareholder democracy, votes are not equally distributed. The result is a disempowerment of the poor and middle classes. As parties of the right and former left adopt similar neoliberal policies, disempowerment turns to disenfranchisement.

Judt explained that when the thick mesh of interactions between people and the state has been reduced to nothing but authority and obedience, the only binding force remaining to the state is power. The totalitarianism Hayek feared is more likely to emerge when governments, having lost the moral authority that arises from the delivery of public services, are reduced to “cajoling, threatening and ultimately coercing people to obey them”. Like communism, neoliberalism is the God that failed. But the zombie doctrine staggers on, and one of the reasons is its anonymity.

The words used by neoliberalism often conceal more than they elucidate. “The market” sounds like a natural system that might bear upon us equally, like gravity or atmospheric pressure. But it is fraught with power relations. What “the market wants” tends to mean what corporations and their bosses want. “Investment”, as Sayer notes, means two quite different things. One is the funding of productive and socially useful activities, the other is the purchase of existing assets to milk them for rent, interest, dividends and capital gains. Using the same word for different activities “camouflages the sources of wealth”, leading us to confuse wealth extraction with wealth creation.

These anonymities and confusions mesh with the namelessness and placelessness of modern capitalism: the franchise model which ensures that workers do not know for whom they toil; the companies registered through a network of offshore secrecy regimes so complex that even the police cannot discover the beneficial owners; the tax arrangements that deceive governments; the financial products no one understands. The anonymity of neoliberalism is fiercely guarded. Those who are influenced by Hayek, Mises and Friedman tend to reject the term, maintaining – with some justice – that it is used today only pejoratively. But they offer no substitute.

## 4.2.2 Lobbying and Revolving Doors

*“What is the burgling of a bank to the founding of a bank?”*

*Bertolt Brecht - The Threepenny Opera, 1928*

Corporations spend billions of dollars each year to lobby US Congress and federal agencies in addition to campaign contributions to elected officials and candidates. Some special interests retain lobbying firms, many of them located along Washington's K Street. According to Susan George (2015), the USA is the lobbying playground of the world, and may be governed by its banks, but in terms of regulating lobbies, the USA is the clear winner and EU is not far behind. With no register at all for most of its existence, the EU in 2008 introduced a ‘voluntary’ register. In 2013 nearly 5,700 lobbying organizations had registered. They belong to various categories classed as consultancies and law firms, ‘in-house’ lobbyists and trade or professional associations, think-tanks and research institutes, NGOs, public organizations representing local, regional, municipal or mixed interests, and religious organizations. According to Oxfam (2016), for every \$1 spent on lobbying, the main USA TNCs collectively received \$130 in tax breaks and more than \$4,000 in federal loans, loan guarantees and bailouts.

According to Salinger (2005), the “revolving door” refers to the flow of personnel between the public and private sectors. After leaving their jobs, high public officials can use their expertise into similarly prestigious and higher paid jobs in the private sector. The watchdog Common Cause defines the revolving door as “the practice of government officials cashing in on their public service by leaving public office and going to work for the same special interests who were seeking favours from them while they were in office.” It raises serious ethical problems due to the tight relationships between private sector organizations,

bureaucrats, and elected officials that are perceived as threats to democracy. The revolving door encourages public officials to fall to the temptation to accept bribes to influence public decision-making. Of the 25 percent of the 435 US representatives who ended their mandates in 1992, approximately 40 percent ended in lobbying or consulting jobs after the one-year ban. The revolving door is an incentive to make sure that public officials concerned for their jobs after elections are tempted to rule in favour of private interests in order to gain a well-paid job.

According to Corporate Europe Observatory, in the EU, the tight-knit world of politicians, civil servants, industrialists, and lobbyists known as the 'Brussels bubble' lends itself to unhealthy close relationships between regulators and the regulated. 9 out of 26 outgoing commissioners who left office in 2014 have gone through the 'revolving door' into roles in corporations or other organisations with links to big business, leading to fears of an unhealthy close relationship between the EU's executive body and private interests. The busiest former commissioner is José Manuel Barroso with 22 notified new roles.

### **4.2.3Comments**

We have seen the grip of the markets in the production power, and more and more in the financial power. Another novelty is the increase of influence of TOC in the security and welfare structure. In fact, neoliberalism has made available to the markets parts of the armies, the prisons, the police, but also the hospitals, the pensions and the schools. This process of privatization and deregulation has not been done against the state, but in connivance with the state. In fact, during the 2008 financial crisis, the state did not doubt much to bail out the private financial institutions in trouble, although they knew that the society should have to pay it in terms of austerity.

Therefore, contrary to the concern of Susan Strange about the power struggle between the state and the markets, the real struggle is between the elites (economic and political) and the rest of society. The elites have always tried to take over the wealth and labour of the poor in order to accumulate them (Karl Marx). Because the elites who control the markets usually also control the state and the drafting of laws, they have been able to do this dispossession in a legal manner. The scenario today is not different in this sense. The only difference could exist in the field of the ideas. The fall of the communist alternative, and the growth of the mass media have facilitated the spread of the ‘nameless’ neoliberal ideology as the only possible alternative (“There Is No Alternative”: TINA).

The wide-spread access to information thanks to the roll-out of the internet and the emergence of whistle-blowers, as well as the financial crisis of 2008 have for the first time facilitated some popular insight and contestation against this situation.

The understanding of the markets for the elites and the population are opposed. If the elites assure that their enrichment through market operations (including tax reductions, deregulation and privatizations) will eventually benefit the rest of the population through the creation of jobs (the “trickle down” theory), the population only sees losses of wealth and income. In fact they perceive that the neoliberal process is only leading to one of the greatest accumulations of wealth and power in the history of humanity for the “One Percent”, the Transnational Capitalist Class (TCC). This dispossession is de facto causing a widespread, serious and long lasting harm to the population (and to the environment), and therefore enters into the definition of TOC proposed in this dissertation.

Regarding the values, if the population’s goal is to lead a normal life with an adequate income, the “one percent’s” is to increase their power (without limit?) at the expense of the dispossessed.

Regarding the norms, it will be hard to change them, considering that it is the elites who produce them through the financing of political parties, the lobbying and the revolving doors, and the power of these elites is only growing compared to the power of the population. We could raise the question whether democracy still exists under these circumstances of unprecedented accumulation of wealth and power by the elites.

In the accumulation of wealth by the elites (legal or illegal), there is a “zero sum game”, as this wealth proceeds either from the rest of society or from the environment.

### ***4.3 Civil and Uncivil Society***

*Illegal markets are not the realm of sinister, evil forces but dynamic, interactive places in which criminal entrepreneurs meet the demands of many ordinary, usually law-abiding citizens. (Van Duyne et al., 2003: 4)*

Since the 1990s, the process of globalisation, and particularly the diffusion of internet, has encouraged the proliferation of a global *civil society*. Its role is to act as a “third leg” of society, providing balance between *state* and *market*. They have established themselves as the global *moral entrepreneurs* (Friman, 2009). However, like state and market, civil society is also vulnerable to organised crime.

Humanitarian organisations or aid agencies should be cautious when supporting developing countries, as their missions might sometimes encourage corruption (U4 2009). From the 1990s onwards, in response to the rise of organised crime, a remarkable number of NGOs proliferated, aiming to monitor and denounce corruption and crime, some of which are listed below:

- ATTAC: an international movement that promotes democratic control over the financial markets and the institutions in charge of monitoring it.
- Corpwatch: investigates and exposes corporations' corruption and advocates for the responsibility and transparency of the international corporations.
- Global Financial Integrity (GFI): advocates for policies, protection and national and multilateral agreements aiming to curtail illegal financial cross-border flows.
- Global Witness: NGO working towards breaking the links between natural resource exploitation, war, poverty, corruption and worldwide abuse of human rights.
- Reporters without borders (RSF): advocates worldwide for freedom of the press and in favour of journalists persecuted for doing their professional activity. This organisation publishes an annual list of freedom of the press in each country. A report has been recently published on the dangers undergone by journalists who reveal environmental crimes (RSF 2009).
- Revenue Watch Institute: encourages transparent, responsible and efficient management of natural resources, and helps countries avoid the "resource curse".
- Tax Justice Network: promotes transparency in international finance, fighting financial secrecy and tax havens.
- Transparency International (TI): the leading non-governmental organisation dedicated to universally fight corruption. It brings together civil society, the private sector and governments in a worldwide coalition.
- UNCAC Coalition: a group of organisations of civil society, which promotes the implementation of the UN Convention against Corruption.



- WikiLeaks: This organization has been prominent in exposing online the crimes and corruption by governments, corporations and criminal organizations.

Civil Society is often the victim of surveillance or intimidation by ill-intentioned organizations, as is the case of the infiltration by the *mega* arms manufacturer BAE-systems of the small UK anti-arms NGO Campaign Against Arms Trade (CAAT). BAE maintained a network of infiltrated informers (including the position of Campaign Coordinator) in the NGO at least between 1997 and 2004, when the case was discovered. The budget of the surveillance would have been several times higher than the budget of the NGO itself (CAAT 2005).

Development Aid can also be opaque. Since 2010 Publish What You Fund has started an index of Aid Transparency (PWYF 2012), that is based on 43 indicators, and divides the donor organizations into five groups: good, fair, moderate, poor and very poor. In 2012, the average Index was 41 percent, and some UN Agencies as UNICEF or governments as France are included in the last group of very poor transparency.

GOOD	FAIR	MODERATE	POOR	VERY POOR
(average score of 80–100%)	(average score of 60–79%)	(average score of 40–59%)	(average score of 20–39%)	(average score of 0–19%)
1. UK-DFID (91.2%) 2. World Bank-IDA/IBRD (87.9%)	3. Netherlands (77.4%) 4. Global Fund (77.1%) 5. EC-DEVCO (77.0%) 6. Denmark (76.5%) 7. Sweden (71.8%) 8. AfDB (71.4%) 9. U.S.-MCC (69.6%) 10. UNDP (68.5%) 11. IADB (67.2%) 12. AsDB (62.9%) 13. CAVI (62.0%) 14. EC-ECHO (60.5%) 15. UN OCHA (60.3%)	16. New Zealand (59.4%) 17. Adaptation Fund (58.3%) 18. Australia (57.7%) 19. World Bank-IFC (56.1%) 20. Finland (55.1%) 21. EBRD (54.8%) 22. Czech Republic (53.7%) 23. Japan-MFA (53.6%) 24. GEF (52.3%) 25. Japan-JICA (51.6%) 26. Estonia (50.8%) 27. U.S.-USAID (50.1%) 28. UK-DECC (49.6%) 29. U.S.-PEPFAR (49.2%) 30. Belgium (46.5%) 31. Hewlett (46.3%) 32. Canada (45.9%) 33. Gates (45.6%) 34. U.S.-Treasury (44.4%) 35. Norway (44.2%) 36. EIB (44.0%) 37. Korea-EDCF (41.9%) 38. CTF (40.0%)	39. Germany-GIZ (39.7%) 40. Luxembourg (39.4%) 41. Korea-KOICA (39.2%) 42. Austria (35.8%) 43. EC-Enlargement (35.4%) 44. France-AFD (35.1%) 45. Spain (32.2%) 46. U.S.- State (31.1%) 47. EC-FPI (29.4%) 48. Lithuania (27.9%) 49. Brazil (27.9%) 50. Germany-KfW (26.2%) 51. UK-MOD (26.1%) 52. Poland (25.8%) 53. Italy (25.4%) 54. Ireland (25.0%) 55. Switzerland (25.0%) 56. U.S.-Defense (23.5%) 57. Slovenia (23.4%) 58. UK-CDC (22.5%) 59. Portugal (22.5%) 60. UK-FCO (21.3%)	61. Slovakia (19.9%) 62. France-MAE (14.3%) 63. UNICEF (13.8%) 64. Latvia (12.2%) 65. Romania (12.1%) 66. Bulgaria (7.4%) 67. Greece (6.5%) 68. France-MINEFI (6.0%) 69. Cyprus (5.4%) 70. Hungary (4.6%) 71. China (1.9%) 72. Malta (0.0%)

Figure 12: Donor Aid Transparency in 2012 (Aid Transparency Index 2012, PWYF)

## 4.3.1 Information or manufacture of consent?

*“If wars can be started by lies, they can be stopped by truth”, - Julian Assange.*

*“It's easier to fool people than to convince them that they have been fooled”. -*

*Mark Twain*

*The Media* can be one of the most effective means to denounce and fight organised crime. Investigative reporters are also often the first people to suffer the backlash from its retaliation. Conversely, like any other group, they can be orchestrated and financed by organised crime, or by groups that pressurise them with secret and opaque interests in order to attain their goals. The recent scandals around the Murdoch group in the UK can be one example. The monopolistic control by former Prime Minister of Italy, Silvio Berlusconi, over the private and state media in Italy is another example.

The Italian journalists Ilaria Alpi and Miran Hrovatin were murdered in Somalia in 1994 while investigating a case of international nuclear and toxic waste and weapons smuggling, which did probably involve the Italian mafia and government. The *Committee to Protect Journalists* counts 742 reporters killed on duty. 89 percent of them were killed with absolute impunity. 20 percent of them covered information directly linked to corruption.

According to RSF, a total of 141 journalists and media workers were killed during the first decade of the 2000s in attacks and reprisals blamed on criminal groups. Mafias and cartels today pose the biggest threat to media freedom worldwide. “A transnational phenomenon, organized crime is more than the occasional bloody shoot-out or colourful crime story in the local newspaper. It is a powerful parallel economy with enormous influence over the legal economy, one the media have a great deal of difficulty in covering. Its elusiveness

and inaccessibility to the media make it an even greater threat, both to the safety of journalists and to the fourth estate's investigative ability" (RSF 2010).

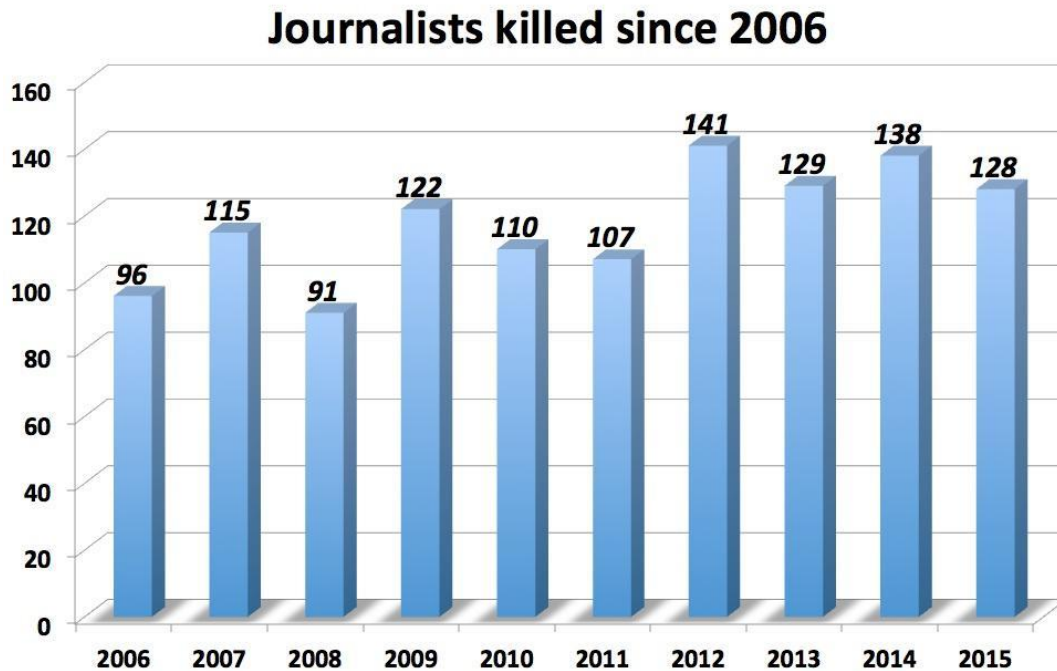


Figure 13: Journalists killed since 2006 (source: Press Emblem Campaign; [www.presseblem.ch](http://www.presseblem.ch))

In 2006 and 2007, the UN Security Council had been reluctant to acknowledge that the State of Guinea-Bissau had been captured by drug gangs, which threatened the country's social peace and political stability, and led ultimately to the assassination of the President and the Chief of the Armed Forces in March 2009. This frightening development could only be uncovered and addressed when two incisive investigative journalists reported about this situation in influential international media, as The Economist and Time Magazine (Ruiz, 2011).

In 2010 RSF created an "anti-censorship shelter" for journalists, bloggers and dissidents who wanted to avoid censorship, and to protect their electronic communication whilst retaining their anonymity.

Gabriel Michael (2014), explains how political scientists should use information leaked by organizations like Wikileaks to generate novel and unique insights about political phenomena in spite of government prohibitions. He regrets that the international relations academia is even more reluctant to use these data than other disciplines.

However, the mainstream media has been heavily influenced by the elites. These media's main goal is no longer to inform the global citizens, but to transmit subliminal messages to obtain their consent for the political or economic agendas of the powerful. The pioneer in the use of the media for propaganda purposes was Edward Bernays, a nephew of Sigmund Freud, who used his uncle's theories to manipulate public opinion. In one of his most famous interventions in 1928, he was hired by a tobacco company to convince women to smoke, which was a taboo at the time. He did this by associating women's smoking with ideas of "power and freedom", by using the slogan "Torches of Freedom" during a famous parade in New York City. The idea of "Engineering of Consent" was motivated by Freud's idea that humans are irrational beings and are motivated primarily by inner desires hidden in their unconscious. If one understood what those unconscious desires were, then one could use this to one's advantage to sell products and increase sales:

"The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country . . . we're dominated by the relatively small number of persons . . . it is they who pull the wires which control the public mind, who harness old social forces and contrive new ways to bind and guide the world" (Bernays, 1928)

In 1917, US President Woodrow Wilson engaged Bernays to influence public opinion towards supporting American participation in World War I and framing it as "bringing

democracy to Europe”. After the war, Bernays coined the term “Public Relations” to distance it from the war connotations of the term “Propaganda”.

Bernays is also famous for contributing to the overthrow of the democratically elected President Arbenz of Guatemala in 1954 on behalf of the multinational corporation United Fruit Company and the U.S. government. Bernays' propaganda, branding Arbenz as a communist, was published in major U.S. media.

In *Public Opinion* (1922), Walter Lippmann suggests that the power of propaganda, and the specialized knowledge necessary for political decision-making, have made the traditional notion of democracy impossible. “That the *manufacture of consent* is capable of great refinements no one denies. The process by which public opinions arise is certainly no less intricate than it has appeared in these pages, and the opportunities for manipulation open to anyone who understands the process are plain enough as a result of psychological research, coupled with the modern means of communication, the practice of democracy has turned a corner. A revolution is taking place, infinitely more significant than any shifting of economic power. Under the impact of propaganda, not necessarily in the sinister meaning of the word alone, the old constants of our thinking have become variables. It is no longer possible, for example, to believe in the original dogma of democracy; that the knowledge needed for the management of human affairs comes up spontaneously from the human heart. Where we act on that theory we expose ourselves to self-deception, and to forms of persuasion that we cannot verify. It has been demonstrated that we cannot rely upon intuition, conscience, or the accidents of casual opinion if we are to deal with the world beyond our reach.”

In *Merchants of Doubt*, Oreskes and Conway (2010) describe how a group of scientists and right-wing think-tanks hired by corporations created controversy about harmful

phenomena like global warming, tobacco smoking, acid rain, DDT, and the hole in the ozone layer. Short of being able to outright deny the harm of these phenomena created by the industry, they keep the controversy alive by spreading doubt and confusion and thus challenge the scientific consensus reached on many contemporary issues.

According to former UK diplomat Craig Murray, the filtering of the Mossack Fonseca information (Panama Leaks, ICIJ, 2016) by the corporate media follows a western agenda. There is no mention of its use by western corporations or western billionaires – the main customers. The Guardian is quick to reassure that “much of the leaked material will remain private.” The leak is being managed by the “International Consortium of Investigative Journalists”, which is funded and organised entirely by the USA’s Center for Public Integrity, which funders include the Ford Foundation, the Carnegie Endowment, the Rockefeller Family Fund, the Kellogg Foundation and the Open Society Foundation (Soros). A genuine exposure of western capitalism by the mainstream media is not to be expected and the dirty secrets of western corporations will remain unpublished. Instead, we can see a focus on Russia, Iran and Syria and some minor “balancing” western country like Iceland.

The 2003 edition of the Transparency International “Global Corruption Report” focuses on the need for greater access to information in the struggle against corruption. It explores how civil society, the public and private sectors and the media use and control information to combat (or conceal) corruption.

Bill Ristow (2010) regrets that for all the power journalism may have to topple governments and expose the inner secrets of giant multinationals, it can also be an exceptionally fragile institution, vulnerable to the petty greed or strained economic circumstances of a single reporter or editor.

Like in other industries, the neoliberal trend to privatize, deregulate and concentrate has led to the merger of the majority of the media and entertainment companies worldwide, restraining the freedom of information. Many media are already highly concentrated and dominated by a small number of firms. Large global media conglomerates include Viacom, CBS Corporation, Time Warner, 21st Century Fox and News Corp, Bertelsmann AG, Sony, Comcast, Vivendi, Televisa, The Walt Disney Company, Hearst Corporation and Lagardère Group.

Internet neutrality is in question due to media mergers. Net neutrality implies a lack of censorship on content on the internet. Corporations' control of internet could bias the content or usage could be restricted for conflicting political views. In *Digital Disconnect*, McChesney (2013) argues that the decline in the enforcement of antitrust violations, the increase in patents on digital technology and proprietary systems and massive indirect subsidies have commercialized the internet. A small number of monopolies dominate the political economy, from Google, which garners a 97 percent share of the mobile search market, to Microsoft, whose operating system is used by over 90 percent of the world's computers. Capitalism's colonization of the Internet has prompted the collapse of independent journalism and made the Internet an apparatus for government and corporate surveillance and an antidemocratic force.

According to Julian Assange, founder of WikiLeaks (Assange 2010), "the media are no longer censored by the governments, but by their own *privatized* owners (e.g.: Silvio Berlusconi, Conrad Black, etc.), that use subtler, but more efficient pressures. In the West journalists are no longer murdered or sent to Siberia, their career or reputation is simply destroyed, or they are imposed a gag order. Good examples of this are the censorship imposed on the environmental crime of the Probo Koala in Ivory Coast in 2006, the news

about the tortures in the prison of Abu Gharib in Iraq (Wikileaks 2010), or the video of the “*collateral murder*” in Iraq, that took years to be published (besides 35 years prison sentence for the whistleblower).

The Report of the UN Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression (2015) stated that “a whistle-blower is a person who exposes information that he or she reasonably believes, at the time of disclosure, to be true and to constitute a threat or harm to a specified public interest, such as a violation of national or international law, abuse of authority, waste, fraud, or harm to the environment, public health or public safety”.

Another traditional opinion leader in society is religion. We will now see how these interact with TOC.

### **4.3.2 Religions**

*“Altruism is a great evil...while selfishness is a virtue.” — Ayn Rand.*

Religious organisations can also be influential in the fight against TOC. Already in 1976, the Vatican stated at the UN that “The arms race can kill, even if the weapons themselves may never be used...by their cost alone, armaments kill the poor by causing them to starve.” In October 2009, with the occasion of the second special assembly for Africa, the synod of Catholic Bishops denounced “politicians who betray and sell their own nations; corrupt businessmen who conspire with predatory multinational organisations; the arms traffickers who disseminate light weapons that cause immense damage to human lives”.



Three out of the seven deadly (personal) sins of the Catholic Church, defined by Pope Gregory I in 590 A.D. are directly related to TOC activities: Greed, Lust and Gluttony. In 2008 the Catholic Church announced seven new “social sins”, four of which are closely associated with TOC: “thou shall not gain obscene wealth at the expense of the common good”; “thou shall not pollute the environment”; “thou shall not cause social injustice and poverty”; “thou shall not use drugs”. These condemnations could not be more opportune and appropriate.

According to Van Duyne (2014), Greed is defined by the Catholic Church as the desire for material wealth or gain ignoring the realm of the spiritual, which can be considered as an aggravating condition. Such a serious sin deserved the adequate punishment, if not on earth, at least to be boiled in oil in hell. It is not just a ‘self-centred’ sin, but one with serious social implications, because according to Thomas Aquinas “it is a sin directly against one’s neighbour, since one man cannot over-abound in external riches, without another man lacking them.” This places greed in a harmful relationship with society. Greed causes harm because it happens at the expense of another person. However, even if greed is a sin, bad enough to be cooked in oil in the afterlife, it is not yet a crime on earth. For Freud it is a ‘lust’, “subordinate to the sexual lust as the most elementary driving force of life” (Van Duyne 2014).

According to van Duyne (2014: 5), manifestations of corruption would have been left alone if the 2008 crisis had not happened. He regrets that despite the breaking of the law, very few corrupt among the political and banking elites have been trialled to date, and the EU has given more importance to budgets and austerity than to corruption. The EU preferred to cut expenses than to fight corruption, which reflects on its moral relativism.

Usury has been condemned by almost all traditional religions. In Western society, both Aristotle and Saint Thomas of Aquinas have played a central role condemning usury. Today, Islam is the only faith that still condemns it consistently, favouring the development of the Islamic finance. The latter is grounded on two main principles: the prohibition of interest and the social responsibility of the investment (narrowly binding together the profitability of the investment with the outcome of the associated project). It prohibits any transactions related to interest (riba), speculation (gharar) or gambling (maysir). It is estimated at US\$700 billion in the global market. According to Loretta Napoleoni, the rejection of usury has saved the Islamic economy from falling fully into the recent financial crisis. Some observers claim that it is this rejection of financial capitalism that has attracted the hostility of the West against Islam in modern times, rather than mere religious or ideological differences.

Pope Francis has become one of the champions among world leaders of the social and environmental causes. His Papal name, Francis, comes from St Francis of Assisi, the saint patron of the environment. In his encyclical *Laudato si, On Care for Our Common Home* (2015) he critiques consumerism and irresponsible development, laments environmental degradation and global warming, and calls all people of the world to take "swift and unified global action". In his speech at the UN General Assembly in 2015, he said that "our world demands of all government leaders a will which is effective, practical and constant, concrete steps and immediate measures for preserving and improving the natural environment and thus putting an end as quickly as possible to the phenomenon of social and economic exclusion, with its baneful consequences: human trafficking, the marketing of human organs and tissues, the sexual exploitation of boys and girls, slave labour, including prostitution, the drug and weapons trade, terrorism and international organized crime."

The Pope was blamed by neoconservative circles in the USA for quoting St. Basil of Caesarea, who called money “the devil’s dung”, for railing against the “anonymous influences of mammon” and a “new colonialism” which implies “free trade treaties and imposition of austerity”, and for displaying preference for “cooperatives” over private companies. He also stated that we are living “a disturbing warming of the climatic system due to the great concentration of greenhouse gasses”, and that “there is an urgent need of a true world political authority”.

Pope Francis is famous for his commitment to clean the Vatican finances, tainted with scandals of corruption and crime since its birth in 1942. The case of the Banco Ambrosiano and the spectacular assassination of its chairman Roberto Calvi in London in 1982, linked to the Mafia and the Masonry, was one of its most famous events.

But, as the collective thought of society is rooted in the human mind, it would be opportune to analyse the latter.

### **4.3.3 TOC and the individual**

*“If only there were evil people somewhere insidiously committing evil deeds and it were necessary only to separate them from the rest of us and destroy them. But the line dividing good and evil cuts through the heart of every human being. And who is willing to destroy a piece of his own heart?” - Alexander Solzhenitsyn*

According to Moises Naim, criminals are no longer *underground* nor marginal members of society, and most of them are not particularly deviant. “The leaders of criminal organizations are frequently well-known to the public and instead of living in hiding or *underground*, they are regularly featured in the newspapers society pages or in the sports

events of the popular teams they own. They are some of their nation's largest philanthropists who also control TV and radio stations as well as influential newspapers. They are members of their nation's political, military, business, cultural and media elites. And the *foot soldiers*, who are not the members of the elite, are average members of society and not necessarily criminal deviants.” (Naim 2005).

According to developmental and comparative psychologist Michael Tomasello (2009), one of the great debates in Western civilization is whether humans are born cooperative and were corrupted later by society (e.g. Rousseau), or whether they are naturally selfish and society refines their greed (e.g. Hobbes). From observation in chimpanzees and human infants, he thinks that, above the intrinsic sense of competitiveness of any living species, human beings have developed a strong innate cooperative instinct. He also deduced that, children are wired to imitate the learnings of their parents. Human evolution has predisposed us to work collaboratively and given us an intuitive sense that cooperation deserves rewards. It was the human inclination for cooperation that facilitated groups to grow in number and to evolve into tribal societies. Tomasello claims that our pre-human ancestors were social beings who could solve problems by thinking, but they were mainly competitive, looking only for their individual aims. When ecological changes forced them into more cooperative situations, early humans had to coordinate their activities and communicate their thoughts with collaborative partners. Tomasello's "shared intentionality hypothesis" describes how these socially complex forms of life led to conceptually complex forms of thinking. Humans had to learn to see the world from different social perspectives, to draw socially recursive implications, and to monitor their own thinking via the normative standards of the group, in order to survive, language and culture arose from the pre-existing need to work together.

The neoliberal ideology of radical individualism and competition seems to have controlled this natural human trend of collaboration and empathy that has permitted primitive apes to become sophisticated Homo Sapiens. It is the hierarchic and individualistic education that has elevated selfishness and greed to the category of norm by enhancing competitive behaviours and discouraging cooperative ones. There is therefore no psychological foundation to the theory of Hobbes that men are essentially selfish and competitive.

### **4.3.4 Comments**

Civil society does not master the security power of the state, nor the production or financial power of the markets. It has a strong leverage in the welfare of society, but civil society's main agency is influencing the ideational foundation of society.

Influential civil society institutions like churches, the media or the academia try to shape the minds of society often in coordination with corporations and politicians. In fact the concepts of state, markets and civil society are none other than social constructions, different perspectives of the same human social reality. In capitalism, each of them has a different role in maintaining a hierarchic organization that allows the elites to accumulate wealth and power.

Today the mainstream media, in spite of all its financial power, is mainly controlled by a small number of corporations and often serves more the objectives of the elites than the concerns of society. In the wake of this situation, alternative means to provide credible information to the citizens have appeared like bloggers, hackers and whistle-blowers. Using the new technologies of the internet, they are informing of the wrongdoings of criminals and corrupt state and corporate elites. In fact the global official "scientific"

theories of Neoliberalism have become so dogmatic (e.g.: the Invisible Hand, TINA, “losers and winners”), that the different religious discourses (e.g: the Pope, ISIS) have become important challengers in offering alternative ideological perspectives to society.

Global civil society organizations like Transparency International, Greenpeace or Global Witness have become major challengers of TOC. Unlike the states which have a national scope, these NGOs have the same global scope as TOC. They use their knowledge to influence the agendas of the new international regimes affecting TOC in order to favour society and the planet.

But in the end, all collective ideologies stem from the minds of individual citizens. In fact it is the competitive angle of human character that, in an extreme interpretation, justifies greed, the dispossession of fellow humans and the destructive extraction of nature. The cooperative half of human character is often suppressed by the competitive ideologies and education imposed by the elites.

We will next examine the main typologies of organized crime, starting by the “traditional” type of crime.

## 5 Traditional type of TOC

The most obvious type of crime for profit is theft, which is usually exercised with the leverage of violence.

### ***5.1 Theft with or without violence***

*"You can get much farther with a kind word and a gun than you can with a kind word alone." — Al Capone*

As stated in the UNTOC Convention, Transnational Organized Crime is about *crime-for-profit*: "in order to obtain directly or indirectly a financial or other material benefit" (article 2.a). Therefore violence could be considered as a "collateral damage" of organized crime, considering that its aim is profit. Even the most violent crimes against humanity as the Shoah or the Rwandan genocide were undertaken by one ethnic group with the aim of obtaining economic advantage from the other group. The practice or the threat of violence can be a "comparative advantage" in the moment of committing a crime, but it demonstrates a lack of sophistication, considering that the same result can be obtained through more elaborated and less socially rejected methods. As in the case of the legitimate use of violence by the state, it can be used by certain criminal groups as a last resort in case of stalemate. Its practice is more proper of traditional mafia groups, warlords, insurgents or terrorists than of elite "white collar" criminals. However it is often the latter that finance the former, the traditional criminals being usually the armed branch of the "white collars", as a complement.

Since 9/11 there has been a tendency to include “terrorists” as organized criminals. In fact this association has been useful to promote the reinforcement of the control of money laundering through the mechanisms of the Financial Action Task Force (FATF) in the early 2000s. The UN convention against TOC excludes terrorists because they do not act with the aim of obtaining profit, their goals being purely political. To finance their activities they can recur to crime, but also to the diaspora or donations, as the cost of their operations is usually low: in the tens of thousands US\$ for the bomb attacks of Madrid (2004) or London (2005), or the hundreds of thousands for the 9/11 attack. Their political message is in contradiction with business: everyone should feel threatened, even the *innocents*.

According to Peter Andreas (2011), organized crime violence has two forms. The first one is an inherent attribute of illicit business transactions; and the second is an economic motivator and/or enabler of the so-called "new wars". Regarding the first type, illicit market transactions have more potential for violence than licit market transactions, because the actors do not have recourse to law enforcement to protect them from competitors. Illicit market has to rely on informal methods to resolve their disputes, punish those who prevent their livelihood, and deter those who may be tempted to interfere. Nevertheless, actors in the illicit global economy are defined more by stealth than by violence.

Although global criminals continue to use violence, white collar criminals have understood the advantages of persuasion to dominate the will of the victim. In the context of the “risk society” (Beck, 1992), marketing techniques, publicity or the media can be more efficient to obtain a gain from a victim than to exert violence. In this sense, criminally-tainted corporations may be interested to have an influence on the media to transmit their messages. They may even try to control the most powerful communications means, which is internet. In this vein, there has been much discussion about the figure of *cybercrime*. But



trying to blame *credit card fraud* or *child pornography* to the internet is as absurd as blaming the *sea* for *piracy*, or the *pavement* for *highway robbery*. For this reason we will not include cybercrime in the typology of crimes of this study.

*Racketeering* is a typical crime practiced by traditional criminal gangs, consisting in threatening a victim with violence in order to obtain a benefit. It is also often practiced by insurgents or terrorists to finance their activities. As we saw earlier, racketeering by criminals is the equivalent of collecting taxes by governments. The difference is that in the case of the state there is a social contract with the citizen, and that the government has an obligation to provide social services and protection to the citizen in exchange.

According to Ellis & Shaw (2015), the transactions to secure the protection of illicit activities by criminal enterprises fall into three categories in the figure below. The first type of transactions in a market for protection consists in the use or threat of violence. Recruiting people capable of exerting violence is an obvious way to ensure protection, particularly when moving illegal goods through contested territory. The second set of transactions in the market for protection is in facilitation and communication. A criminal entrepreneur looking for protection can acquire services in this field. Corrupting state officials in order to ensure the facilitation of illicit activities is a traditional way to secure protection. The third set of transactions concerns legitimacy. Criminal entrepreneurs may seek legitimacy for their activities through the provision of low-level social and economic support to families and communities in order to ensure an ability to operate locally, up to political party funding. An implication is that investigative journalism or civil society research may increase the costs of political facilitation or communication by exposing the links to the public.

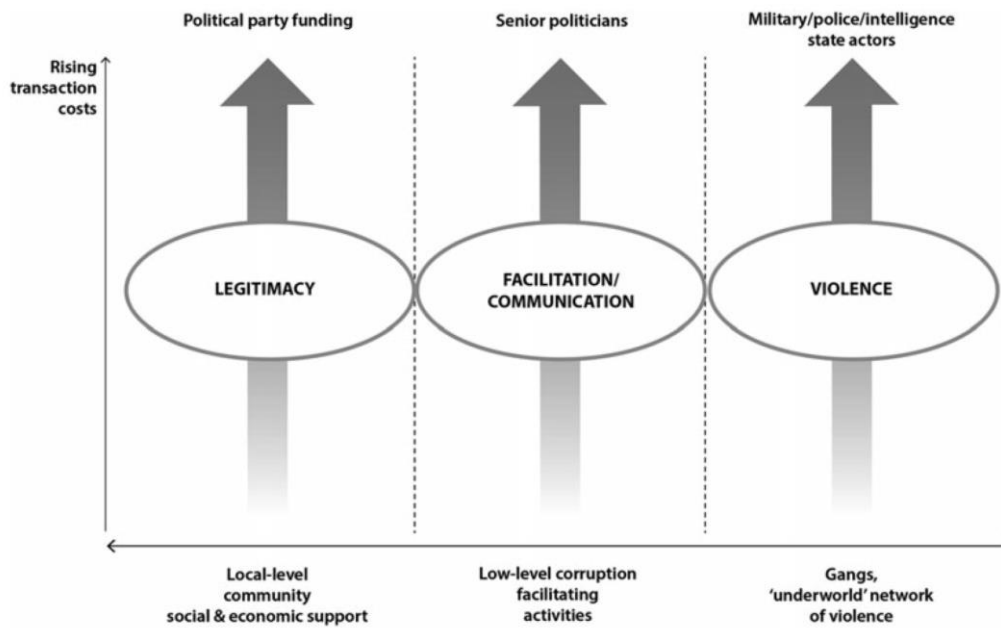


Figure 14: The political economy of criminal enterprise and protection (source: Mark Shaw)

Sea Piracy is also part of the traditional type of TOC, given that it implies a ransom paid in exchange of the life of the crew of the ship. Only in Somalia in 2008-2009, 133 ships were hijacked which provided the pirates with revenue of US\$ 80 million in ransoms, despite of the surveillance of 27 warships of 16 countries, included the most powerful alliances in the world. The pirates' finances are managed by businessmen and "consultants" located in Dubai and the shipping and insurance companies in London (UPI 2009). One Earth Future (OEF) Foundation has conducted a large-scale study to quantify the cost of piracy as part of its *Oceans beyond Piracy* project. Based on their calculations, maritime piracy costs the international economy around US\$ 7 to billion, per year (Bowden 2010). The problem of piracy in Somalia started at the beginning of the civil war in the 1990s when the state disappeared, as a "tax" imposed by local fishermen to the illegal fishing by foreign ships. Only recently did these former fishermen and coast-guards connect with white-collar criminals and secrecy jurisdictions to hijack bigger and more valuable ships at much longer distances. This is a good example of how globalization, with its technology (satellite phones and GPS) and constant search for profits at any cost, has connected local

gangs in the worst of the *failed states* to the most sophisticated financial centres. According to Ronen Palan (2009), the *failed states* have the *comparative advantage* of allowing the practice of businesses as piracy.

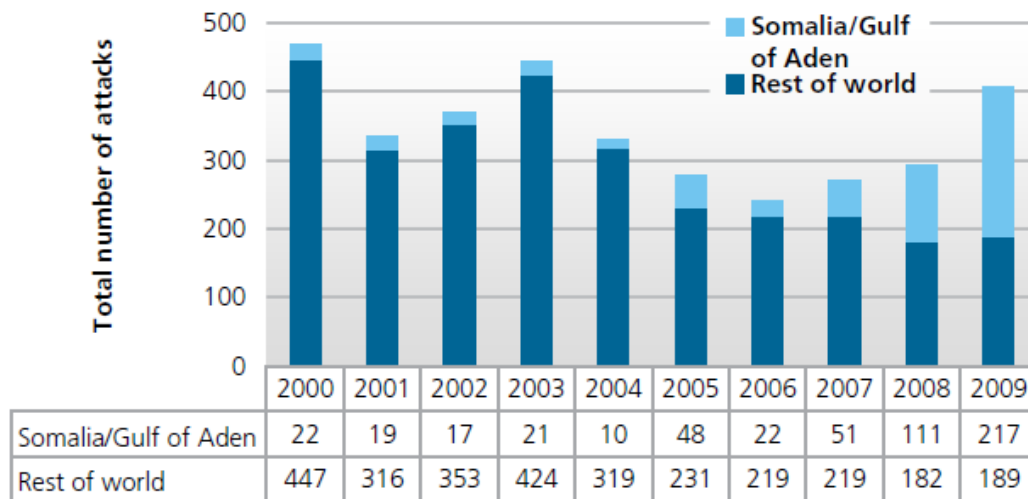


Figure 15: Locations of all reported piracy attacks (2000-2009) (IMB-ICC)

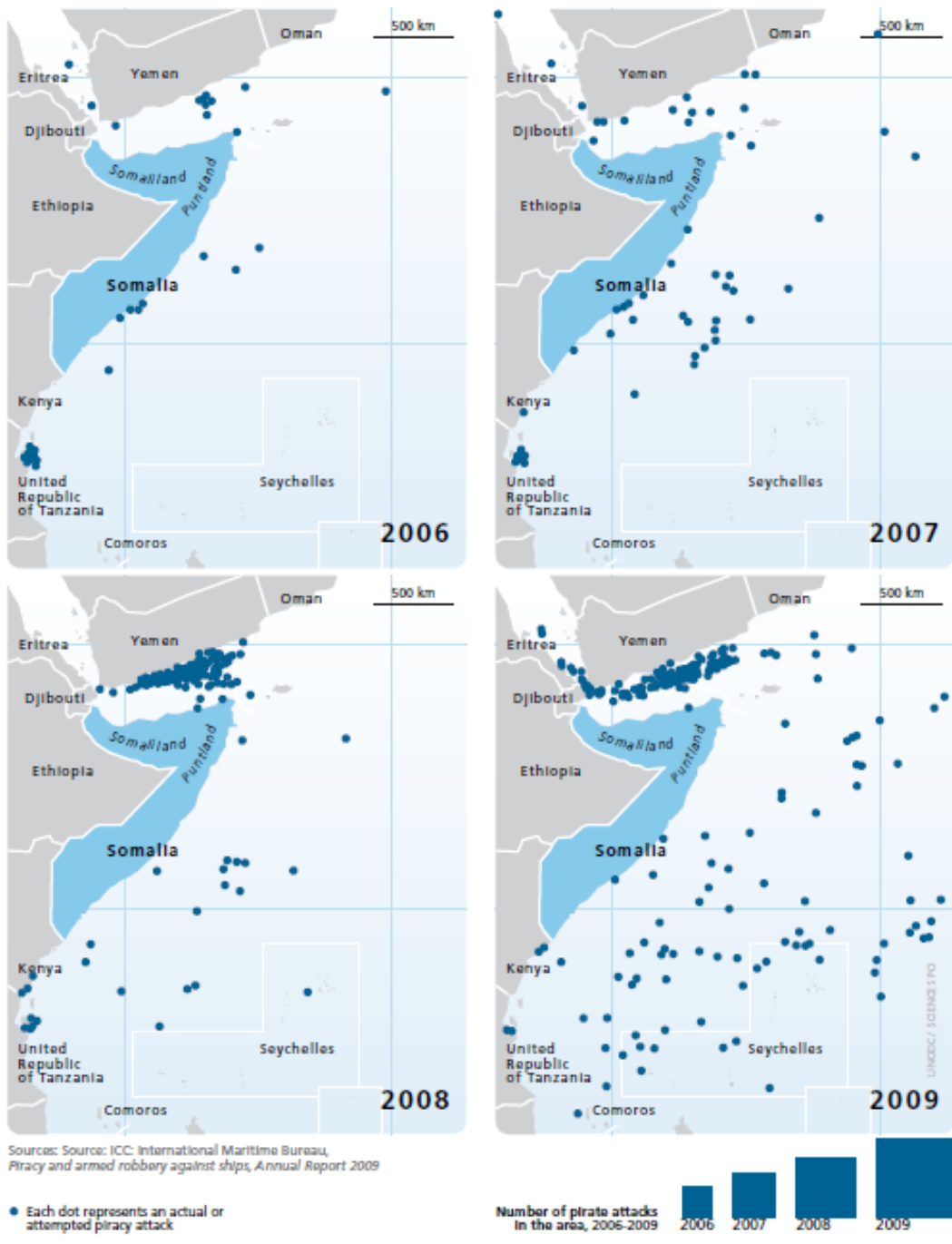


Figure 16: Piracy incidents attributed to Somali pirates (2006-2009)

In the next section we will examine another type of traditional crime, consisting of illegal trafficking.

## 5.2 Illicit and Harmful Trade

In this section we will analyse some of the main types of illicit trafficking. The trade in some of these goods is located in the unclear limit between legality and illegality, as is the case of tobacco and arms.

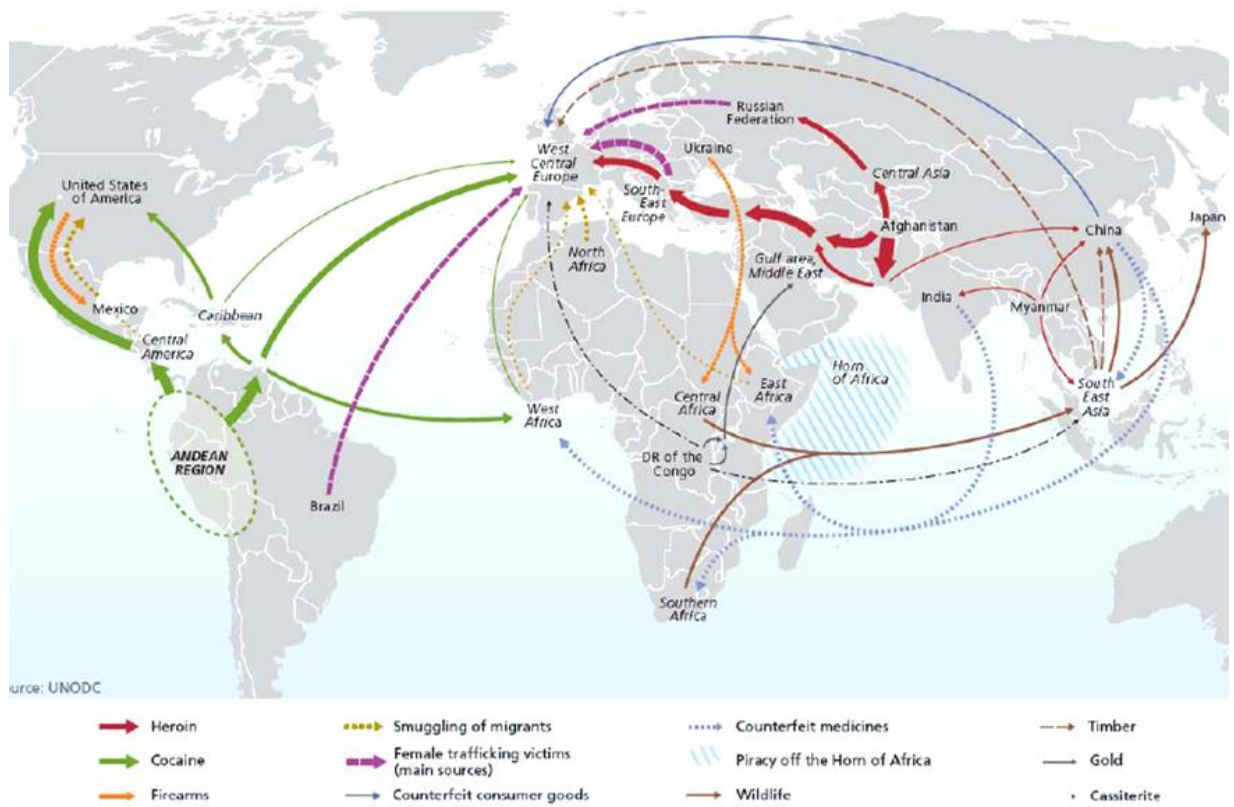


Figure 17: Main trafficking routes at global level (UNODC)

## 5.2.1 Drug Trafficking

*“No business in the world is so dynamic, so restlessly innovative, so loyal to the pure free-market spirit as the global cocaine business.” - Roberto Saviano.*

Drug trafficking is a global illicit trade involving the cultivation, manufacture, distribution and sale of substances which are subject to drug prohibition laws.

According to UNODC, around 450 tons of opium products are put in the market every year in the world. Opium from Myanmar and the Lao People's Democratic Republic yields some 50 tons, while the rest, some 380 tons of *heroin* and *morphine*, is produced exclusively from Afghan opium. Since the 1990s Afghanistan has become the main producer of opium in the world, with the exception of the year 2001, when the Taliban government forbade its cultivation.

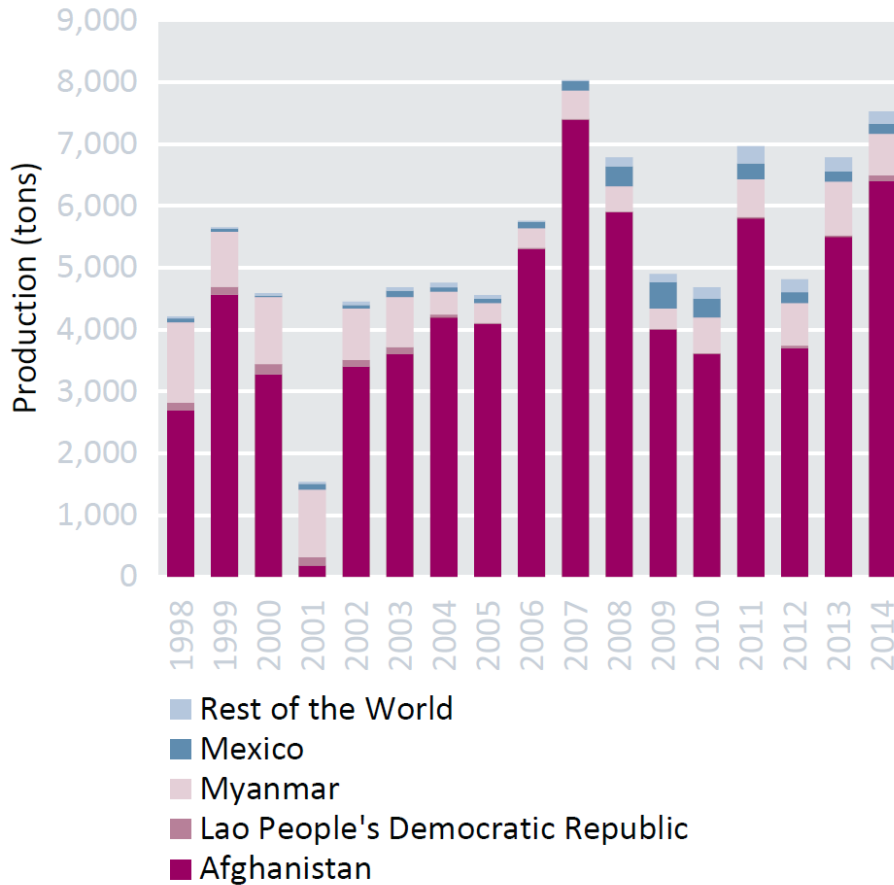


Figure 18: Global potential opium production 1998-2014 (UNODC)

According to UNODC (2010), the Balkan and northern routes are the main heroin trafficking corridors linking Afghanistan to the huge markets of the Russian Federation and Western Europe. The Balkan route goes through Iran (often via Pakistan), Turkey, Greece and Bulgaria across South-East Europe to the Western European market, with an annual market value of some \$20 billion. The northern route runs through Tajikistan and Kyrgyzstan to Kazakhstan and the Russian Federation. The size of that market is estimated to total \$13 billion per year.

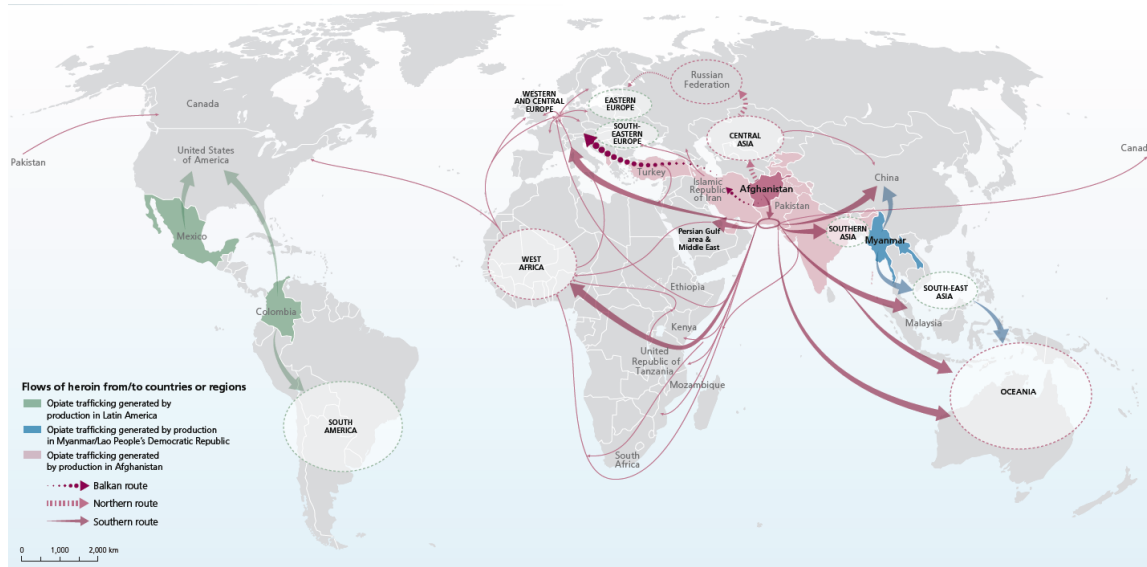


Figure 19: Main global flows of opiates (UNODC)

In 2008, global *heroin* seizures reached a record level of 74 metric tons. In 2008, *cocaine* was used by some 16 to 17 million people globally, similar to the number of opiate users. North America had more than 40 per cent of global cocaine consumption (of a total of 470 tons), while the 27 European Union and four EFTA countries accounted for more than a quarter of total consumption. These two regions account for more than 80 percent of the total value of the global cocaine market, which was estimated at \$88 billion in 2008.



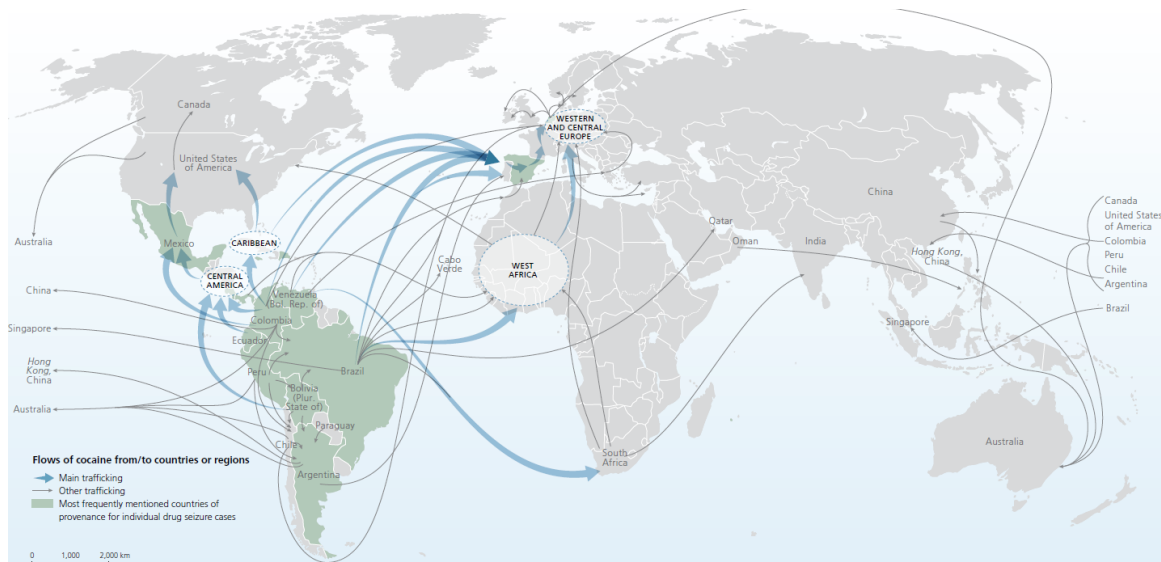


Figure 20: Main global trafficking flows of cocaine (UNODC)

For the North American market, cocaine is usually transported from Colombia to Mexico or Central America by sea and then onwards by land to the United States and Canada. Cocaine is trafficked to Europe mostly by sea, often in container shipments. Colombia remains the main source of the cocaine found in Europe, but direct shipments from Peru and Bolivia are more common than in the United States market (UNODC 2010)

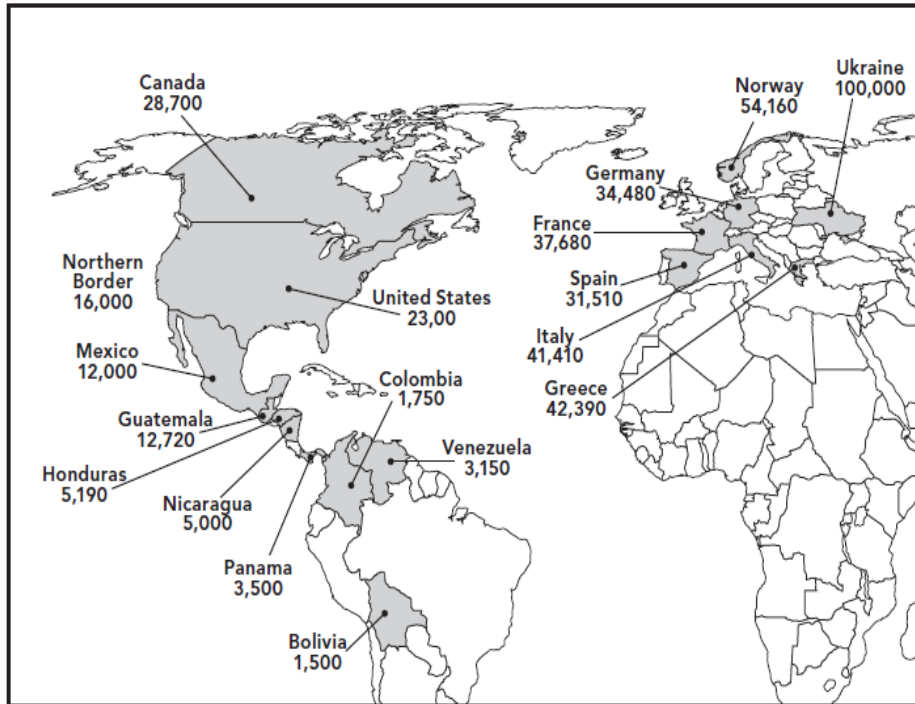


Figure 21: Cocaine base price per kilo in 2003 (Europol).

The estimated drug production in 2008 was the following (UNODC 2009c):

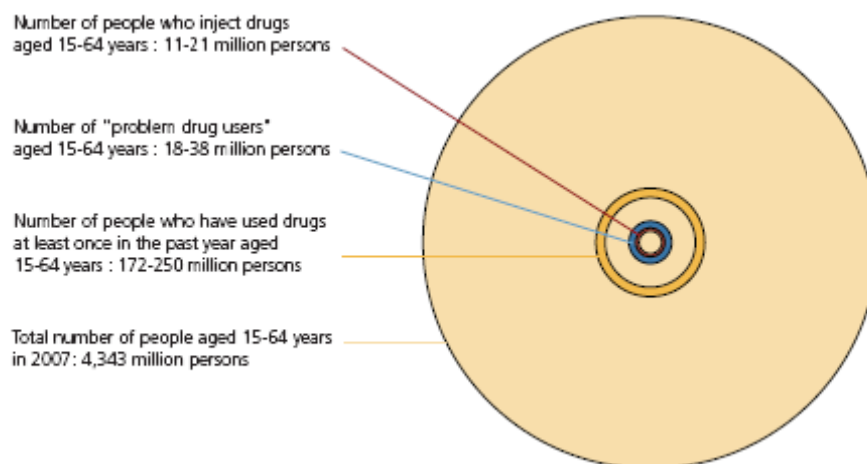
- Opiates (opium, morphine, and heroin): 7,700 T., the main producer being Afghanistan.
- Cocaine: 845 T, mainly produced in Colombia, Peru and Bolivia.
- Cannabis: between 13,000 and 66,000 T. The estimates are much less accurate, as this grass can grow anywhere in the world.
- Amphetamine Type Stimulants (ATS): Between 230 and 640 T of the amphetamine type, and between 72 and 137 T of the ecstasy group. They can be produced anywhere at a relatively low cost. Its production is the fastest growing worldwide.

Drugs are not only a public health problem for the societies that consume them, but they contribute to finance corrupt politicians, subversive and terrorist groups and other forms of

crime. Drug trafficking groups have captured totally or partially the states of some countries of production or transit as Afghanistan, Colombia, Mexico or Guinea-Bissau.

Another consideration is that the largest benefits in the business of drug trafficking are not done in the countries of production or transit, but in those of consumption and in the fiscal havens. However, the international repression is usually focused in the countries of production and transit. This could indicate that elements of the financial and economic elites in the rich countries could have a vested interest in the trafficking, but would manage to direct the repression to the poorer countries.

In 2005 the United Nations Office on Drugs and Crime (UNODC) estimated the global drugs market at US\$ 322 billion, equivalent to the 30<sup>th</sup> GDP in the world and 75 percent of the GDP of Sub-Saharan Africa.



*Figure 22: Prevalence of the use of drugs in the world population (World Drug Report 2009)*

	Opiates	Cocaine	Cannabis
1998	12.9 million	13.4 million	147.4 million
2008	17.35 million	17 million	160 million
% Increase	34.5%	27%	8.5%

Figure 23: Estimates of annual drug consumption 1998-2008 (United Nations)

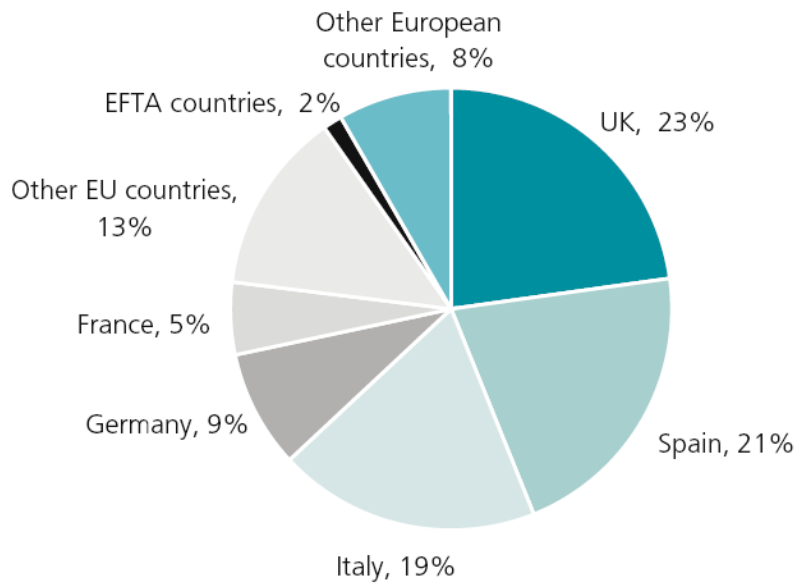


Figure 24: Percentage of cocaine consumption in Europe in 2007-2008 (UNODC).

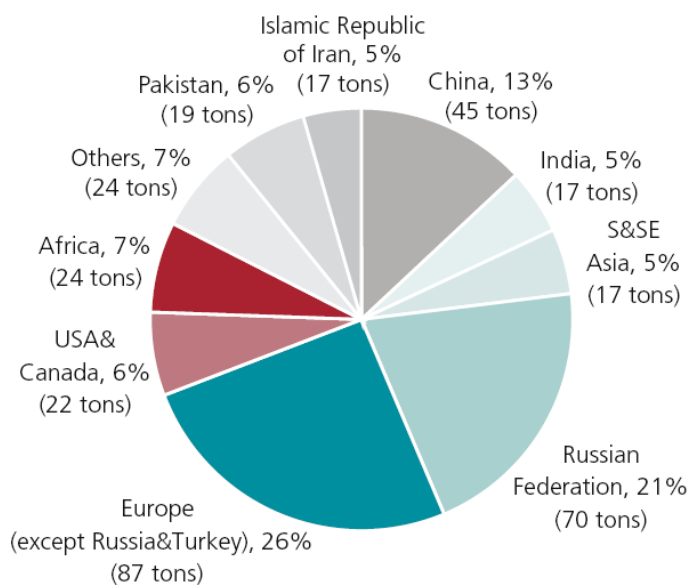


Figure 25: Global heroin consumption in 2008 (UNODC)

30 percent of the HIV transmissions outside Sub-Saharan Africa are due to the use of syringes to inject drugs (HRW 2009).

The international treaties to deal with the issue are numerous, but the individual states should do a better effort to adapt their legislations accordingly, and especially to implement them adequately.

The effort against international drug trafficking is one of the eldest efforts of the international community to fight against transnational organized crime, as it started in 1909 with the Final Resolutions of the International Opium Commission in Shanghai. Since this first meeting, the international community preferred to treat the problem of drug trafficking from the interdiction angle rather than from the public health one.

The present regime of drug control is under the responsibility of the United Nations. This regime consists of three Conventions that complement each other. The first two Conventions focus in the codification of measures to control the access to drugs of medical usage, and prevent their diversion to illicit channels. They also include general provisions on illicit trafficking in and abuse of drugs. They have been signed by 184 states. These agreements are: the *Single Convention on Narcotic Drugs of 1954*, the *Convention on Psychotropic Substances of 1971*, and the *Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988*.

The ability of developed countries to reduce the production and trade in drugs is not always very clear. For example, the US Plan Colombia has not reduced significantly the production of coca leave in Colombia, and much less the trafficking of cocaine worldwide, in spite of the wide-spread human rights abuses, and the environmental damage caused. In

Afghanistan the production of opium has never been higher than under the western military occupation. In fact, there has been strong suspicions of the involvement of high government officials in the business, including close relatives of the Presidency of Afghanistan. The real intentions behind the famous *War against drugs* initiated by US President Nixon in 1971 are not always very clear. Situations as the exchange of weapons for drugs in the Iran-Contra affair in the 1980s could shed some light at how western intelligence services operating in the shadow can use the revenues of illegal trafficking to finance their clandestine activities.

Another interesting case of prohibition is that of *marijuana*, a mild drug according to the Lancet. In the US in the 1920s alcohol prohibition was introduced as a harm-reduction measure, but public demand for it did not reduce, which fuelled a massive rise in bootleg alcohol that encouraged the rise of the mafia. To combat this, the US government set up a famous army of enforcers, under the command of Harry Anslinger, which became known as “The Untouchables”. However, when public disquiet caused by alcohol prohibition led to its repeal, Anslinger saw his position in danger. To enable him to keep his army of drug enforcers, he created a new drug threat: cannabis, which he called marijuana to make it sound more exotic. Working with newspaper magnate William Randolph Hearst, he created hysteria around the impact of cannabis on USA youth and proclaimed an invasion of marijuana-smoking Mexican men assaulting white women, which led to the drug being banned. The US then imposed its anti-cannabis stance on other western countries and this finally was extended the rest of the world through the first UN convention on narcotic drugs in 1961.

The Global Commission on Drug Policy is an NGO with the purpose to bring to the international level the discussion about humane and effective ways to reduce the harm

caused by drugs to people and societies. It builds on the successful experience of the Latin American Commission on Drugs and Democracy. The panel includes former UN Secretary General Kofi Annan, the former leaders of Mexico, Colombia and Brazil, and the entrepreneur Richard Branson. Persuaded that the association between drug trade, violence and corruption was a threat to democracy in Latin America, the Commission reviewed the current 'war on drugs' policies and opened a public debate about an issue that tends to be surrounded by fear and misinformation. Its goals were: to review the basic assumption, effectiveness and consequences of the '*war on drugs*' approach; to evaluate the risks and benefits of different national responses to the drug problem; and to develop actionable, evidence-based recommendations for constructive legal and drug policy reform. They concluded that the *global war on drugs had failed*, with devastating consequences for individuals and societies around the world. They consider that fifty years after the initiation of the UN Single Convention on Narcotic Drugs, and 40 years after President Nixon launched the US government's *war on drugs*, fundamental reforms in national and global drug control policies are urgently needed. They think that the vast expenditures on criminalization and repression directed at producers, traffickers and consumers of illegal drugs "have clearly failed to effectively curtail supply or consumption". They also think that the apparent victories in eliminating one source or trafficking organization are negated almost instantly by the emergence of other sources and traffickers. Furthermore, repressive efforts directed at consumers impede public health measures to reduce HIV/AIDS, overdose fatalities and other harmful consequences of drug use. Government expenditures on futile supply reduction strategies and incarceration displace more cost-effective and evidence-based investments in demand and harm reduction. One good example of these misguided policies can be seen in the discrepancies between levels of control and levels of harm. For example, alcohol and tobacco are considered by medical research as more

harmful than cannabis or ecstasy, however the latter are forbidden, while the former are not. This is a clear evidence of the higher power to influence norms by the alcohol and tobacco industries, which have avoided strong prohibition regimes against their products, in spite of the social harm they cause.

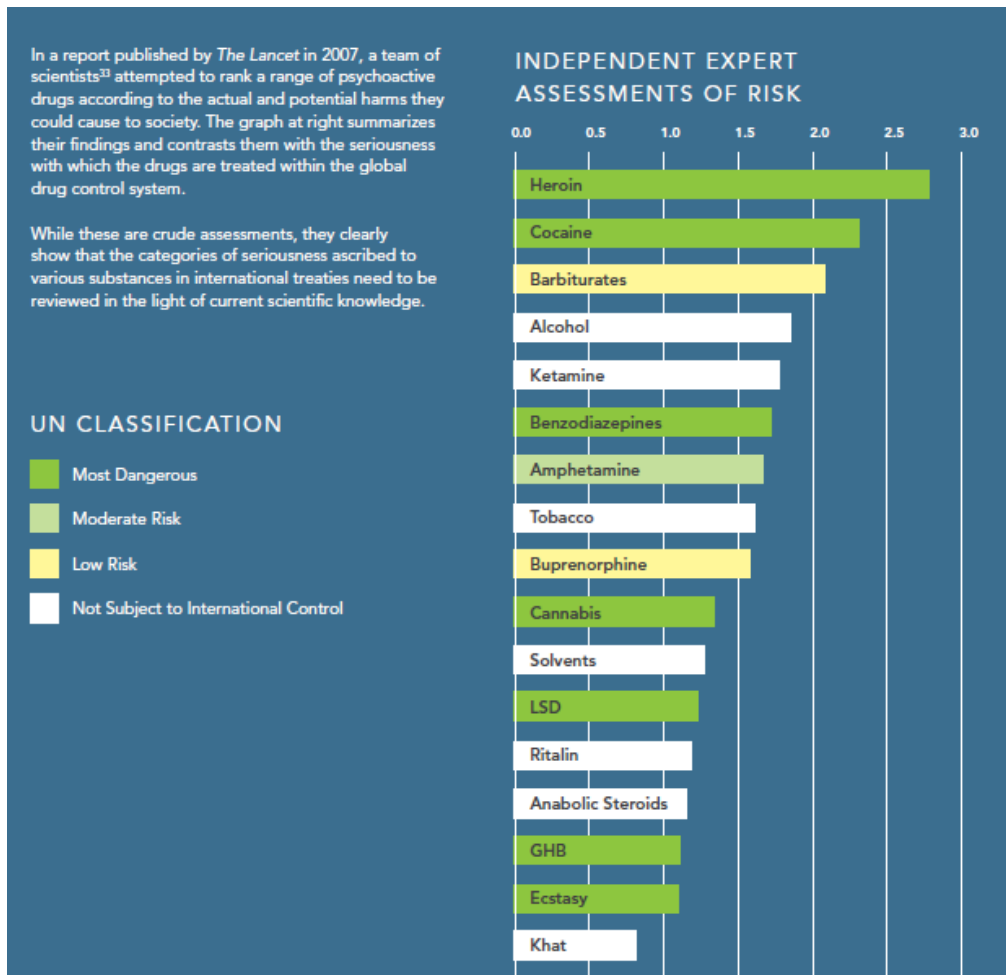


Figure 26: discrepancies between levels of control and levels of harm of drugs (GCDP)

Not all drugs are forbidden by law. The World Lung Foundation estimates that *tobacco* killed around 6 million persons in 2011, mainly from cancer, heart disease and emphysema, and costs the global economy US\$ 500 billion yearly in direct medical care, loss of productivity and environmental damage. Due to the growing conscience of the damage caused by the tobacco industry in the developed countries, the business has been re-oriented towards developing countries, where the controls are weaker (Shafey et al. 2009).



The WHO *Framework Convention on Tobacco Control* entered in force in 2005, has been signed by 168 countries and seeks "to protect present and future generations from the devastating health, social, environmental and economic consequences of tobacco consumption and exposure to tobacco smoke" by enacting a set of universal standards stating the dangers of tobacco and limiting its use in all forms worldwide. The health damage caused by smoking was well known since the 1950s, however the tobacco industry lobby managed to delay the signature of an international treaty to control it until 2003. An interesting example of the determination of this industry is the fact that Margaret Thatcher was hired as a consultant for Phillip Morris since 1992 for a fee of US\$ 500,000 yearly.

### **5.2.1.1 Comments**

An interesting detail of the drug trade is how the prices of cocaine and heroin grow more than 200 times from the producer to the consumer. It is the prohibition of these products, decided by governments and international organizations, which has caused the increase of their value in such disproportionate manner. The main power of drugs traffickers is therefore financial, as the production is not so well rewarded. It is these disproportionate profits that have put the trafficking of illicit drugs in the hands of dangerous criminals who are capable and ready to kill people or destabilize fragile states to obtain their objectives. It is through their huge profits that drug traffickers can buy protection, either directly from the state, from insurgents, or through their own "sicarios". In fact, as we can see in the study of *The Lancet*, products like alcohol, a harmful drug, may cause public health problems in some countries, but not criminal and political ones, as is the case with the trafficking of cocaine and heroin. Powerful states and corporations, as well as international organizations are guiding the perceptions and the identities of the different drugs. What is

not clear is the reason why they have decided to establish and maintain these prohibitions, although the measures have proved not to be efficient in the reduction of the social harm caused by drugs. Some politicians may be involved themselves in the trafficking, or may allow their security services to get involved in order to finance “black operations”. Maintaining the prohibitions may also be a way to influence resource-rich developing countries through “disaster capitalism” methods (Naomi Klein, 2007). It could also be a way to maintain the cohesion of national political constituencies around ideologies that condemn the loss of self-control through drugs, or a way to maintain the control over the populations through “disciplinary neoliberalism” (Gill, 2008). There could also be a vested interest from law-enforcement agencies to maintain the threat of drug trafficking to justify political influence and bloated budgets (Van Duyne).

The international organizations, although they may have some influence by acting as the secretariat of the different treaties, in fact have to follow the agendas set by the most powerful governments. They may be tempted to change the focus of the problem, as WHO would like to do by framing the problem of drug trafficking as a public health/ welfare issue rather than a security one, but, for the moment, the agendas of the western hegemons still prevail.

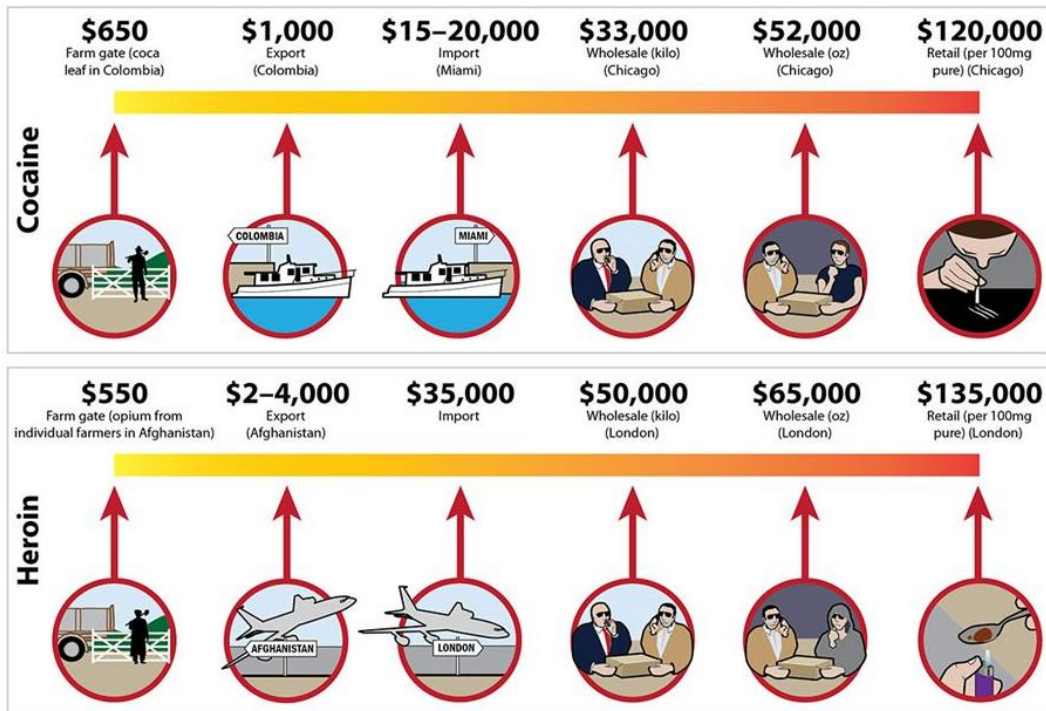


Figure 27: Prices of cocaine and heroin from production to retail (source: European Communities, 2009)

## 5.2.2 Production and trafficking of counterfeit medicines

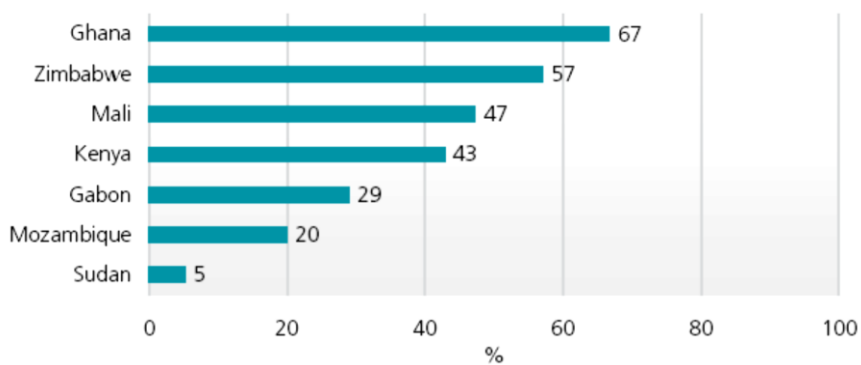
The World Health Organization defines a counterfeit medicine as “one which is deliberately and fraudulently mislabelled with respect to identity and/or source. Counterfeiting can apply to both branded and generic products and counterfeit products may include products with the correct ingredients or with the wrong ingredients, without active ingredients, with insufficient active ingredients or with fake packaging”

It is estimated that 50 percent of all medicines consumed in Africa are falsified. This represents an enormous weight to a society already fragile. According to Loretta Napoleoni, the falsified medicines kill half a million persons per year (2008). Although it

is difficult to have accurate evaluations, the World Health Organization considers that the global revenues of the trafficking of falsified medicines in 2003 could be higher than 32 billion US\$ (WHO 2003b).

The WHO estimates that the proportion of falsified medicines sold through internet could reach one percent of those sold in developed countries, 20 percent of those sold in countries in transition, and between 30 and 50 percent in developing countries. Until 2007 the WHO had registered 1513 cases of falsified medicines. But we should take into account that each registered case implies the production of a complete lot, and that in developing countries the systems of detection and information are weak.

A direct and serious consequence of the trafficking of falsified medicines with low content in active component is that they provoke the development of strains of diseases immune to medicines.



*Figure 28: Percentage of chloroquine pill that did not pass the strength test in some countries, 2003 (WHO)*

### **5.2.2.1 Comments**

Although not a famous field in the organized crime business, counterfeit medicine does cause serious, widespread and long-lasting harm to the health of human beings, especially in the developing world. This crime is therefore related to the welfare power in its effects.

However, as in the case of drugs with prohibition, it is the artificial barrier created by the high prices of medicines, as a consequence of the abusive patent rights imposed by the West, which encourages the illicit trafficking. When the intellectual property international regime will allow the easy production of generic medicines, the affordable prices of medicines will not promote the production and trade of counterfeit medicines.

According to MSF, the most effective and sustainable way to bring down the price of a drug is through competition between different manufacturers. But if a medicine is under patent and the patent owner is not willing to allow competition, the impact on a drug's price is striking. The drugs to treat HIV/AIDS provide a good illustration of how patents allow manufacturers to keep the price of medicines high, and how competition brings those prices down. In 2000, the cost of the antiretroviral treatment to people living with HIV/AIDS was more than US\$ 10,000 per person, when they were only available from the drug companies that held the patents. With the onset of competition among multiple producers, they plummeted to less than \$70 today. At this price, even in developing countries, the counterfeiting of medicines does not pay.

### 5.2.3 Production and illegal/illicit trade of arms

*“Show me who makes a profit from war, and I'll show you how to stop the war.” -*

*Henry Ford.*

According to the NGO Small Arms Survey (SAS), the illicit trade in small arms and light weapons happens everywhere but is concentrated in areas affected by armed conflict and organized crime, where the demand for illicit weapons is higher. Arms trafficking fuels civil wars and regional conflicts; stocks the arsenals of terrorists, drug cartels, and other armed groups; and contributes to violent crime. Publicly available data suggests that the multi-ton, inter-continental shipments organized by the ‘merchants of death’ account for only a small fraction of illicit transfers. Among the most important forms of illicit trafficking is the ‘ant trade’ - numerous shipments of small numbers of weapons that, over time, result in the accumulation of large numbers of illicit weapons. Data analysed in the Small Arms Survey 2013 indicates that thousands of firearms seized in Mexico can be traced to the United States annually. These weapons are often purchased from gun shops in small numbers and then smuggled over the border. While individual transactions occur on a small scale, the total sum of the weapons trafficked into Mexico is large.

SAS say that while most arms trafficking appears to be conducted by privates, certain governments take part in the illicit trade by arming proxy groups involved in rebellions against rival governments or other non-state armed groups. These types of transfers, which are prevalent in Africa and other regions where armed conflict is common, are often conducted in contravention of UN arms embargoes and can destabilize neighbouring countries.

Peter Andreas (2011) says that in the dark world of covert operations, the distinction between state actors and non-state illicit actors can be unclear. A "non-state actor" engaged in smuggling "may be a former intelligence agent or an active informant on the government payroll. State actors may subcontract out covert tasks to private third parties for a number of reasons, including maximizing plausible deniability". The arms trade has long been considered the sector of the illicit global economy in which state and non-state actors and networks are most closely intertwined.

According to Paul Collier, the *opportunity* can have more influence than the political cause itself in the moment of the starting a rebellion: "where a rebellion is financially and militarily feasible it will occur" (Collier, 2008). Conversely, elites within government may initiate or maintain a violent conflict to suppress the opposition or for economic gain (Keen, 2012). This way, oligarchies can counter the legitimate "grievances" of populations in the "protracted social conflicts" (Azar, 1990; Ramsbotham 2011). The fact is that arms traffickers will make sure that the elites of insurgent movements and governments have the weapons available in case they want to use them. The only condition is to have the money to pay for them. As we see, in violent situations, it is always the powerful (from the government, rebel or TOC camp) that have the upper hand, at the expense of the needs and grievances of the weak, who are nevertheless lured into the conflict. In fact, following Duffield (2001), the security interventions are just a way to maintain the unequal and unfair global political economy imposed by the TCCs of the rich and poor countries alike.

According to the International Peace Bureau, the global military expenses reached US\$ 1.4 trillion in 2008. Of those, 90 billion are expenses in nuclear weapons.

According to Transparency International 50 percent of all the complaints for bribery are related with transfers in the field of defence. Bribery is considered an integral part of the

arms transactions, in which “commissions” amount between 10 and 50 percent of the value of the real transaction (Hensirksson 2007). According to John Githongo, former Permanent Secretary for Governance in Kenya, “the defence sector is the last refuge of grand corruption” (Oxfam 2008)

George Robertson, former NATO Secretary General, declared that “many of the arms contracts are very substantive, and are negotiated behind a veil of secrecy, with generous margins, and with much room for brown envelopes”. South Africa has paid around US\$ 530 million yearly until 2012 for an arms contract that led to sentences for corruption. On the other hand, US\$ 425 million yearly would be sufficient to provide drinking water for all its inhabitants (Oxfam 2008).

The trafficking of firearms is very different from most of the other trafficking because the weapons are durable goods. As a consequence, the number of small arms acquired every year is only one percent of those in circulation and probably this happens in the “licit” as well as the “illicit” sides of the market.

Pope Francis said in front of the US Congress in 2015: “why are deadly weapons being sold to those who plan to inflict untold suffering on individuals in society. Sadly, as we all know, it’s simply for money: money that is drenched in blood, often innocent blood. In the face of this shameful and culpable silence, it is our duty to confront the problem and to stop the arms trade.”

Transparency International started in 2012 an index of Anti-Corruption for the Defence Companies. According to TI, corruption in defence is “dangerous, divisive and wasteful. It puts international security at risk; it can lead to regional arms races to satisfy the greed of intermediaries; and billions can be wasted in dishonest arms deals.” The report analyses what defence companies do and fail to do to prevent corruption. The 129 companies



analysed in the study are the largest from the six main arms exporting countries, plus the largest companies from another twenty-five countries. These companies account for over US\$ 500 billion of global defence revenue. The companies are punctuated on 34 questions about the ethics and anti-corruption systems that they have in place. The information used to compile the Index comes from what companies disclose publicly on their websites about their anti-corruption systems. Two thirds of defence companies do not provide adequate levels of transparency. Almost half provide very little evidence of having even basic systems in place to prevent corruption. The results are presented in the figures below. Band A or B mean plentiful or good evidence that basic ethics and compliance systems and processes exist. Bands E and F indicate that there is only poor or no evidence of anti-corruption processes.

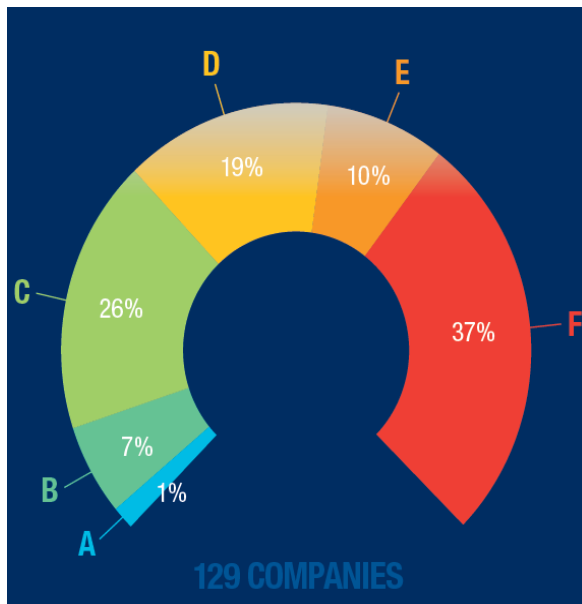


Figure 29: Defence Companies Anti-Corruption Index 2012 (TI-UK)

The long awaited UN Arms Trade Treaty (ATT) was finally adopted in 2013. It regulates the international trade in conventional weapons and entered into force in 2014. It had been promoted strongly by civil society organizations since the 1990s. Seventy seven states have ratified the treaty, and another fifty five have signed it but not ratified it. The ATT intends to regulate the international trade of conventional weapons in order to contribute to peace, reducing human suffering, and promoting co-operation, transparency and responsible action by and among states. The treaty obligates member states to monitor arms exports and ensure that weapons don't cross existing arms embargoes or end up being used for human-rights abuses, including terrorism. The Arms Trade Treaty does three things. It establishes common international standards for the trade in conventional weapons that states must incorporate into their national systems; it provides oversight for global arms sales by enhancing the transparency of a traditionally foggy trade; and it creates an environment of accountability, where states are responsible for ensuring that their arms sales meet global standards and norms.

Every year approximately 330,000 persons in the world die by direct effect of conventional weapons, and many more die, are wounded, suffer abuse, or are displaced by force as a result of armed violence (Amnesty International 2006). According to WHO 1.6 million persons die of violent death globally (the majority committing suicide, though). According to FAO, armed conflicts are the major cause of food emergencies, which represented 35 percent of all emergencies between 1992 and 2003.

Some governments give excessive importance to the production of arms. For example, in the United Kingdom the companies linked to the export of weapons are only 0.3 percent of the total, they represent 3 percent of all exports, but the official credits to export weapons consist of 25 percent of the total, and the government budget for research and development

(R&D) in the arms field is 55 percent of the total (CAAT 2011). This is a clear case of the security structures having excessive influence over the financial, and the ideational base. This is probably due to the fact that, after the overall privatization of most of the industries in the developed countries, the strategic sector of arms production is one of the few still controlled or financed by the state. Unfortunately this contributes to the legal/illicit/illegitimate transfer of weapons to developing countries, and the consequent proliferation of violent conflicts. It was symptomatic that the British Prime Minister was accompanied by representatives of the main arms manufacturers of weapons during his tour in the Middle East in the midst of the Arab Revolt in early 2011.

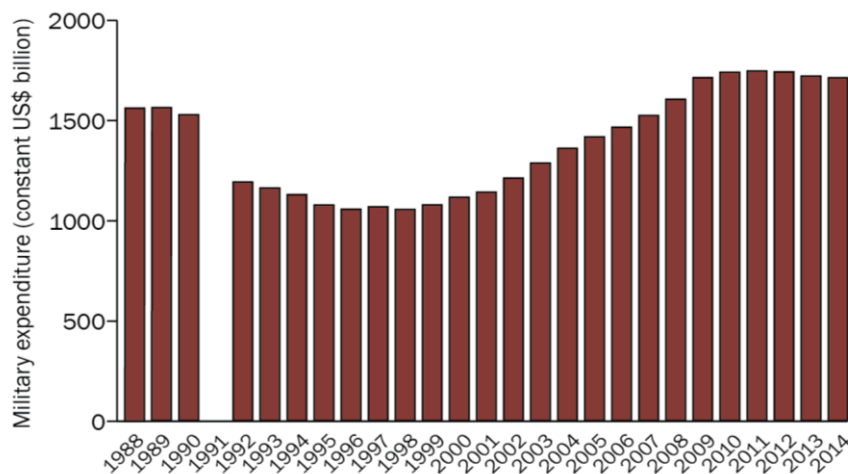


Figure 30: World Military Expenditure 1988-2014 (SIPRI)

We will now look at some more sinister, stereotypical, weapons traffickers:

*Viktor Bout*, international arms trafficker and war profiteer managed an air cargo company specialized in the transportation of weapons to conflict areas. He controlled the largest fleet of Antonov planes, with the capacity to transport tanks and other heavy equipment to difficult terrains. He has fed some of the most lethal conflicts clandestinely transporting weapons to rebel groups, but also dealing with flowers, diamonds, hard wood and other valuable resources. His zone of operations included Afghanistan, Angola, Congo, Liberia,

Pakistan, the Philippines, Rwanda, Sierra Leone and Sudan. He lived in Moscow and operated his fleets from the United Arab Emirates (UNODC). It is very likely that the USA and the UK have used Bout's transportation services to dangerous areas of Iraq. Bout's services were not always illegal: his companies performed innumerable transports for the United Nations to the same areas where he had previously delivered arms that fed conflicts and humanitarian crisis. He transported Belgian blue helmets to Somalia, French troops to Rwanda, and delivered aid for the World Food Programme. Viktor Bout could operate with impunity thanks to his numerous passports, his different identities and wide support from the powerful. A series of reports from the UN Security Council cited Bout and his operations. The Belgian authorities issued an arrest warrant in 2002 under the accusation of "money laundering and criminal conspiracy" and his name passed to a search list of Interpol. In March 2008, Bout was finally detained in Bangkok, while trying to sell weapons to US investigators impersonating as Colombian FARC members. In spite of Russian government pressures, he was finally extradited to the USA.

Another famous trafficker was *Leonid Minin*, who was detained in 2000 and prosecuted for arms trafficking and violations of UN sanctions against Liberia. According to UNODC, in 1999 Minin shipped 68 tons of small arms into Burkina Faso, ultimately bound for Liberia, at that time under embargo. The Ukrainian government issued an export license based on an end user certificate allegedly issued by the Burkina Faso authorities. According to the contract, the Burkina Faso Ministry of Defence had authorized an offshore Gibraltar-based company called "Chartered Engineering and Technical Services" to act as intermediary. Upon delivery in Burkina Faso, the arms were shipped onwards in a BAC-111 aircraft with an operating certificate from the Cayman Islands. The company that owned the aircraft, LIMAD, was registered in Monaco and belonged to Minin. Minin was also involved in the Liberian timber trade. In 2000, Minin coordinated the delivery of 113

tons of small arms to West Africa from Ukraine, including 10,000 AK-47 assault rifles. He chartered a company owned by an associate, Aviatrend, to transport small arms to Cote d'Ivoire, also under embargo. He was arrested later that year in Italy for possession of cocaine.

*Monzer al-Kassar*, the “Prince of Marbella”, was involved in various crimes, including the hijacking of the Achille Lauro and the Iran-Contra scandal. In 2008 he was detained when negotiating with false members of the FARC and prosecuted in the USA. He was sentenced to 30 years in prison.

The dissolution of the Soviet Union left many countries with an unsolicited heritage: great stocks of old arms and ammunitions, but still functional. Ukraine was the most affected, as most of the stocks were located in the western part of the Soviet Union. It inherited around 30 percent of the Soviet military-industrial complex. The country is estimated to have around seven million small arms. In absolute terms, the Ukraine is the third country in accumulation of arms in the world, after China and the Russian Federation, but it is the first country regarding the availability of arms per active soldier. These enormous stocks of weapons represent a great risk, as proved by the numerous reports of transfers of arms to states under sanctions or part of regional conflicts, particularly in Africa. It could also contribute to explain the civil war happening in that country.

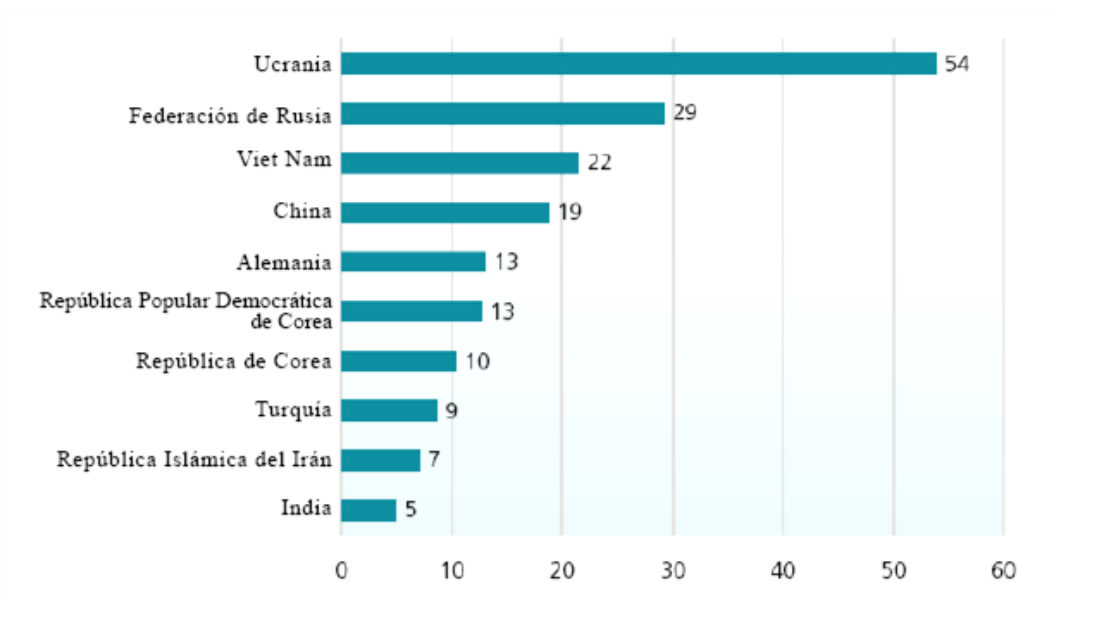


Figure 31: Firearms per active duty military (UNODC)

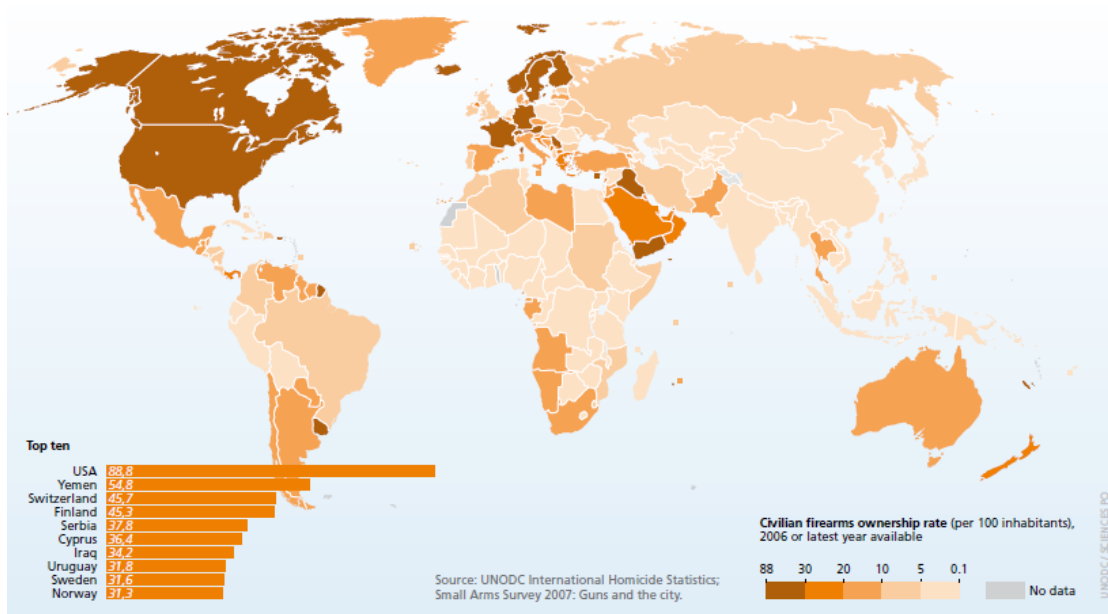


Figure 32: Civilian firearms ownership in 2006 or latest year available (UNODC)

Another important spot of illicit trafficking of weapons in this moment is the border between the USA and Mexico. The low cost of arms in the USA, the ease to acquire them and pass them through the border, and the high demand by drug trafficking gangs in Mexico generates a trade of some 20,000 arms per year, with a value of US\$ 20 million. Unlike the Ukrainian market, this trade is managed by a great number of small traffickers.

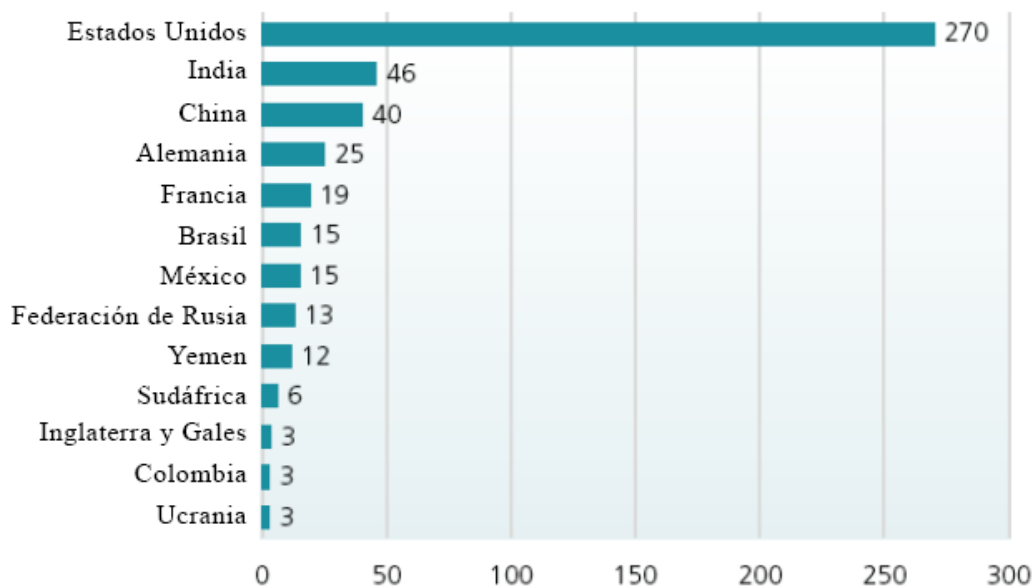


Figure 33: Number of firearms in civilian property in selected countries (millions, UNODC)

The Palermo Convention against Organized Crime is supplemented by a Protocol against the Illicit Manufacturing and Trafficking in Firearms, Their Parts and Components and Ammunition, but its provisions are not binding.

Another worrying activity is the black market of nuclear materials and technology. The former director of the Pakistani nuclear programme, Abdul Qadeer Khan, had helped Libya, Iran and North Korea to develop nuclear weapons. We can see that once a technology is discovered, it is very difficult to control the spread of its knowledge. Only the common ideals of humanity (for idealists) or the self-interest of the state (for realists) can avoid that these technologies are made available for eventual use.

According to SIPRI, the volume of arms transfers has increased by 22 percent in the period 2000-2004 and 2005-2009. The main providers of weapons in 2005-2009 were the USA, the Russian Federation, Germany, France and the UK. The main buyers were China, India, South Korea, the UAE and Greece (Hotom 2009). Greece has only recently announced a reduction in its enormous arms purchasing budget amid the extremely serious economic



crisis. The sales of weapons of the 100 main manufacturing companies in 2008 increased by US\$ 39 million to reach US\$ 385 million (Jackson 2008).

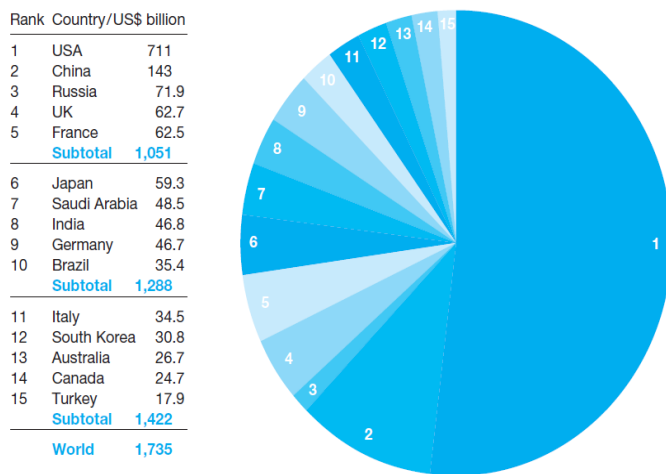


Figure 34: Countries with the highest military expenditure in 2011 (SIPRI 2012)

In his farewell speech from the US Presidency in 1961, Dwight Eisenhower warned against the undue influence of the “*military-industrial complex*” in society. This is a clear evidence of the structural power of the weapons industry, that seems to be stronger than that the US President himself. *Cui bono?* Clearly the main beneficiaries of this state of affairs is the weapons industry, its investors who make huge profits, and the members of the security apparatus that promote their own careers.

BAE Systems is the largest defence company in Europe. CAAT (Campaign Against Arms Trade) is a small British NGO. Between 1995 and 2004 CAAT was infiltrated by BAE agents. One of these agents reached the position of Campaigns Coordinator at CAAT. The monthly cost of the surveillance programme was higher than the annual budget of the NGO itself. This is an interesting case of a private actor in the security sector trying to influence the agenda of the civil society using a private intelligence agency. None of the actors was a state representative.

According to a report by Amnesty International, in the five years preceding the Arab countries' revolts of 2011, at least 20 governments - including Italy, the United Kingdom, France, Serbia, Switzerland and South Korea - sold more than \$2.4 billion in small arms, tear gas, armoured vehicles and other security equipment to the five countries that have combated violently popular uprisings in their territory: Bahrain, Egypt, Libya, Syria, and Yemen.

### ***5.2.3.1 Comments***

The arms trade affects most aspects of structural power. The arms are produced in industrialized countries, and their industries are heavily subsidized and protected by their governments. The corporations that produce them are deeply embedded with the governments. The trade in arms are also heavily supported by the governments. The national security background of these industries stimulates an atmosphere of secrecy and, ultimately, of corruption. This gives room to the opacity of the arms markets, which are in the borderline between illicit and illegal.

The arms trafficking affects the welfare of human society, as it threatens their security, but also their livelihoods, through physical destruction of infrastructures, as well as through the degradation of the governance structures.

The Arms Trade Treaty only entered into force in 2014, and, like many other treaties of the kind, is a minimum common denominator of the intentions of the powerful governments.

This trade however, has not been affected more than other illicit trades by technological change, as the industry has not benefited from important advances since WWII.

Although civil society has heavily engaged in the promotion of the treaty, its influence in the control of arms trade is not very strong.

The values of arms producers and traders are very much in line with realist values, as they think that problems can be resolved unilaterally by force. They try to convince society that arms are needed to defend itself from “the other”, while liberals try to promote international treaties (but support continuing to trade for profit). Critics would like to see the whole industry and trade of weapons reduced to a minimum, and dedicate the saved money to welfare.

At present, there is still a general understanding that the arms production and trade is licit as long as it is controlled by the governments and coordinated by the international institutions, while only the “black market” is illegal. But even in this last case, we have seen how government officials use the opacity of the whole industry to distribute arms illegally (e.g.: Iran/Contra scandal). We have also seen that what is legal on one side of the border can be illegal on the other one (e.g.: small arms purchases by Mexican narcos in the USA).

## **5.2.4 Trafficking in natural resources**

*“It took Britain half the resources of the planet to achieve its prosperity; how many planets will a country like India require?”—Mahatma Gandhi, when asked if, after independence, India would attain British standards of living.*

Although the trafficking in natural resources causes serious harm to the environment, the modus operandi of the criminals and the type of markets are similar to the trafficking of other goods like drugs and arms. We will therefore include it in the chapter on “traditional

TOC” and not on that of “environmental crime”, which will deal with more serious structural harms as climate change.

According to Michael Klare (2012), “the world is facing an unprecedented crisis of resource depletion—a crisis that encompasses shortages of oil and coal, copper and cobalt, water and arable land. With all of the Earth’s accessible areas already being exploited, the desperate hunt for supplies has now reached the final frontiers”. With resource extraction becoming more difficult, the risks for the environment are becoming increasingly severe—and the intense search for dwindling supplies can ignite new conflicts and territorial disputes.

The United Nations Environment Programme (UNEP) has found that over the last 60 years, at least 40 percent of all internal conflicts have been linked to the exploitation of natural resources, whether high-value resources such as timber, diamonds, gold and oil, or scarce resources such as fertile land and water. Conflicts involving natural resources have also been found to be twice more likely to relapse than other types of conflict.

Given the heavy involvement of criminal organizations in the trafficking of resources during war to finance military activities, we can say that any trafficked resource is potentially a Conflict Resource.

The United Nations has not yet given an official definition of Conflict Resources. Organizations like *Global Witness* have advocated for the UN to issue one. We will use for this study the definition suggested by UNEP (2009: 6): “*Conflict resources could be defined as natural resources whose systematic exploitation and trade in a context of conflict contribute to, benefit from or result in the commission of serious violations of human rights, violations of international humanitarian law, or violations amounting to crimes under international law.*”

According to the *Global Initiative Against Transnational Organized Crime* (2014), natural resource trafficking is one of the most damaging, high profile and economically significant fields of global criminal activity – second only to drug trafficking – and is pushing the planet to the point of eco-system collapse. Many crimes are still beyond our capacity to assess, but to highlight a few pertinent statistics: the global value of wildlife trade is estimated at US\$19 billion and with a single rhinoceros horn netting US\$260,000 for criminal groups. The value of illegal fishing is estimated with US\$23 Billion per year, and is forecasted to cause a complete collapse of the world’s fish stocks in 2050. Deforestation in the Amazon region has increased up to 103 percent in 2012-2013, with estimated profits of US\$100 Billion for the illegal timber industry worldwide.

Next is an example of a network of trafficking in wildlife:

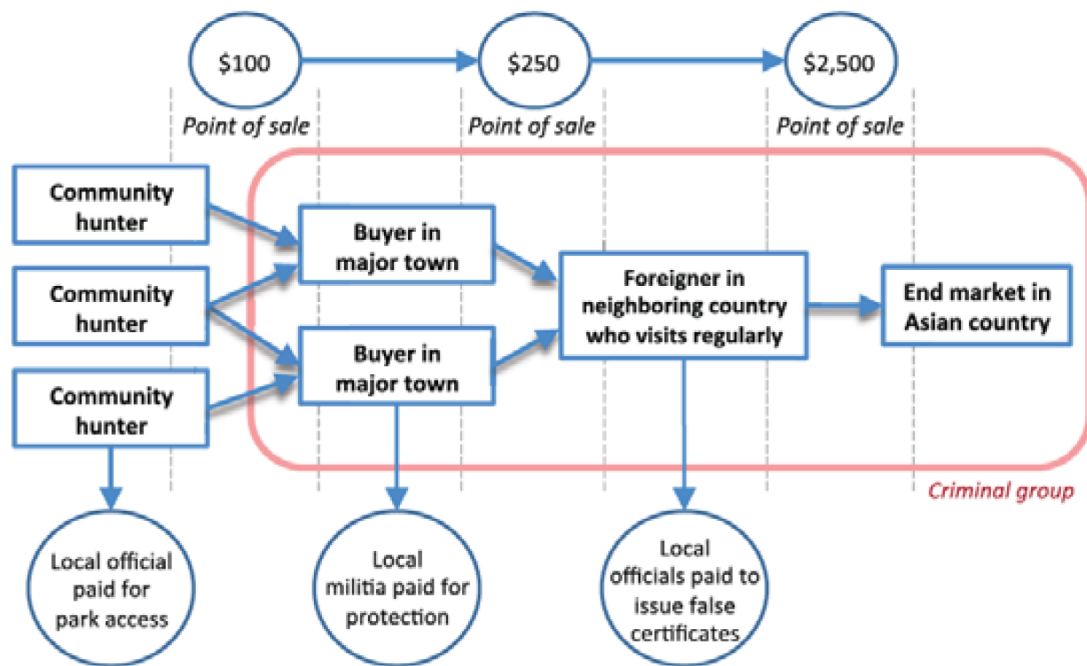


Figure 35: Analysis of a market and supply chain for a wildlife product (source: Shaw and Kemp, 2012)

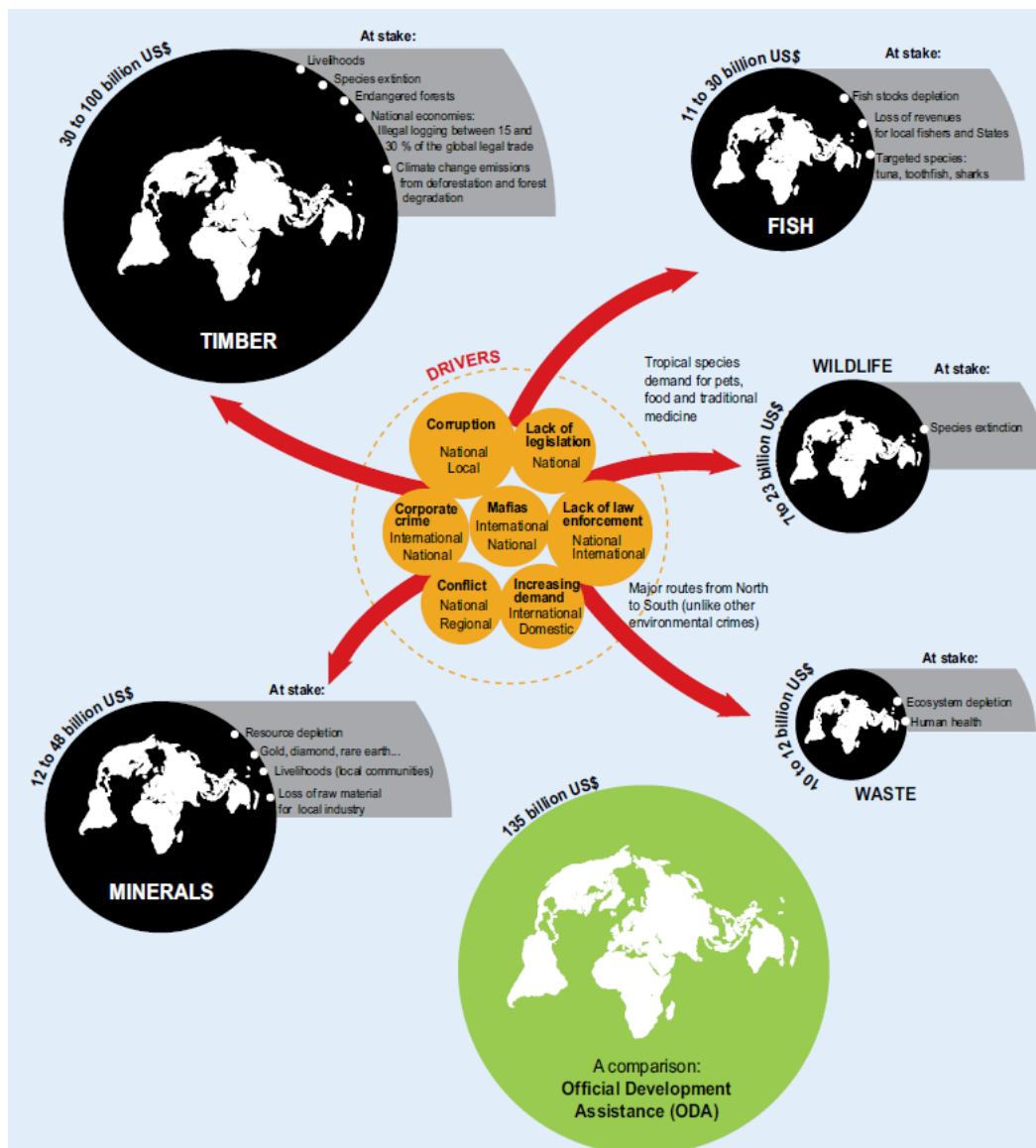


Figure 36: Major natural resources trafficking (GRID-Arendal 2012)

Competition for natural resources is one of the root causes of war. Important mining and resources companies, including TNCs as Exxon Mobil, Anglo American or De Beers, sometimes turn to violence in order to protect corporate interests. There are many actors in the connection between natural resources and conflict, including resource traders, smugglers, corrupt civil servants, arms traffickers, carriers and mercenary companies. The increasing lack of resources, due to the rise of world population, the spread of unsustainable consumption, and the exhaustion of sources, are intensifying the conflict. NGOs,

investigative journalists, and UN experts have condemned some of the actors of these illegal networks and have named and shamed the governments that host them both in the North and the South of the planet.

Organised crime is fuelling conflicts and degrading the environment when trafficking with high value natural resources: diamonds in Liberia, precious metals (essential for the electronics industry) in Congo, illegal fishing in the coast of Africa, hard woods in Indonesia, caviar in the Caspian Sea or exotic endangered animal species. Indigenous populations are usually the traffickers' main victims. Although some progress has been made in this field, as is the case of the Kimberley Process, the international community should develop specific legislation and systems to control this phenomenon.

In a recent report, Reporters without Borders (RSF 2009) highlighted the specific danger to which journalists are exposed when denouncing environmental crimes.

*The Extractive Industries Transparency Initiative (EITI)* is a programme aiming to raise transparency in private industries' payments to governments and entities linked to governments, in order to increase transparency on revenues received by the countries where these industries are established. It is a global coalition of governments, companies and civil society working together to improve openness and accountable management of revenues from natural resources. As of 2015, 31 countries meet the requirements and it covers a revenue of US\$ one trillion. These multi-stakeholder regimes promoting transparency are very useful and laudable, but having a voluntary character, no sanctions and a heavy participation of extremely powerful industrial actors, its efficiency is not always very credible. However, with time, the spread of voluntary schemes of this kind is affecting the way business is done in a positive way.

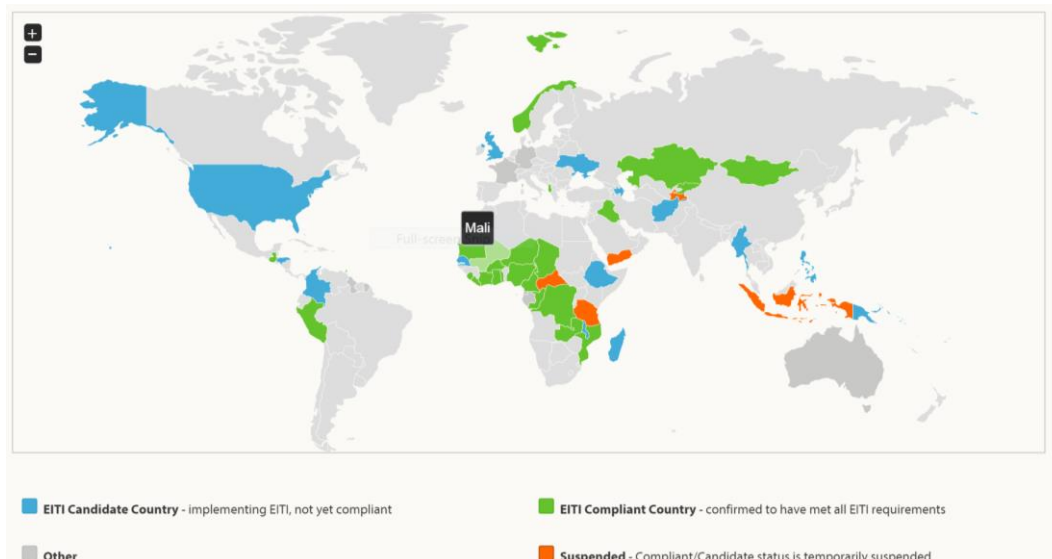


Figure 37: EITI compliance (green: compliant; blue: candidate; grey: other)

*Publish What You Pay* (PWYP) is a global coalition of civil society organizations that helps citizens in resource-rich developing countries to make their governments accountable for the management of oil, gas and mining revenues. Natural resources are an important source of revenue for the government finances in more than 50 countries. If these resources are managed adequately, they can reduce poverty, support economic growth and development, and not aggravate corruption, conflict and social division.

These countries suffer of “*Resource Curse*”: 2/3 of the world poor population lives in countries rich in natural resources. Half the oil producing countries belonging to OPEC are poorer today than 30 years ago. In Africa, countries with no resources grow four times faster than those rich in abundant raw materials (FRIDE 2008). However, the resource curse is not inevitable. Some countries with transparent and cautious management have benefited from their abundance of resources (IMF 2007).

The IMF has published *Guidelines on Resource Revenue Transparency*, in which it recommends measures relating to the Transparency of Roles and Responsibilities, Open Budget Process, Public Availability of Information, Financial Risks, and Assurances of



Integrity. The IMF classifies countries as rich in hydrocarbons and/or mineral resources on the basis of the following criteria: (i) an average share of hydrocarbon and/or mineral fiscal revenues in total fiscal revenue of at least 25 percent during the period 2000-2005 or (ii) an average share of hydrocarbon and/or mineral export proceeds in total export proceeds of at least 25 percent during the period 2000-2005.

The Natural Resource Charter is a global initiative to assist governments and societies of countries rich in non-renewable natural resources to effectively govern those resources in a way that generates economic growth, promotes the welfare of the population and is environmentally sustainable. The Charter is made up of 12 best practice principles, which cover the sequence of choices faced by governments in relation to resource extraction. These range from how to create the right environment for responsible investment, to fiscal terms, contracts, institutions and regulations, to macroeconomic management and strategies for sustainable development. The document was initially written by a group of leading experts on natural resource governance including Paul Collier, and received input from a range of stakeholders during a 12 month public consultation prior to the launch of the Charter in 2010.

According to Naim, increasing the level of transparency within multinational oil companies is the best option to avoid the resources curse. Publishing their transactions is the only way to control the honesty of the leaders of countries exporting raw materials (Naim 2009).

According to Global Witness, the Angolan government's weak controls on diamonds export licences allowed UNITA to sell diamonds through governmental channels, providing considerable revenues for intermediaries and employees that facilitated the laundering process. In these "aggressive-symbiotic" relations, the opposing sides may have some interests in extending the military stalemate, which allows them to maintain certain

economic benefits, threatened by a military victory and its consequent peace (Le Billon 2001b) a multibillionaire mineral trade. Armed groups generate about 144 million USD per year by trafficking with minerals containing tin, tantalite, tungsten and gold. These funds allow the armed groups to buy arms and continue their violent campaign of brutal violence against the civilian population, with some of the worst abuses committed in the mining areas. These materials eventually are incorporated in the manufacturing of consumer electronic devices, like smart phones and computers. Because of the lack of transparency in the minerals supply chain, consumers continue to indirectly finance armed groups, which commit regular atrocities and mass rapes. In 2007 *Enough!* Started a campaign to encourage consumers to demand from the electronic industry to control the criminal origin of the minerals they use. An interesting video has been published of the dialogue between a Mac and a PC on their contents in “blood minerals”. The case of the DRC mineral wars will be studied in more depth later in this work.

Several initiatives are in course to control the perverse effects of the conflict minerals. In 2010 the USA Congress included as Section 1502 of the *Dodd–Frank Wall Street Reform and Consumer Protection Act* a provision for U.S. and foreign companies to report and publicize the use of “conflict minerals” from the DRC and adjoining countries in their products. More or less at the same time, the OECD issued its *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. The European Parliament voted in 2015 a law to promote more responsible and transparent mineral sourcing. But it will still have to negotiate with the EU Council and the European Commission on the final text of the law, which is not binding for the industry in any case. All these measures let us guess that the scourge of the conflict minerals could be starting to be taken seriously by the global political and business communities.

According to Christian Nellemann (2014), the opportunities that ecosystems provide for future development are threatened by serious and increasingly sophisticated transnational organized environmental crime, undermining development goals and good governance. Transnational organized environmental crime may include illegal logging, poaching and trafficking of a wide range of animals, illegal fisheries, illegal mining and dumping of toxic waste. Combined estimates from the OECD, UNODC, UNEP and INTERPOL place the monetary value of transnational organized environmental crime between US\$ 70–213 billion annually. This compares to a global ODA of US\$ 135 billion. The scale and nature of the challenge has been recognized in decisions of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the UN Commission on Crime Prevention and Criminal Justice, the Economic and Social Council (ECOSOC), the UN Security Council, UN General Assembly, INTERPOL, the World Customs Organisation (WCO) and others.

The International Consortium on Combating Wildlife Crime (ICCWC) forms a powerful alliance to fight wildlife crime effectively. The ICCWC delivers determined and coordinated support to law enforcement, helping to deliver action on the ground with the ultimate aim of bringing criminals to justice. Wildlife crime frequently involves money laundering, fraud, counterfeiting and violence. Dismantling the transnational criminal networks behind the illegal international trade in wild flora and fauna requires a coordinated global response. Created in November 2010, the ICCWC brings together:

- The Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- INTERPOL;
- United Nations Office on Drugs and Crime (UNODC);
- World Bank;

- World Customs Organization (WCO).

Every year between 5,000 and 12,000 African elephants are hunted to supply the *ivory* market with 50-120 tons per year. The ivory market in Eastern Asia has a value of US\$ 62 million per year. *Rhino horn* confiscations are less frequent; however, a kilo of rhino horn is much more valuable than elephant ivory. 800 kilograms have recently entered the market, producing a value of 8 million dollars per year. The increase in the poaching of African rhinoceros is leading to its extinction. *Asian tiger* parts continue being sold at a very high price. Tigers are so scarce that if only five percent of the tiger population was poached, they would enter into an extinction process.

Deforestation contributes to 20 percent of global carbon dioxide emissions, and the consequent climate change. In addition, it contributes to desertification, soil erosion, the disappearance of species, the vulnerability to natural catastrophes, the destruction of indigenous populations, and to the corruption of governments (which start working for their business partners instead of their citizens).



Figure 38: Estimated proportion of timber exports from 14 REDD countries and Brazil that was illegal in 2007 (Globaltimber)

According to Loretta Napoleoni (2008), 70 percent of the *fish* consumed in the West proceeds from illegal fishing. The International Union for Conservation of Nature claims

that illegal fishing represents 14 percent of global fishing. IUU stands for Illegal, Unreported (to the competent authorities) and Unregulated (performed by ships with no nationality or belonging to a state which is not part of a regional fishing agreement). According to Karen Sack, director of Pew Environmental Group, if the sea resources continue to be harvested at the present rate, industrial maritime fishing will definitively disappear by 2048. According to a 2009 FAO and World Bank report, the capacity of the world fishing fleet is so oversized that if it were halved today, the amount of harvested fish would not change.

A report of the New Economic Foundation (NEF 2010) states that the European Union reaches a state of “*fishing debt*” in July of each year. This means that the fish consumed from July to December comes from outside the territorial waters of the EU, exhausting developing countries fishing-grounds.

According to Stefano Flothmann, from Pew International Ocean Governance, in Somalia, a country unable to control its territorial waters, fisheries have been exhausted, pushing fishermen to be recruited by pirates. Former coast guards joined the pirates after the collapse of the state in the 1990s. They started hijacking European, Japanese, and Chinese fishing ships, which were illegally exhausting the stocks on their coasts (Menkhaus 2009). Later international financiers, primarily based in Dubai, joined them to organize the present *hi-tech* piracy campaign. Apparently, some of the millionaire ransoms were paid in the City of London (Vigueras 2008).

Next we will see a list some of the conflicts which were associated with resources trafficking in the last decades:

<b>Country</b>	<b>Duration</b>	<b>Resources</b>
Afghanistan	1978-	Opium, gemstones, wood
Angola	1975-2002	Oil, diamonds

Myanmar	1949-	Wood, tin, gemstones, opium
Cambodia	1978-1997	Wood, gemstones
Colombia	1984-	Oil, gold, coca, wood, emeralds
Congo (Kinshasa)	1996-	Copper, coltan, diamonds, gold, cobalt, wood, tin, oil, ivory, charcoal, uranium,
Congo (Brazzaville)	1997-	Oil
Ivory Costa	2002-2007	Diamonds, cocoa, cotton
Indonesia – Aceh	1975-2006	Wood, natural gas
Indonesia – Western Papua	1969-	Copper, gold, wood
Iraq	1986-	Oil
Liberia	1989-2003	Wood, diamonds, iron, palm oil, cocoa, coffee, rubber, gold
Libya	2011-	Oil
Nepal	1996-2007	Yarsa gumba (medicinal mushroom)
Papua New Guinea – Bougainville	1989-1998	Copper, gold
Peru	1980-1995	Coca
Senegal – Casamance	1982-	Wood, cashew
Sierra Leone	1991-2000	Diamonds, cocoa, coffee.
Somalia	1991-	Fish, coal
Sudan	1983-2005	Oil
Syria	2011-	Oil, antiques, slaves, drugs

*Figure 39: Duration of internal armed conflicts associated with conflict resources since 1975  
(UNEP, Ruiz)*

### **5.2.4.1 Comments**

As most of the illicit trades, trafficking in natural resources involves all the structural power features. The production structure is prominent, as these resources are difficult and heavy to extract and transport. They require the contribution of important transportation means and labour. As these activities take place mainly in weak states, it also requires the protection by military force, be it from the state, from a neighbouring state, from rebels or from some criminal organization. It requires important sources of financing. In fact, although the extraction is often done by (slave) manual labour, it still requires paying important sums for transportation, for protection and for bribes.

Regarding the ideas, the organizers of this trade (corporations, government officials, rebels) are interested in quick profit, or sometimes only in survival. They see themselves as entrepreneurs operating in a difficult environment, for which they need to use exceptional measures, including bribing and violence, to resolve conflicts.

Regarding the international regimes, we can see that they are numerous, but they are not very efficient, and most of them are voluntary control measures. Most of the regimes combine corporations together with governments and civil society. There is not even an agreed international definition of what “conflict minerals” are. There is very little coercion to enforce the measures agreed. It is this lack of governance that makes the trafficking so profitable. As with other crimes, a stronger global governance that would control the two sides of the border as well as the money laundering activities (in the secrecy jurisdictions), would be instrumental to curb it.

## 5.2.5 Human trafficking and slavery

*“The continuance of this relation demands that the owner of the labour-power should sell it only for a definite period, for if he were to sell it rump and stump, once for all, he would be selling himself, converting himself from a free man into a slave, from an owner of a commodity into a commodity. He must constantly look upon his labour-power as his own property, his own commodity, and this he can only do by placing it at the disposal of the buyer temporarily, for a definite period of time” - Karl Marx, The Capital, Vol.1*

UNODC defines human trafficking in Art 3, paragraph (a) of the *Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children*, supplementing the United Nations Convention against Transnational Organized Crime:

“Trafficking in Persons means the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs.”

The Rome Statute Explanatory Memorandum, which defines the jurisdiction of the International Criminal Court, recognizes rape, sexual slavery, enforced prostitution, forced pregnancy, enforced sterilization, "or any other form of sexual violence of comparable



gravity" as crime against humanity if the action is part of a widespread or systematic practice.

The Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others is a resolution of the UN General Assembly. Its preamble states: "Whereas prostitution and the accompanying evil of the traffic in persons for the purpose of prostitution are incompatible with the dignity and worth of the human person and endanger the welfare of the individual, the family and the community". It was approved by the General Assembly on 2 December 1949 and came into effect on 25 July 1951. In 2007, seventy-four states were party to the convention. Additionally, five states had signed the convention but had not yet ratified it. The Convention requires state signatories to punish any person who "procures, entices or leads away, for purposes of prostitution, another person, even with the consent of that person, exploits the prostitution of another person, even with the consent of that person, run brothels or rent accommodations for prostitution purposes". It also prescribes procedures for combating international trafficking for the purpose of prostitution, including extradition of offenders.

UNODC has recorded victims coming from at least 127 countries and trafficked to 137 countries. Two thirds of them were women and 79 percent of them were subject to sexual exploitation.

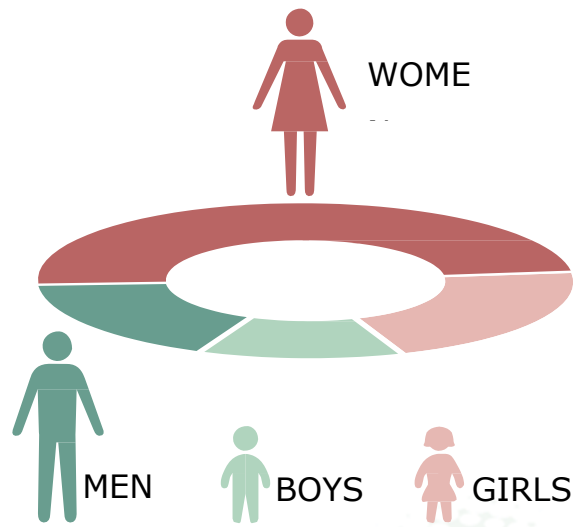


Figure 40: Detected victims of trafficking in persons, by age and gender, 2011 (source: UNODC 2014)

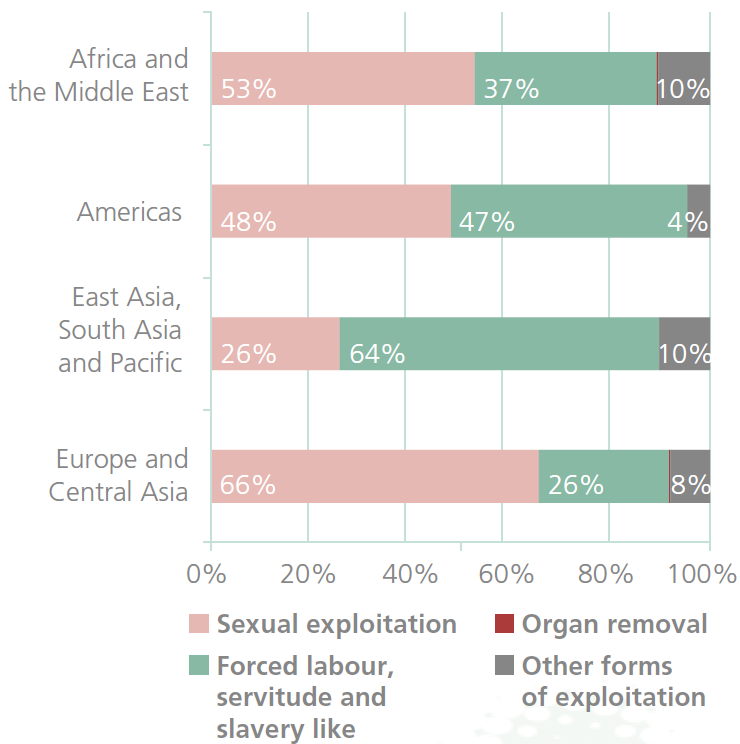


Figure 41: Forms of exploitation among detected trafficking victims, by region of detection 2010-2012 (source: UNODC)

UNODC provides states with practical support not only in drafting laws and creating national strategies against trafficking, but also assisting them with resources to implement them. In 2009 UNODC launched the Blue Heart campaign against human trafficking, to raise awareness, inspire action and encourage involvement.

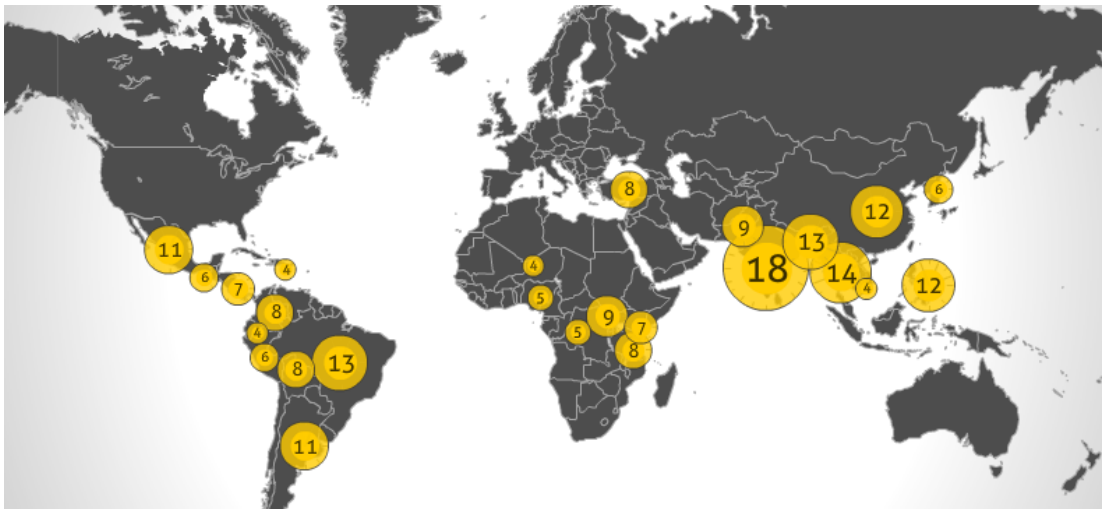
Human trafficking is the criminal industry with highest growth, with a total estimated income of between US\$ five and nine billion. The Council of Europe declared that “Human trafficking has reached *epidemic proportions* over the past decade, with a global annual market of about US\$ 42.5 billion”. Human trafficking victims are usually recruited through coercion, deception, fraud, abuse of power or kidnapping. Exploitation includes forcing people into prostitution and other forms of sexual exploitation, forced labour, slavery and similar activities. Children exploitation may include forced prostitution, illicit international adoption, child marriage, recruitment for child soldiers, for begging, for shows (like camel riding) or for religious groups.

In the Forced Labour Convention, 1930 (No. 29), the ILO defines forced labour for the purposes of international law as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily” (Article 2(1)).

In her book “The Hunt: Me and the War Criminals” (2008) Carla Del Ponte - former public prosecutor of the International Criminal Court for the former Yugoslavia (ICTY) - reveals a number of evidence of Kosovo Albanians smuggling organs from Serb prisoners after the 1999 war. The number of victims could have reached 400. The present Kosovo President might also have been involved. Later Human Rights Watch, UNMIK and Council of Europe reports added details, and confirm the facts. NATO seems to be forced to deal with suspects to maintain its strategic objectives in the Balkans.

Today all UN member states have officially banned slavery. Nonetheless, the NGO *Free the Slaves* estimates that there are 27 million slaves in all of them. The average price for a slave is only 90 USD. This price is extremely low if we compare it to what it was 200 years ago, the equivalent of US\$ 40,000. This could be due to the large number of people available to be enslaved today. Contemporary slavery, explains Kevin Bales (1999: 14), is about “*slave holding*” rather than “*slave owning*”. Due to the illicit nature of modern slavery, it can have a temporary or partial character.

The rebel group Daesh has tried to re-establish slavery as an accepted practice in the 21<sup>st</sup> century, and has organized slave markets to sell mainly “pagan” women and girls in the territories that it controls. This goes in line with the return of other old fashioned practices like the death penalty, the privatization of violence, genocide and theocracy.



*Figure 42: Products of slavery: Variety of products highly likely to be produced by child or forced labour (source: Anti-Slavery)*

The International Labour Organisation (ILO) has calculated that the worldwide revenue from the exploitation of trafficked labour is US\$ 31.7 million per year.

The USA has established a system of tiers to classify the degree of compliance with the *Trafficking Victims Protection Act* (TVPA) of the different countries. The major types of

trafficking include: forced labour, sex trafficking, bonded labour, debt bondage among migrant labourers, involuntary domestic servitude, forced child labour, child soldiers and child sex trafficking:

- Tier 1: Countries whose governments fully comply with the TVPA's minimum standards for the elimination of trafficking.
- Tier 2: Countries whose governments do not fully comply with the TVPA's minimum standards but are making significant efforts to bring themselves into compliance with those standards.
- Tier 2 Watch List: Countries whose governments do not fully comply with the TVPA's minimum standards, but are making significant efforts to bring themselves into compliance with those standards and: a) the absolute number of victims of severe forms of trafficking is very significant or is significantly increasing; b) there is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year, including increased investigations, prosecution, and convictions of trafficking crimes, increased assistance to victims, and decreasing evidence of complicity in severe forms of trafficking by government officials; c) the determination that a country is making significant efforts to bring itself into compliance with minimum standards was based on commitments by the country to take additional steps over the next year.
- Tier 3: Countries whose governments do not fully comply with the minimum standards and are not making significant efforts to do so.

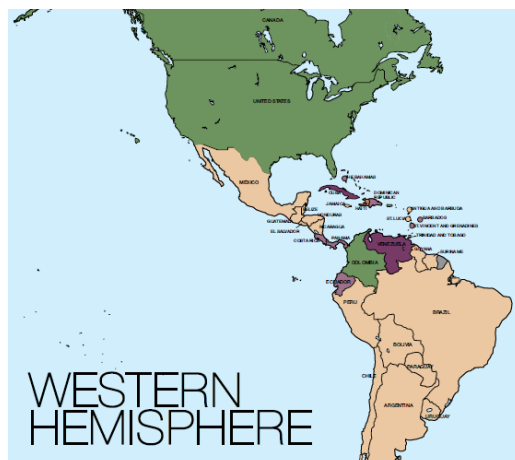
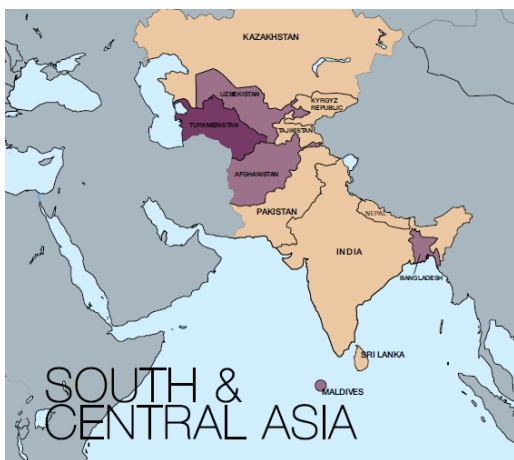
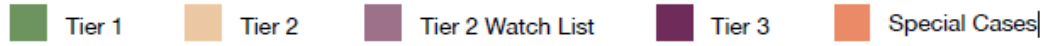
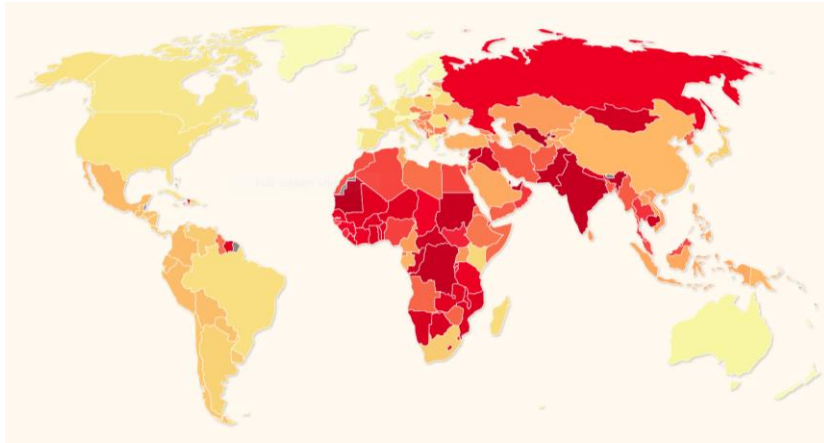


Figure 43: USA Government tier placement regarding human trafficking (US Govt. 2011)

According to the Global Slavery Index (GSI 2014), there are 35.8 million people living in some form of modern slavery globally. Modern slavery contributes to the production of at least 122 goods from 58 countries worldwide. From the Thai fisherman trawling fishmeal, to the Congolese boy mining diamonds, from the Uzbek child picking cotton, to the Indian girl stitching footballs, from the women who sew dresses, to the cocoa pod pickers, their forced labour is what we consume. Modern slavery is big business. For 2014, the ten countries with the highest estimated prevalence of modern slavery by population are: Mauritania, Uzbekistan, Haiti, Qatar, India, Pakistan, the Democratic Republic of the Congo, Sudan, Syria and the Central African Republic. These countries span different regions, they have diverse political systems, and range from low to high income economies. According to the Walk Free Foundation, globally, only three of 167 governments are making some effort to address modern slavery in government procurement and in the supply chains of businesses operating in their countries: the USA, Brazil and Australia. The stability or instability of a country is a significant factor; protective policies will have little impact when a country's rule of law has broken down because of civil war, or ethnic or religious conflict. In the GSI the State Stability measure is an aggregate of factors that examine a country's level of corruption, governance, independence of its judiciary, relative level of peace, political stability, level of violent crime, and availability of small arms and light weapons. Statistical testing confirms the relation of modern slavery to conflict situations as we have seen in Syria and the horrors perpetrated by the Islamic State group.



*Figure 44: Estimated prevalence of modern slavery*

The ILO estimates that 21 million people around the world - more than half of them women and girls - are trapped in forced labour, generating US\$150 billion in illegal profits in the farming, fishing, mining, construction and sex industries. In 2014 member states signed a protocol to the ILO's Forced Labour Convention of 1930 requiring countries to identify and release victims of forced labour, ensure they can get compensation and punish the perpetrators. The treaty will enter into force when two member states ratify it, but so far only Niger has done it. Only Thailand voted against the pact, and almost all the Gulf States abstained.

### ***5.2.5.1 Smuggling of migrants***

*Smuggling of migrants* is a related type of crime. Because of the dramatic differences of wealth among the areas of the world, many poor regions' workers are ready to contract high debts with their communities and risk their lives to access new labour opportunities in rich countries. Since this cannot always be done legally, they often turn to criminal groups to seek their assistance. The increase of security controls at the borders of rich countries is probably not doing more than rendering the services of traffickers more



necessary and expensive. This practice is similar to that applied to the trafficking of drugs: it is the barrier of outlawing the smuggling of migrants by the states which makes the business so profitable, encouraging the involvement of organizations ready to use violence. The rules of the neoliberal globalization are the cause of these problems: the barriers to the flow of capital, and (some) commodities and ideas have been suppressed, but not so the barriers for the movement of labour. In order to profit from the trade of natural resources in the periphery, as well as to establish sweatshops, the neoliberal system needs to maintain the periphery poor and unstable, encouraging desperate workers to migrate to the core countries.

Approximately 3 million Latin-Americans per year are illegally transported through the United States southern border. Since 90 percent of them are assisted by traffickers, it is estimated that the latter gain US\$ 7 billion per year.

55,000 migrants entered Europe illegally in 2008, which represented a revenue of US\$ 150 million for the small groups of traffickers spread along the route.

The International Organisation for Migration (IOM) estimates that traffickers move more than four million illegal migrants per year globally.

### ***5.2.5.2 Comments***

Similar to other illegal trades, human trafficking involves the security, production, finance and welfare structural powers. In this case, the welfare is more prominent, as we are dealing with human victims who are repressed and exploited in their countries of origin, then cheated and assaulted by traffickers, and finally end up working as slaves or illegal and discriminated migrants in the countries of destination.

Although the 1930 Forced Labour Convention is meant to protect victims of trafficking and smuggling, the 2014 protocol requires countries to identify and release victims of forced labour and to ensure that they can be compensated and that the perpetrators are punished. The reluctance of some governments to ratify it may mean that they are concerned by their capacity or willingness to implement these measures in a time when labour rights are increasingly being relegated globally.

As with other crimes, it is the establishment of tough barriers for the entrance of migrants from poor into rich countries that gives the added value to the trafficking. But it is unlikely that this kind of measure will be removed until a new and fairer global political economy is in place that facilitates the development of the different regions of the world at a similar level. The next wave of destabilization and migration may be linked to climate change, as we will see later in the research.

As to the ideas of the traffickers, we can say that they are mainly motivated by business. They are ready to use violence in order to control their victims or to resolve differences with competitors. As with other types of TOC, this crime is not complicit with the rich state that creates the incentive by prohibiting it, but it takes advantage of the situation in a parasitical manner.

There is no doubt that modern mobile communications and GPS systems facilitate the transportation of slaves and migrants by sea, but they are not the cause.

## 5.2.6 Toxic waste trafficking

Even more than the trafficking of natural resources, toxic waste trafficking causes serious harm to the environment. However, this thesis has included it in the traditional TOC category, because it uses the same *modus operandi* of cross border smuggling.

In order to reduce the costs of toxic waste incineration, criminal groups export them to developing countries and dispose of them in the ocean or on land. This waste causes serious damages to the environment and to health. The Probo Koala dumping of toxic waste in Ivory Coast is a recent example, which caused the death of 16 persons and left thousands ill. Next is a chronological description of the events according to Rob White (2011).

The Amsterdam Port Services (APS) had initially agreed to dispose of the waste for US\$15,000. However, when a subcontractor pumped the waste to an unloading ship, it was evident that the washings were more concentrated than expected. APS took a sample from the 'waste water' and it proved to be a highly lethal cocktail of petroleum, caustic soda and other agents. People around the docking area complained about feeling ill and about the smell, and the waste was pumped back into the original ship, the Probo Koala. The port authorities reclassified the tank contents as toxic waste and then instructed the ship's captain to take the waste to a special facility and dispose of it, at a cost of \$650,000. The ship's owner, Trafigura, refused to pay and mindful of 'significant financial time penalties' if it waited to resolve the issue in Amsterdam, the Probo Koala left. A later study of events by independent lawyers for Dutch MPs said that transport ministry officials did not dare to stop the ship leaving Dutch waters because Trafigura had threatened to sue for damages if the ban proved to be groundless. The ship then travelled on to Estonia, where it turned down an offer to dispose of the waste for \$260,000. The next port of call was Nigeria, where no agreement for disposal of the waste was possible after negotiations with two local

waste disposal firms. Both Estonia and Nigeria have ratified an international ban on the shipping of hazardous waste from rich to poor countries, but Ivory Coast had not. In Ivory Coast, Trafigura ‘found’ a local company called Tommy which agreed to dispose of the waste for roughly the original price. Tommy was an off-the-shelf company that was quickly formed between two French commodity traders and executives of a waste disposal company in Ivory Coast. From the beginning, however, no company in Ivory Coast had the facilities to deal with this specific kind of waste. More than a dozen trucks contracted by Tommy simply poured the tons of waste out at multiple sites across the city, after midnight of 19 August 2006. On the night of 14–15 September 2006, further dumpings were reported to have taken place.

Italian RAI3 reporters Ilaria Alpi and Miran Hrovatin were murdered on 20<sup>th</sup> March 1994 in Mogadishu while following the civil war and investigating on an alleged arms and toxic waste illegal trade, in which the Italian army and government could have been involved.

The Public Prosecutor of Reggio Calabria (Southern Italy) thinks that N’drangheta has sunk 32 ships carrying toxic waste, including nuclear waste, in the Mediterranean Sea (AFP 2009).

To avoid toxic waste movement restrictions, some corporations have decided to relocate their most contaminating industries to countries with less strict regulations. According to the NGO Basel Action Network (BAN), with the excuse of benefiting from the competitive labour markets of the poorest areas of the world, contaminating technologies are being exported from rich industrialised countries to poorer ones.

In order to rectify this situation, international legislation should be observed, but more importantly companies that are involved in this trafficking should be investigated, as well as politicians who allow this trafficking to take place. The most important treaty in this field is “*The Basel Convention on the Control of Trans-boundary Movements of Hazardous*

*Wastes and Their Disposal*”, which came into force in 1992. Important exporters of toxic waste as the USA are not yet members.

### **5.2.6.1 Comments**

Toxic waste has been poisoning people and the environment in industrialized countries for decades. When finally western societies managed to denounce the gravity of the problem, and to oblige its governments to develop adequate legislations, it triggered two effects: the establishment of stringent rules for the disposal of the waste (in the core), and the transfer of hazardous waste and the delocalization of the most polluting industries to the periphery. In this moment international treaties on the matter have been agreed, however, the poor countries do not have the capability to enforce their compliance. We can say that the Core has used its power in the Welfare structure to transfer its pollution problem to the Periphery, while avoiding major pollution problems at home.

There is no doubt that the massive production of electronics in industrial countries, as well as the idea of “programmed obsolescence” has caused the production of enormous amounts of toxic materials that are expensive to dispose of. As often happens, the TCC has resorted to TOC to resolve this problem for a “reasonable” price, but without taking into account the welfare of the people and the environment of the recipient countries.

## **5.3 Conclusions**

We have seen that the traditional types of TOC have common features:

They are mainly based in the illicit trade across borders. The illicit character of the trade is often caused by dysfunctional regulations promoted by the states, in the form of an excess of rules (e.g.: prohibition of drugs, obstacles to migration) or in the lack thereof (e.g.: failed states, the high seas). The barrier can be related to historical developments as is the case of the prohibition of certain drugs and not others. It can be the consequence of international sanctions or legal status like the trade of weapons. It can also be the result of legitimate decisions like the prohibition to dump toxic waste, but which are not adequately enforced. In the case of the trafficking of counterfeit medicines it is due to the tough rules on patents imposed by the rich countries that increase excessively the prices of medicines. In the case of the trafficking in natural resources, the added value lies in the lack of governance in the failed state where the resources originate from. In the case of the trafficking and smuggling of persons, the barrier stems from the economic inequalities caused by neoliberalism and the ensuing arbitrary obstacles for the movement of labour. We can conclude then that the added value for the trafficked product is created by a faulty governance that produces inadequate regulation by the state or by the absence itself of the state.

Some solutions seem obvious but they are not always considered. For example, the drug trafficking problem could be mitigated by tackling it as a health problem instead of a security one; the trafficking of human beings could improve by helping the periphery to develop economically and avoiding obliging its population to migrate; the trafficking of natural resources could be reduced by helping the fragile states to stabilise and by fiscalizing the corporations involved in the trafficking; the trafficking of counterfeit medicines could be reduced by facilitating the production and trade of generic ones; the trafficking of toxic waste by enforcing properly the international regulations and by promoting their recycling in situ. This does not necessarily mean that the states are accomplices of TOC (although this can also happen), but that the prevalent political-

economic system provides the opportunity for illegal markets to thrive. It is the system that has to change or be improved.

Another common feature in TOC is that the markets have a global character: they start at the micro level (e.g.: the cultivation of coca leaves), they develop regionally (e.g.: the different regional competing or colluding trafficking networks), and they become global (e.g.: the secrecy jurisdictions where the proceeds are laundered). The profits grow exponentially as the commodities move along this path, perpetuating the economic exploitation of the poor countries.

An additional common feature is that the financial structural power is essential for the success of traditional TOC. These illicit acts are done for profit, and they need the well-established and stealthy network of money laundering that the neoliberal system has developed for other purposes (like tax evasion, bribery or fraud). Eventually, these criminals have the aspiration to accumulate enough capital and become “legal” and respected entrepreneurs eventually. Very often there is collusion or blurring between legal and illegal businesses, or, as we will see later, the licit business adopts some behavioural patterns of the illicit one and vice-versa.

Another common feature is the controlled use of violence. The markets where TOC operates are dysfunctional: either they are ungoverned spaces in failed states, or dysfunctionally overregulated like the drug trade. Therefore the state is not present to resolve business conflicts between the traffickers and their competitors or their victims. The criminals replace the state and establish their own justice systems and recur to violence to resolve their misunderstandings and differences if necessary. When the state is very weak, they may use violence directly, or rather subcontract it to rebels, in order to keep the

instability that allows the “dark” business to flourish. Where the state is less weak, it is more appropriate to bribe the state employees.

Traditional TOC affects the Welfare structure by causing *serious, widespread and long term harm to society and the environment*. It causes harm to the drug addicts, to the slaves and the migrants that they traffic, the populations living in the war zones necessary to traffic resources, the animals that they kill or smuggle, the forests that they cut, the patients that hopelessly seek a cure with fake medicines, or the soils that are contaminated with toxic waste.

The minds of the criminals are essentially business and profit oriented. They do not feel that they are doing something terrible, but that they are just taking advantage of the flaws in the state system to make a substantive profit. They recur directly to violence because the state is not present to protect their interests.

Regarding the norms, the international community has done an important effort to respond to the social concern about those crimes in the last decades. It has endeavoured to harmonize the efforts of the states to curb these phenomena. In fact some of the regimes are old as the prohibition of piracy which is regulated from immemorial times, or slavery which dates from the beginning of the XIX century. The prohibition of opium stems from the Chinese reaction to the Opium Wars at the beginning of the XX Century. But other harms have only been criminalized recently (or even not yet) like the trafficking of toxic waste, the trafficking of natural resources (much of which is still legal) or the trafficking of weapons. As most international regimes, they are the result of compromise, they reflect a minimum common denominator among the intentions of the different governments, and their provisions are weak. Moreover, TOC depends heavily on money laundering, which has an even weaker governance, as we will see in this thesis.



We can say that TOC is parasitical to the prevailing political economic system, as it takes advantage of its gaps, but it is not part of it, it is not necessarily embedded in it.

For a *realist*, TOC represents a security threat because criminals may be tempted to take over the state when this one is weak. A realist would encourage the state to confront TOC with military means (“for a man with a hammer, the world looks like a nail”), which will probably not work, because the main motivation and strength of TOC is economic, violence and security being a secondary feature. It would be an “asymmetrical” confrontation of guns against money. On the other hand, realists may be tempted to bless the use criminal organizations to benefit the national interests (e.g.: Iran-Contra; Air America in Vietnam; USA use of the Mafia against communism in Italy; use of mercenaries in war; etc.).

For a *liberal*, traditional TOC is seen as a commercial enterprise that cheats on its “comparative advantage” of abusing the regulations and using violence. The best way to control this phenomenon is to set clear rules through national laws and international regimes, and repress (financially but also with force) those who trespass the red lines. Liberals may be bogged in ill-oriented international agreements like the ones on drug trafficking, which are greatly responsible for the growth of the trafficking, because the prohibition keeps the price of drugs high. Liberals may also be disoriented by the merging of licit and illicit enterprises amidst the prevailing deregulation and privatization processes that they have themselves promoted. Liberals will have difficulties in closing secrecy jurisdictions, because they consider them useful for liberal trade. This will limit the capacity of the liberals to go further in the fight against the financing of TOC. They might also be tempted to think that companies “on the edge” of illicitness may provide absolute gains to the country, and close the eyes to their illicit activities. The “soft law” of

international regimes may be too weak to deal with tough gangs. They are moved by a “problem-solving” theory.

For a *critic*, the exploitative, violent, predator and destructive behaviour of a criminal enterprise is totally unacceptable in a globalized world. There should be a cosmopolitan governance system to impose (versus advise) adequate and strong regulations for the trade of particular products (e.g.: only the trade of really harmful drugs should be forbidden, while others should be regulated and taxed), and to be able to enforce them in the spaces between the states (e.g.: offshore, high seas, failed states). TOC should cease to be an “international security” problem to become an “internal security” one. This should be done in coordination and synergy with the existing Westphalian states, covering the spaces that are beyond their control.

<b>Traditional TOC and Structural Power</b>			
<b>Structural power</b>	<b>Ideas</b>	<b>Institutions</b>	<b>Capabilities</b>
<b>Security</b>	In the absence of the state, TOC takes over security functions. Violence and stealth are used to hide TOC’s operations. TOC is difficult to research, because it is secretive and violent.	The security-oriented “war against drugs” is not yielding positive results. TOC gangs are like enterprises/ states in an under/over-governed environment.	TOC needs solid security apparatus to replace that of the state (sicarios, mercenaries, rebels, or corrupt state forces). TOC needs to live under cover, and have its own justice system
<b>Production</b>	The production of illegal goods is not so profitable in se. It is the illegal trade, the barriers, which produce the added value.	The border/ customs barriers can be instrumental to control trafficking, but are also responsible for the increased value of the trafficked commodity.	Traffickers need serious transportation and trade capabilities (planes, fast boats, under cover means, local partners, middlemen, distribution networks, etc.)
<b>Finance</b>	“Pecunia non olet”, therefore the criminal money easily accesses the legal economy	The regimes against money laundering are essential to curb TOC	The only new technology essential to the criminals is money laundering
<b>Welfare</b>	TOC is based in the classical economic idea that the victims (slaves, nature, animals, addicts, etc.) are “externalities”.	Several regimes have been put in place to protect the victims, without much success.	TOC has the capability to provide welfare services in the spaces/ times they replace the state.
<b>Conclusions</b>	Traditional TOC is a rival of the weak state, and can replace its main functions of security, justice and welfare. However the essence of TOC is that of an efficient economic operator who takes advantage of faulty regulations (in excess or in default) to		

	obtain high profits in its trade, at the cost of its human and non-human victims. The liberal regimes are not sufficient to curb TOC, as they operate in spaces beyond the reach of the state. A cosmopolitan governance system should police the offshore spaces.
--	--

## 6 White collar/ economic crimes

*“It is well enough that the people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning.” - Henry Ford.*

The traditional TOC system discussed earlier could not exist without the persuasive power of corruption and of a well-organised system of illicit financial flows and secrecy jurisdictions. White collar crime is a very sophisticated type of crime and does not need to use direct violence, but it is necessary for the perpetration of the other types of TOC.

According to Chavagneux (2010), the main threat to society is the one coming from the white collar criminality, that of the illicit activities of the legitimate enterprises (Enron type), that of the fiscal fraud which deprives the States of their capacity to act. The bankers, in private, recognize it: the money from world trafficking transiting through their conduits is much less than that proceeding from fiscal fraud and the embezzlement or deregulations of all types. Susan Strange (1998) shared this point of view: after some generations, the offspring of Mafiosi joined the jet-set and live of legal resources. The main political problem is that of the fiscal havens and the fraudulent behaviour of corporations that they entail deprive the States of resources while enabling the concealment of corrupt money from public officials and politicians. These are conclusions of the works of Strange since the 1990s, before the Enron scandal and before the fiscal havens started to call the attention of the international political agenda after the 2008 financial crisis.

Sociologist Edwin Sutherland had introduced the concept in his 1939 speech *The White Collar Criminal* with the occasion of his election as president of the American Sociological

Association. In his 1949 monograph *White-Collar Crime* (which remained censored until 1983) he defined white-collar crime "*as a crime committed by a person of respectability and high social status in the course of his occupation*". Frank Madsen (2009) noted that white-collar crime relies on an "illegal back-room" and organized crime on a "legal front-room". We could say that they are two sides of a same coin.

## **6.1 Corruption**

*"Corruption is our only hope. As long as there's corruption, there'll be merciful judges and even the innocent may get off" - Bertolt Brecht, Mother Courage and Her Children*

Transparency International (TI) defines corruption as "*the abuse of entrusted power for private gain*". TI distinguishes between corruption "according to the law" and "against the law". The first one consists of "facilitation payment", or bribing in exchange for privileged treatment so that the recipient will do something he is obliged to do by law anyways. The second one is a bribe paid in order to obtain a service, which the recipient is not allowed to obtain.

TI defines "transparency" as "a principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures but also the mechanisms and processes".

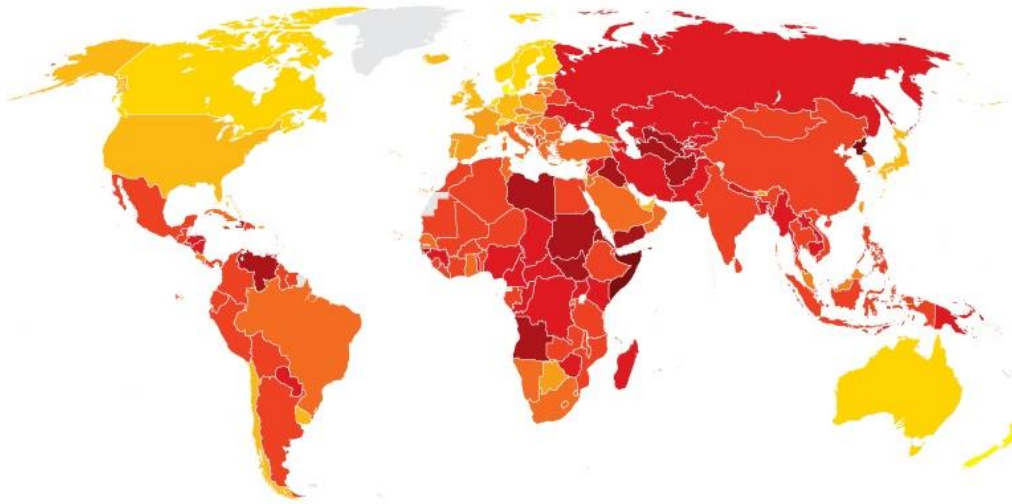
Corruption can be classified into *big, small and political*, depending on the amount of money required and the sector in which it occurs. Big corruption happens at high government levels and it distorts policies and the functioning of the state, allowing leaders

to benefit at the expense of the public good. Small corruption consists in the daily medium-low level public employees' abuses of power regarding citizens who try to access basic services like health, education, police, and many others. Political corruption is the manipulation of policies, institutions, and the regulations for the distribution of resources and finances by political decision-makers, who abuse their position to maintain their power, status and wealth (TI 2009).

TI publishes each year a Corruption Perception Index (CPI). The CPI measures the levels of corruption perceived in the public sector in 180 countries and territories. It is a composite index, based in 13 different expert surveys.

TI has published the Corruption Perceptions Index (CPI) since 1995, annually ranking countries "by their perceived levels of corruption, as determined by expert assessments and opinion surveys." The CPI has been credited with putting the issue of corruption on the international policy agenda. The CPI currently ranks 175 countries on a scale from 100 (very clean) to 0 (highly corrupt). Since 2012 the CPI draws on 13 different surveys and assessments from 12 different institutions, including the African Development Bank, the Bertelsmann Foundation, the Economist Intelligence Unit, Freedom House, Global Insight, International Institute for Management Development, Political and Economic Risk Consultancy, Political Risk Services, the World Economic Forum, the World Bank and the World Justice Project. Countries must be assessed by at least three sources to appear in the CPI. The 13 surveys/assessments are either business people opinion surveys or performance assessments from a group of analysts. The CPI measures perception of corruption due to the difficulty of measuring absolute levels of corruption. We have to take into account however, as David Whyte (2015) says, that this index is a doubly subjective, as it is the "perception" by people "perceived" to be experts. Usually this perception is

connected to low-level perception, and therefore biased in favour of rich/ western countries, where corruption is more related to the elites than to common citizens.



*Figure 45: Transparency International Corruption Perception Index in 2014 (red indicates high perception of corruption, yellow indicates low)*

Transparency International (2011) also published a ranking of the level of perception of bribery in the different sectors of the economy:

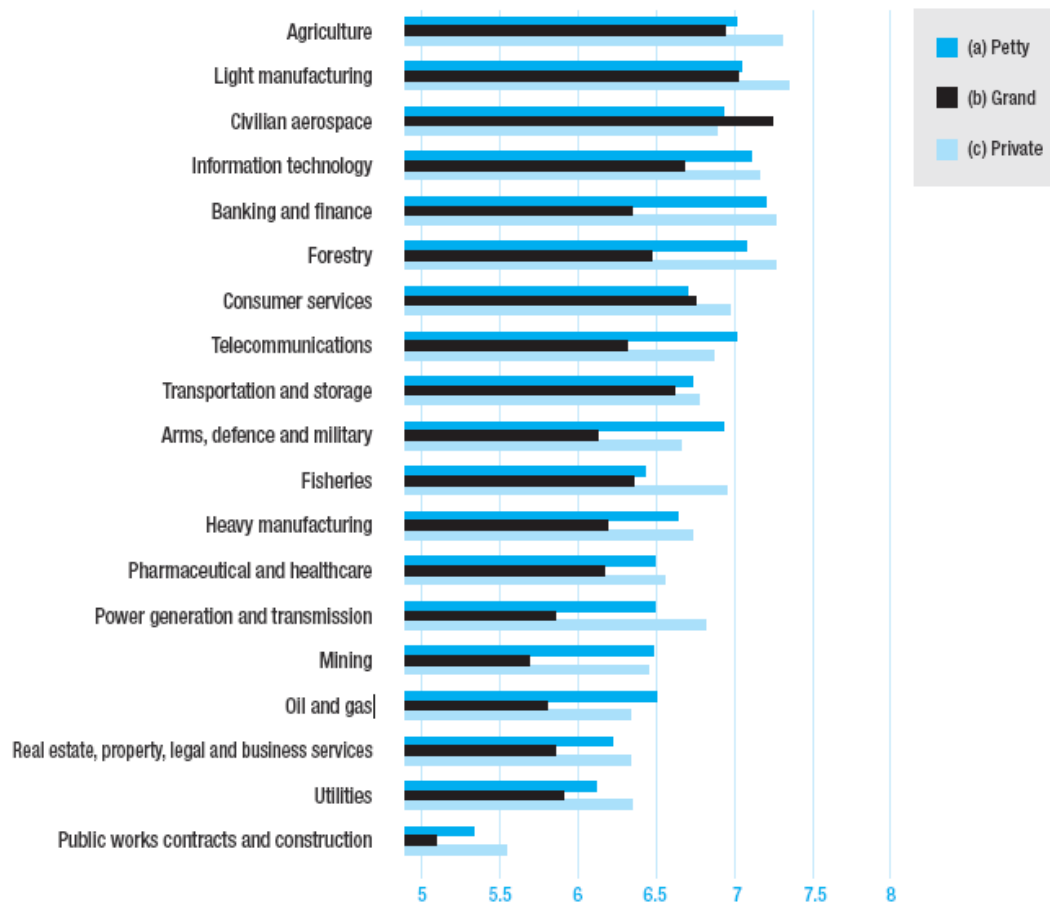


Figure 46: Bribery within business sectors (TI, 2011)

When basic institutions are weak or non-existent, corruption increases out of control and the plunder of public resources fuels social insecurity and impunity. Corruption also provokes growing distrust in those same institutions and governments which have the responsibility of providing subsistence and stability.

Corruption has the capability to jeopardise the development programmes' results. Directly, it diverts part of the aid from the agreed purposes and beneficiaries. Indirectly, it encourages an inefficient use of aid; furthermore, it discourages potential national and international investors to investing the country.



Humanitarian aid can also suffer of corruption in different manners. When aid is given to corrupt systems or under a corrupt leadership, it can feed abuses. Both aid and domestic development are affected by this system.

The *United Nations Convention Against Corruption* (UNCAC) is the first international and *legally binding* instrument against corruption. In its 8 chapters and 71 articles, the UNCAC obliges member states to comply with a wide and detailed series of measures against corruption, affecting their own laws, institutions and practices. These measures aim to promote prevention, criminalization and compliance with the law, international cooperation, asset recovery, technical assistance and information exchanges, as well as implementation mechanisms. The convention came into force in 2005 and has 154 parties.

Due to the concern over corruption after the end of the cold war, several regional organisations have developed treaties to fight this phenomenon:

- The *Inter-American Convention Against Corruption*, by the Organisation of American States (1996);
- The African Union Convention On Preventing And Combating Corruption (2003);
- The OECD Convention to Combat Bribery of Foreign Public Officials in International Business Transactions (1997);
- The Forty Recommendations, of the Financial Action Task Force on Money Laundering (FATF) (1990);
- The Council of Europe Criminal Law Convention on Corruption (1999);
- The Council of Europe Civil Law Convention *on Corruption* (1999).

The “*UNCAC Coalition*”, established in 2006, is a network of 310 civil society organisations in over 100 countries, committed to promoting the ratification, implementation and monitoring of the UN Convention against Corruption (UNCAC). Its vocation is to mobilize a wide support from civil society for UNCAC, and to facilitate the action of civil society at a national level. The Coalition is open to all organisations and individuals committed to this objective. It is open to groups engaged in the fields of human and labour rights, good governance, economic development, the environment and private sector responsibility. It mobilises civil society action for UNCAC at international, regional and national levels.

According to the OECD, corruption is a major obstacle to sustainable economic, political and social development because it increases the cost of doing business; it reduces cross-border investment and trade; it produces waste and inefficiency of public resources; it excludes the underprivileged from public services; and it destroys public trust, undermining the rule of law and delegitimizing the state.

The World Bank report *The Puppetmasters* (2011) describes how “billions in corrupt assets, complex money trails, shell companies and other spurious legal structures that constitute the complex web of deception in corruption cases, behind which hides the beneficiary Puppet Master. Linking the beneficial owner to the proceeds of corruption is not easy. With vast wealth and resources, the corrupt exploit transnational constructions that are hard to penetrate. Almost all cases of grand corruption have one thing in common, as they rely on corporate vehicles (legal structures such as companies, foundations and trusts) to hide ownership. The report uses cases, interviews with investigators, corporate registries, financial institutions and a ‘mystery shopping’ exercise that provides factual

evidence of criminal practice. It makes policy recommendations to guide national legislation, as well as international standard setters.

International Organisations are not themselves exempt from corruption. A research conducted by the Economics Department of Harvard University (Kuziemko & Werker 2006), came to the conclusion that US financial aid to non-permanent members of the Security Council increased by 59 percent, whilst the UN aid increased by 8 percent during their tenure. This effect is more intensive during the years in which significant diplomatic events occur (when a member votes has a higher value). The effect begins when the mandate comes into force and it ends when it finishes.

According to the British journalist George Monbiot (2005), the inspector general of the USA government discovered that during the 14 months of life of the Coalition Provisional Authority (CPA) in Iraq, US\$ 8.8 billion disappeared, a sum bigger than the one Mobutu managed to divert during his 32 years mandate in Zaire, and 55,000 times higher than the bribe that Benon Sevan<sup>2</sup> allegedly accepted under the auspices of the UN Oil-for-Food Programme.

According to a report of the Commission on Wartime Contracting in Iraq and Afghanistan, an independent and bipartisan panel created by Congress in 2008 (US Congress 2011), “as much as US\$ 60 billion was lost to contract waste and fraud in USA’s contingency operations in Iraq and Afghanistan. Much more will turn into waste as attention to continuing operations wanes, as U.S. support for projects and programs in Iraq and Afghanistan declines, and as those efforts are revealed as unsustainable. Criminal

---

<sup>2</sup> Director of the UN Oil-For-Food Programme for Iraq, accused of taking bribes.

behaviour and blatant corruption sap dollars from what could otherwise be successful project outcomes and, more disturbingly, contribute to a climate in which huge amounts of waste are accepted as the norm.” The massive fraud around the wars waged by the USA and NATO in Iraq and Afghanistan at the beginning of the 21<sup>st</sup> century, and the wars themselves that cost US\$ 1,649,480,149,068<sup>3</sup>, is a clear evidence of the reckless and criminal behaviour of many western corporations and governments. However, as they are the ones setting the security, economic, financial and even ideational agendas, this behaviour continues unabated.

There are some innovative ways to denounce corruption, as this web page recently published in India, asking citizens to report online the bribes they have paid<sup>4</sup>:

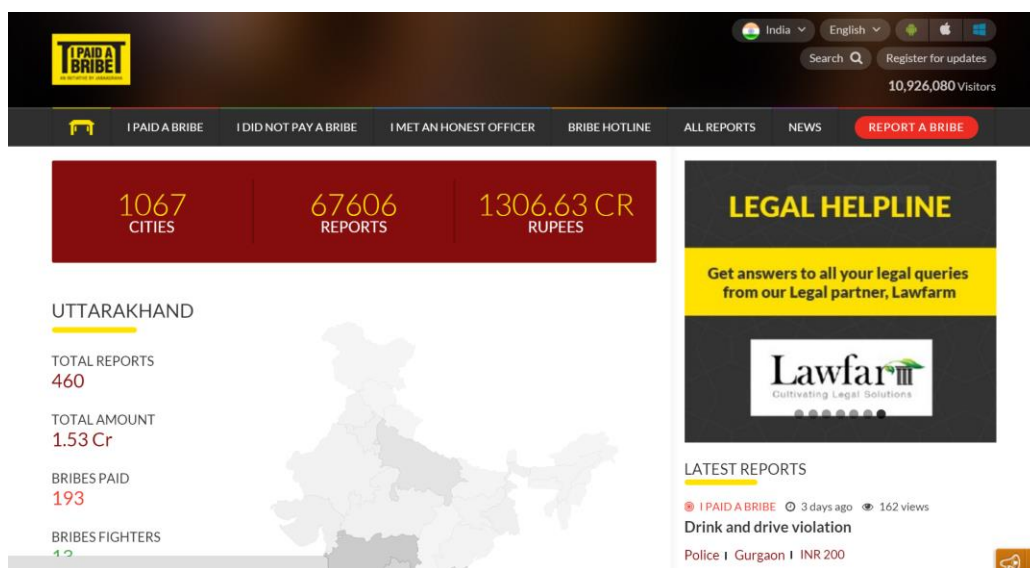


Figure 47: "I paid a bribe" reporting system in India.

<sup>3</sup> Information Clearing House <http://www.informationclearinghouse.info>

<sup>4</sup> <http://www.ipaidabribe.com>

But corruption does not only affect the public sector. The private sector is also very much affected.

### **6.1.1 Private Sector Corruption**

According to Transparency International (2009), the massive scale of global corruption resulting from bribery, price-fixing cartels and undue influence on public policy costs billions and obstructs the path to sustainable development. Its 2009 Global Corruption Report shows how corrupt practices constitute a destructive force that undermines fair competition, stifles economic growth and ultimately undercuts a business's own existence. The report documents cases of managers, majority shareholders and other actors inside corporations who abuse their entrusted power for personal gain, to the detriment of owners, investors, employees and society at large. In developing and transition countries alone, companies colluding with corrupt politicians and government officials, supplied bribes estimated at up to US\$ 40 billion annually.

The report shows that half of international business executives polled estimated that corruption raised project costs by at least 10 percent. Ultimately, it is the consumers who are overcharged approximately US\$ 300 billion through almost 300 private international cartels discovered from 1990 to 2005.

According to Vitali et al. (2011), 737 super-corporations and powerful individuals control 80 per cent of the world's economy.

Another preoccupation addressed in the report is how the economic power of some companies and business sectors turns into disproportionate and undue leverage on political decision-making. Failure to regulate such influence lays the foundation for kleptocrat

systems. *Lobbying* efforts lack transparency and fall outside the system of checks and balances that firms rely on for strategic decisions. “*Revolving doors*” between public office and the private sector, another practice documented in the report, provide a path to fraudulent public procurement deals where non-competitive bidding and opaque processes lead to waste and unreliable services or goods. Almost 90 percent of the top 200 businesses worldwide have adopted business codes, but fewer than half report that they monitor compliance.

Corporate integrity requires more than returns on investment. When irresponsible corporations engage in corruption, the consequences can be destructive. From water shortages, exploitative work conditions or illegal logging to unsafe medicines and poorly or illegally constructed buildings that collapse with deadly consequences, corruption can cause huge harm.

The *United Nations Global Compact* is an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies. The Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and *anti-corruption* (10<sup>th</sup> principle). However, as mentioned by Bakan (2015), the proliferation of private and voluntary legal regimes from the 1980s on has just added to the robust legal arsenal given by the states as incorporation of companies; protection of their rights as “persons”; shielding of their managers, directors, and shareholders from legal liability; articulation and enforcement of their contract and property rights; and repression of dissidents and protesters who oppose their growing power.

The TNC British American Tobacco has actively lobbied to undermine the goals of the Framework Convention on Tobacco Control, the global treaty under the auspices of the

World Health Organization that aims to protect people from the health, social and environmental consequences of tobacco production and consumption. Among other goals, the treaty urges states to require hazardous substance messages on tobacco product packaging, to hold tobacco companies liable for labour rights abuses in tobacco production, and foster alternative crop options for tobacco growers.

The construction industry is thought to be one of the most corrupt sectors of the economy: substantial bribes are usually given in order to obtain or alter agreements and to go around regulations. Corruption's worse impact is on the quality of construction. The construction industry has a turnover of US\$ 1.7 trillion worldwide, which represents 6 percent of the global GDP. In addition, the cement industry contributes with 5 percent of man-made CO2 emissions.

## ***6.2 Illicit Financial Flows***

*“Corporate opacity is not inadvertent: it is the cumulative achievement of the sustained effort of some of the most brilliant professional minds on the planet.*

*These people should hang their heads in shame.” Paul Collier, development economist.*

According to Global Financial Integrity (GFI), the term *Illicit Financial Flow* (IFF) refers to the “cross-border movement of money that is *illegally earned, transferred, or utilized*. Illicit financial flows usually involve the transfer of money earned through illegal activities such as corruption, transactions involving contraband goods, criminal activities, and efforts to shelter wealth from a country's tax authorities”.

Criminologist Peter Reuter (2012) says that although the definition of IFF is still controversial, its defining characteristic is that “(1) the acts involved are themselves illegal (corruption or tax evasion) in a regime that has some democratic legitimacy, or (2) the funds are the indirect fruits of illegal acts (e.g.: the benefit given to those who have provided illegal funding for a presidential election). Thus, illicit funds are not merely the consequence of bad public policy and do not include all international illegal financial flows from illegitimate regimes”. He also regrets the lack of attention by the academia to the phenomenon of IFFs, mentioning that from the appearance of Baker’s volume in 2005, his own book was the first substantial attempt to address the issue from a scholarly perspective, and that the over 100 Google Scholar citations to *Capitalism’s Achilles Heel*, none was from a major academic journal.

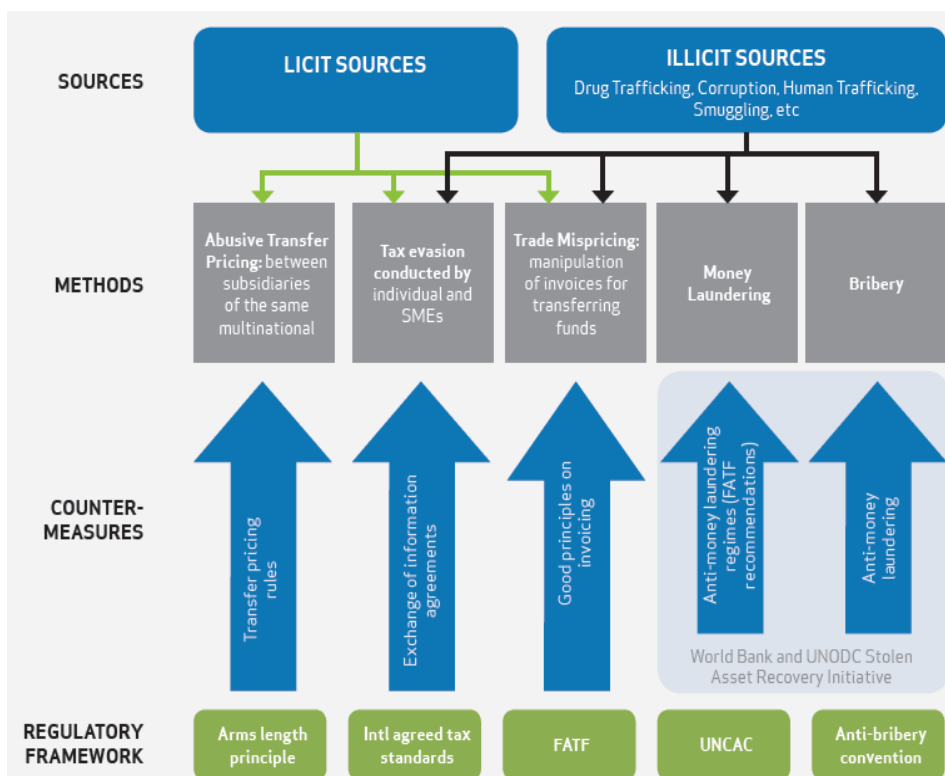


Figure 48: Illicit Financial Flows: different flows, methods by which they are created and circulated, some tools available to address the problem, and regulatory framework (Hansen-Shino, OECD, 2012).



According to GFI, in 2012, illicit flows were estimated at close to US\$ one trillion. In response to this surge in illicit capital leaving developing nations, the UN has endorsed target 16.4 in the Sustainable Development Goals (SDGs), which commits the global community to “significantly reduce” IFFs by 2030. This UN action “represents an historic moment in development policy given that it is the first time the international community has recognized the illicit flows problem and pledged to address it,” according to GFI President Raymond Baker.

Tax economist Mick Moore (2012) says that the increasing effort to expatriate capital illicitly aggravates problems of corruption, low investment, the unequal sharing of tax burdens across different parts of the private sector, the low legitimacy of private enterprise, and relatively authoritarian and exclusionary governance.

The Committee of Experts on International Cooperation in Tax Matters is a subsidiary body of the ECOSOC responsible for keeping under review and update the *United Nations Model Double Taxation Convention between Developed and Developing Countries* and the *Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries*. It also provides a framework for dialogue with a view to enhancing and promoting international tax cooperation among national tax authorities and assesses how new and emerging issues could affect this cooperation. In the 2015 Financing for Development conference there was a proposal for a UN Tax Agency to be created, but it did not go through due to opposition from developed countries.

Analysis of IFFs by Global Financial Integrity (GFI) shows that over the period 2003-2012 the global volume of IFFs grew by more than nine percent annually (as shown in the chart below).

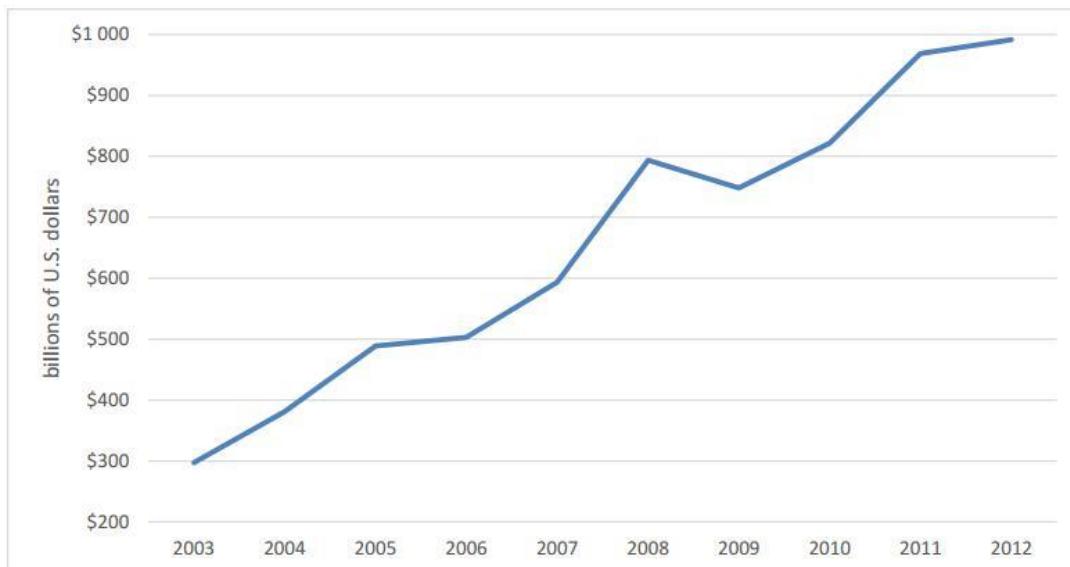


Figure 49: Growth of Illicit Financial Flows 2003-2012 (GFI)

## 6.2.1 Money laundering and Capital Flight

*“If you know there’s no landing space to land your plane, you don’t take-off in the first place. It’s the same with money: if there’s nowhere to land it once you’ve stolen it, you can’t steal it”. Nigerian Anti-Corruption Investigator, talking about the role of banks (2008).*

According to Transparency International (2009b) “money laundering” is *the process of concealing the origin, ownership or destination of illegally or dishonestly obtained money by hiding it within legitimate economic activities.*

The OECD estimates that money laundering worldwide can reach an amount of US\$ 1.5 trillion.

According to UNODC, money-laundering disguises illegal profits without compromising the criminals who wish to benefit from the proceeds. There are two reasons why criminals

- whether drug traffickers, corporate embezzlers or corrupt public officials - have to launder money: the money trail is evidence of their crime and the money itself is vulnerable to seizure and has to be protected. Regardless of who uses the apparatus of money-laundering, the operational principles are essentially the same.

According to criminologist Michael Levi (2014), a standard description of the laundering process identifies three components: placement, layering, and integration:

- *Placement* is the process of putting illicit funds into the financial system. This may be the riskiest stage for the criminal as it is only here when there is a clear connection between the money and the crime itself.
- *Layering* is the process of moving the money through the financial system in order to further conceal the connection between the money and the crime. It is common - though no one except the offenders knows how common - to use a variety of identities, shell companies, and trusts in a number of countries to make the trail more difficult to follow.
- *Integration* is the final stage, in which the funds re-enter the legitimate economy. The launderer might choose to invest the funds in real estate (sometimes also claimed to be a placement stage activity), luxury assets, or business ventures; or he might consume the resources with the claim - if challenged - that the funds were legitimately acquired.



Figure 50: The Money Laundering cycle (source: UNODC)

After the 11<sup>th</sup> September 2001 attacks, terrorism has been associated with money massive laundering, however, the fact that the 2004-2005 attacks in Madrid and London cost around US\$ 10,000 each, seems to suggest that Extremist Islamic Groups are not important actors in this area (Levi & Reuter 2006). The association of terrorism with money laundering after 9/11 would respond to contradictory agendas inside the USA. Although there is no evidence that any terrorist activity has been halted through the surveillance of capital movements, it seems that the tax evaders, fearing the AML measures in the USA would have shifted their operations to the UK and the EU (Napoleoni, 2007).

The impact of capital flight in extraterritorial or offshore economy is huge. In March 2005 the Tax Justice Network (TJN) published the results of research showing that US\$ 11.5 trillion wealthy individuals (or High Net Worth Individuals, HNWI) personal fortune was to be found in offshore financial centres. Moreover, in order to reduce taxes to its minimum, or to avoid them, a consistent proportion of this wealth is managed in fiscal havens. If the rents of this patrimonial wealth were taxed in the countries where these wealthy individuals

are resident, or where they gain their wealth, the additional tributary income to fund public services and investments worldwide would increase yearly by US\$ 255 billion. This estimation of revenue loss does not include transnational corporations' tax evasion, or the decrease of fiscal revenue caused by fiscal competition (Tax Justice Network 2005).

The document "*Institutional approaches to policy coherence for development*" published by OECD in 2004, highlights that it is not sufficient to attract Foreign Direct Investment (FDI) and international trade to developing countries, because there is no guarantee that it will translate into fiscal income for these countries. Multinational corporations produce approximately 60 percent of the world's trade and half of it takes place between subsidiaries of the same matrix company. The OECD (2004) document points out that because "internal transactions are not subject to the same market forces as transactions which occur between unrelated companies operating in a free market, benefit transfer and overbilling are probably happening." In other words, unless enough attention is given to the issue of transfer prices, it is possible that a developing country gains no revenue from the FDI that it receives. A process of price control could be established, inspired in the one established to check the legitimacy of the diamond trade known as the *Kimberley Process*, which demands the companies to guarantee that the diamonds with which they trade are not used to finance conflicts.

Money laundering, which is turning increasingly sophisticated, has become a key element in the international drug trafficking. The international drug trafficking is estimated to have a value of around US\$ 400 billion per year, 300 billion of which are laundered. A serious concern, in particular for developing economies, is the decreasing government control over the economy when important amounts of illegally gained money are introduced into the financial system.

Since the 1980s money laundering has gone from being largely tolerated and accepted to criminalized and condemned across the globe. As Michael Levi has described it, “What was formerly a general sovereign right of any nation to ensure *customer confidentiality* has become redefined pejoratively as unacceptable *bank secrecy* that facilitates de drug trade”(Levi, 2002).

According to Smith (2010), Wachovia Bank acknowledged not to have followed due diligence measures when managing US\$ 378 billion from Mexican exchange offices between 2004 and 2007. The majority of this sum is suspected as being laundered drug money. The figure is equivalent to one third of Mexican GDP.

FATF (2009) estimates that the *sports* industry represents between 0.5 and 3.7 percent of the European Union GDP. A risk for money laundering has been identified in relation to football clubs and players ownership, transfers market, bets, image rights and marketing.

According to FATF (2009) access to the financial system provided by stock markets, banks and insurances, are an opportunity for money laundering and financing of terrorism. New and more complex products are offered. Many electronic transactions are carried out abroad. The speed at which these transactions are done, their global reach, and their flexibility make this industry very attractive to illicit activities. Moreover, not only is the stock market useful for money laundering, but also to make profit out of the capital earned.

Origin illicit flow (US\$ billions)	At global level		Proceeding from developing and transition economies	
	Low estimate	High estimate	Low estimate	High estimate
<b>1. Corruption</b>	<b>30</b>	<b>50</b>	<b>20</b>	<b>40</b>

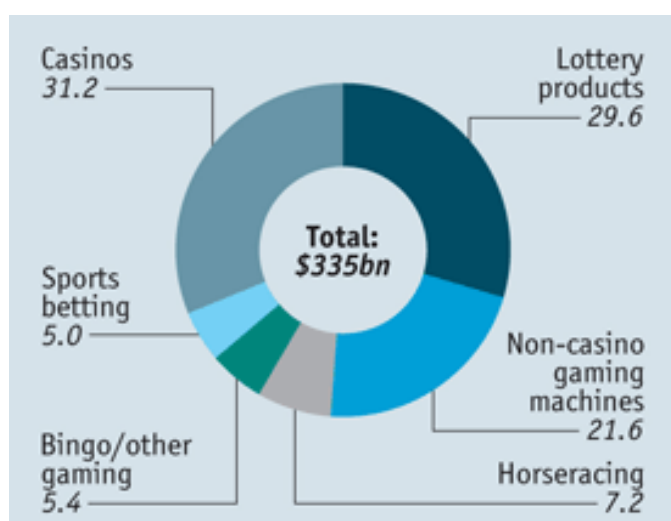
<b>2. Crime</b>	<b>331</b>	<b>549</b>	<b>169</b>	<b>238</b>
Drugs	120	200	60	90
Counterfeit products	80	120	45	60
Human trafficking	12	15	10	12
Arms trafficking	6	10	3	4
Contraband	60	100	30	40
Extortion	50	100	20	30
<b>3. Commercial</b>	<b>700</b>	<b>1000</b>	<b>350</b>	<b>500</b>
Mispricing	200	250	100	150
Price transfer	300	500	100	150
False Transactions	200	250	150	200
<b>Total</b>	<b>1,061</b>	<b>1,599</b>	<b>539</b>	<b>778</b>

*Figure 51: Estimate of yearly global black money flows (US\$ billions, Baker, Raymond 2005: Capitalism's Achilles Heel, p. 172):*

Country	Average Non-Normalized Trade Mispricing	Average Tax Revenue Loss Non-Normalized	Average Government Revenue (Excluding Grants)	Loss of Tax Revenue (In Percent of Government Revenue)
1 Zimbabwe	\$750.36	\$225.11	\$714.50	31.5%
2 China	\$233,519.53	\$58,379.88	\$188,121.89	31.0%
3 Philippines	\$12,153.94	\$4,253.88	\$13,859.11	30.7%
4 Nicaragua	\$723.25	\$216.97	\$783.34	27.7%
5 Mali	\$572.51	\$200.38	\$796.90	25.1%
6 Republic Of Congo	\$987.34	\$375.19	\$1,504.95	24.9%
7 Costa Rica	\$3,229.32	\$968.80	\$4,364.00	22.2%
8 Zambia	\$678.42	\$237.45	\$1,094.26	21.7%
9 Honduras	\$1,674.17	\$418.54	\$1,935.12	21.6%
10 Belarus	\$7,217.08	\$1,732.10	\$8,063.18	21.5%
11 Cameroon	\$209.69	\$80.73	\$471.20	17.1%
12 Guinea	\$362.88	\$127.01	\$769.70	16.5%
13 Ethiopia	\$422.90	\$126.87	\$782.27	16.2%
14 Malaysia	\$19,027.35	\$4,947.11	\$32,130.18	15.4%
15 Central African Republic	\$51.35	\$15.41	\$105.60	14.6%
16 Cambodia	\$381.97	\$76.39	\$550.93	13.9%
17 Togo	\$117.90	\$43.62	\$322.54	13.5%
18 Panama	\$2,702.55	\$810.77	\$6,020.00	13.5%
19 Tajikistan	\$128.31	\$32.08	\$241.92	13.3%
20 Solomon Islands	\$21.50	\$6.45	\$49.70	13.0%

Figure 52: Countries with the highest losses of income as percentage of government revenue (average of the years 2002-2006, in US\$ millions) (sources: WB, CIA, GFI)

According to FATF (2009), casinos and football clubs are ideal organisations for money laundering, due to the large amount of funds that they move, the lack of transparency of these organizations, and the lack of rationality of its members.





*Figure 53: Global gambling market in 2009, in percentage of the total US\$ 335 billion, including internet gambling (The Economist).*

### **6.2.1.1 Money laundering and 9/11**

According to Loretta Napoleoni, until 9/11, the bulk of the US\$1.5 trillion generated by the illegal, criminal, and terror economies were laundered in the United States and in US\$. Because 80 percent of this economy is washed clean in cash, money had to physically enter the United States. The main entry came through offshore facilities and shell banks located in the West Indies. In October 2001, the US Congress approved the *Patriot Act*, legislation that greatly restricted civil liberties in the USA. Its financial section drastically reduced money laundering inside the United States in dollars. For example, USA banks and USA registered banks no longer can do business with offshore shell banks. In addition, the Patriot Act gave US monetary authorities the right to monitor dollar transactions throughout the world. Today, it is a criminal offense for a US bank or a US-registered foreign bank not to alert the authorities of suspicious transactions in dollars anywhere in the world. The Patriot Act succeeded in blocking the entry of part of dirty and terror money into the United States, but, because this applied exclusively to the United States and only to US\$ transactions, it did not curb terrorist financing, criminal activity, and money laundering abroad. These businesses shifted to Europe, where the newly unified European currency offered organizations already involved in money laundering, such as the N'drangheta, unexpected opportunities for growth. Money-laundering in Italy increased by 70 percent from 2001 to 2004. The introduction of the euro also reduced the cost of money laundering. The absence of a European Union regulation requiring the reporting of cash movements entering or leaving the European Union countries facilitated these bulk shipments. European real-estate agents confirmed that they were often approached by

suspicious buyers willing to complete large purchases in cash. The Patriot Act also prompted the Colombian drug cartel to find new smuggling routes. The key problem became not how to launder dirty profits but how to transfer cash denominated in dollars from one country to another.

## 6.2.2 Secrecy Jurisdictions

*“Many citizens of developing (and developed) countries now have easy access to tax havens and the result is that these countries are losing to tax havens almost three times what they get from developed countries in aid.” - Jeffrey Owens,*

*Director, OECD for Tax Policy and Administration (2009)*

According to economist Gabriel Zucman, Apple, one of the largest companies on the planet, had avoided tens of billions of US\$ in taxes by manipulating the location of its profits. In France, the budget minister had to resign because he had cheated on his taxes for twenty years through hidden accounts. In Spain, the former treasurer of the party in power (PP) went to jail after having revealed a hidden system of financing through accounts in Switzerland (Zucman, 2015). All this was done through secrecy jurisdictions.

*Secrecy jurisdictions* (or *tax havens*) are places that create their own regulations for the primary benefit and use of non-residents. They are designed to undermine the legislation or regulation of another jurisdiction.

Offshore banks, financial secrecy centres, money laundering and corruption undermine the nation-state and democracy. Offshore tax havens, which are connected through information and telecommunication networks, provide an unprecedented fiscal shelter, allowing wealthy citizens and corporations to avoid the national tax system, eroding the fiscal base,

weakening state finances, and delegitimizing the fiscal system in front of ordinary citizens' eyes. Offshore tax havens encourage money laundering and support criminal activities by concealing the money from the national authorities' sight. Under these circumstances, public employees' corruption flourishes, both in the North and in the South, undermining even more the state's ability to operate legally and to maintain its loyalty towards its citizens.

Countries where fiscal havens operate represent 1.2 percent of world population, but 26 percent of the world wealth, including 31 percent of the USA multinational companies' net profit.

According to the Tax Justice Network, an estimated US\$21 to US\$32 trillion of private financial wealth is located, untaxed or lightly taxed, in secrecy jurisdictions around the world. Secrecy jurisdictions use stealth to invite illicit and illegitimate or abusive financial flows. Illicit cross-border financial flows are estimated at US\$1-1.6 trillion per year, dwarfing the US\$135 billion in global foreign aid. Since the 1970s African countries alone have lost over US\$1 trillion in capital flight, while combined external debts are less than US\$200 billion. So Africa is a major net creditor to the world, but its wealth is in the hands of a rich élite, protected by offshore secrecy. But rich countries suffer too, and countries from Southern Europe like Greece, Italy, Spain and Portugal have been impoverished by decades of tax evasion and state looting through offshore secrecy.

	2002	2004	2005	2006	2007	2008	2009	2010
<b>BIS Non-Bank Offshore Deposits</b>	\$2.98	\$4.05	\$4.68	\$5.97	\$7.43	\$6.93	\$6.59	\$7.01
<b>Liquidity Ratio<sup>2</sup></b>								
>Minimum <sup>3</sup>	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
>Max (ML/CG Ave) <sup>4</sup>	3.0	5.0	4.9	4.6	4.5	3.6	3.8	4.5
<b>Total Financial Assets</b>								
>Minimum	\$10.4	\$12.1	\$14.0	\$17.9	\$22.3	\$20.8	\$19.8	\$21.02
>Max (ML/CG Ave)	\$8.9	\$20.2	\$22.9	\$27.5	\$33.4	\$24.9	\$24.7	\$31.53
<b>Est Average</b>	<b>\$9.7</b>	<b>\$16.2</b>	<b>\$18.5</b>	<b>\$22.7</b>	<b>\$27.9</b>	<b>\$22.9</b>	<b>\$22.2</b>	<b>\$26.3</b>

Source: BIS('04-'10) data, ML/CapGemini ('04-'10) HNWI asset allocations, our analysis

© JSH/TJN 2012

<sup>1</sup> BIS Table 1: external deposit liabilities to non-banks

<sup>2</sup> Yearly average portfolio ratio, deposits to total liquid financial assets (including tradeable equities and fixed income)

<sup>3</sup> Using TJN's very conservative assumption for the liquidity ratio, based on the 2004 McKinsey study

<sup>4</sup> Using ML/CapGemini's average portfolio allocation for HNWIs, 2004-2010

Figure 54: Offshore financial assets – High net worth individuals (TJN 2012)

A global industry has developed including the world's biggest banks, law practices, accounting firms and specialist providers who design and market secretive offshore structures for their tax- and law-dodging clients. 'Competition' between jurisdictions to provide secrecy facilities has become a central piece of the global financial markets. The problems go far beyond tax. In providing secrecy, the offshore world corrupts and distorts markets and investments, shaping them in ways that are far from efficient. The secrecy world creates a favourable criminogenic environment for multiple harms including fraud, tax cheating, escape from financial regulations, embezzlement, insider dealing, bribery or money laundering. It gives multiple ways for insiders to extract wealth at the expense of societies, creating political impunity and undermining the link between democracy and taxation that has supported the growth of accountable modern nation states. Many poor countries, deprived of tax and losing capital into secrecy jurisdictions, rely on foreign aid handouts.

A 2010 research on private deposits in secrecy jurisdictions, came to the conclusion that these have considerably increased since the first collection of data in the 1990s, amounting presently about US\$ 10 trillion. The three jurisdictions with the highest deposits of non-

residents are the USA, the UK, and the Cayman Islands, each of them with over US\$ 1.5 trillion in foreign non-resident private deposits. They grew by 9 percent per year in the last 13 years, whilst world GDP grew by 4 percent.

The Organized Crime and Corruption Reporting Project (OCCRP) published a transnational investigative series aimed at the criminal services industry, namely the offshore company formation industry. It looks at networks of company formation agents stretching from Eastern Europe to New Zealand, Cyprus, Seychelles islands and to the US state of Delaware. OCCRP reporters went undercover in order to expose the criminal schemes that are conceived by offshore formation agents.

According to Zucman & Johannesen (2012), during the 2008 financial crisis, G20 countries forced tax havens to sign bilateral treaties providing for exchange of bank information. Policymakers celebrated this initiative as the end of bank secrecy. The analysis studied how the treaties affected bank deposits in tax havens and revealed that most tax evaders did not respond to the treaties. Some responded by transferring deposits to secrecy jurisdictions not covered by a treaty. Overall, the G20 tax haven crackdown caused a modest relocation of deposits between havens but no significant repatriation of funds. Zucman (2015) proposes the following plan of action avoid this situation:

- To create a worldwide register of financial wealth, recording who owns which stocks and bonds.
- To levy sanctions proportional to the costs that tax havens impose on other countries.
- To rethink the taxation of companies. The taxation of multinational firms should derive from their worldwide consolidated profits, and not, as is true today, from their country-by-country profits, because those are routinely manipulated by

armies of accountants. A tax on consolidated profits would increase corporate tax revenue by about 20 percent.

### **6.2.2.1 Financial Secrecy Index**

*“We will set down new measures to crack down on those tax havens that siphon money from developing countries, money that could otherwise be spent on beds, vaccinations, economic development and jobs” - Gordon Brown, Prime*

*Minister, United Kingdom, March 2009*

The Financial Secrecy Index established by TJN uses a combination of qualitative and quantitative data to create an objective measurement of each jurisdiction’s contribution to the global problem of financial secrecy. It identifies the most important providers of international financial secrecy, and reveals that traditional stereotypes of tax havens are misconceived. “The world’s most important providers of financial secrecy harbouring looted assets are mostly not small, palm-fringed islands as many suppose, but some of the world’s biggest and wealthiest countries. Rich OECD member countries and their satellites are the main recipients of or conduits for these illicit flows. The implications for global power politics are huge, and help explain why for so many years international efforts to crack down on tax havens and financial secrecy were so ineffective, it is the recipients of these gigantic inflows that set the rules of the game”.

TJN’s analysis reveals however that the situation has started to improve, even if just in the declarative side. The global financial crisis and ensuing economic crisis, combined with recent activism and exposure of these problems by civil society actors and the media, and

rising concerns about inequality in many countries, have created a set of new political conditions. The world's politicians have been forced to take notice of tax havens.

World leaders have started to talk about the scourges of financial secrecy and tax havens, and putting into place new mechanisms to tackle the problem. For the first time the G20 countries have mandated the OECD to put together a new global system of automatic information exchange to help countries find out about the cross-border holdings of their taxpayers and criminals.

<b>FSI 2015 - FINAL RESULTS</b>				
<b>RANK</b>	<b>Jurisdiction</b>	<b>FSI Value</b>	<b>Secrecy Score</b>	<b>Global Scale Weight</b>
1	Switzerland	1,466.1	73	5.625
2	Hong Kong	1,259.4	72	3.842
3	USA	1,254.8	60	19.603
4	Singapore	1,147.1	69	4.280
5	Cayman Islands <sup>1</sup>	1,013.2	65	4.857
6	Luxembourg	817.0	55	11.630
7	Lebanon	760.2	79	0.377
8	Germany	701.9	56	6.026
9	Bahrain	471.4	74	0.164
10	United Arab Emirates (Dubai)	440.8	77	0.085
11	Macao	420.2	70	0.188
12	Japan	418.4	58	1.062
13	Panama	415.7	72	0.132
14	Marshall Islands	405.6	79	0.053
15	United Kingdom <sup>1</sup>	380.2	41	17.394
16	Jersey	354.0	65	0.216
17	Guernsey	339.4	64	0.231
18	Malaysia (Labuan)	338.7	75	0.050
19	Turkey	320.9	64	0.182
20	China	312.2	54	0.743
21	British Virgin Islands <sup>1</sup>	307.7	60	0.281
22	Barbados	298.3	78	0.024
23	Mauritius <sup>1</sup>	297.0	72	0.049
24	Austria	295.3	54	0.692
25	Bahamas <sup>1</sup>	273.1	79	0.017
26	Brazil	263.7	52	0.678
27	Malta	260.9	50	0.990

28	Uruguay	255.6	71	0.037
29	Canada	251.8	46	1.785
30	Russia	243.3	54	0.397
31	France	241.9	43	3.104
32	Isle of Man <sup>1</sup>	228.6	64	0.068
33	Liberia	218.2	83	0.006
34	Bermuda <sup>1</sup>	217.7	66	0.042
35	Cyprus	213.9	50	0.518
36	Liechtenstein	202.4	76	0.010
37	Ireland	187.4	40	2.313
38	Belgium	181.2	41	1.863
39	Guatemala	177.2	76	0.007
40	Israel	173.8	53	0.166
41	Netherlands	168.4	48	0.322
42	Chile	166.7	54	0.120
43	Saudi Arabia	163.9	61	0.037
44	Australia	148.1	43	0.586
45	India	148.0	39	1.487
46	Philippines	146.1	63	0.020
47	Vanuatu	142.8	87	0.001
48	Ghana	139.2	67	0.010
49	Korea	124.3	44	0.302
50	US Virgin Islands	118.2	69	0.004
51	Samoa	117.5	86	0.001
52	Mexico	117.1	45	0.211
53	Norway	110.7	38	0.731
54	New Zealand	109.4	46	0.129
55	Gibraltar <sup>1</sup>	109.3	67	0.005
56	Sweden	100.9	36	1.006
57	Aruba	99.5	68	0.003
58	Italy	98.7	35	1.218
59	Latvia	92.8	45	0.113
60	Belize	92.5	79	0.001
61	South Africa	90.9	42	0.203
62	Botswana	90.6	71	0.002
63	Anguilla <sup>1</sup>	89.4	69	0.002
64	St Vincent & the Grenadines <sup>1</sup>	79.7	78	0.000
65	Antigua & Barbuda <sup>1</sup>	79.6	81	0.000
66	Spain	77.5	33	1.090
67	Costa Rica	74.9	55	0.010
68	Turks & Caicos Islands <sup>1</sup>	72.5	71	0.001
69	St Kitts & Nevis <sup>1</sup>	68.4	78	0.000
70	Curacao	67.8	68	0.001
71	Iceland	67.1	46	0.035



72	Seychelles	60.8	71	0.000
73	Slovakia	60.1	50	0.011
74	Macedonia	59.5	66	0.001
75	Poland	57.2	36	0.172
76	Monaco	53.7	74	0.000
77	Estonia	52.9	44	0.023
78	Portugal (Madeira)	52.5	39	0.063
79	St Lucia <sup>1</sup>	51.7	83	0.000
80	Brunei Darussalam <sup>1</sup>	47.4	83	0.000
81	Czech Republic	44.2	35	0.105
82	Grenada <sup>1</sup>	42.2	76	0.000
83	Denmark	38.2	31	0.219
84	Hungary	37.3	36	0.052
85	Greece	37.2	36	0.046
86	San Marino	33.3	70	0.000
87	Andorra	27.3	77	0.000
88	Slovenia	22.5	34	0.019
89	Dominica <sup>1</sup>	21.3	76	0.000
90	Finland	19.4	31	0.025
91	Cook Islands <sup>1</sup>	17.8	76	0.000
92	Montserrat <sup>1</sup>	10.9	67	0.000
NA	Bolivia	-	(72-80)	0.001
NA	Dominican Republic	-	(65-73)	0.007
NA	Gambia	-	(73-81)	0.000
NA	Maldives	-	(76-84)	0.000
NA	Montenegro	-	(60-68)	0.001
NA	Paraguay	-	(75-83)	0.001
NA	Taiwan	-	(67-75)	0.513
NA	Tanzania	-	(73-81)	0.006
NA	Venezuela	-	(64-72)	0.230
NA	Nauru	-	78.91	

**Note 1:** The territories marked in **Dark Blue** are Overseas Territories (OTs) and Crown Dependencies (CDs) where the Queen is head of state; powers to appoint key government officials rests with the British Crown; laws must be approved in London; and the UK government holds various other powers (see here for more details: [www.financialsecrecyindex.com/PDF/UnitedKingdom.pdf](http://www.financialsecrecyindex.com/PDF/UnitedKingdom.pdf)).

Territories marked in **light blue** are British Commonwealth territories which are not OTs or CDs but whose final court of appeal is the Judicial Committee of the Privy Council in London (see here for more details: [http://www.taxjustice.net/cms/upload/pdf/Privy\\_Council\\_and\\_Secrecy\\_Scores.pdf](http://www.taxjustice.net/cms/upload/pdf/Privy_Council_and_Secrecy_Scores.pdf)).

If the Global Scale Weights of just the OTs and CDs were added together (5.70 percent of global total and 23.10 percent with the United Kingdom included), and then combined either with their average secrecy score of 65.90 (63.62 with the UK) or their lowest common denominator score of 71.27 (Turks and Caicos Islands), the United Kingdom with its satellite secrecy jurisdictions would be ranked first in the FSI by a large margin with a FSI score of 1580 or 2221, respectively (compared to 1466 for Switzerland). Even a weighted average, which emphasises the relative transparency of the UK over its secrecy network, would put the combined group in 9th place on the FSI. Note that this list excludes many British Commonwealth realms where the Queen remains their head of state.

Figure 55: Financial Secrecy Index (TJN, 2015)

It is worth to note that, although the UK is classed number 15 in the index, the City of London is by far the largest secrecy jurisdiction in the world, as all the dependent tax havens are part of its network. Instead of a binary division between tax havens and non-tax havens, the results show a secrecy spectrum, on which all jurisdictions can be situated (Cobham, 2015).

In 2000 the OECD established a *Black List of Non Cooperative Jurisdictions*, which today is empty. The OECD still publishes a list of 38 jurisdictions “committed to improving transparency and establishing effective exchange of information in tax matters”. They all are “exotic” tax havens like the Cayman Island, and none of the industrialized western countries identified in the FSI is included. The EU has a list of 30 similar countries. The FATF establishes a list of “high-risk and non-cooperative jurisdictions”, but the 2014 list contains only 3 countries: North Korea, Myanmar and Iran, which are probably there for political reasons than. There are another 10 “monitored jurisdictions”, mainly weak or failed states like Yemen. The OECD list system is based on a standard evaluation of transparency that is not very strict. Financial centres need only to provide information to other jurisdictions ‘*on demand*’. Yet many financial centres specify that they will not honour a request for information until evidence of a problem is provided. Furthermore, to be included on the *White list* it is sufficient to sign *Information Exchange Agreements* with 12 other jurisdictions. These 12 jurisdictions could be any, even those included in the *black list* or economically marginal states. This gives an idea of the way the OECD governments, pushed by corporations (criminal and non-criminal) and banks are trying to maintain the secrecy jurisdiction system, while sustaining the opposite discourse.

In 2010, a group of NGOs and scholars, signed the *New Haven Declaration* which proclaimed that “human rights and international financial integrity are closely linked”. The group appeals to the UN, the G8, the G20, the WTO, the IMF, the World Bank and other organizations to acknowledge the link between human rights and financial transparency.

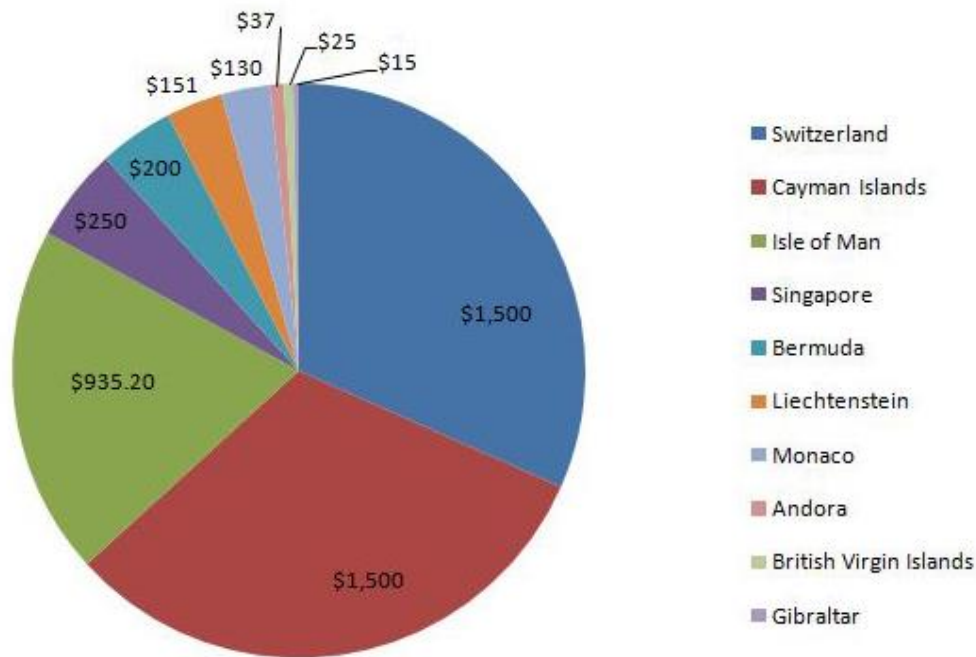


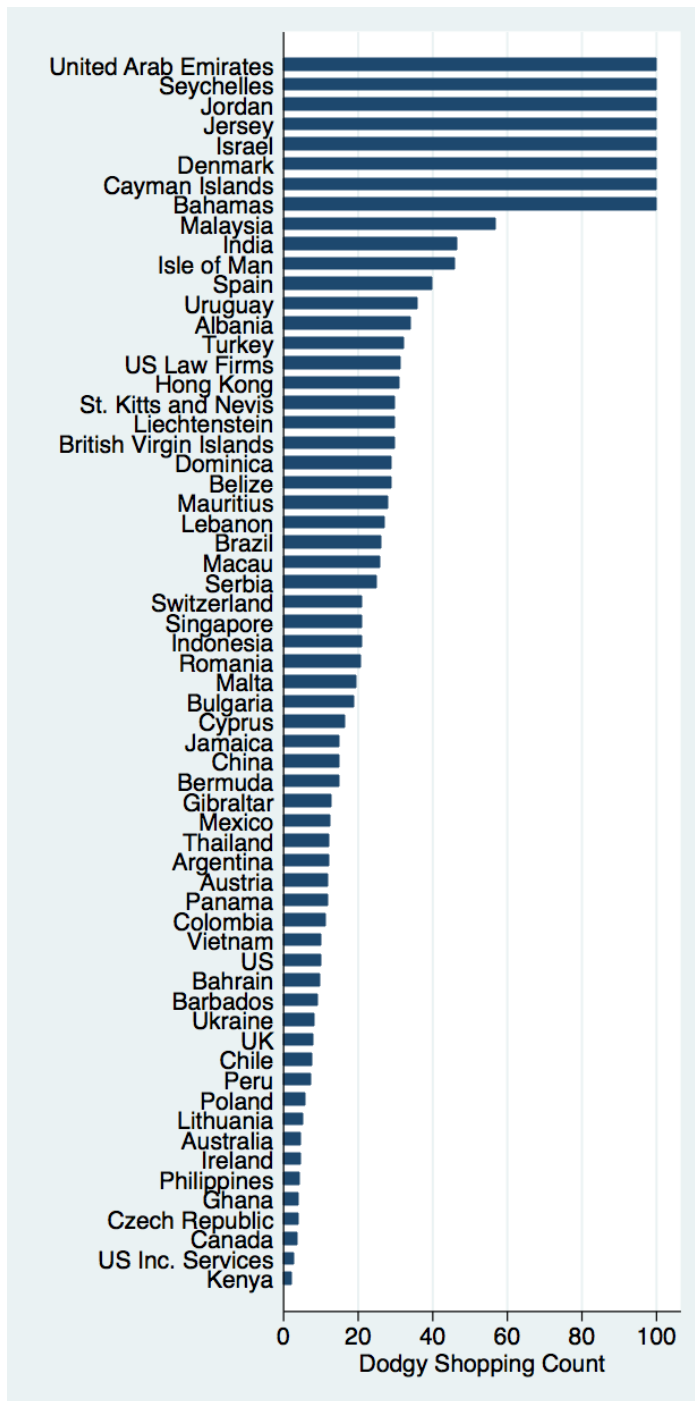
Figure 56: Tax-havens assets in US\$ billions (David Bain, *Wealth Bulletin*, and 19th January 2009)

### 6.2.2.2 Shell Companies

For criminals moving large sums of dirty money internationally, untraceable shell companies are the ideal instrument. A study from the Griffith University (Findley Michael et al., 2012) reports the results of an experiment soliciting offers for anonymous shell corporations. The research team impersonated a variety of low and high-risk customers, including prospective money launderers, corrupt officials, and terrorist financiers. Evidence is taken from more than 7,400 email solicitations to more than 3,700 Corporate

Service Providers that sell shell companies in 182 countries. The experiment allowed to test whether international rules are really effective when they mandate that the entities selling shell companies must collect identity documents from their customers. Shell companies that cannot be traced back to their real owners are one of the most common ways of money laundering, giving and receiving bribes, busting sanctions, evading taxes, and financing terrorism. Key findings include:

- Overall, international rules that the entities selling shell companies must collect proof of customers' identity are ineffective. 48 percent of all replies did not ask for proper identification, and 22 percent did not ask for any identity documents at all to form a shell company.
- Against the conventional policy wisdom, those selling shell companies in tax havens were significantly more likely to comply with the rules than providers in OECD countries like the USA and UK. Another surprise was that providers in poorer, developing countries were also more compliant with global standards than those in rich, developed nations.



*Figure 57: "Dodgy Shopping Count", which represents how many providers a customer would have to approach before being offered an untraceable shell company.*

In its 2015 report on the implementation of the G20 commitment on beneficial ownership, Transparency International warns that the people at the centre of major recent scandals used complex webs of anonymous companies, trusts and other legal entities located across multiple jurisdictions to transfer and hide their illicitly sourced funds. Perpetrators often

use the services of professional middle-men and banks to move or conceal money and the funds often end up in the hands of other professionals, such as real estate agents or luxury goods providers, making the proceeds of corruption appear legitimate. At their 2014 Summit, the G20 adopted High-Level Principles on Beneficial Ownership Transparency, describing financial transparency as a “high priority” issue. The G20 principles build upon the Financial Action Task Force (FATF) recommendations. The TI report reveals how governments have failed to fulfil their promise to fight corruption by adopting laws to end the secrecy that makes it easy for the corrupt to hide their identity and shift money across international borders. As much as \$2 trillion is laundered each year, much of it by hiding company ownership. Some countries have fallen behind on the most basic aspects of ensuring we know who is really behind companies, trusts and other entities. Disturbingly, eight G20 countries that include the financial centres of New York, Tokyo, Shanghai and Sydney, even if banks can’t find out the identity of the real person behind the money, they can still go ahead and finish the transaction. In seven G20 countries real estate agents don’t need to identify the real people behind the sales and purchases of property. As a result hundreds of billions of dollars of property in London and New York have secret owners.

### **6.2.2.3 Tax haven history**

*“The powers of financial capitalism had another far reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole.” — Prof. Carroll Quigley, Georgetown University, Tragedy and*

*Hope (1966)*

Political economist Ronen Palan did a detailed description of the obscure history of tax havens (2010; 2009). Although reliable data on tax havens is still difficult to come by, the Bank of International Settlement (BIS) quarterly statistics shows that since the early 1980s, around half of all international banking assets and liabilities are routed through offshore financial centres (OFCs). About one third of all TNCs' Foreign Direct Investment (FDI) goes through OFCs. There are no reliable figures on corporate tax avoidance, which is the main reason why so much FDI is routed through tax havens. Individual tax avoidance and evasion is estimated conservatively to be between US\$ 800 billion to one trillion per year. Tax havens are also used as the main route through which laundered money escapes developing countries.

Most of the important tax havens developed around two main geo-political poles. One pole has evolved with close links to the City of London. The other pole developed in Europe. Modern tax havens are sovereign states that use their sovereignty to write laws in order to attract a certain type of international clientele. The tax haven strategy is aimed exclusively at an international clientele and hence can be pursued successfully only within an integrated world market.

Governments often employ some combination of fiscal subsidies and other stimulants, including reductions in taxation and removal of regulation to attract or retain capital. The fiscal portions of such policies are called Preferential Tax Regimes (PTRs) and include a wide range of initiatives and regulations designed to attract foreign capital. It is a specialty chosen by some of the smallest independent jurisdictions in the world. Dharmapala and Hines calculated that for a country with a population under one million, the likelihood of becoming a tax haven rises from 24 percent to 63 percent.

A definition of tax havens would be: “*jurisdictions that deliberately create legislation to ease transactions undertaken by people who are not resident in their domain*” (Palan 2009). Such transactions are 'offshore', meaning that they take place in legal spaces that decouple the real location of the economic transactions from the legal location, and hence remove the tax liability of the transaction from the place where it actually occurred.

The tax haven strategy developed part by part and in different locations. Probably one of the first examples of a tax haven to have developed were the USA states of New Jersey and Delaware in the late 19th century. All the indications suggest that they will also be among the last to be dismantled. New Jersey, which was in direly needed funds in the 1880s was the first one to develop the tax haven. Laws of incorporations were at that time still highly restrictive in Anglo-Saxon countries (a long term effect of the 1720 South Sea bubble). When the Delaware legislature debated the drafting of a new General Incorporation Act in 1898, it sought to imitate the success of New Jersey.

If USA states came up with the technique of bidding for corporations by liberalizing incorporation laws, the British courts must be credited with the technique of 'virtual' residencies, allowing companies to incorporate in Britain without paying tax. The origin of this practice should be traced to a series of rulings in the British law courts. Most significant among those was the 1929 case of *Egyptian Delta Land and Investment Co. Ltd. vs Todd*. Although the company was registered in London it did not have activities in the UK and hence was not subject to British taxation. From then, companies could incorporate in Britain while avoiding paying British taxes. This ruling opened the way not only for the UK but also for the entire British Empire.

Threatened by the depression of 1929 and in particular by the series of bankruptcies in Austria and Germany in the early 1930s, the Swiss parliament debated an amendment to



the Bank Law to protect the Swiss banking system. Contrary to its original intention, the Banking Act of 1934, strengthened the principle of bank secrecy by placing it under the protection of criminal law. The new Swiss law demanded '*absolute silence in respect to a professional secret*', that is, absolute silence with respect to any account held in Swiss banks. The law makes investigation or research into the 'trade secrets' of banks and other organizations a criminal offence. Very few academics and journalists have been prepared to risk jail for their inquiries in these matters since.

Liechtenstein adopted the Swiss Franc as its currency in 1924, and at the same time enacted its own Civil Code. Liechtenstein synthesized and codified Swiss and Austrian practices, creating a new corporate form, the *Anstalt*, based on the Austrian concept of the *foundation*. The new Company Law imposed no requirements or restrictions concerning the nationality of shareholders in Liechtenstein companies.

The development of the *Euromarkets* in the City of London proved to be the main driver behind an integrated offshore economy, centred in London and including the remains of the British Empire. In September 1957 the Bank of England accepted the proposition that transactions undertaken by UK banks on behalf of a lender and borrower who are not located in the UK are not to be officially viewed as having taken place in the UK for regulatory purposes. The Euromarket is an inter-bank financial market which, due to this implicit understanding between the Bank of England and the commercial banks, is not regulated by the Bank. Since the transactions take place in London, no other authority regulates the market and hence it became effectively unregulated or '*offshore*'. British banks began to expand their Euromarkets activities to Jersey, Guernsey, and the Isle of Man in the early 1960s. By 1964, they were joined by the three big USA banks, Citibank, Chase Manhattan, and the Bank of America.

In 1966 the Cayman Islands enacted a set of laws adopting the classical tax havens model. According to the BIS statistics, in 2008 the Cayman Islands were the fourth largest financial centre in the world.

The late 1960s saw Singapore's emergence as a tax haven. With the Vietnam War, by the mid-1960s there were increased foreign exchange expenditures in the region. Singapore responded by setting up incentives for branches of international banks to relocate to Singapore. Singapore is currently emerging as the fastest-growing private banking sector in the world.

The first Pacific Ocean tax haven was established in 1966, in Norfolk Island, a self-governing external territory of Australia. Once Norfolk Island set the precedent in 1966, Vanuatu (1970-71), Nauru (1972), the Cook Islands (1981), Tonga (1984), Samoa (1988), the Marshall Islands (1990), and Nauru (1994) copied legislation from the leaders in the field. All these havens introduced legislation modelled on the successful havens, including provision for zero or near-zero taxation for exempt companies and non-residential companies, Swiss-style bank secrecy laws, trust companies laws, offshore insurance laws, flags of convenience for shipping fleets and aircraft leasing, and more recently establishing advantageous laws aimed at facilitating e-commerce and online gambling.

Another important centre that developed later was the *Irish Financial Services Centre* in Dublin in 1987, with a favourable tax regime for certain financial activities and low corporate tax rate. In October 1975, Bahrain initiated a policy of licensing offshore banking units (OBUs), followed soon by Dubai.

By the early 1990s, there were between sixty and one hundred tax havens in the world, depending on the definition one applies to the phenomenon. The BIS statistics showed that about half of international lending was routed through these havens, that at least one third

of all international FDI was routed through them as well, and that they have become an important instrument of tax avoidance worldwide, and that they have constitute the single largest drain on developing countries' economies.

At the end of the 1990s a number of initiatives to control the tax havens, led initially by the OECD *'harmful tax competition'* campaign, started. While concern about tax havens is not new, its full impact on the world economy took a long time to mature. The G-20 London Communiqué devoted a whole section to proposals to re-regulate tax havens. Yet, despite growing pressure on tax havens, the most recent BIS statistics show no decline in the volume of money that goes through them.

The OECD is not well prepared to confront the tax haven problem because many of its members, including the US, the UK, Switzerland, Ireland and the Benelux are themselves tax havens. The UK is critical to any future international efforts to combat tax havens, not least because as many as half-a-dozen of the most important tax havens are dependencies of the UK connected to the City. The EU is already clamping down on the Belgian coordination centres and other especial provisions. The Gulf States, with their commitment to Islamic banking, aim at a specialist, regional market rather than the non-Muslim majority of tax haven users.

Tax havens have created systems and regulations that help to hide the true owner of assets deposited in their domains. As long as secrecy is maintained, potential tax avoiders and evaders, as well as money launderers are likely to try to hide their assets there. An internationally agreed code of conduct that ensures transparency of ownership and traceability of assets to their ultimate owners would be the adequate measure to take.



Figure 58: The archipelago of financial criminality, Philippe Recacewicz (*Le Monde Diplomatique*, April 2000)

## 6.2.3 Base Erosion and Profit Shifting

According to the UN, Base Erosion and Profit Shifting (BEPS) refers to tax planning techniques by companies that exploit gaps in international and domestic tax laws, as well as mismatches between domestic tax systems, to shift profits. As a result, corporate tax rates are unduly low and do not reflect the realities of the underlying economic transactions.

The global international tax framework reflected in countries' domestic law and bilateral tax treaties assumes that multinational companies will be taxable either in the country where the income is earned (the source state) or the country where the multinational is headquartered (the residence state) – depending on the nature of the cross-border activity undertaken by the multinational enterprise. However, international tax standards, both in terms of domestic law and bilateral arrangements, have not kept pace with developments in the global economy.

The causes of base erosion and profit shifting are manifold and include, among others, gaps and inadequacies of domestic laws, insufficient controlled foreign company rules, transfer mispricing, tax treaty abuses or problems arising from hybrid mismatch arrangements. The tax laws and policies of one country, as well as the practices of multinational companies, can adversely affect another country's ability to mobilize domestic revenue. Whether it is intended or not, base erosion and profit shifting can result in a country losing significant tax revenue and consequently undermine its development.

In 2013, the OECD and the G20 started a process to reduce the BEPS with a 15 point Action Plan:

- 1 Address the Tax Challenges of the Digital Economy
- 2 Neutralise the Effects of Hybrid Mismatch Arrangements
- 3 Strengthen Controlled Foreign Companies Rules
- 4 Limit Base Erosion via Interest Deductions and Other Financial Payments
- 5 Counter Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance
- 6 Prevent Treaty Abuse
- 7 Prevent the Artificial Avoidance of Permanent Establishment Status
- 8-10 Assure that Transfer Pricing Outcomes are in Line with Value Creation: intangibles (8), risks and capital (9) and other high-risk transactions (10)
- 11 Measuring and Monitoring BEPS
- 12 Require Taxpayers to Disclose their Aggressive Tax Planning Arrangements
- 13 Re-examine Transfer Pricing Documentation
- 14 Make Dispute Resolution Mechanisms More Effective
- 15 Develop a Multilateral Instrument

But all these initiatives are taken by a club of rich States, dominated by corporate interests, and consist mainly of voluntary provisions, which is unlikely to bring substantial results to the poor countries, which are the main victims of the BEPS, because of their weak state structures.

## 6.2.4 Mispricing

*“All amassing of wealth or hoarding of wealth above and beyond one’s legitimate needs is theft. There would be no occasion for theft and no thieves if there was wise regulation of wealth and social justice.” Mahatma Gandhi.*

*Trade mispricing* refers to over-invoicing on imports or under-invoicing of exports in order to evade taxation. This practice is a fundamental component of tax evasion and one of the main ways used by residents in developing countries to transfer funds abroad. The imposition of measures to reduce trade mispricing would allow poor countries’ governments to collect a fair amount of taxes from multinational companies operating in their territories. These revenues could be utilised for local economy development.

*Christian Aid* (2009) argues that 60 percent of all international trade takes place within the same transnational corporation. The TNCs establish manipulated prices to reduce taxation. Poor countries lose approximately US\$ 160 billion of revenue per year. As proved with the Enron collapse, multinational corporations can have thousands of hidden subsidiary companies worldwide. Companies can use these structures to transfer their benefits from one country to another, in order to avoid their tax obligations and to elude price regulations in developing countries. TNCs can use instruments that are very difficult to detect in order to misprice their transfers and divert profits to no-tax or low-tax jurisdictions. These

complex structures are used to divert and manage illegal funds. It is challenging for investigators to discover the nature of these transactions and to determine the origin of the funds.

A recent study on *re-invoicing* estimates that all developing countries lost around US\$100 billion in average annual tax revenue between 2002 and 2006 from this practice. Re-invoicing consists in exporting goods with one invoice, which is transferred to another jurisdiction (usually a fiscal haven), where the price in the invoice is modified, and then is sent to the importing country for delivery and payment. It represents an average loss of about 4.4 percent of the entire developing world's total tax revenue, and equivalent to the total annual Official Development Assistance (ODA) from developed countries to developing countries (Hollingshead 2010b).

#### **6.2.4.1 OECD Guidelines**

The first draft of the OECD *Guidelines on Transfer Pricing for Multinational Enterprises and Tax Administrations* ("OECD Guidelines") was published in 1995. These Guidelines are a revision of the OECD Report on Transfer Pricing and Multinational Enterprises that was published in 1979. Since then, they have been continually developed and updated, which resulted in the last version, approved in 2010. They provide guidance on the application of the "arm's length principle", for tax purposes and on cross-border transactions between associated enterprises. In a global economy where TNCs play a prominent role, governments need to ensure that the profits of TNCs are not artificially shifted out of their jurisdiction and that the tax base reported in their country reflects the economic activity undertaken therein. It also intends to limit the risks of economic double taxation for taxpayers that may result from a dispute between two countries on the

determination of the arm's-length remuneration for their cross-border transactions with associated enterprises. They are not binding, but member states may incorporate the OECD Guidelines into national law, and not all OECD members have accepted the Guidelines themselves.

## **6.2.5 Economic crisis and tax havens**

*“One of the flaws of market fundamentalism is that it paid no attention to distribution of incomes or the notion of a good or fair society.” - Joseph Stiglitz*

According to Zygmund Bauman (2014), there are many comparisons between the present crisis and that of the 1930s, but the main difference is that today citizens no longer trust the capacity of the state to resolve the crisis and to set a new way forward. States have been stripped of much of their power to shape the course of events and many of the present problems are global in their nature, but the power available to individual governments is not sufficient to deal with the problems they face. This separation between power and politics brings a new kind of paralysis that undermines the political agency necessary to address the crisis and it undermines citizens' confidence. The weakness of governments goes together with the growing cynicism and distrust of citizens. Therefore the current crisis is at the same time a crisis of agency, a crisis of representative democracy and a crisis of the sovereignty of the state. Although this crisis has been aggravated by the commotion following the financial 2008 crisis, Bauman and Bordoni argue that the crisis facing Western societies is embedded in a more profound series of transformations that originate back in time and are producing long-lasting effects. Stephen Gill (2015), says that the crisis signals what Gramsci called an 'organic crisis' of world order, global capitalism and of global governance.



Most of the present global economic crisis's roots can be traced to the offshore financial centres. Tax havens did not *cause* the crisis, yet they enabled it. Here is what happened in an interconnected way:

- Tax havens offered the opportunity to avoid regulations without consequences.
- The offshore system allowed financial services companies to elude regulations and to grow quickly, obtaining political and regulatory “leverage”, and in so doing contributed to the “too big to fail” banking problem.
- Unhealthy competition on tax and the different regulations between tax havens and other jurisdictions invalidated the means to control the crisis.
- Fiscal incentives played a vital role in the acceleration of the debt growth.
- “Satellite” tax havens, like some Caribbean islands or the British Crown Dependencies, are routes for illicit flows from developing countries to important financial centres like London or New York, and contributed to create dramatic macroeconomic imbalances.
- An important characteristic of the crisis is that the financial system was frozen as a consequence of lack of trust and impenetrable complexity, which rendered it impossible for the actors to understand their partners' financial positions. Secrecy jurisdictions, by encouraging companies to distribute their finances in multiple jurisdictions, and concealing these affairs with a veil of secrecy, played an important role in the development of the crisis.
- Fiscal havens provided coverage to any type of fraudulent business (as are the cases of Bernard Madoff, Allen Stanford and others).

- Offshore centres helped corporations hide important losses, which contributed to chaos.
- Offshore banking registries played a vital role in the production of excessive cash-flow, which was at the basis of the crisis.
- By providing to the banks that had a global coverage a “competitive advantage” over their national rivals (allowing tax evasion and avoidance of regulatory obligations), tax havens greatly contributed to the problem of “too big to fail”.

Furthermore, by siphoning tax payers and rich companies’ money into illicit jurisdictions, and by encouraging large-scale capital flight from developing countries, they made it even more complicated for the victims of the crisis to contribute to resolve it.

Sociologist Nicholas Dorn (2015) argues that if the financial system were less ‘connected’, contagion within the market would be reduced and crises would become more localised and intermittent, less global and pervasive. He sustains that politicising financial market policies – taking discussion of these issues out of the sphere of the ‘technical’ and putting it into the same democratically contested space as, for example, health and welfare policies – would encourage differing policies to emerge in different countries. Too big to fail (TBTF) is the doctrine that the international, regional and national financial infrastructures are so vital that they must be preserved at whatever cost to other interests.

## 6.2.6 Export Credit Agencies

*“Greed has poisoned men’s souls; has barricaded the world with hate; has goose-stepped us into misery and bloodshed.” – Charlie Chaplin, the Great*

*Dictator, 1940*

*Export Credit Agencies (ECA)* use public or a mixture of private and public funding to issue credit, guarantees, or insurance to support investments and exports of national companies and corporations abroad. The majority of OECD members own at least one publicly funded export credit agency, usually under the ministry of trade, finance or economics. While promoting exports and investments is not problematic per se, ECAs operate with minimum transparency, accountability and human rights, corruption and environmental safeguards. Consequently, ECAs often finance controversial projects. Many projects sponsored by ECAs have been linked to serious violations of human rights, including arbitrary arrests, use of paramilitary forces, forced relocations, inadequate consultation and compensation, violations of the right to a healthy environment, loss of livelihoods and destruction of religious and cultural heritage.

Under international law, states have the obligation to respect and protect human rights, and this obligation extends to their institutions such as ECAs. In order to assure that ECA financed projects are not directly involved or connected to human rights violation, several human rights campaigners and activists working with ECAs explored the possibility of creating adequate structures and norms.

ECAs frequently endorse projects that the World Bank or other multilateral institutions have considered too risky and potentially harmful in terms of their environmental and social impact. They are one of the most consistent sources of public funding for similar

projects in developing countries: they contribute to industrial and infrastructural projects to the tune of 50-70 billion USD per year.

Most of these institutions have no measures to protect the environment or the local population. ECAs finance power stations that emit greenhouse gases, mega dams, mining projects, motorways in the middle of tropical forests, pipelines, chemical stations and logging projects. Many of these projects displace communities and destroy lives, leaving the affected communities deprived of resources. As the majority of these projects are highly risky due to their environmental, political, social and cultural impacts, they would not happen without the support and financial assistance of ECAs. ECAs are also responsible for a large part of many countries' foreign debt. They became responsible for up to 24 percent of the total debt. ECAs often encourage debt accumulation to repay previous loans, accumulated as consequence of projects that do not follow proper development principles. Many ECAs also facilitate exports of arms and military equipment, as the combat aircraft "Hawk" built in the United Kingdom, or the US helicopters "Black Hawk" re-exported to Indonesia, Colombia and other countries with repressive governments.

Today, ECAs are the main financial public institutions to operate internationally, overall surpassing the World Bank Group and financing more private sector projects in developing countries than any other financial institution. They support twice as many projects in the extractive sector (oil, gas, and mining) as the World Bank. ECAs generate debt and facilitate corruption.

ECAs are part of the negative financial structural power established by the governments and corporations of rich countries to continue the exploitation of developing countries.

In 2000, over 347 non-governmental organisations supported the *Jakarta Declaration*, which summarises the goals of the international movement to reform the Export Credit Agencies. The Declaration’s main goals are:

- Transparency, publication and consultation of ECAs policies and projects;
- Common and binding environmental and social standards
- Clear human rights criteria on to guide ECAs operations;
- Binding criteria to close down ECAs that promote corruption;
- End financing arms trade;
- Cancelling of the debt with ECAs for the poorest countries.

Country	Export credit debt (US\$ millions)	Total debts owed (US\$ millions)	%ECA debt
UK	3,196	3,314	96%
Belgium	1,479	1,954	76%
Netherlands	343	564	61%
Norway	85	104	82%

*Figure 59: Share of debt in developing countries from export credits (Eurodad 2011)*

## 6.3 Fraud

*“Some will rob you with a six-gun, And some with a fountain pen.”- Woody*

*Guthrie, Pretty Boy Floyd*

According to criminologist Michael Levi (2014) fraud is a significant proportion of the total proceeds of crime, at least in advanced economies. It generates illicit income next only to drugs trafficking if not exceeding it in value.

The lack of cash-flow due to the 2008 financial crisis caused the increase in fraud prosecutions. Bernard Madoff's case is a famous one. In March 2009, Bernard Madoff was sentenced to 150 years in prison for managing the biggest "*Ponzi Scheme*"<sup>5</sup> known in history. Prosecutors estimate that victims' losses reached US\$ 65 billion. The seriousness of this crime does not lie in the enormous amount of the fraud nor in the fact that the victims were banks and members of the *elite*, rather that the fraud could have started as early as 1980 and none of the several investigations conducted succeeded (or wished) to discover it. The relationship between Madoff and Wall Street should be emphasised, as himself as well as some of his relatives had played important regulatory roles in the *Securities Industry and Financial Markets Association (SIFMA)* and in the *National Association of Securities Dealers (NASD)* during this time. Surprisingly, after all the vast loss of wealth caused by the mismanagement or outright crimes committed by the financial oligarchy in the last years, Madoff is still one of the few white collar criminals in prison, and maybe it is so because most of his victims were wealthy clients, members of the TCC.

Another serious fraud in the financial structure, but with a wider scope and many more participants was that of the London Interbank Offered Rate (Libor) rigging. The Libor is a benchmark interest rate based on the rates at which banks lend unsecured funds to each other on the London interbank market. According to McBride et al. (2015), beginning in 2012, an international investigation revealed a widespread plot by multiple banks, in particular Deutsche Bank, Barclays, UBS, Rabobank, and the Royal Bank of Scotland, to manipulate these interest rates for profit, and starting as far back as 2003. In 2015,

---

<sup>5</sup> The Ponzi scheme is a fraudulent investment scheme, which pays returns to separate investors, not from any actual profit earned by the organization, but from their own money or money paid by subsequent investors. The Ponzi scheme usually entices new investors by offering returns other investments cannot guarantee, in the form of short-term returns that are either abnormally high or unusually consistent.

investigations continued and implicated major institutions, exposing them to civil lawsuits and shaking trust in the global financial system. Regulators in the United States, the UK, and the European Union have fined banks for more than US\$ 9 billion for rigging the Libor, which affects over US\$ 300 trillion worth of loans worldwide. Although some bankers and traders have also been charged criminally, these cases have been slow. The scandal has generated calls for deeper reform of the entire Libor rate setting system, as well as harsher penalties for offending individuals and institutions, but so far change remains limited. Unlike the case of Madoff, this could be another Too Big To Fail (TBTF) case.

The recent reports of Volkswagen rigging cars with custom software to fool regulators testing for harmful emissions is a case of corporate fraud linked to the production structure. According to the New York Times, the cars' software turned on the pollution-control equipment only during inspections. The software could deduce that an inspection was taking place based on the position of the steering wheel (cars hooked up to emissions meters don't make turns). When the test was over and the car was back on the road, the pollution controls shut off automatically, giving the car more power, and letting it emit up to 35 times the legal limit of nitrogen oxide, a powerful GHG. Volkswagen is the world's second-largest car manufacturer. Their admission to rigging accusations didn't come easy - it followed months of denial after finally coinciding with the resignation of Volkswagen's CEO.

But fraud can be very diverse, and the internet has made this industry available to developing economies too. The *Nigerian fraud*, or *fraud 419*, is one of the few frauds in which citizens from the Periphery take advantage of citizens from the Core. It takes place mainly via spam e-mails. Its name comes from the Nigerian penal code article which the fraud violates. The fraud consists of persuading the victims to advance sums of money in

the hope of realizing a significantly larger gain. Although the number of victims is small, the large amount of emails sent is such that profit is eventually made.

## ***6.4 Investor-state dispute settlements***

*“The thieves of private property spend their lives in prison and chains, those of the public property in wealth and honours.” Cato (234 a.C. - 149 a.C.)*

Investor-state dispute settlement (ISDS) is an instrument of public international law that grants an investor the right to use dispute settlement proceedings against a foreign government. Provisions for ISDS are contained in certain international trade treaties, such as the NAFTA, TPP or TTIP and in international investment agreements, such as the Energy Charter Treaty. Although ISDS are often associated with international arbitration under the rules of ICSID (the International Centre for Settlement of Investment Disputes of the World Bank), it often takes place under the auspices of international arbitral tribunals governed by different rules, such as the London Court of International Arbitration, the International Chamber of Commerce, the Hong Kong International Arbitration Centre or the UNCITRAL Arbitration Rules.

According to Provost and Kennard (2015), investors have abused this system not only to sue for compensation for alleged expropriation of land and factories, but also over a huge range of government measures, including environmental and social regulations, which they say infringe on their rights. TNCs have sued to recover money they have already invested, but also for alleged lost profits and “expected future profits”. There are thousands of international investment agreements and free-trade acts, signed by states, which give



foreign companies access to the investor-state dispute system, if they decide to challenge government decisions. There is no appeal system, and some countries, like Bolivia, have withdrawn from this type of agreement after the conflicts with TNCs over water and energy services, but the ISDS typically have a “sunset clause” that keeps them in force for an additional 10 or 20 years.

In 2006, Ecuador cancelled an oil-exploration contract with Occidental Petroleum. In 2012, after Occidental filed a suit before an international investment tribunal, Ecuador was ordered to pay a record US\$ 1.8 bn - roughly equal to the country’s health budget for a year.

The Egyptian government removed its ban on coal imports after a foreign cement company operating in the country threatened to take it to court. Simply the threat of a long and costly ISDS procedure and potential huge pay-outs to the foreign cement company were enough to reverse the law.

In 2009, the German government was the object of a € 1.4 bn investor-state case by the Swedish company Vattenfall after the city of Moorburg objected to the establishment new coal-fired power plant for environmental reasons. It is a prime example of how this system, built to protect foreign investors in developing countries, can also be used to challenge western governments. The system was paradoxically conceived in the 1950s by German businessmen led by Deutsche Bank to protect their overseas investments. Ironically, the European Commission is now taking Germany to the EU Court of Justice, alleging that its authorisation to establish the plant violated EU environmental law.

The ISDS is a typical case of loss of power of the state to the markets brought by neoliberalism.

## 6.5 Kleptocracy, PEPs and Stolen Assets Recovery

*“The secret of great fortunes without apparent cause is a crime forgotten, for it was properly done” - Honore de Balzac, Le Pere Goriot.*

One of the main allegations against the regimes toppled during the “Arab Revolutions” in 2011 was the extension of their corruption, and the embezzlement of public funds by their leaders.

Kleptocrats traditionally were to be found among dictators and autocrats, maybe the most famous historically being Leopold II of Belgium, sovereign/owner of the “Free State of Congo” at the end of the 19th century. The economic system that he established deserved the coinage of the term “Raubwirtschaft” or “robber economy”.

Head of government		Estimates of funds allegedly embezzled	GDP per capita (2001)
1. Mohamed Suharto	President of Indonesia, 1967–98	US\$ 15 to 35 billion	US\$ 695
2. Ferdinand Marcos	President of the Philippines, 1972–86	US\$ 5 to 10 billion	US\$ 912
3. Mobutu Sese Seko	President of Zaire, 1965–97	US\$ 5 billion	US\$ 99
4. Sani Abacha	President of Nigeria, 1993–98	US\$ 2 to 5 billion	US\$ 319
5. Slobodan Milosevic	President of Serbia/Yugoslavia, 1989–2000	US\$ 1 billion	n/a
6. Jean-Claude Duvalier	President of Haiti, 1971–86	US\$ 300 to 800 million	US\$ 460
7. Alberto Fujimori	President of Peru, 1990–2000	US\$ 600 million	US\$ 2,051
8. Pavlo Lazarenko	Prime Minister of Ukraine, 1996–97	US\$ 114 to 200million	US\$ 766
9. Arnoldo Alemán	President of Nicaragua, 1997–2002	US\$ 100 million	US\$ 490
10. Joseph Estrada	President of the Philippines, 1998–2001	US\$ 78 to 80 million	US\$ 912

*Figure 60: The top ten Kleptocrats until 2004 (TI GCR 2004)*

Country	Dictator	US\$bn
Indonesia	Suharto	150
Iraq	Saddam Hussein	122
Brazil	military	100
Argentina	military	65
Philippines	Marcos	40
South Korea	military	30
Nigeria	Buhari/Abacha	30
Syria	Assad	22
South Africa	apartheid	22
Thailand	military	21
Morocco	Hassan II	19
Pakistan	military	19
Sudan	Nimeiry/al-Mahdi	17
Chile	Pinochet	13
Zaire/Congo	Mobutu	13
Peru	Fujimori	9
Ethiopia	Mengistu	8
Algeria	military	5
Iran	Shah Reza Pahlavi	5
Kenya	Moi	5
Mali	Tragore	3
Boliva	military	3
Somalia	Siad Barre	3
Paraguay	Stroessner	3
Malawi	Banda	3
Nicaragua	Somoza	3
Rwanda	Habyarimana	1
El Salvador	military	1
Liberia	Doe I	1
Haiti	Duvalier	1
Uganda	Amin	1
Togo	Eyadema	1
<b>Total</b>		<b>\$735bn</b>

Figure 61: Debts which can be attributed to dictators (*Illegitimate Loans: lenders, not borrowers are responsible, Thirds World Quarterly, vol 27, 2, 2000, p 217*)

At the end of the Cold War many of the former autocracies have been transformed, amid international pressure, into democracies or something close as are “anocracies”. “Anocracy” (or *competitive authoritarian regime*) is a regime that respects the most visible forms of a democracy, like the celebration of elections, but fails to have the necessary checks and balances, as a free judiciary or a free media. Under these regimes, formal democratic institutions operate, but the incumbent violates the rules to such extent that “*the regime fails to meet conventional minimum standards for democracy*” (Levitsky and Way 2002). Unlike ordinary authoritarianism, elections are held, and the democratic institutions give opposition forces the means to challenge the incumbent. “As a result, even though democratic institutions may be badly flawed, both authoritarian incumbents and their opponents must take them seriously.” Unlike true democracy, on the other hand, “incumbents routinely abuse state resources, deny the opposition adequate media coverage, harass opposition candidates and their supporters, and in some cases manipulate electoral results.” (Collier 2007)

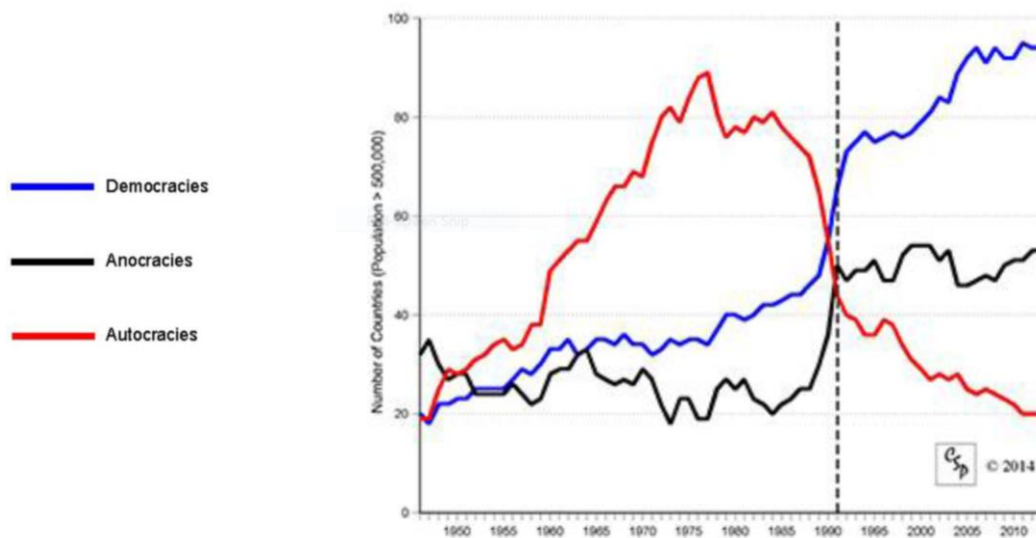


Figure 62: Global Trends in Governance, 1946-2013 (Marshall, 2014)

John McMillan (2004), has done a detailed study of the corruption regime of *Alberto Fujimori* and his infamous intelligence chief, Vladimiro Montesinos. Fujimori's government was determined to undermine all the checks and balance that restrained it. It bribed members of parliament, judges, newspaper editors, and the staff of radio stations and television stations. The amount it was ready to bribe with reflected his view on the importance of each restraint. Where the Fujimori regime put most of its money is probably where we should be most vigilant. Once that it had bought the parliament and the courts, there were no more constitutional obstacles. The written media were also bought, and cost only some thousand dollars a month. The most costly institutions to buy were the television stations. There were ten stations, and the government bought them at nearly a million dollars each per month. This money bought a proper contract - each day the station had to screen its evening news program in advance for Montesinos and make the required changes. For the Peruvian government it was the television news that was the vital restraint to control.

According to Paul Collier (2007), the two most corrupt economic sectors, particularly in the "bottom billion" countries, are the *extraction* and the *construction* industries.

According to FATF, a politically exposed person (PEP) is an individual who is or has been entrusted with a prominent function. Many PEPs hold positions that can be abused for the purpose of laundering illicit funds or other predicate offences such as corruption or bribery. The expression "*Politically Exposed Person*" dates back to the late 1990s in the "Abacha Affair." Sani Abacha organized (with his family members and associates) a network of massive theft of assets from the government of Nigeria. The amount stolen was of several billion US\$ and the funds were transferred to bank accounts in the United Kingdom and Switzerland. In 2001, in an effort to recover the money, the Nigerian Government lodged

complaints with several European agencies, which investigated close to sixty Swiss banks. In this investigation, the concept of “Politically Exposed Person” emerged, which was later included in the 2003 *United Nations Convention against Corruption*.

Although there is no international definition of PEP, most countries have based their definition on FATF’s:

- Current or former senior official in the executive, legislative, administrative, military, or judicial branch of a foreign government;
- Senior official of a major political party;
- Senior executive of a government-owned commercial enterprise, corporation, business or other entity formed by or for the benefit of any such individual;
- Immediate family member of such individual; meaning spouse, parents, siblings, children, and spouse's parents or siblings;
- Any individual publicly known (or actually known by the relevant financial institution) to be a close personal or professional associate.

In order to track the funds spirited away, the World Bank and UNODC created *STAR*<sup>6</sup>, a group that supports the international efforts to recover stolen assets. Developing countries lose between 20 and 40 billion USD each year to bribery, embezzlement, and other corrupt practices. This is equivalent to between 15 and 30 percent the official development aid. However, over the last 16 years, only US\$ 5 billion have been recovered.

---

<sup>6</sup> World Bank & UNODC: Fact Sheet on Stolen Asset Recovery, 2010

Investigative journalist Sheila Coronel (2012), describes eight Ways to Commit Grand Corruption, based on the WB report *The Puppetmasters* (2011).

1. *Award an overpriced government contract to a shell company, subcontract the work to a real company that will do it for much less, and then pocket the difference.* In 2002, the Kenyan government gave Anglo-Leasing and Finance Ltd., an unknown UK company, a € 32 million contract to replace its passport printing system. A French company had offered to do the project for just € 6 million. Anglo-Leasing - a shell company with a Liverpool post office box for an address - then proposed to subcontract the work to the French firm. The understanding, according to material leaked to journalists, was that corrupt senior politicians would keep the difference. The deal never went through, though, as it was leaked to the press by whistle-blowers.
2. *Create non-existent state loans and make the payments to your own accounts.* Frederick Jacob Titus Chiluba was president of Zambia through most of the 1990s. In 2007, he was indicted in the UK for, among other things, his role in the so-called “BK conspiracy.” It involved a fake 10 year, \$ 100 million loan to purchase military equipment from Bulgaria. The Zambian government entered into the loan agreement in 1999, but there is no evidence that any such transaction ever took place. Yet, over \$20 million was sent to bank accounts in Belgium and Switzerland as loan payments. The money from that and a similar scheme were then used to pay for school fees for Chiluba’s children, lodging in five-star hotels, expensive restaurants and as the London court where Chiluba was convicted noted, a US\$ 500,000 purchase of hundreds of suits and monogrammed shirts from a boutique in Switzerland as well as 100 pairs of hand-made, high-heeled shoes for the 1.5 m tall president.

3. Get bribes from a multinational company and hide the money in bank accounts and shell companies in several jurisdictions overseas. Daimler AG, the German multinational car company, and its Russian subsidiary made over € 3 million in allegedly illegal payments to Russian officials between 2000 and 2005. The amounts were coursed through bank accounts in Latvia, Switzerland, the US and other places. These accounts, in turn, were in the names of 27 companies in seven different jurisdictions. Some of these were shell companies; others were legitimate companies that did business with the Russian government. None of them provided any services to Daimler, but received the money on the understanding that it would be passed on to the officials concerned. This case is now being litigated in the U.S. and investigated in Germany and Russia,
4. Set up a fake consultancy firm and hide the payments there. In 2009, Joseph Bruno, New York's long-serving senate majority floor leader and one of the most powerful politicians in the state, was indicted for receiving over US\$ 3 million in consulting fees paid to a consultancy company in which he had interests. The payments were made to a shell company, Capital Business Consultants, a limited liability company which Bruno had incorporated. It had no real function except to receive his payments for fictional consultancy services. The company was also used to conceal Bruno's ownership in a company that had contracts with New York State.
5. Receive payments through "marketing advisers" and have your travel, accommodations, security services, personal shopping and your daughter's honeymoon paid for by the bribing company's travel agent. In 2010, BAE Systems, the British arms company, paid the U.S. Department of Justice \$400 million, the largest ever criminal fine for international corruption, for payments



it made over many years to members of the Saudi royal family. BAE had sold fighter jets to Saudi Arabia, but investigators alleged that to seal that deal, BAE, through a British Virgin Islands company, paid a network of marketing advisers who in turn set up offshore shell companies that transferred millions in illegal payments to bank accounts around the world. The Guardian, which had spent years investigating BAE, says £ 1 billion was paid over a decade to Prince Bandar of Saudi Arabia, who was the country's long-time ambassador to the U.S. In addition, travel agent Peter Gardiner told investigators that BAE had given him a slush fund to pay for shopping sprees, chartered jets and luxury accommodation for the prince and his family, including his daughter's round-the-world honeymoon trip. BAE also presented the prince on his birthday a "top of the range, four-engine Airbus 340, worth £75m that was painted in the silver and blue colours of Bandar's favourite American football team, the Dallas Cowboys."

6. Buy a bank in the Caribbean and use it to launder stolen wealth. This is exactly what Pavel Lazarenko, the former prime minister of the Ukraine, did. Convicted in the U.S. of money laundering, Lazarenko bought the European Federal Credit Bank in Antigua in 1997 and used it to open correspondent accounts with U.S. banks and investment firms as well as banks in Lithuania, Liechtenstein, Switzerland and elsewhere. Some \$ 100 million was alleged to have cycled through those accounts, which were used to launder illicit funds. Those accounts were in the names of shell companies that Lazarenko had set up.
7. Receive payments for non-existent services. Three U.S. telecommunications companies bribed officials of Haiti Telco, the Haitian state-owned phone company, in exchange for discounts on overseas phone calls. The scheme

deprived Haiti Telco of revenues it would otherwise have made from those calls. The bribes were made through wire transfers and check payments to intermediary shell companies. The payments were invoiced by Haiti Telco as being made for consulting services, commissions and vendor payments, none of which actually existed. Instead, the money went to Haiti Telco officials and their relatives.

8. Get protection money from illegal gambling and hide it in a foundation. Philippine President Joseph Estrada received nearly US\$12 million in kickbacks from illegal gambling operators. The money was given to him in cash. Part of the funds were deposited in the bank account of the Erap Muslim Youth Foundation, which he had created to help educate Muslims in the Southern Philippines. The money, however, was not used for that purpose. Ferdinand Marcos also set up foundations to launder ill-gotten wealth when he was president of the Philippines. So did the former Indonesian President Suharto, who set up the Supersemar Foundation, supposedly to provide scholarships for poor students. Instead, as a Jakarta court ruled in 2009, some of the funds were used to finance the businesses of Suharto's children and cronies, including the purchase of an airline for his son Tommy.

## ***6.6 Conclusions***

In an economy that has largely been financialized (partly due to progress in the Information and Communication Technology), most of the “crimes of the economy” happen in the financial sector. The victims of these crimes are the financial sector itself (e.g.:

shareholders, financial markets stability), the production industry (e.g.: closed factories, disrupted trade), but the main victims are related to welfare (e.g.: dismissed workers, impoverished third world citizens, over-exploited natural resources, impoverished public services).

Although there is consensus to qualify the harms caused by traditional TOC (e.g.: drug trafficking, arms trafficking, human trafficking, etc.) as crimes, it is not always the case regarding white collar “harms”. Some of these harms have only been criminalized recently (especially at the international level), like “corruption” through the UNCAC which only became effective in 2005, and has since requested its signatories (140 in 2015) to include it in their national laws. However, like all conventions, it was the object of much delay in its enforcement and of a “race to the bottom” in its content, which has resulted in soft provisions. Moreover, the UN is a mere coordination mechanism and has no enforcement capacity in the offshore spaces that cannot be policed by the individual states. Other regional organizations or national governments with a global influence in economic matters like the OECD, the EU or the USA have also taken measures against economic crimes, especially after the hard-hitting 2008 financial crisis. Nevertheless, the repressive effect of the criminalization of certain behaviours by national and international laws has not resulted in a major repressive action against the perpetrators. The crimes are constructed as “victimless”, are resolved through civil instead of criminal justice and often end up in monetary settlements. As a result, for example, very few of the persons responsible for the 2008 crisis have been convicted to prison sentences (except for a few bankers in Iceland). However the victims are real, they are the former middle classes of the former first and second worlds who have lost their livelihoods to the “one percent”; they are the poor masses of the third world who have never had access to any advantage of an industrialization process; they are the rest of the biosphere which is being rapidly destroyed

to produce some imaginary wealth in an offshore account for the “one percent”. As the economic crimes are perceived differently by the main IR schools, it could be useful to analyse how each of the schools would perceive them:

- For *Realists*, economic crimes do not represent an important threat to the state, as long as the state itself is not the victim. In fact, some states have no inconvenient in supporting their TNCs in committing crimes to promote business, as witnessed in the Economic Hitmen (Perkins 2004), as long as this happens abroad. Some maverick realists (like Susan Strange herself) are concerned by the growing power of the markets/ corporations relative to the states, however, there is generally an agreement between realists and liberals regarding the management of economic harms, as was the case of the bail-out of the banks with public funds after the 2008 financial crisis. Realists should however feel threatened by institutions like the ISDS, where governments are likely to lose much sovereignty relative to the TNCs.
- *Liberals* recognize that economic abuses are a problem for the good functioning of the “free” markets, that some aspects of de-regulation may have gone too far, and intend to re-regulate them through the soft law of international treaties, through voluntary arrangements or through private mediation schemes. They consider states and corporations as equivalent in power, and support the influence/ merging of the corporations and the state through mechanisms like “lobbying” and the “revolving doors”. They are not very concerned by the harm that these acts cause to the weakest parts of society and the environment, as they believe that economic inequality is required for the good functioning of capitalism, that the poor will benefit of the accumulation by the rich through the “trickle down” mechanisms, and

that the environmental degradation is an unfortunate but necessary “externality” of the sacrosanct economic growth. Therefore the harms caused by these crimes can be resolved through economic settlements, given that everything in the world can be “commodified” and has therefore a price. In any case, it is the TCCs who control the liberal economies, and it is unlikely that the class that has caused the problem (and has hugely benefitted from it) can effectively resolve it.

- For *critics*, economic crimes are much more harmful than traditional ones, because they cause much more *serious, widespread and long-lasting harms to the society and the environment*. In fact, it is these crimes that keep the poor countries in poverty through IFFs and predatory lending, it is them that cause economic crises, it is them that facilitate the exploitation of workers and increase inequalities, it is them that promote corruption, it is them that hide unproductive money in secrecy jurisdictions, it is them that cause massive environmental degradation. In fact, economic crimes could be interpreted as a kind of “class warfare” between the 1 percent and the 99 percent (plus the rest of the biosphere). It will be difficult to fight against this type of crime without a democratic cosmopolitan governance that will give equal rights to all human beings and the rest of the biosphere, and that will be able to police the offshore spaces where most of these crimes are centered.

We can see radical differences of values and interests between liberals and critics about the nature and significance of the economic crimes. Although many of these harms are not yet considered as crimes, there is a slow but continuous progress in the international regimes in this sense. In the end, phenomena as slave trading or drug trafficking were not considered as crimes some time ago. However, the Earth is reaching a moment in which these

economic dysfunctions are causing harms that are *Too Serious To Indulge* (TSTI), and they should be “securitized” to make the fight against them more efficient and swifter.

<b>Economic crimes and Structural Power</b>			
<b>Structural power</b>	<b>Ideas</b>	<b>Institutions</b>	<b>Capabilities</b>
<b>Security</b>	Economic crimes should be “securitized” in order to allocate extraordinary means to the fight against them. A class warfare has started between rich and poor at a global level. Neoliberalism has not achieved this by force, but through conviction.	Only cosmopolitan justice and law enforcement can control the offshore spaces	The traditional security systems do not have the capacity to confront economic crimes because they are controlled by the TCC.
<b>Production</b>	Economic crimes produce only public harms. The paramount value in neoliberal society is the production of profit for shareholders, whatever the cost.	The financial institutions are not really committed to control the production and distribution of money.	Money is produced electronically and its value depends on trust, which is starting to dwindle.
<b>Finance</b>	The de-regulation of the financial sector is the main facilitator of the economic crimes.	The norms established after the 1929 crisis have been wiped out by the neoliberal revolution. The main instruments of financial crime are the secrecy jurisdictions. The international regimes are weak or are implemented weakly, because they may contradict the TCC’s interests.	Financial markets will not regulate themselves against their interest. The internet has made economic crime easier, although the cause is deregulation and privatization.
<b>Welfare</b>	The open practice of economic harms is increasing inequalities and poverty and driving to a class struggle between the 1 percent and the 99 percent. Neoliberal ideology has put the interests of the markets before democracy.	Many welfare and environmental rules are being abolished for the sake of unlimited economic growth. Democracy is losing power to the markets.	New social and political movements are arising to change a world seriously harmed by economic crimes.
<b>Conclusions</b>	Economic crimes have flourished globally after the deregulation and privatization process brought by the neoliberal revolution. They are causing serious harm to society in the form of economic crises, loss of welfare, inequality, class struggle, loss of democracy, environmental crises, etc. If traditional TOC can be controlled through traditional methods, the control of economic crimes requires a complete social change (because the TCC perpetrators control political and economic power) and a cosmopolitan political system that controls the offshore spaces.		

# 7 Transnational Environmental Harms/ Crimes

*“There is enough on Earth for everybody's need, but not enough for everybody's greed.”- Mahatma Gandhi.*

We have included the illegal trade of natural resources in the chapter on traditional TOC, because they consist of illicit trade, which follows the same patterns as for example drug trafficking. In this chapter we will analyse a much more serious harm, that of the ongoing global destruction of the biosphere by humans. The harms that we will see in this chapter are extremely serious, wide spread and especially very long lasting, as they will affect especially future generations of human beings and other species for thousands of years. It is however being very difficult to prevent it, because international law has not forbidden most of those harms in spite of the number of regimes agreed (or attempted to agree) since the 1970s. It is not always easy to point at the perpetrators of the environmental harms: the TNCs avoid assuming responsibilities under the benevolent eye of the governments and sometimes also with the acquiescence of an important number of gullible and misinformed consumers. Although the agency of this harm can be shared among many suspects, it is not “victimless”. The victim is the whole biosphere, and for a very long time.

From the Roman Empire to the 19th Century, there are many references in literature to the protection of water resources and forests. During the second half of the 20th Century, public opinion's worries about the great food and health scandals, and catastrophes and contaminations, led to the approval of growing environmental legislation from the 1990s on. Environmental law has developed in parallel with environmental ethics and

responsibility. The debates involve discussions about the retroactivity or the threshold of prescription for these crimes, especially in cases with long-term consequences, or which effects will not manifest until much later, such as the endocrine disruptors, the sinking of containers with hazardous and radioactive materials (which will inevitably leak with time), the sinking of ammunitions (prior to the international prohibition of toxic waste dumping), and dumps with degrading waterproof qualities, the consequences of war or industrial disasters, and particularly climate change.

According to criminologists South and Brisman (2013), the “definitions of crime and offending are often directly created by the powerful who occupy positions of power, who are members of socio-economic elites, and whose organizations and systems of production and reproduction initiate many, if not most, environmental harms. It is also they, like other powerful offenders, who will seek to reject criminal definitions that might be applied to them and who will pass on the costs of avoiding environmental regulations, including safety standards for products and workers, to others who must bear the consequences”. To that end, such firms and organizations invest enormous resources into persuading legislators and courts that the imposition of norms or laws clearly marking limits to environmental harm would be damaging to their profitable economic development and stability and therefore damaging to the economic situation and stability of all. Multinational corporations and other corporate-state entities work to construct and reconstruct the public and social meaning of *green*.

As argued by criminologist Christopher Williams, an environmental victimology doctrine should urgently be developed. He suggests the following definition of an environmental victim: “*those of past, present, or future generations who are injured as a consequence of change to the chemical, physical, microbiological, or psychosocial environment, brought*



*about by deliberate or reckless, individual or collective, human act or omission”* (Williams 1996: 35).

According to UNEP (2011), we are living an era of “*capital misallocation*” that has accelerated the different crises during the last decades: climate, biodiversity, fuel, food, water, and of late in the financial system and the economy as a whole. During the last two decades, much capital was invested into property, fossil fuels and structured financial assets, but very little relatively in renewable energy, energy efficiency, public transportation, sustainable agriculture, ecosystem and biodiversity protection, and land and water conservation. Most economic development and growth strategies supported rapid accumulation of physical, financial and human capital, but at the expense of excessive depletion and degradation of natural capital, which includes our endowment of natural resources and ecosystems. By depleting the world’s stock of natural wealth irreversibly, this type of development has had harmful impacts on the welfare of current and future generations. An example of this are the subsidies allocated for fossil fuels, which collectively exceeded US\$ 650 billion in 2008.

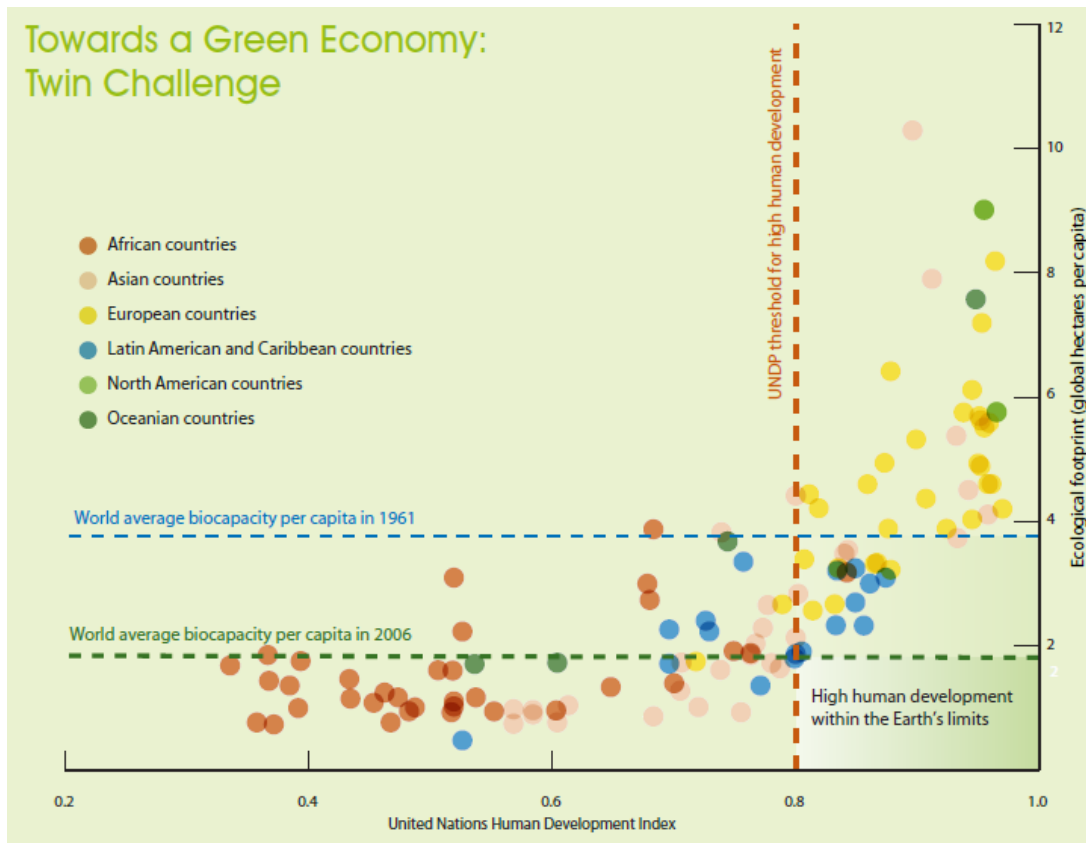


Figure 63: Sustainable human development (UNEP, 2011)

Moral entrepreneur Polly Higgins (2010) highlights the need for enforceable, legally binding mechanisms in national and international law to hold to account perpetrators of long term severe damage to the environment. She campaigns for *Ecocide* to be considered as the 5<sup>th</sup> Crime against Peace included in the Rome Status of the International Criminal Court. She suggests the inclusion of the following Article 8 ter, “Crime of Ecocide”: “For the purpose of this Statute, crime of ecocide means: (a) acts or omissions which cause or may be expected to cause, and/or (b) failure to assist where climate related events have caused or may be expected to cause:

- i. Widespread, or
- ii. Long-term, or
- iii. Severe

loss or damage to, or destruction of ecosystem(s) of a given territory, such that peaceful enjoyment by the inhabitants (humans or others) has been or will be severely diminished.

Bolivia has recently passed a *Law on Mother Earth*, defined as "the dynamic living system made up of indivisible community of all living systems and living beings, interrelated, interdependent and complementary, which share a common destiny." The law enumerates seven specific rights to be enjoyed by Mother Earth, constituent ecosystems, and human systems:

- The *right to life* including the integrity of ecosystems and natural processes, and the necessary conditions for regeneration;
- The *right to biodiversity* which should be preserved without genetic modification;
- The *right to water* in sufficient quantity and quality to sustain life, protected from pollution;
- The *right to clean air*;
- The *right to equilibrium* through "maintaining or restoring the interrelation, interdependence, complementarities, and functionality" of all parts of the Earth;
- The *right to restoration of ecosystems* damaged by human activity;
- The *right to live free of pollution* including toxic and radioactive waste;

This the first instance of environmental law which gives legal personhood to the natural system, and may also allow for citizens to sue individuals and groups on behalf of "Mother Earth" in response to infringements of its integrity.

In *Risk Society*, Ulrich Beck called our attention to the dangers of environmental catastrophes and changed the way we think about contemporary societies. The concept of "*Risk Society*" emerged during the 1990s to describe the manner in which modern society organises in response to risk. Sociologist Ulrich Beck defines it as a "systematic way of dealing with hazards and insecurities induced and introduced by modernisation itself". He draws heavily on *reflexivity*, the idea that as a society examines itself, it changes in the process. He argues that while humans have always been subjected to a level of hazards, such as natural disasters, these have usually been perceived as produced by non-human forces. Modern societies, however, are exposed to risks such as pollution, newly discovered illnesses, organized crime, that are the result of the modernization process itself. As risks are the product of human activity, Beck argues that it is possible for societies to evaluate the level of risk that is being produced, or that is about to be produced. The increased critique of modern industrial practices has resulted in a state of reflexive modernization, illustrated by concepts such as *sustainability* and the *precautionary principle* that focus on preventative measures to decrease levels of risk. Risks, much like wealth, are distributed unevenly in the population and will influence the quality of life. Beck argues that older forms of class structure, based mainly on the accumulation of wealth, atrophy in a modern risk society, in which people occupy social risk positions that are achieved through risk aversion. "In some of their dimensions these follow the inequalities of class and strata positions, but they bring totally different distribution logic into play". Beck contends that widespread risks contain a "boomerang effect", in that individuals producing risks will also be exposed to them. This argument suggests that wealthy individuals whose capital is largely responsible for creating pollution will also have to suffer when, for example, the contaminants seep into the water supply. Beck claims that the risk is the result of

“organized irresponsibility”. For example, nuclear plants do not have insurances in case of incidents, as we saw in Fukushima in 2011, or in the 1980s in Chernobyl.

In the next section we will see which the planetary boundaries that human beings are trespassing are.

## ***7.1 Planetary Boundaries***

*"Eventually, the world will no longer be divided between the ideologies of 'left' and 'right,' but by those who accept ecological limits and those who don't."*

*Wolfgang Sachs, Wuppertal Institute for Climate, Environment and Energy.*

In 1798 Thomas Malthus wrote his “Essay on the Principle of Population”, warning that the growth of agricultural production is geometric while that of human population is exponential. He could not foresee the industrial revolution with its progress in agriculture and the consequent choice of some families to have fewer children. However the world population has multiplied by seven since his time, and is expected to reach 11 billion by 2100 according to the UN Population Division. The global world product (GWP) has grown 275 times since Malthus’ time (from \$330 bn to \$91 tn), while the GWP per capita has grown 38 times (from \$330 to \$12,600).

In 1972 took place the first Conference on the Human Environment (UNCHE). The same year, the influential book *Limits to Growth* by the Club of Rome, warned that business as usual could lead to an economic collapse in the twenty-first century, because humanity would run out of certain key minerals and that the resulting scarcity would make it difficult to maintain the level of economic activity. It was not yet very clear in that time that the real

limits are rather the functioning of the Earth's ecosystems, the biodiversity, and the ability of the atmosphere to absorb greenhouse gases (GHGs) emitted by humanity from fossil fuels.

In 2009 a team of scientists led by Johan Rockström and Will Steffen from the Stockholm Resilience Centre proposed a framework of “planetary boundaries” designed to define a “safe operating space for humanity” for the international community, including governments at all levels, international organizations, civil society, the scientific community and the private sector, as a precondition for sustainable development. This framework is based on scientific research that indicates that since the Industrial Revolution, human actions have gradually become the main driver of global environmental change. The scientists assert that once human activity has passed certain thresholds or tipping points, defined as “planetary boundaries”, there is a risk of “irreversible and abrupt environmental change”. The scientists identified nine Earth system processes which have boundaries that, as long as they are not trespassed, mark a safe zone for the planet. However, because of human activities, some of these dangerous boundaries have already been crossed, while others are in imminent danger of being crossed.

In 2011 the High-level Panel on Global Sustainability of the United Nations incorporated the concept of “planetary boundaries” into their framework, stating that their goal was: “To eradicate poverty and reduce inequality, make growth inclusive, and production and consumption more sustainable while combating climate change and respecting the range of other planetary boundaries.”

In 2010, environmentalist Bill McKibben published “*Eaarth: Making a Life on a Tough New Planet*”. He argued that global warming has caused such pervasive and irreversible

changes, that we now live on a new planet with a new set of environmental and climatic realities which deserves a new name: “*Eaarth*”.

Jeffrey Sachs (2015) evaluates that when the GDP/person of the poor countries (\$7,000) catches up with that of the rich countries (\$36,000), the Global World Product GWP would increase from the present \$91 tn to \$275 tn (by a factor of 3) by 2050. If this economic growth is pursued using today’s technologies and business models, humanity will completely burst through the planetary boundaries, wreaking havoc on the climate system and the freshwater supplies, increasing the oceans’ acidity, and negatively impacting the survival of other species.

Of all of the problems of reconciling growth with planetary boundaries, probably none is more urgent and more complicated than the challenge of the world’s energy system. But the production of the necessary energy causes the rise of 2 ppm CO<sub>2</sub> in the atmosphere per year. While the atmosphere has oscillated for the last million years between 150 and 280 ppm, human being has managed to increase this concentration to 400 ppm in the last 150 years. This will cause an increase of temperature of at least two degrees Celsius in the next decades.

According to Sachs (2015), *agriculture* is one of the systems both most affecting and most affected by the planetary boundaries. The effects of the “Green Revolution” are causing environmental degradation (fertilizers, mechanization, increase of agricultural area, release of GHG, new diseases, reduction of biodiversity, pollution, etc.), which would legitimate the predictions that Malthus did before the start of the industrial revolution. When mainstream economists blame Malthus for not taking into account the technological progress, they should be blamed themselves for not taking into account the environmental

degradation caused by modern farming. Considering each of the planetary boundaries from the point of view of agriculture:

- *Climate change*: When land is cleared for farmland and pastureland, the resulting CO<sub>2</sub> emissions contribute to climate change. So too does the energy use on farms and in the transport and preparation of foods; the methane released in rice production and by livestock; and the nitrous oxide that results in part from the volatilization of nitrogen-based fertilizers.
- *Ocean acidification*: Agriculture contributes to the CO<sub>2</sub> emissions that in turn are the main cause of ocean acidification.
- *Ozone depletion*: CFCs used in food production and storage (e.g., refrigerants) are the drivers of ozone depletion.
- *Nitrogen and phosphorous fluxes*: The use of chemical fertilizers is the main source of anthropogenic nitrogen and phosphorous fluxes.
- *Freshwater depletion*: Agriculture is by far the greatest user, and therefore cause of depletion, of freshwater resources.
- *Biodiversity*: The grand tradition of agriculture is to “simplify” the biodiversity of a given landscape. A complex natural ecology is replaced by a human-managed ecology that often involves a single genetic variant of a single crop. Monoculture farming can cause a sharp decline in biodiversity that eventually reduces crop productivity as well as other ecosystem functions. Agriculture can reduce biodiversity in other ways, as through the application of pesticides and herbicides that end up poisoning the local environment or through the introduction of non-native species that disrupt local ecosystems.
- *Aerosols*: Agriculture can contribute to aerosols through dust, burning of crop residues, combustion of diesel and other fossil fuels, etc.



- *Chemical pollution:* Agriculture in high-income settings is highly chemical intensive, involving chemical fertilizers, pesticides, herbicides, and other soil treatments. Pollution may also arise from food processing, waste management, use of antibiotics in animal feeds, etc.

Sachs (2015) says that poor countries with high fertility rates are often stuck in a “demographic trap.” Because households are poor, they have many children. Yet because they have many children, each child is more likely to grow up poor. These societies end up in a vicious circle in which high fertility and poverty are mutually reinforcing.

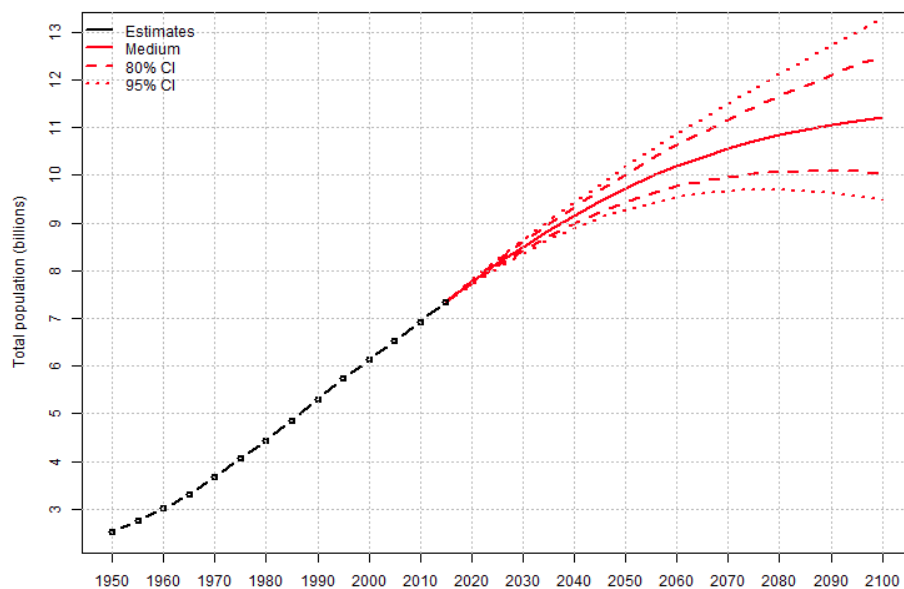


Figure 64: Population of the World, estimates 1950-2015 (Source UN Population Division 2015)

Atmospheric chemist Paul Crutzen (2010) emphasized the central role of mankind in geology and ecology, and proposed using the term “Anthropocene” for the current geological epoch. He suggested that the start of this era could be set at the end of the 18th century, at the beginning of the industrial revolution, when the effects of human activities became clearly noticeable. This is the period that witnessed a substantive growth in the

atmospheric concentrations of several "greenhouse gases", in particular CO<sub>2</sub> and CH<sub>4</sub>, and coincides with the invention of the steam engine in 1784.

Robert Costanza calculated the value of *ecosystem services*. In 1997 he estimated that the value of these services was between US\$ 18 and 56 trillion (with an average per year of US\$ 33 trillion), which represented approximately *twice the global GDP* of that time. When calculating the Earth's bio systems' value with the *replacement method* (which consists in estimating how much it would cost to recreate the natural resources), the value reached US\$ 195,000 trillion, which means 3000 times the 2008 GDP. In 1961 human beings were using half of the Earth's resources. By 2006 they used 44 percent more than the total available capacity of planet earth.

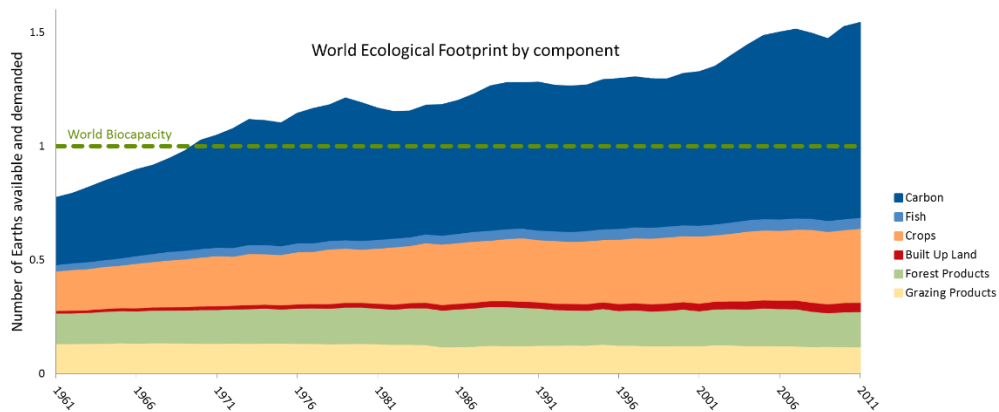


Figure 65: World Ecological Footprint by component (Global Footprint Network)

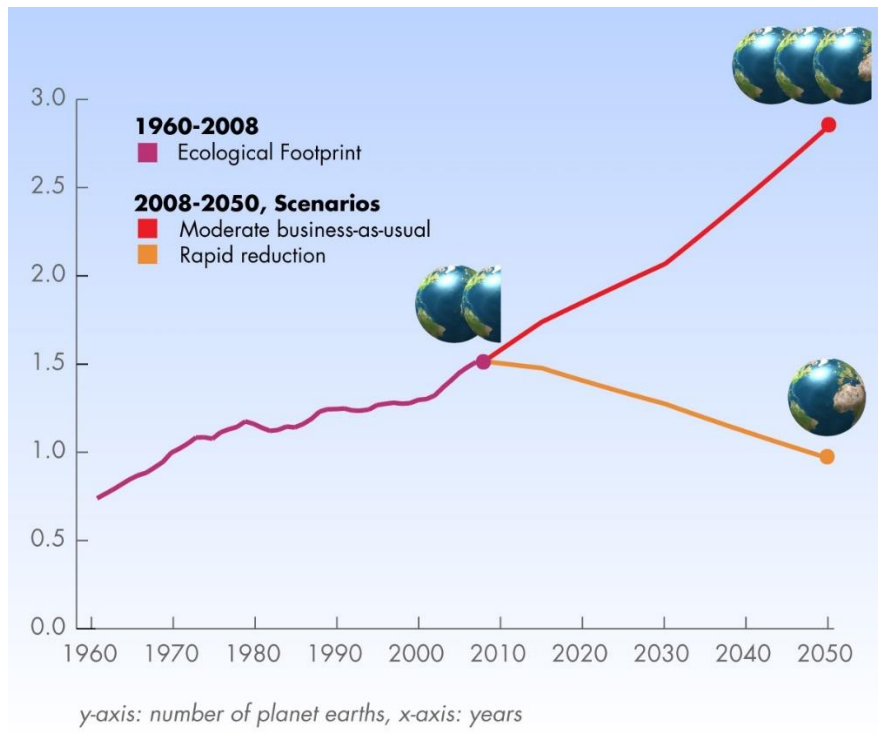


Figure 66: The Ecological Footprint's evolution 1960-2050 (footprintnetwork)

Today, humanity consumes the equivalent capacity of 1.5 planets each year. This means that it takes the Earth a year and a half to regenerate what we consume in one year. The moderate UN predictions suggest that if the present tendencies in terms of population and consumption growth continue, humanity will require the equivalent of two Earths to sustain itself by the end of this decade. With resources being transformed faster into waste than waste into resources, the planet is attaining the global ecological *overshoot*, depleting the resources on which human life and bio-diversity depend. The result is the collapse of the fishing industry, the decrease in the forest coverage, the exhaustion of the fresh water systems and the accumulation of contaminants, which lead to climate change. These are just some of the most significant effects of the ecological overshoot. The overshoot also contributes to conflicts and wars over resources, mass migrations, starvation, epidemics and other human tragedies. Moreover, it has a disproportionate impact on the poor, who cannot buy their way out by acquiring resources from other regions. Individuals and

institutions worldwide ought to recognise the *ecological limits*. We must start placing ecological limitation at the heart of our decision-making and use human ingenuity to find new ways of living within the Earth's boundaries. Going against this should be considered a serious crime.

In 2010, Yale and Columbia Universities, the World Economic Forum and the European Commission started to publish the *Environmental Performance Index (EPI)*. The EPI ranks how countries perform on high-priority environmental issues in two areas: *protection of human health from environmental harm and protection of ecosystems*. The EPI scores country performance in nine issue areas comprised of 20 indicators. "Indicators in the EPI measure how close countries are to meeting internationally established targets or, in the absence of agreed-upon targets, how they compare to the range of observed countries". It is a good measure with which to analyse the crimes and harms to the environment.

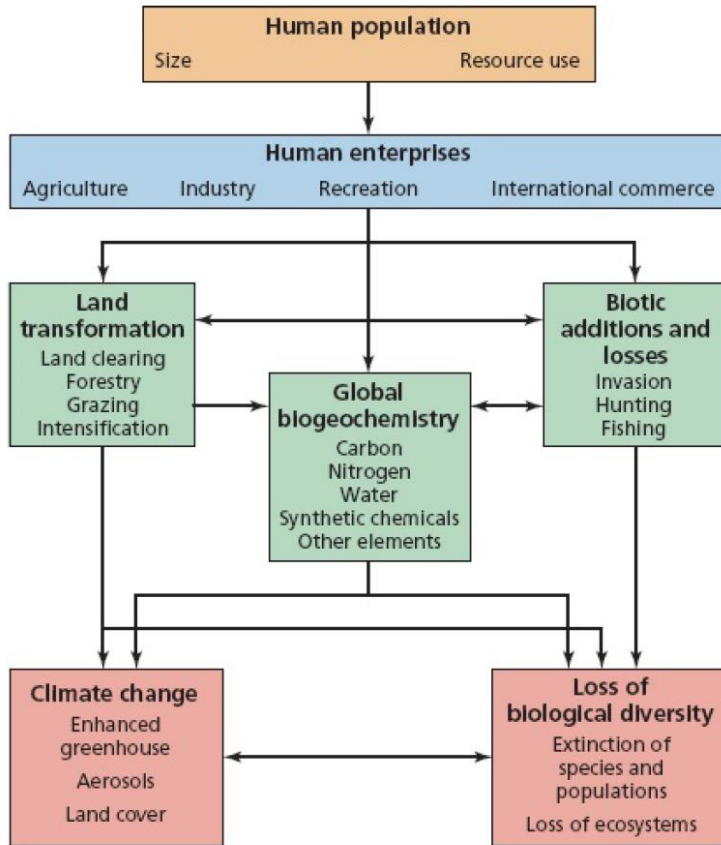


Figure 67: Model of humanity's direct and indirect effects on the Earth system (Vitousek, 1997)

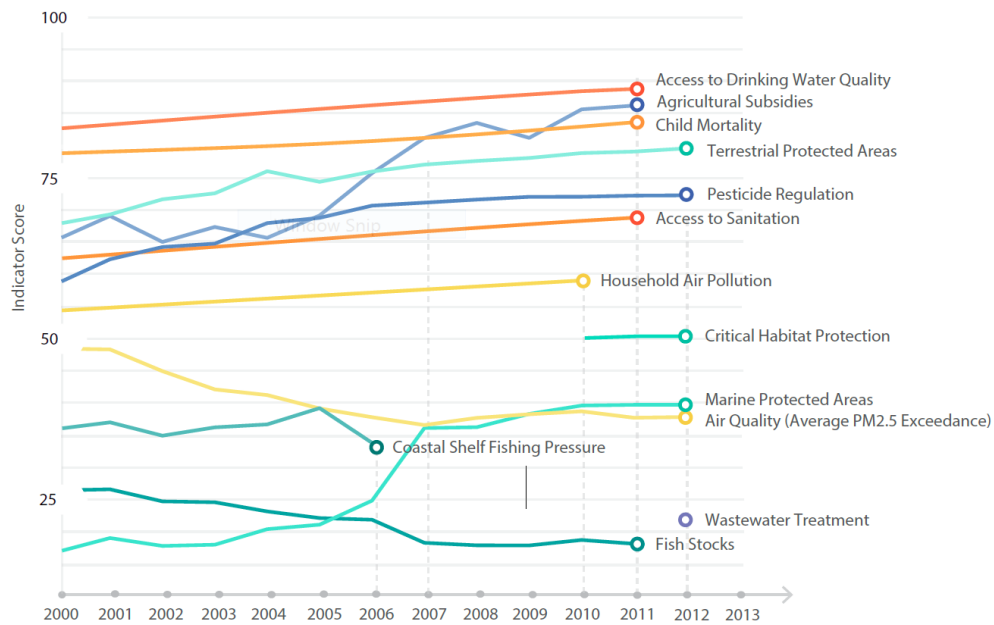


Figure 68: Global indicators for most of the policy issues assessed by the EPI 2014.

In their 2015 article “The Anthropocene Biosphere”, Mark Williams et al. suggest that the modern biosphere differs significantly from previous stages and shows early signs of a new, third stage of biosphere evolution characterised by: (1) global homogenisation of flora and fauna; (2) a single species (*Homo sapiens*) commandeering 25 to 40 percent of net primary production and also mining fossil net primary production (fossil fuels) to break through the photosynthetic energy barrier; (3) human-directed evolution of other species; and (4) increasing interaction of the biosphere with the technosphere (the global emergent system that includes humans, technological artefacts, and associated social and technological networks). These unique features of today’s biosphere may herald a new era in the planet’s history that could persist over geological timescales.

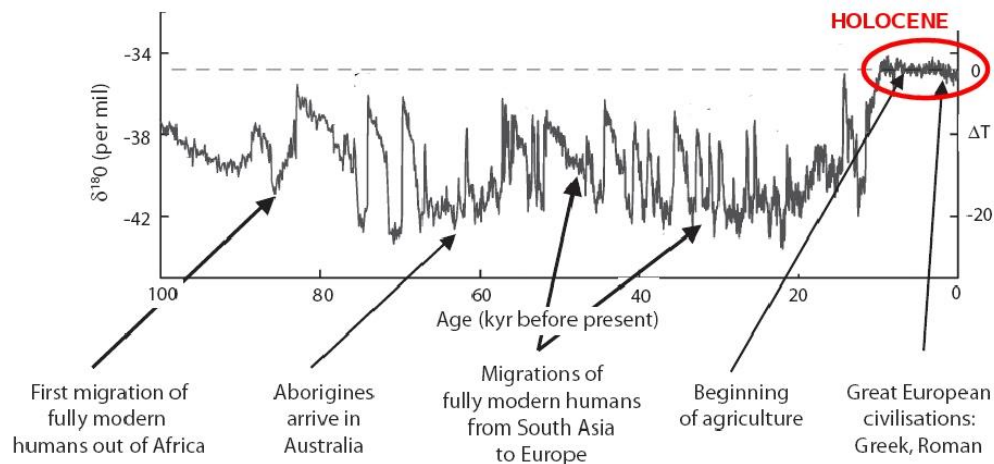


Figure 69: The last glacial cycle and selected events in human history. The Holocene is the last 10,000 years (Young and Steffen 2009)

According to the SRC, *resilience* is the “long-term capacity of a system to deal with change and continue to develop”. For an ecosystem such as a forest, this can involve dealing with storms, fires and pollution, while for a society it involves an ability to deal with political uncertainty or natural disasters in a way that is sustainable in the long-term. Sometimes change is sudden, disorganizing and turbulent reflected in climate impacts, earth system science challenges and vulnerable regions. Evidence points to a situation where periods of such abrupt change are likely to increase in frequency and magnitude. This challenges the adaptive capacity of societies. The resilience approach focuses on the dynamic interplay between periods of gradual and sudden change and how to adapt to and shape change.

According to scientist Will Steffen, “four of nine planetary boundaries have now been crossed as a result of human activity: climate change, loss of biosphere integrity, land-system change, altered biogeochemical cycles (phosphorus and nitrogen). Two of these, climate change and biosphere integrity, are what the scientists call "core boundaries". Significantly altering either of these "core boundaries" would drive the Earth System into a new state. Transgressing a boundary increases the risk that human activities could inadvertently drive the Earth System into a much less hospitable state, damaging efforts to

reduce poverty and leading to a deterioration of human wellbeing in many parts of the world, including wealthy countries.

Earth System process	Control variable	Threshold avoided or influenced by slow variable	Planetary boundary (zone of uncertainty)	State of knowledge
<b>Climate change</b>	Atmospheric CO <sub>2</sub> concentration, ppm; Energy imbalance at Earth's surface, W m <sup>-2</sup> .	Loss of polar ice sheets. Regional climate disruptions. Loss of glacial freshwater supplies. Weakening of carbon sinks.	Atmospheric CO <sub>2</sub> concentration: 350 ppm (350-550 ppm). Energy imbalance: +1 W m <sup>-2</sup> (+1.0 – +1.5 W m <sup>-2</sup> ).	1. Ample scientific evidence. 2. Multiple sub-system thresholds. 3. Debate on position of boundary.
<b>Ocean acidification</b>	Carbonate ion concentration, average global surface ocean saturation state with respect to aragonite.	Conversion of coral reefs to algal dominated systems. Regional elimination of some aragonite- and high-magnesium calcite-forming marine biota. Slow variable affecting marine carbon sink.	Sustain ≥ 80% of preindustrial aragonite saturation state of mean surface ocean, including natural diel and seasonal variability (≥80% - ≥70%).	1. Geophysical processes well-known. 2. Threshold likely. 3. Boundary position uncertain due to unclear ecosystem response.
<b>Stratospheric ozone depletion</b>	Stratospheric O <sub>3</sub> concentration, DU.	Severe and irreversible UV-B radiation effects on human health and ecosystems.	<5% reduction from preindustrial level of 290 DU (5 - 10 %).	1. Ample scientific evidence. 2. Threshold well established. 3. Boundary position implicitly agreed and respected.
<b>Atmospheric aerosol loading</b>	Overall particulate concentration in the atmosphere, on a regional basis.	Disruption of monsoon systems. Human health effects. Interacts with climate change and freshwater boundaries.	To be determined	1. Ample scientific evidence. 2. Global threshold behaviour unknown. 3. Unable to suggest boundary yet.
<b>Nitrogen and phosphorus inputs to the biosphere and oceans</b>	P: inflow of phosphorus to ocean, increase compared to natural background weathering. N: amount of N <sub>2</sub> removed from atmosphere for human use, Mt N yr <sup>-1</sup>	P: avoid a major oceanic anoxic event (including regional), with impacts on marine ecosystems. N: slow variable affecting overall resilience of ecosystems via acidification of terrestrial ecosystems and eutrophication of coastal and freshwater systems.	P: < 10× (10× - 100×). N: Limit industrial and agricultural fixation of N <sub>2</sub> to 35 Mt N yr <sup>-1</sup> , which is ~ 25% of the total amount of N <sub>2</sub> fixed per annum naturally by terrestrial ecosystems (25-35%)	P: (1) Limited knowledge on ecosystem responses; (2) High probability of threshold but timing is very uncertain; (3) Boundary position highly uncertain. N: (1) Some ecosystem responses known; (2) Acts as a slow variable, existence of global thresholds unknown; (3) Boundary position highly uncertain.
<b>Global freshwater use</b>	Consumptive blue water use, km <sup>3</sup> yr <sup>-1</sup> .	Could affect regional climate patterns (e.g., monsoon behaviour). Primarily slow variable affecting moisture feedback, biomass production, carbon uptake	< 4,000 km <sup>3</sup> yr <sup>-1</sup> (4,000 - 6,000 km <sup>3</sup> yr <sup>-1</sup> )	1. Scientific evidence of ecosystem response but incomplete and fragmented. 2. Slow variable, regional or subsystem thresholds exist. 3. Proposed boundary value is a global aggregate, spatial



		by terrestrial systems and reducing biodiversity		distribution determines regional thresholds.
<b>Land system change</b>	Percentage of global land cover converted to cropland.	Trigger of irreversible & widespread conversion of biomes to undesired states. Primarily acts as a slow variable affecting carbon storage and resilience via changes in biodiversity and landscape heterogeneity.	≤ 15% of global ice-free land surface converted to cropland (15 – 20%).	1. Ample scientific evidence of impacts of land cover change on ecosystems, largely local and regional. 2. Slow variable, global threshold unlikely but regional thresholds likely. 3. Boundary is a global aggregate with high uncertainty, regional distribution of land system change is critical.
<b>Biodiversity loss</b>	Extinction rate, extinctions per million species per year (E/MSY).	Slow variable affecting ecosystem functioning at continental and ocean basin scales. Impact on many other boundaries – C storage, freshwater, N and P cycles, land systems. Massive loss of biodiversity unacceptable for ethical reasons.	< 10 E/MSY (10 – 100 E/MSY)	1. Incomplete knowledge on the role of biodiversity for ecosystem functioning across scales. 2. Thresholds likely at local and regional scales 3. Boundary position highly uncertain.
<b>Chemical pollution</b>	For example, emissions, concentrations, or effects on ecosystem and Earth system functioning of persistent organic pollutants (POPs), plastics, endocrine disruptors, heavy metals, and nuclear waste.	Thresholds leading to unacceptable impacts on human health and ecosystem functioning possible but largely unknown. May act as a slow variable undermining resilience and increase risk of crossing other threshold.	To be determined	1. Ample scientific evidence on individual chemicals but lacks an aggregate, global-level analysis. 2. Slow variable, large-scale thresholds unknown. 3. Unable to suggest boundary yet.

Figure 70: The nine planetary boundaries (source SRC)

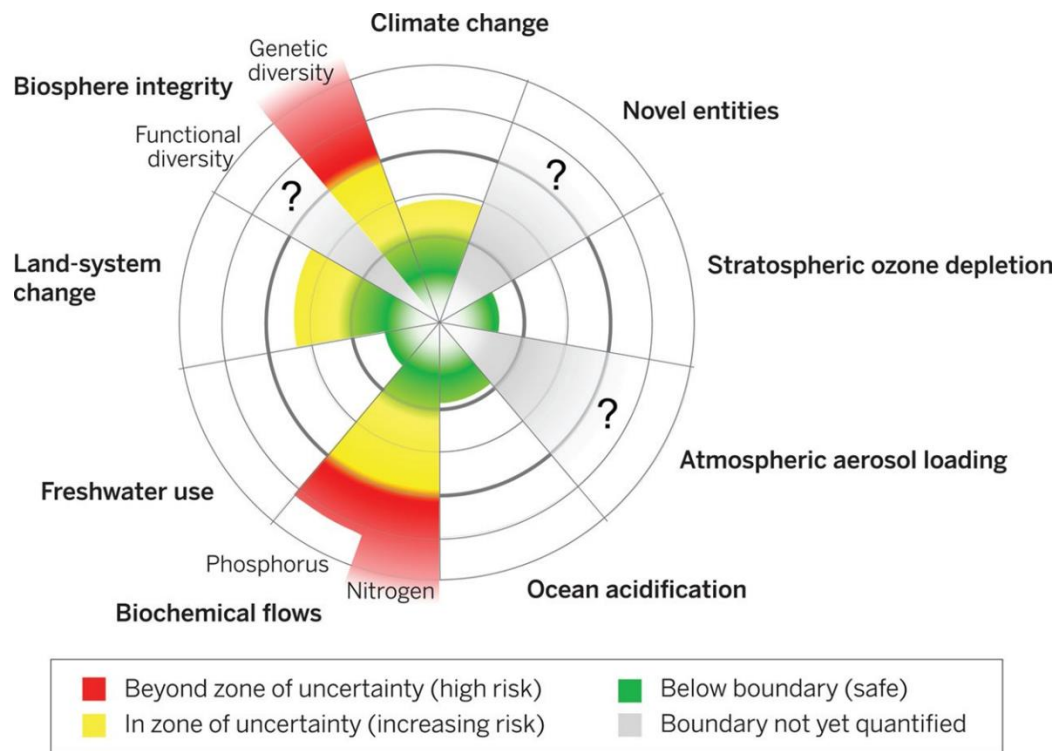


Figure 71: Current status of the control variables for seven of the planetary boundaries. (Will Steffen et al. 2015)

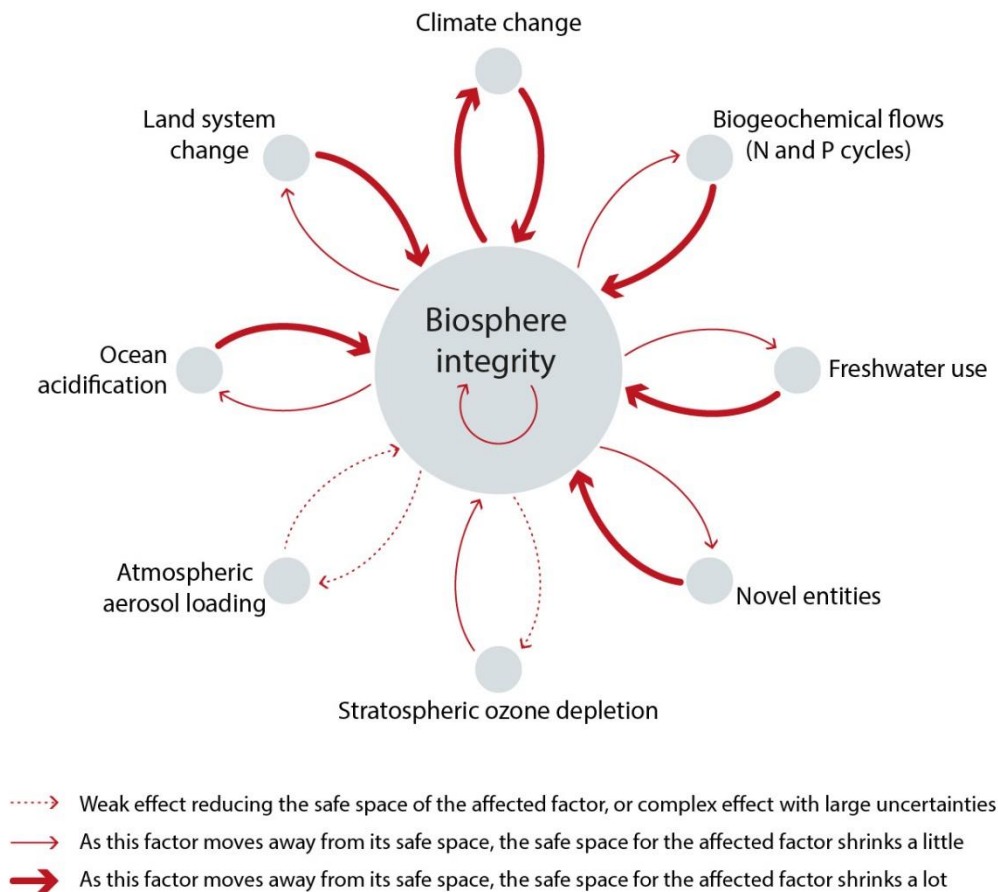


Figure 72: The interaction between the biosphere integrity planetary boundary and other planetary boundaries. (Source: Stockholm Resilience Centre)

According to the Stockholm Resilience Centre the present legal system is “an impediment to adaptive management, with its apparent prioritization of certainty over flexibility, emphasis on checks and balances, protection of individual rights over public interests, and its search for *transcendent justice* over *contingent truth*.” The mechanisms, including law, that provide for pursuit and protection of evolving ideas of justice and equity are critical for guiding human understanding of and interaction with the material environment. A broader agenda for learning within and about social-ecological resilience that focuses on the interaction between ideas of justice and equity with ecosystem dynamics is captured in the concept of *adaptive governance*.

We will now examine the state of the boundaries, starting by the most dangerous two: climate change and loss of biodiversity.

## **7.2 Climate Change**

*“Facts do not cease to exist because they are ignored” - Aldous Huxley*

According to the SRC, “evidence suggests that the Earth, now passing 400 ppm CO<sub>2</sub> in the atmosphere, has already transgressed the planetary boundary and is approaching several Earth system thresholds. The Earth has reached a point at which the loss of summer polar sea-ice is almost certainly irreversible. This is a well-defined threshold above which rapid physical feedback mechanisms can drive the Earth system into a much warmer state with sea levels metres higher than present.” The weakening or reversal of terrestrial carbon sinks, for example through the on-going destruction of the world's rainforests, is another potential tipping point, where climate-carbon cycle feedbacks accelerate Earth's warming and intensify the climate impacts. A major question is how long we can remain over this boundary before large, irreversible changes become unavoidable.

The IPCC, in its 2013 report, states that “warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, sea level has risen, and the concentrations of greenhouse gases have increased. Continued emissions of greenhouse gases will cause further warming and changes in all components of the climate system. Limiting climate change will require substantial and sustained reductions of greenhouse gas emissions. Cumulative emissions of CO<sub>2</sub> largely

determine global mean surface warming by the late 21<sup>st</sup> century and beyond. Most aspects of climate change will persist for many centuries even if emissions of CO<sub>2</sub> are stopped. This represents a substantial multi-century climate change commitment created by past, present and future emissions of CO<sub>2</sub>.”

According to Sachs (2015), climate change is the toughest public policy problem that humanity has ever faced for the following reasons:

- It is an absolutely global crisis;
- There are huge challenges getting the world mobilized because of the differences between countries depending on whether they are exporters of fossil fuels or importers, they are big or small consumers, they are poor or rich, they have consumed in the past or are consuming now, etc.;
- The problem affects mainly future generations who are not even alive to express themselves today;
- The use of fossil fuels is at the heart of the present economy, and changing to low carbon energy causes enormous resistance;
- Climate change is a slow moving crisis at human level, which does not induce immediate social and political action;
- The solutions to climate change are very complex and affect the main sectors of the economy (construction, transportation, food production, power generation, urban design, industrial processes, etc.);
- The energy sector is home to the world’s most powerful companies, the large oil and gas companies being generally among the world’s largest companies by revenues. Seven of the ten largest companies in the world in 2013 (as ranked by Global Fortune 500) are in the energy sector: Royal Dutch Shell (1); Exxon

Mobil (3); Sinopec Group (4); China National Petroleum (5); BP (6); China State Grid (7); Total (10). Moreover, companies ranked (8) and (9) are Toyota and Volkswagen, which both produce petroleum-based vehicles. The lobbying clout of the oil, gas, and automobile industries is therefore staggering. These companies hope, plan, and lobby for the world to remain heavily dependent on oil and gas, despite the risks to our and future generations. These companies are able to win political support to stall the conversion to low carbon energy through many tools: campaign financing, lobbying, and other means of persuasion. Some companies have gone so far as to promote antiscientific propaganda and to sow doubt in the public opinion regarding proven mainstream science (Conway & Oreskes 2011).

The scientific community has no doubt that the climate is changing more rapidly than ever before in the planet's history, and that the cause of this phenomenon is human activity, especially greenhouse gas emissions, deriving in particular from the unbridled consumption of fossil fuels. Towards the end of the 21<sup>st</sup> Century, climate change should cause average global temperature to rise by at least 3°C, and sea level by a meter (due to thermal expansion and glacier melting). Changes will not be the same everywhere, with some regions undergoing more severe effects than others. This situation will cause problems like drought, food insecurity, disease prevalence, coastline changes, more frequent natural disasters and mass migrations. If these problems are combined with overpopulation, urbanisation, exhaustion of natural resources, environmental degradation and increased inequality, uncontrollable situations may develop. Climate change multiplies existing threats.

Two other factors should be taken into consideration: climate change *inertia* (even if mitigation measures were taken today, they will be effective only after decades or centuries) and the phenomenon of the “*tipping points*” (which, when reached, can accelerate changes dramatically out of control). Adaptation costs are enormously higher than those of mitigation.

Developed countries have much more responsibility than developing countries for climate change, since they have been emitting much more CO<sub>2</sub> than the latter (and this has been the case for decades or centuries). Despite their promises, developed countries are not willing to renounce to their high consumption level economy, and have not yet introduced any serious measure to reduce it. But not only do the populations of developed countries have a responsibility towards those of the developing countries, they also have a duty to hand over a liveable planet to future generations.

According to the World Resource Institute, in 2014 the atmospheric concentrations of CO<sub>2</sub> reached 400 ppm, more than 25 percent higher than any time on Earth in the last one million years. Considering that we burned the first half of the world’s carbon budget over 250 years but are on track to exhaust the second half in the next 30 years, reducing carbon dioxide emissions is the most urgent global priority to stabilize our climate at relatively safe levels. The IPCC finds that to avoid more than two degrees of warming, global emissions must fall by an average of 50 percent below 1990 levels by 2050. This requires urgent action, as the energy systems will take decades to fully decarbonize, given the time it takes for power plants and vehicle fleets to turnover, enabling a switch to low-carbon alternatives.

The heat accumulating in the Earth because of human emissions is roughly equal to the heat that would be released by 400,000 Hiroshima atomic bombs exploding across the planet every day. A recent study found that burning all the fossil fuel still in the ground

would totally melt the polar ice sheets, raising the sea level by more than 50 m over centuries or millennia.

According to climatologist James Hansen (2016), if GHG emissions continue to grow during the ‘Hyper-Anthropocene phase’ (starting at the end of the 18<sup>th</sup> century with the Industrial Revolution, while the Anthropocene phase would have commenced 8000 ago with the Neolithic civilization), “multi-meter sea level rise would become practically unavoidable, probably within 50–150 years” as well as full shutdown of the North Atlantic Overturning Circulation within the next several decades. “Social disruption and economic consequences of such large sea level rise, and the attendant increases in storms and climate extremes, could be devastating and conflicts arising from forced migrations and economic collapse might make the planet ungovernable, threatening the fabric of civilization”.

In its 2011 report, *Transparency International* did an extensive analysis of the following problems related to corruption and climate change:

- *Policy capture*: building safeguards to ensure that decision-making and policies are not influenced by special interests;

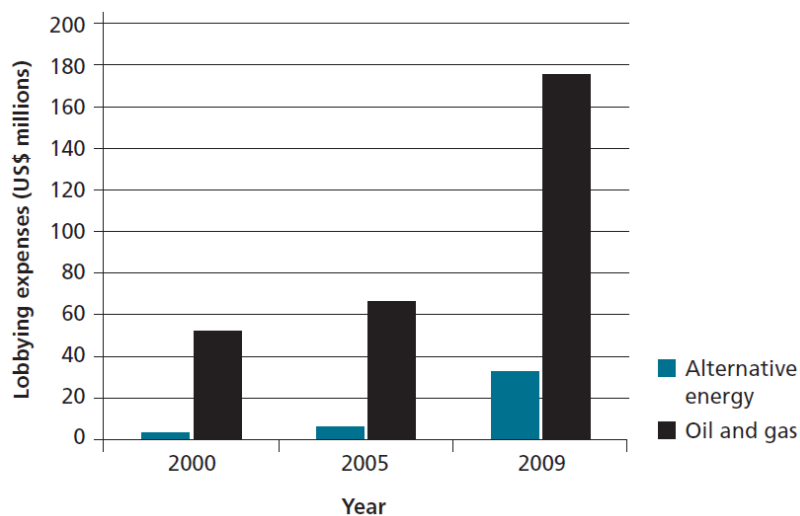




Figure 73: Annual lobbying expenses in the USA related to energy (Centre for Responsive Politics)

- *Fraud*: Rigorous oversight of complex market mechanisms, such as carbon trading, can eliminate fraud;
- *Funds*: Transparency can help prevent the embezzlement or misappropriation of funds;

Climate-related event	Country/hot spot (high risk)*	Government effectiveness score**	Corruption Perceptions Index score***
Drought	Malawi	30.3	3.3
	Ethiopia	39.8	2.7
	Zimbabwe	2.4	2.2
Floods	Bangladesh	22.7	2.4
	China	63.5	3.6
	India	53.6	3.4
Storms	Philippines	55.0	2.4
	Bangladesh	22.7	2.4
	Madagascar	33.2	3.0
Sea-level rise	Maldives	44.1	2.5
	Vietnam	45.5	2.7
	Egypt	43.1	2.8
Reduced agricultural production	Sudan	5.2	1.5
	Senegal	51.2	3.0
	Mali	21.8	2.8

Figure 74: Crossed vulnerability to Corruption/ Climate Change (TI 2011/ WB)

- *Green resource curse*: Countries that have minerals needed for green technologies must be transparent about how these are exploited (e.g.: lithium for batteries in Bolivia, bio-fuels in Indonesia, etc.).

According to the Climate Works Foundation (2011), many impacts of climate change are irreversible. Due to time lags inherent in Earth’s physical systems, climate changes caused by CO<sub>2</sub> emissions will persist - and even grow - for centuries, long after emissions are

halted. We are already seeing some effects of increased greenhouse gas levels, but we have yet to witness the full impact of the current accumulation in the atmosphere. As we can see in the figure below, even if CO<sub>2</sub> emissions were reduced substantially (orange line), and atmospheric concentrations subsequently stabilized (purple line), the average surface air temperature will continue to rise for at least a century, and sea level will continue to rise for several millennia. This is because the earth's surface temperature does not react instantaneously to rising carbon dioxide levels. Much of this lag, called "thermal inertia," is attributable to the slow warming of the oceans, which have tremendous heat-absorption capacity. These changes do not reverse, even if emissions drop. And they can have serious consequences, as a warmer climate is likely to permanently alter ecosystems, spur a wave of extinctions, and significantly reduce crop yields because of more frequent heat waves and drier soil. Optimistic projections of climate warming estimate that at least eighteen percent of all species will become extinct because of ecosystem alteration and loss. This low estimate would rank among the greatest waves of extinction in all history.

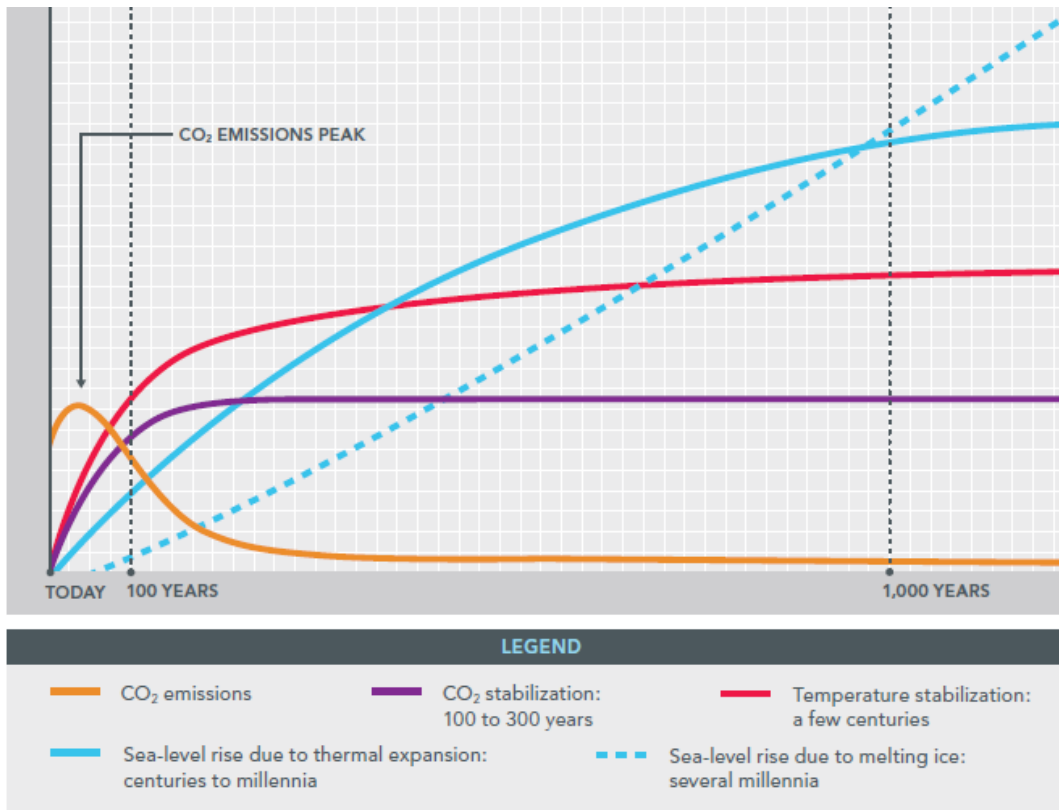


Figure 75: Time required to reach equilibrium after climate change (Climate Works Foundation, 2011).

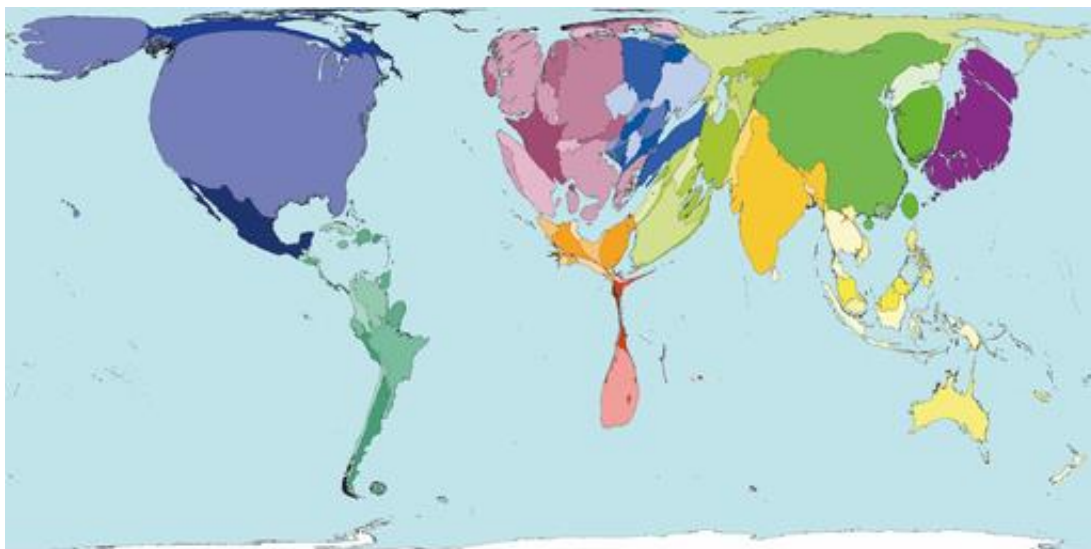


Figure 76: Map of carbon emissions in 2000 ([www.worldmapper.org](http://www.worldmapper.org))

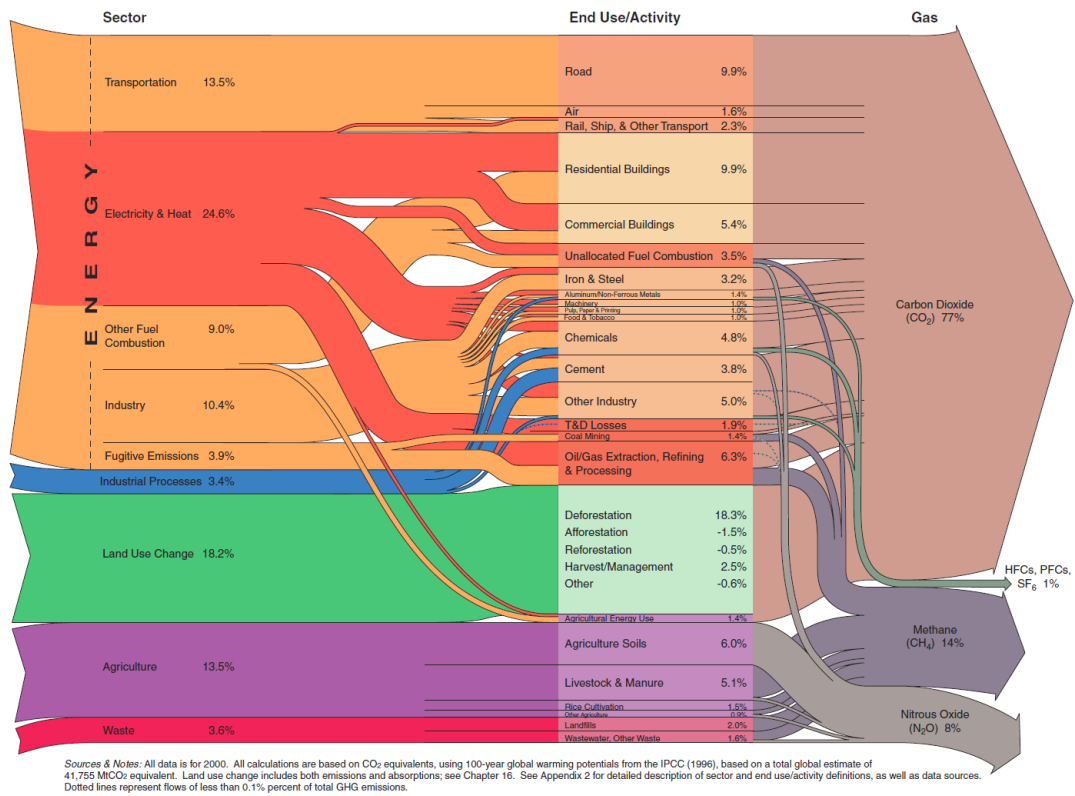


Figure 77: World GHG Emissions Flow Chart (World Resources Institute)

For all these reasons, any action conducing to worsen climate change consists on a very serious harm to present and future generations of human beings and other living organisms, and it should be considered a crime.

In fact, organised crime has a great responsibility for climate change because it is ready to actively sabotage any solution to the problem, as long as it brings some profit:

- Using corruption to influence developed countries' policies, in order to avoid moving towards an economy of low fossil fuel consumption and sabotaging international agreements over climate change.
- Capturing the mainstream media by corporate interests to influence developed countries' public to continue to consume excessively, as long as their business continues to profit with impunity. They even make poor countries' populations dream over a "golden" future of consumerism;

- Financing climate change denial;
- Diverting capital to tax havens, which deprives developed and developing countries governments of funds to mitigate and adapt to climate change;
- Inconsiderately exploiting rain forests to traffic in hard woods, plant cash crops or raise cattle, which destroys carbon drains.
- Provoking wars to obtain cheap natural resources or to sell weapons, TOC destroys developing countries' societies, which cease living harmoniously with their environment and accept its permanent degradation.
- By reinforcing inequalities among human beings and among societies, TOC reinforces grievances and provokes confrontations, which allows organised crime to continue to manipulate the international system, and to eventually acquire even more wealth.

The International Geosphere-Biosphere Programme (IGBP) has devised a Climate-Change Index as a first attempt to express the progress of climate change in one figure. It brings together key indicators of global change as carbon dioxide, temperature, sea level and sea ice. The index gives an annual snapshot of how the planet's complex systems - the ice, the oceans, the land surface and the atmosphere - are responding to the changing climate. The index rises steadily from 1980, the earliest date the index has been calculated. The change is unequivocal, it is global, and in one direction. In just 30 years we are witnessing major planetary-scale changes. The index dips in just three years, 1982, 1992 and 1996 and looks effective at capturing major natural events that affect climate, and their knock-on effect on the planet.

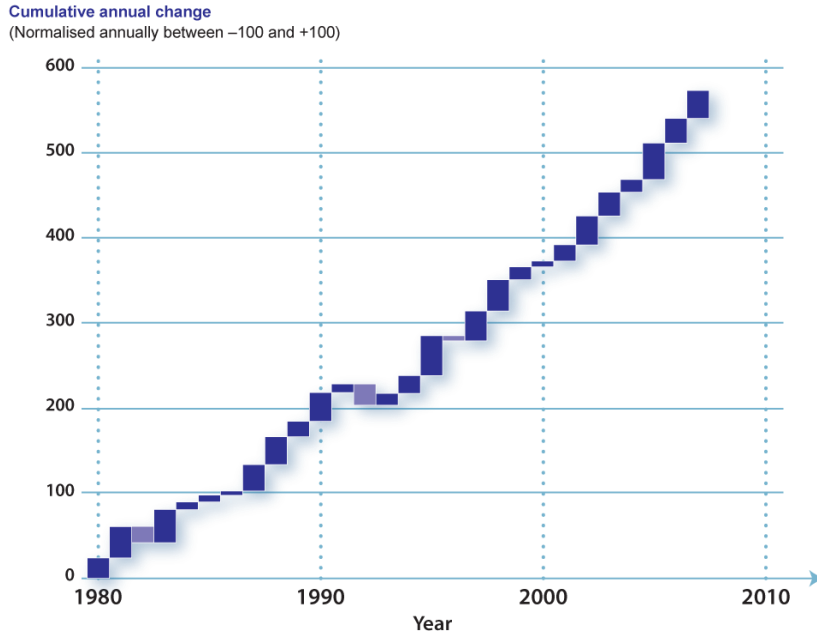


Figure 78: Climate Change Index (IGBP)

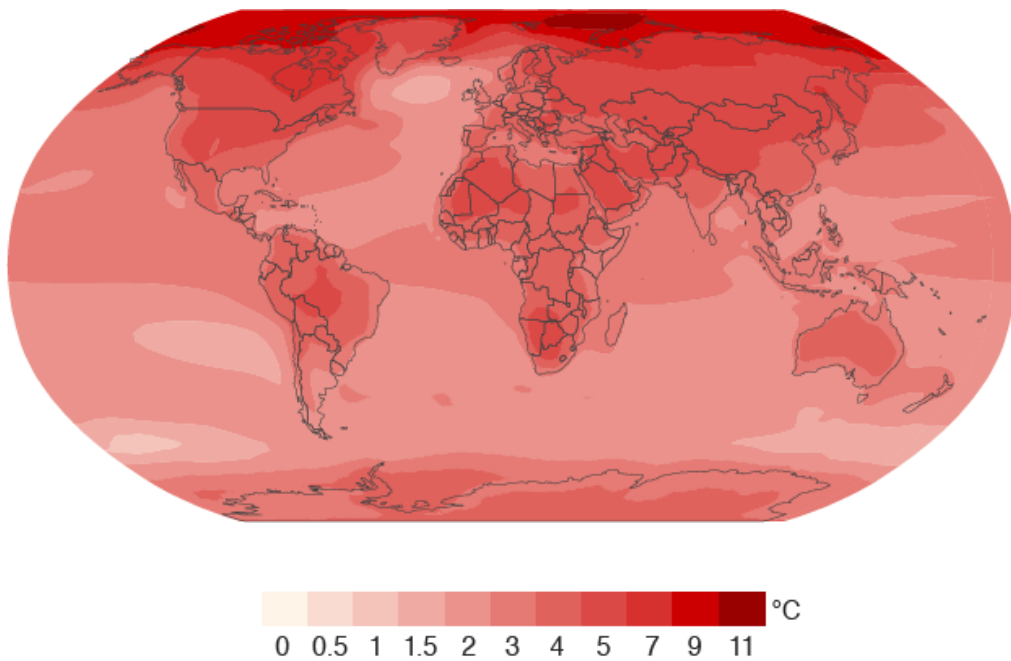


Figure 79: Projected temperature change for a 4C rise (1986–2005 to 2081–2100) (IPCC AR5)

Climate scientist Richard Heede (2014) has researched on the participation of corporations in GHG emissions as presented in the table below. The responsibility to control climate change is allocated to the nation states as signatories of the treaties. However, responsibility

should be understood in other ways as well, as done in this analysis tracing emissions to major carbon producers. Shifting the perspective from nation-states to corporations opens new opportunities for those entities to become part of the solution rather than passive (and profitable) bystanders. Half of the emissions were produced in the past 25 years, well past the date when governments and corporations became aware that GHGs from burning fossil fuels were causing climate change. Many of these corporations are sitting on large reserves of fossil fuel which, if burned, can put the world at greater risk of climate change.

<b>Entity</b>	<b>2010 emissions MtCO<sub>2</sub>e</b>	<b>Cumulative 1854–2010 MtCO<sub>2</sub>e</b>	<b>Percent of global emissions 1751–2010</b>
1. Chevron, USA	423	51,096	3.52 %
2. ExxonMobil, USA	655	46,672	3.22 %
3. Saudi Aramco, Saudi Arabia	1,550	46,033	3.17 %
4. BP, UK	554	35,837	2.47 %
5. Gazprom, Russian Federation	1,371	32,136	2.22 %
6. Royal Dutch/Shell, Netherlands	478	30,751	2.12 %
7. National Iranian Oil Company	867	29,084	2.01 %
8. Pemex, Mexico	602	20,025	1.38 %
9. ConocoPhillips, USA	359	16,866	1.16 %
10. Petroleos de Venezuela	485	16,157	1.11 %
11. Coal India	830	15,493	1.07 %
12. Peabody Energy, USA	519	12,432	0.86 %
13. Total, France	398	11,911	0.82 %
14. Petro China, China	614	10,564	0.73 %
15. Kuwait Petroleum Corp.	323	10,503	0.73 %
16. Abu Dhabi NOC, UAE	387	9,672	0.67 %
17. Sonatrach, Algeria	386	9,263	0.64 %
18. Consol Energy, Inc., USA	160	9,096	0.63 %
19. BHP-Billiton, Australia	320	7,606	0.52 %
20. Anglo American, United Kingdom	242	7,242	0.50 %

<b>Top 20 IOCs &amp; SOEs</b>	<b>11,523</b>	<b>428,439</b>	<b>29.54 %</b>
<b>Top 40 IOCs &amp; SOEs</b>	-	<b>546,767</b>	<b>37.70 %</b>
<b>All 81 IOCs &amp; SOEs</b>	<b>18,524</b>	<b>602,491</b>	<b>41.54 %</b>
<b>Total 90 carbon majors</b>	<b>27,946</b>	<b>914,251</b>	<b>63.04 %</b>
Total global emissions	36,026	1,450,332	100.00 %

According to the NGO Corporate Europe Observatory (CEO 2015a), the burning of fossil fuels (oil, gas and coal) is one of the main causes of the climate crisis. However the fossil fuels industry, thanks to its political and economic power and aggressive lobbying, has blocked binding agreements and prevented ambitious international action. The energy industry is trying to present natural gas as clean energy; they are trying to present carbon capture and storage techniques as safe; they continue to fund climate change denial research; promoting geo-engineering; promoting nuclear energy in spite of its risks. The finance sector continues to invest heavily in fossil fuels and false solutions to climate change. Carbon markets, far from reducing emissions, have succeeded in enriching the most egregious polluters, while diverting the focus from real solutions.

CEO is concerned that companies with dodgy records regarding people and the planet were allowed to finance the COP21. Their greenwashing activities, and their lobbying for false solutions that enable them to continue profiting from polluting, demonstrate beyond doubt that they should not be accepted as sponsors for the climate talks. The vested interests of big business and dirty industry are directly opposed to the goals of an ambitious and just climate deal.





Figure 80: Corporate sponsors of COP21 (CEO 2015a)

## 7.2.1 The science

*“What is needed is a politics which is farsighted and capable of a new, integral and interdisciplinary approach to handling the different aspects of the crisis”.*

*Pope Francis I, Laudato Si, 197 (2015)*

The basics of human induced climate change were already worked out by scientists in the nineteenth century. Svante Arrhenius, a Swedish Nobel laureate in chemistry, calculated accurately the effects of doubling the atmospheric concentration of carbon dioxide (CO<sub>2</sub>) (Arrhenius 1896). He correctly calculated that a doubling of the CO<sub>2</sub> in the atmosphere would cause a rise in the mean temperature of the planet of around 5° Celsius. He did not however calculate correctly the growth of human economy and predicted this change to take place in 750 years, when in reality, it will probably happen in only 150.

According to the IEA World Energy Outlook 2012, “no more than one-third of proven reserves of fossil fuels can be consumed prior to 2050 if the world is to achieve the 2 °C goal”

Human farming systems, the locations of plants and animals, the location of cities, key infrastructure and public health have all been shaped by a planet with a stable temperature range during the period of civilization, roughly the past 10,000 years, known as the Holocene. We are now into the Anthropocene, with huge modifications in the temperature of atmosphere and oceans, sea acidity and precipitation patterns caused by climate change.

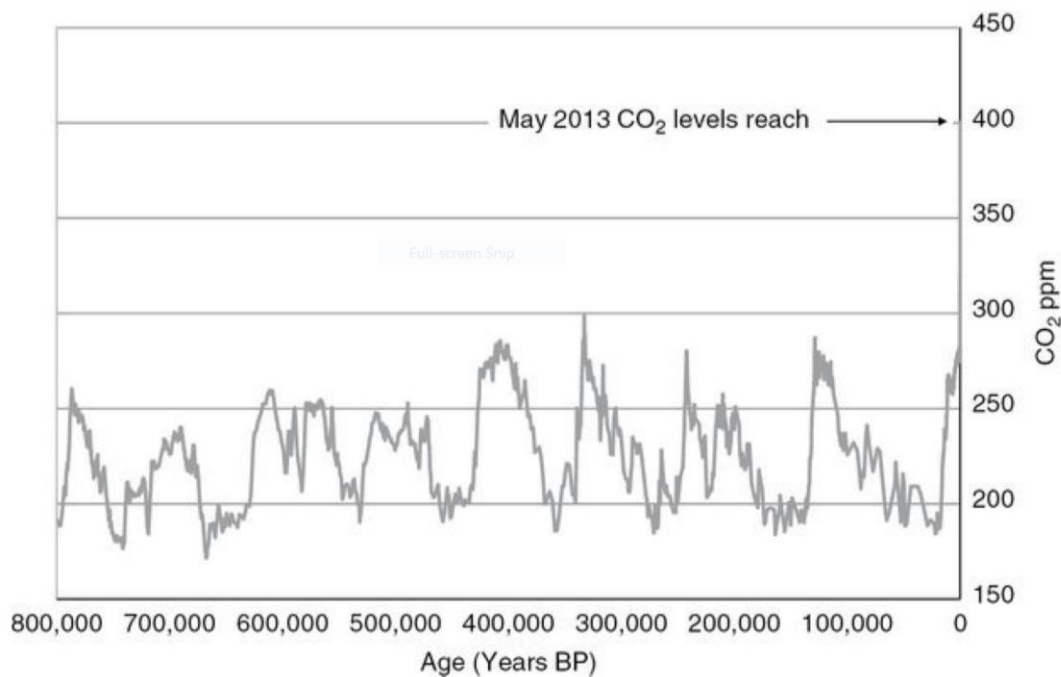


Figure 81: Atmospheric CO2 concentrations in the past 800,000 years (Wright & Nyberg 2015)

The major GHGs are CO<sub>2</sub>, methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and some industrial chemicals called hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF<sub>6</sub>), as well as water vapour (H<sub>2</sub>O). However, CO<sub>2</sub> accounts for 77 percent of the total greenhouse effect of all the molecules.

	Lifetime in the atmosphere (years)	100-year global warming potential (GWP)	Percentage of 2000 emissions in CO <sub>2</sub> E
Carbon dioxide (CO <sub>2</sub> )	5–200	1	77%
Methane (CH <sub>4</sub> )	10	23	14%
Nitrous oxide (N <sub>2</sub> O)	115	296	8%
Hydrofluorocarbons (HFCs)	1–250	10,000–12,000	0.50%
Perfluorocarbons (PFCs)	> 2,500	> 5,500	0.20%
Sulfur hexafluoride (SF <sub>6</sub> )	3,200	22,200	1%

Figure 82: Greenhouse gas characteristics (Stern Review 2006)

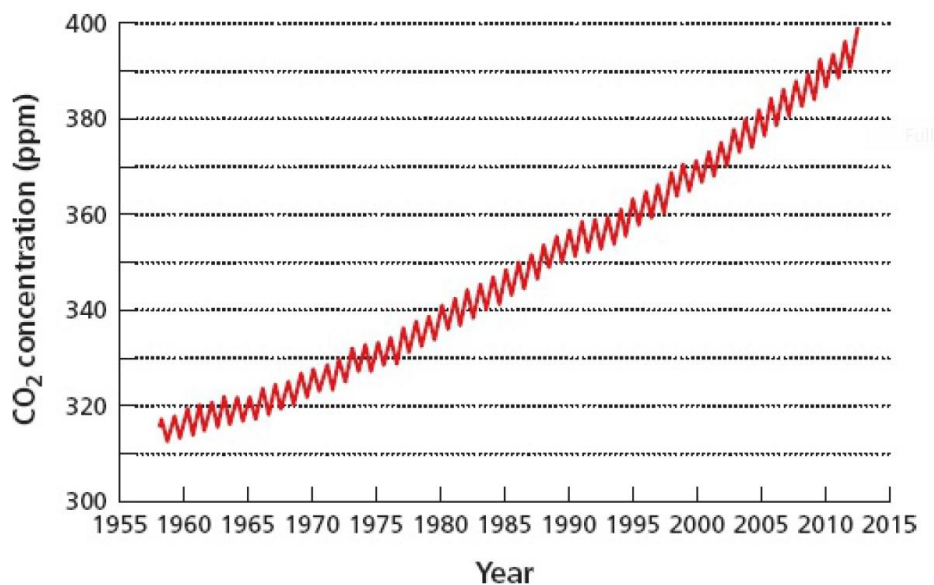


Figure 83: Keeling curve of atmospheric CO<sub>2</sub> concentration (1958-2013) (Sachs 2015)

The temperature of the Earth has warmed by one degree Celsius since the start of the Industrial Revolution. Even if we stopped today to emit GHGs into the atmosphere, the Earth would continue to warm by at least another half degree Celsius, because the oceans take a long time to warm up in response to the GHGs that have already risen in the atmosphere.

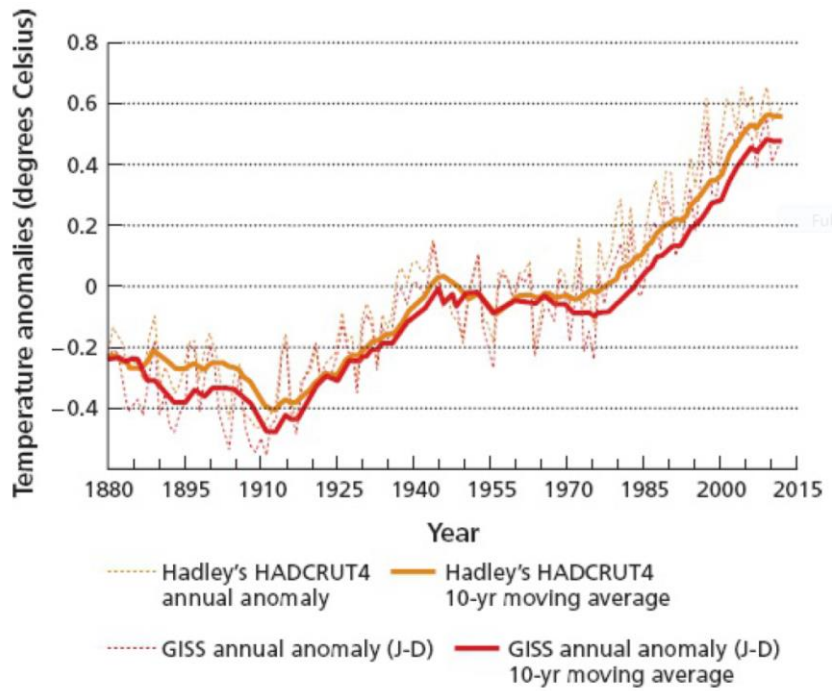


Figure 84: Global temperature deviation since 1850 (NASA)

The Stern Review (2006) prepared the table below, which outlines the potential risks of climate change. The top of the chart shows the various possible concentrations of CO<sub>2</sub> depending on the policies followed. The higher the CO<sub>2</sub> concentrations, the higher the temperature rise. Along the left-hand side of the chart are the various sectors that will be impacted by the temperature increases. These include: food, water, ecosystems, extreme weather events, and major irreversible changes to the Earth's physical systems. If world average temperature raises by 3°C, the danger in every area—food supply, water supply, hazards, and so forth—is in the danger zone. With a 4°C increase, we are contemplating truly catastrophic potential changes.

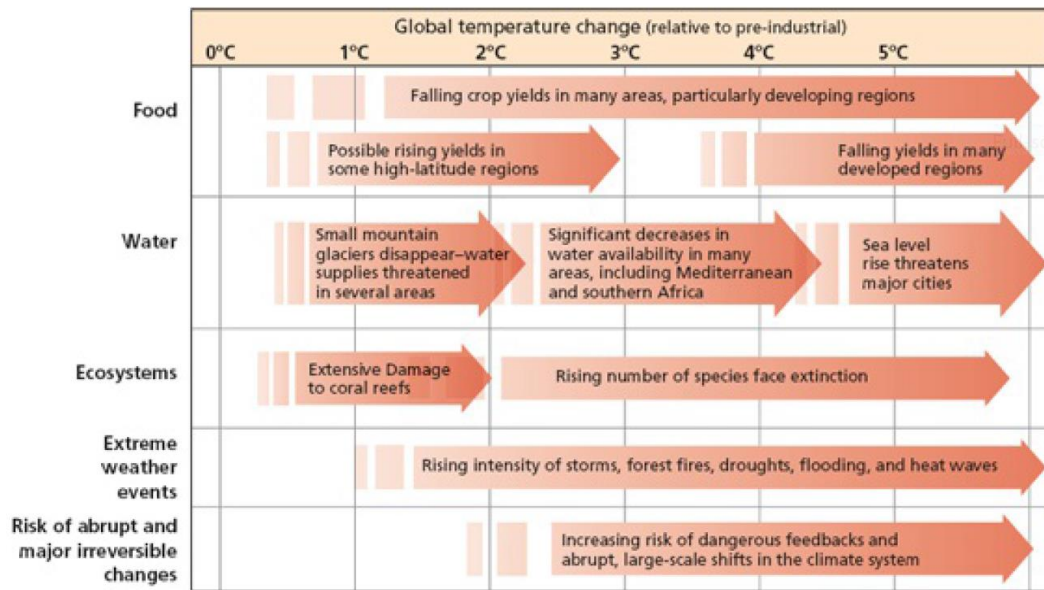


Figure 85: Temperature increases and potential risks (Stern Review Report 2006)

With temperature increases of 5°C or more, the ensuing sea level rise would threaten major world cities, including London, Shanghai, New York, Tokyo, and Hong Kong. If the big ice sheets in west Antarctica and Greenland melt sufficiently or even partially break up into the ocean, the sea level would rise by several meters.

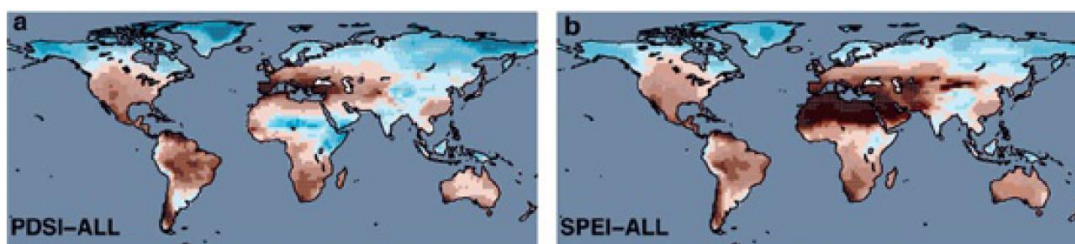


Figure 86: Prospects of drought 2080-2099 (Sachs 2015)

The next most threatening planetary boundary is the loss of biodiversity, which we will analyse in the next section.

## ***7.3 Biodiversity loss and extinctions***

*“Man has lost the capacity to foresee and to forestall. He will end by destroying the earth.” - Albert Schweitzer, Nover Peace Prize*

According to the SRC (2015), changes to ecosystems due to human activities were more rapid in the past 50 years than at any time in human history, increasing the risks of abrupt and irreversible changes. The main drivers of change are the demand for food, water, and natural resources, causing severe biodiversity loss and leading to changes in ecosystems. The current high rates of ecosystem damage and extinction can be slowed by efforts to protect the integrity of living systems (the biosphere), enhancing habitat, and improving connectivity between ecosystems.

According to Sachs (2015), the evolution of life on Earth has created a remarkable diversity of life, somewhere between 10 million and 100 million distinct species, most of which have not yet been catalogued. We depend on biodiversity for our food supply, our safety from many natural hazards (e.g., coastal flooding), countless construction and industrial materials, our freshwater, and our ability to resist pests and pathogens.

Humanity is massively disrupting biodiversity. We are doing so in countless ways, including through pollution, land-use change such as deforestation, human-induced climate change, freshwater depletion, ocean acidification, and nitrogen and phosphorus flux. Many species are declining in numbers, genetic diversity, and resilience. Indeed, countless species face the risk of complete extinction, and prevailing science holds that humanity is now causing the Earth’s “sixth great extinction” wave. As summarized in the following table, the other five extinctions in Earth’s history resulted from natural processes, such as

volcanoes and meteorites, as well as the internal dynamics of Earth itself. This sixth mega-extinction is not natural. It is the result of one species - humans - damaging the planet so severely that we are putting millions or even tens of millions of other species at risk.

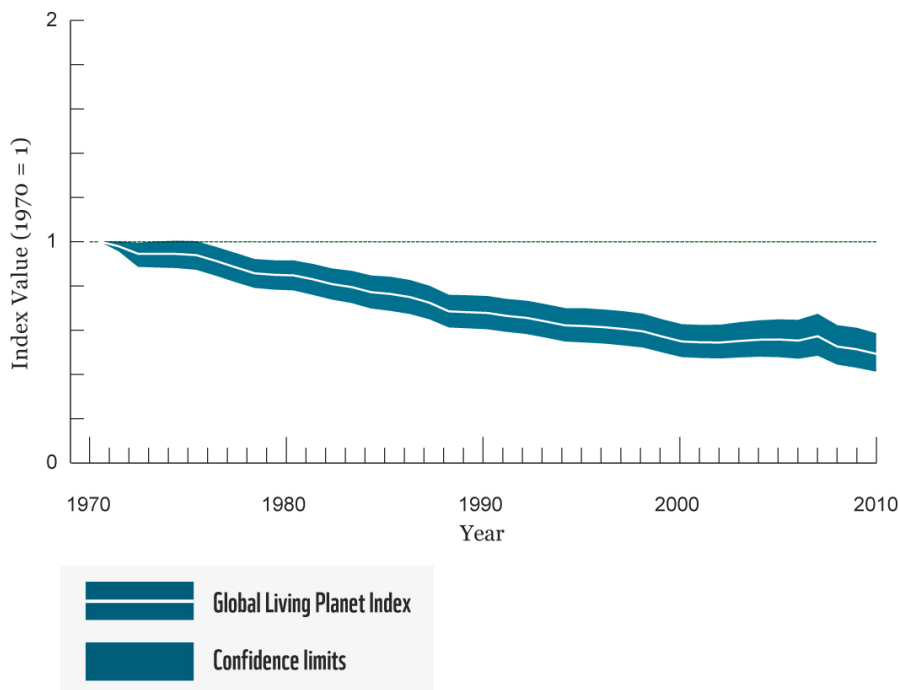
<b>Extinctions</b>	<b>Description</b>
1. End of the Ordovician, 440 millions of years ago (M.Y.A.)	Enormous glaciation and lowering of sea levels; 60 percent of species disappeared.
2. End of the Devonian, 365 M.Y.A.	Glaciation and falling sea levels; possibly caused by a meteorite impact; 70 percent of species wiped out.
3. End of the Permian, 225 M.Y.A.	Huge volcanic eruptions; Earth became winter; 90–95 percent of all species extinct.
4. End of the Triassic, 210 M.Y.A.	Possibly caused by a comet shower; most ocean reptiles extinct; many amphibians extinct.
5. End of the Cretaceous (called the KT extinction), 65 M.Y.A.	Meteorite struck Earth; dinosaurs, marine reptiles, ammonoids, and many species of plants were wiped out; mammals, early birds, turtles, crocodiles, and amphibians less affected.
6. Anthropocene, beginning of 19 <sup>th</sup> century	Human modification of ecosystems through habitat loss, exploitation, climate change, pollution, etc.

*Figure 87: The six great extinctions (source: Sachs 2015, Ruiz)*

According to the WWF Living Planet Report (LPI 2014), the state of the world's biodiversity is worse than ever. The Living Planet Index, which measures trends in thousands of vertebrate species populations, shows a decline of 52 percent between 1970 and 2010. Biodiversity is declining in both temperate and tropical regions, but the decline is greater in the tropics. The tropical LPI shows a 56 per cent reduction in 3,811 populations of 1,638 species from 1970 to 2010. The 6,569 populations of 1,606 species in the temperate LPI declined by 36 per cent over the same period. Latin America shows the most dramatic decline – a fall of 83 per cent. Habitat loss and degradation, and exploitation through hunting and fishing, are the primary causes of decline. Climate change is the next most common primary threat, and is likely to put more pressure on populations in the future. Terrestrial species declined by 39 percent between 1970 and 2010, a trend that shows no sign of slowing down. The loss of habitat to make way for human land use –

particularly for agriculture, urban development and energy production – continues to be a major threat, compounded by hunting. The LPI for freshwater species shows an average decline of 76 per cent. The main threats to freshwater species are habitat loss and fragmentation, pollution and invasive species. Changes to water levels and freshwater system connectivity – for example through irrigation and hydropower dams – have a major impact on freshwater habitats. Marine species declined 39 per cent between 1970 and 2010. The steepest declines can be seen in the tropics and the Southern Ocean.

**The Global LPI shows a decline of 52% between 1970 and 2010. This suggests that, on average, vertebrate species populations are about half the size they were 40 years ago.**



*Figure 88: The Living Planet Index represents the state of biodiversity, 1970-2010 (WWF)*



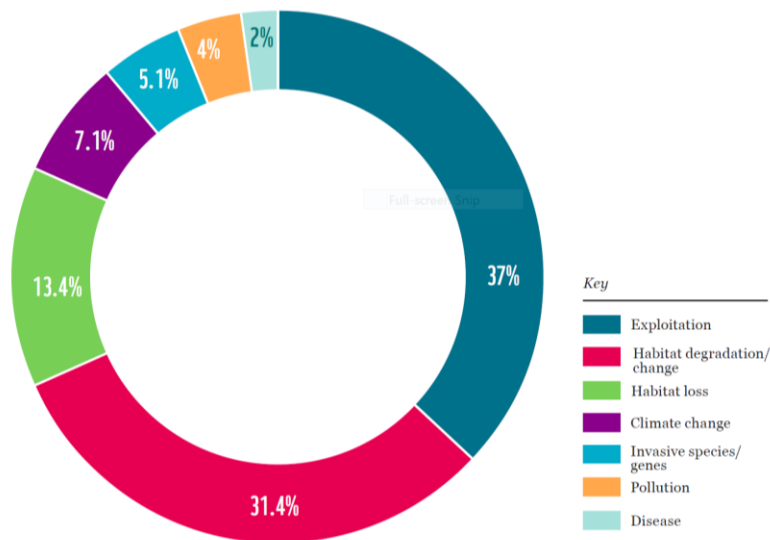


Figure 89: Threats to endangered species (WWF 2014)

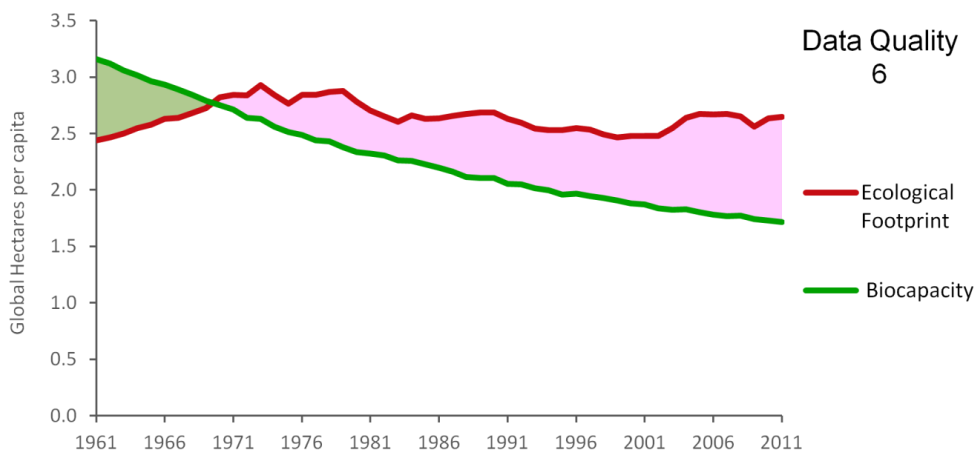


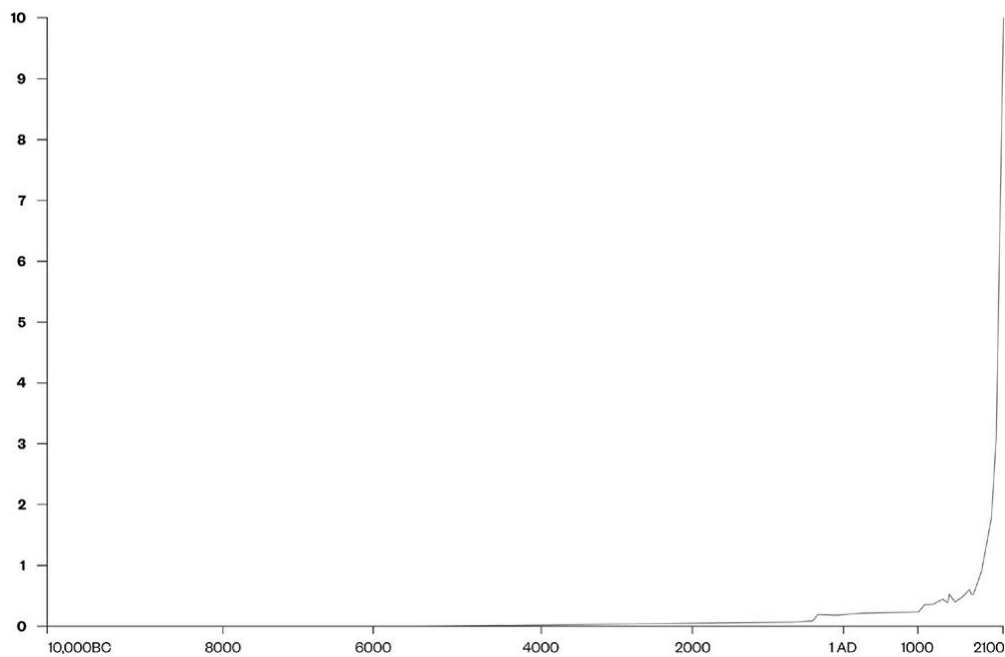
Figure 90: World Ecological Footprint and Biocapacity (Global Footprint Network 2015)

Two of the most important attempts to preserve biodiversity are the 1992 Convention on Biological Diversity (CBD) the core purpose of which is to slow and reverse the loss of biodiversity. The second is the 1973 Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), which tries to restrict trade in endangered species.

According to CEO (2015), biodiversity (which is invaluable and irreplaceable) is the next item on the dirty industry wish list. Business is seeking carte blanche for environmental destruction through the fallacious notion that natural habitats can be ‘replaced’ elsewhere. The evidence shows that biodiversity offsetting can in fact increase biodiversity loss, while at the same time undermining the abilities of communities to resist destructive projects.

The only species that is (explosively) growing is Homo sapiens:

**World Population (Billions)**



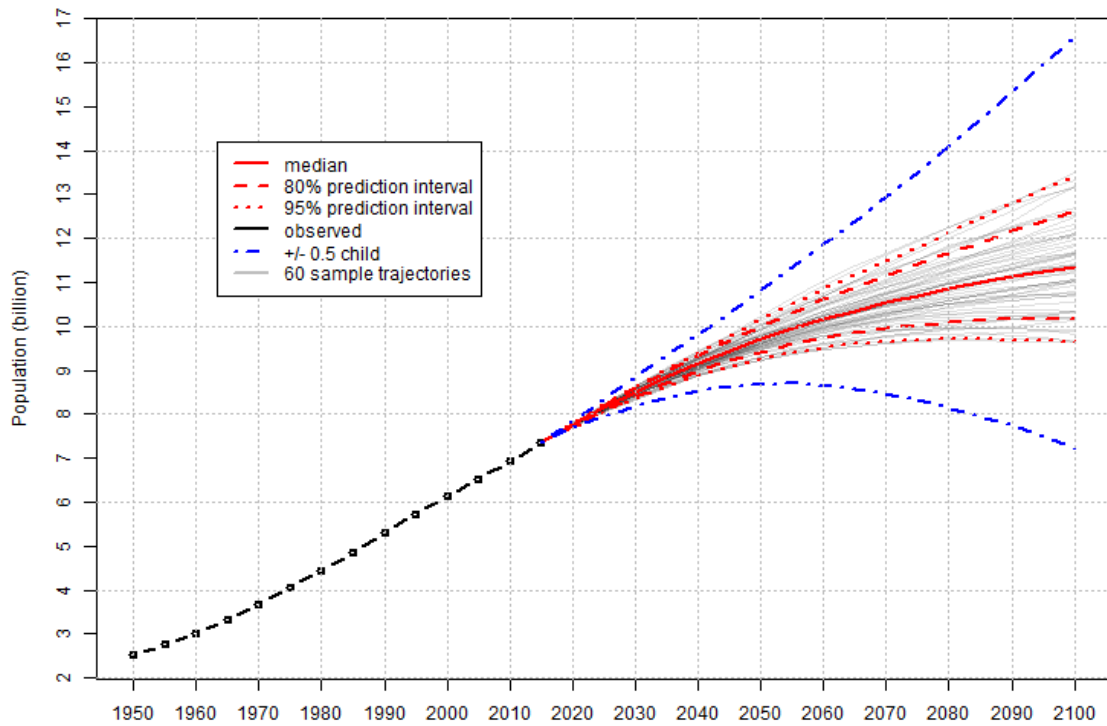


Figure 91: World population projections (source UN-DESA Population Division 2015)

Environmentalists Murtaugh and Schlax (2008) have estimated the extra emissions of fossil carbon dioxide that an average individual causes when he or she chooses to have children. The summed emissions of a person’s descendants far exceed the lifetime emissions produced by the original parent. “In the United States, for example, each child adds about 9441 metric tons of carbon dioxide to the carbon legacy of an average female, which is 5.7 times her lifetime emissions”. A person’s reproductive choices must be considered when assessing his ultimate impact on the global environment.

## ***7.4 The other planetary boundaries***

*“The violence that exists in the human heart is also manifest in the symptoms of illness that we see in the Earth, the water, the air and in living things”. – Pope*

*Francis I.*

Although Climate Change and Loss of Biodiversity are the most damaging elements of the trespassing of the planetary boundaries, the other seven are also threatening the biosphere, especially if we consider the synergies among them.

### **7.4.1 Land system change**

*“Buy land. They’re not making it anymore.” Mark Twain, author.*

According to the SRC, land is converted to human use all over the planet. Forests, grasslands, wetlands and other vegetation types have primarily been converted to agricultural land. “This land-use change is one driving force behind the serious reductions in biodiversity, and it has impacts on water flows and on the biogeochemical cycling of carbon, nitrogen and phosphorus and other important elements.” While each incident of land cover change occurs on a local scale, the aggregated impacts can have consequences for Earth system processes on a global scale. A boundary for human changes to land systems needs to reflect not just the absolute quantity of land, but also its function, quality and spatial distribution. Forests play a particularly important role in controlling the linked dynamics of land use and climate, and is the focus of the boundary for land system change.

According to Sachs (2015), many regions of the world that were once dense forests are now farmlands or cities. The resulting deforestation not only adds CO<sub>2</sub> to the atmosphere (as the carbon in the plants and trees returns to the atmosphere), thus adding to human-made climate change, but it also destroys the habitats of other species. Human land-use change, whether for farms, pastures, or cities, is causing a massive disruption to ecosystems and species survival in many parts of the world.

According to Boekhout (2014), the creation of cattle ranches has been responsible for around 70 percent of deforestation in the Brazilian Amazon, where 70 million cows live, almost three times the number of people. Brazilian beef exports increased fivefold between 1997 and 2003, which made Brazil the world's main beef and leather exporter, four-fifths of the growth coming from within the Amazon. As many of the cattle in the Amazon are grazing on illegally deforested rainforest, they are locally called "pirate cows." The problem of illegal deforestation for cattle is being increasingly acknowledged. The low governmental presence is illustrated by the still-existing slave-like working conditions that particularly occur in the Amazon on some of the cattle ranches (and also on farms growing sugarcane for ethanol production). It is a form of forced labour of workers who are kept in debt bondage and who have armed guards preventing them from leaving. A special governmental task force raids farms and businesses and frees several thousand workers every year, but an estimated 25,000 Brazilians continue to toil in debt slavery conditions.

According to the first *Report on the status of the soil world resources*, published by the FAO in 2015, "the majority of the world's soil resources are in only fair, poor or very poor condition. 33 percent of land is moderately to highly degraded due to the erosion, salinization, compaction, acidification and chemical pollution of soils. Further loss of

productive soils would severely damage food production and food security, amplify food-price volatility, and potentially plunge millions of people into hunger and poverty.”

According to CEO (2015a), climate change will make achieving food security and food sovereignty more difficult. Yet instead of focusing on agroecology and local food systems that empower people, cool the planet, preserve biodiversity and foster food sovereignty, big agribusiness is pushing climate-unfriendly technological fixes that will keep the power in their hands.

International public institutions including the World Bank developed the ‘Climate Smart Agriculture’ approach together with agrifood companies seeking new legitimacy for their damaging practices. Various corporations that drive deforestation, biodiversity loss, soil degradation and water pollution through industrial scale farming, monocultures and Genetically Modified (GM) crops have seized the opportunity to rebrand themselves as ‘climate smart’. These companies are bringing fertilizer-intensive agriculture into the ‘profitable’ parts of climate change: carbon markets and offsets. They are pushing GM seeds, making farmers dependent on seeds and pesticides from biotech giants like Monsanto. GM is not a climate solution, but a real world failure that increases chemical use and the erosion of the seed diversity that will be crucial in adapting to climate change.

Bioenergy Carbon Capture and Storage (BECCS) is another false solution that has been gaining ground. Replacing fossil fuels with biomass, BECCS power plants would capture emissions and pump them underground. But demand for bioenergy (including agro fuels) drives deforestation, more fertilizer use, land grabs, human rights abuses and biodiversity loss.

Mark Malloch Brown, former UNDP Director, estimates that agricultural subsidies cost poor countries US\$ 50 billion of lost agricultural exports per year: “it is a terrible global

market distortion, in which the West spends US\$ 360 billion per year to protect its own agriculture, through a network of benefits and rates that cost developing countries US\$ 50 billion in potential export losses. US\$ 50 billion is almost equal to the official development aid available.”

The present food crisis and the financial crisis have triggered a worldwide cycle of *land grab*. Governments of countries with “*food insecurity*”, who are dependent on food imports to feed their population, are rapidly seizing agricultural lands worldwide, where they can produce their own food outside of their territory. In the middle of the deepening of the financial crisis, greedy food multinationals and private investors see investments in foreign agriculture lands as a new source of substantial income. The result is the gradual privatisation and concentration of fertile land. If no end is put to this process, worldwide land acquisition might signify the end of small scale agriculture and the associated lifestyle in many areas of the world.

Ethiopia is one of the countries with most hunger in the world, with over 13 million people needing food aid; however, the government is paradoxically offering over 7.5 million acres of its most fertile land to developed countries’ investors, and to some of the richest persons in the world, for them to export food to their own countries.

The *International Food Policy Research Institute (IFPRI)* has estimated that between 15 and 20 million hectares of agricultural land (mainly in Africa and Asia) have recently been rented, bought or are under negotiation to produce “*offshore*” food. Likewise, big multinationals are cutting down vast jungle areas to seed industrial crops.

### **7.4.1.1 Construction**

Another harmful land system change is construction. According to *Transparency International* (2005), corruption affects both private and public actors as they compete for a share of the global construction market evaluated in US\$ 3.2 trillion per year. Corrupt practices occur at every phase of a construction project. Some projects would not have passed the planning stage without the motivation of corruption; the awarding of construction contracts is too often tainted with corruption as are the operation and maintenance of projects after the construction is finished. The tender process may be corrupted by international pressure. Through offers of arms or aid, the government of a rich country may influence a developing country to make sure that a company from the rich country is awarded a project, even if it is not the best option. Certain characteristics make the construction sector prone to corruption: the fierce competition for ‘make or break’ contracts; the numerous levels of official approvals and permits; the uniqueness of many projects, which makes it difficult to compare pricing; the opportunities for delays and overruns; and the fact that the quality of work is rapidly concealed by concrete, plaster and cladding. Projects are executed by several small-scale subcontractors creating a maze of transactions that are difficult to monitor.

Corruption in construction also has a direct cost in lives. Sub-standard construction projects, tainted by bribery, injure and kill when they are built in earthquake zones.

Some US\$ 250 billion is spent annually on infrastructure in the developing world alone. Much of this money comes from commercial banks and multilateral development banks (MDBs) such as the World Bank, while privately invested (but government-sponsored) export credit agencies (ECAs) often underwrite large scale projects. Corruption in the



construction sector also ravages the environment. Many projects have progressed only because bribes were paid to ignore environmental and social hazards, often with the collusion of consultants who risk forfeiting future projects if they fail to endorse their clients' interest in promoting new green field investments. Famous projects subject to allegations of bribery include:

- The Yacyretá hydropower project on the border of *Argentina* and *Paraguay*, built with World Bank support, which is flooding the Ibera Marshes. Due to cost overruns, the power generated by Yacyretá is not economically viable and needs to be subsidised by the government. According to the head of Paraguay's General Accounting Office, US\$1.87 billion in expenditures for the project 'lack the legal and administrative support documentation to justify the expenditures'.
- The Jatigede dam on the Cimanuk River, *Indonesia*, has submerged a land area of 49 km<sup>2</sup>, drown 30 villages and displace 70,000 people. Construction is expected to end soon. Environmental experts argue that the Jatigede dam is not needed.
- The reservoir of the Bakun dam in Sarawak, *Malaysia*, which will submerge 700 km<sup>2</sup> of tropical rain forest. The mandate to develop the project went to a timber contractor and friend of Sarawak's governor. The provincial government of Sarawak is still looking for customers to consume the power to be generated by the project.
- The Bataan nuclear power plant in the *Philippines*, which was built at a cost of more than US \$2 billion. The contractor, Westinghouse, admitted paying US \$17 million in commissions to a friend of former president Marcos. The reactor sits on an active fault line, creating a major risk of nuclear contamination if the power plant ever becomes operational.

- The Bujagali dam in *Uganda*, which is currently being investigated for corruption by the World Bank and four different governments after a British subsidiary of the Norwegian construction company, Veidekke, admitted paying bribes to a senior Ugandan civil servant. The cumulative environmental impacts of Bujagali and other dams on the Nile have not been assessed.

## 7.4.2 Ocean acidification

According to the SRC, around a quarter of the CO<sub>2</sub> that humanity emits into the atmosphere is ultimately dissolved in the oceans. There it forms carbonic acid, altering ocean chemistry and decreasing the pH of the surface water. This increased acidity reduces the amount of available carbonate ions, an essential 'building block' used by many marine species for shell and skeleton formation. Beyond a threshold concentration, this rising acidity makes it hard for organisms such as corals and some shellfish and plankton species to grow and survive. Losses of these species would change the structure and dynamics of ocean ecosystems and could potentially lead to drastic reductions in fish stocks. Compared to pre-industrial times, surface ocean acidity has already increased by 30 percent. Unlike most other human impacts on the marine environment, which are often local in scale, the ocean acidification boundary has ramifications in the whole planet. It is also an example of how tightly interconnected the boundaries are, since atmospheric CO<sub>2</sub> concentration is the underlying controlling variable for both the climate and the ocean acidification boundaries, although they are defined in terms of different Earth system thresholds.

The IPCC 2013 report says that “the atmospheric concentrations of carbon dioxide, methane, and nitrous oxide have increased to levels unprecedented in at least the last 800,000 years. Carbon dioxide concentrations have increased by 40 percent since pre-

industrial times, primarily from fossil fuel emissions and secondarily from net land use change emissions. The ocean has absorbed about 30 percent of the emitted anthropogenic carbon dioxide, causing ocean acidification”.

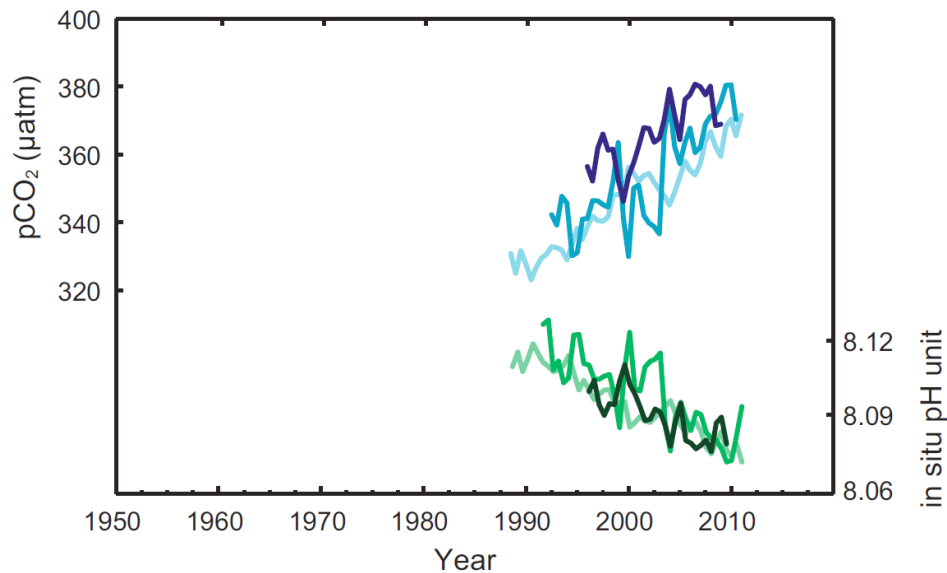


Figure 92: Surface Ocean CO<sub>2</sub> and pH (IPCC 2013)

### 7.4.3 Stratospheric ozone depletion

According to the Stockholm Resilience Centre (SRC), the stratospheric ozone layer in the atmosphere filters out ultraviolet (UV) radiation from the sun. If this layer decreases, increasing amounts of UV radiation reach the ground level. This can cause a higher incidence of skin cancer in humans as well as damage to terrestrial and marine biological systems. The appearance of the Antarctic ozone hole was proof that increased concentrations of anthropogenic ozone-depleting chemical substances, interacting with polar stratospheric clouds, had passed a threshold and moved the Antarctic stratosphere into a new regime. Fortunately, thanks to the actions taken as a result of the Montreal Protocol, this factor appears to be on the path to stay within its boundary. This agreement

is an example of an international regime which has been able to curb the criminal production of ozone depleting materials, which could serve as inspiration for other negotiations.

#### **7.4.4 Chemical pollution and the release of novel entities**

*“Technology, which, linked to business interests, is presented as the only way of solving these problems, in fact proves incapable of seeing the mysterious network of relations between things and so sometimes solves one problem only to create others”. Pope Francis I, Laudato Si, 20 (2015)*

According to the SRC (2015), the emissions of toxic and long-lived substances such as synthetic organic pollutants, heavy metal compounds and radioactive materials represent some of the key human-driven changes to the planetary environment. These compounds can have potentially irreversible effects on living organisms and on the physical environment (by affecting atmospheric processes and climate). Even when the uptake and bioaccumulation of chemical pollution is at sub-lethal levels for organisms, the effects of reduced fertility and the potential of permanent genetic damage can have severe effects on ecosystems far removed from the source of the pollution. For example, persistent organic compounds have caused dramatic reductions in bird populations and impaired reproduction and development in marine mammals. There are many examples of additive and synergic effects from these compounds. At present, the SRC is unable to quantify a single chemical pollution boundary, although the risk of crossing Earth system thresholds is considered

sufficiently well-defined for it to be included in the list as a priority for precautionary action and for further research.

Industrial waste, air emissions, and pollution affect billions of people worldwide. Women and children are the most threatened. Tens of thousands of people die from poisoning each year. Others have their neurological system affected, or have their immune system damaged, or suffer from long term health issues. The WHO estimates that 20 percent of deaths in developing countries can be directly attributed to the effects of pollution. We will examine some well-known cases of toxic pollution.

The *Minamata disease* is a serious and permanent neurological syndrome caused by mercury poisoning. Symptoms include ataxia, numbness in the hands and feet, narrowing of the field of vision and hearing, general weakness, and in extreme cases, paralysis and death. The disease was named after the Japanese city of Minamata, epicentre of the release of the poison methyl mercury in the 1950s. In 1956, when the outbreak was detected, forty six people died. Between 1953 and 1965, 111 deaths and over 400 neurological cases were recorded. Mothers without symptoms gave birth to severely ill babies. In 1968, the Japanese government officially announced that the disease had been caused by fish consumption, which had been contaminated with mercury wastewater produced by the Chisso chemical factory. It is estimated that between 1932 and 1968 when the synthesis process had been replaced with a less polluting one, 81 tonnes of mercury had been dumped in the Minamata Bay. The victims were not compensated until 1996. This case is one of the so-called “four big trials” of environmental responsibility in Japan.

The *Chernobyl* accident, which occurred on 26<sup>th</sup> April 1986 in Ukraine, was the worst nuclear accident in history until the accident of Fukushima in 2011. The disaster began during a test simulating an energy cut in reactor 4 of the Nuclear Power Plant when a

sudden power increase caused the core to overheat leading to the explosion of the hydrogen inside it. The quantity of dispersed radioactive material, estimated as being around 500 times higher than the Hiroshima atomic bomb in 1945, caused the direct death of 31 people, and forced the Soviet Union government to evacuate 135,000 people, and created an international alarm when radioactivity was detected in several northern and central European countries. The consequences of this accident will continue for centuries. Although the Fukushima nuclear disaster is more serious than that of Chernobyl, the real effects of Fukushima will take years to be evaluated and revealed. The Fukushima emergency encouraged countries like Switzerland and Germany to announce their complete withdrawal from further use of nuclear power by 2034 and 2022, respectively. In 2011, the G-8 members met to discuss more regular and intense safety checks for nuclear power plants, and the Italian government plan to revive the nuclear industry was defeated in referendum.

The *Bhopal* disaster in India was one of the world's worst industrial catastrophes. It occurred on the night of December 2, 1984 at the Union Carbide pesticide plant. A leak of *methyl isocyanide* gas and other toxic chemicals from the plant resulted in their exposure to five hundred thousand people. The government of Madhya Pradesh confirmed 3,787 deaths. Other governmental agencies estimate up to 15,000 deaths. Decades after the leak, 390 tonnes of abandoned chemicals continue to contaminate water table in the area. The trial against Union Carbide and its director, US citizen Warren Anderson, is still pending. In June 2010 seven former low level employees were sentenced to two years imprisonment.

The *Probo Koala* accident was an example of the effects of global capitalism. The *Probo Koala* was an oil tanker built in Korea, managed by Greece, with Panama convenience flag, hired by the London branch of a Swiss TNC, which has its fiscal headquarters in the Netherlands, the multibillionaire Dutch oil and metal corporation *Trafigura*. The ship had

stored unrefined petrol. In the summer 2006, the Probo Koala tried to dump its caustic soda tank-washing waste in Amsterdam. To avoid a payment of US\$ 300,000 for the decontamination of its content, the shipping company preferred to take the tanker to the Ivory Coast. Over there, the captain contacted a local company (Tommy) to dispose of the waste for 15,000 USD. On 19<sup>th</sup> August 2006, the Probo Koala offloaded 528 tons of waste into more than a dozen tanker trucks. It consisted of a toxic mix of water, petrol and caustic soda, which released toxic gases, including *hydrogen sulphide*. After loading the waste from the Probo Koala, Tommy waited until midnight. Under cover from the dark, the tankers dumped the waste in 18 public places around the capital, Abidjan. Among them was the main municipal dump, a field near the prison, a drainage canal. During that night, many people felt burning sensations in their eyes, and reported respiratory problems, diarrhoea, nose bleeds, stomach aches, and chest pains. The subsequent tests demonstrated that the poison could cause nervous system paralysis, breathing failure, and death. Over 100,000 Abidjan residents requested medical treatment, and 69 were hospitalised. 15 people died. Public outcry forced the Ivorian government to resign in September 2006.

The oil spill of the offshore British Petroleum platform *Deepwater Horizon* in the Gulf of Mexico was the worst accidental spillage in history. On 20<sup>th</sup> April 2010, a well-head explosion caused the death of 11 people and left 17 injured. The well was 1,500 meters deep, rendering it difficult to repair damages. The spill continues to create very serious consequences for both marine and coastal life, and the fishing industry and tourism.

Michael Klare coined the concept of “extreme energy”. Extreme energy is a range of techniques for the production of energy from unconventional resources which share characteristics of being environmentally damaging or risky. Examples include exploitation of oil sands and shale oil, deep-water drilling, hydraulic fracturing, mountaintop removal

mining, petroleum exploration in the Arctic, and natural gas hydrates. These are techniques that cause enormous environmental damage.

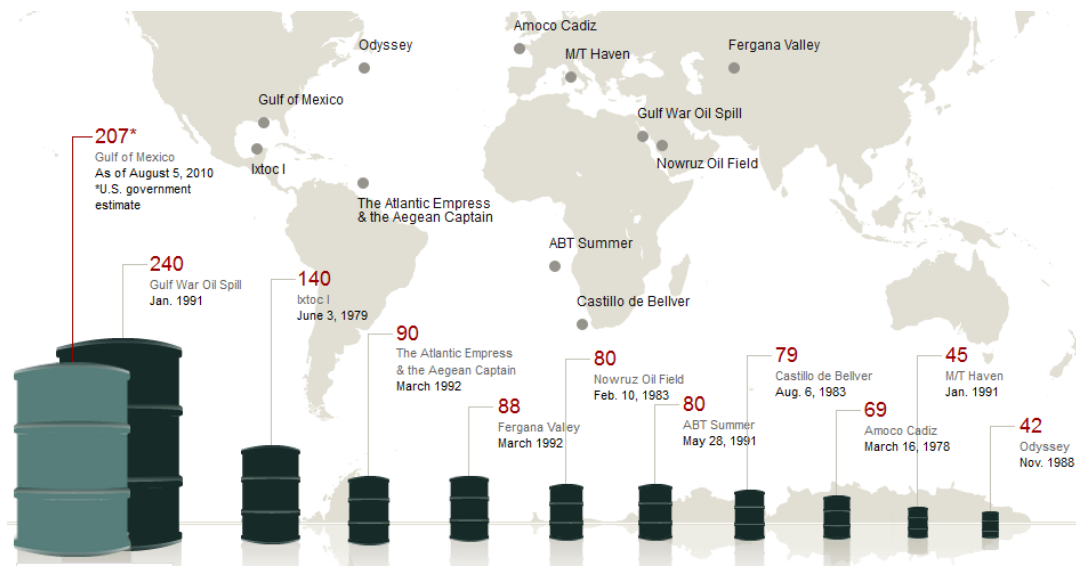


Figure 93: The worst oil spillages in history (millions of gallons, [history.com](http://history.com)).

In Ecuador, *Chevron-Texaco* was responsible for the spill of 19 trillion gallons of toxic water-waste, and the spillage of 16.8 million gallons of oil from a pipeline in the jungle. This ground and water pollution threatened the indigenous population's economic and cultural survival. *Chevron-Texaco* refused to acknowledge the connection between health problems and environmental damages, and left the government with the responsibility for the decontamination process. Amazon indigenous populations have been fighting this situation since 1993.

Nigerian writer, TV producer and activist *Ken Saro-Wiwa* was a member of the Ogoni ethnic group, in the oil area near the Niger delta. He was president of the Movement for the Survival of the Ogoni People, which ran a non-violent campaign against several multinationals' environmental damages, especially Shell. These campaigns met with brutal hostility from the dictatorship of Sani Abacha (one of the big kleptocrats that we saw earlier). Saro-Wiwa was summarily tried and hung in 1995. The accusations were political



and groundless. His execution engendered international indignation and resulted in a 3 year expulsion of Nigeria from the Commonwealth. Saro-Wiwa's family and his companions prosecuted Shell, who agreed to pay compensation of 15.5 million USD in 2009, thus confessing implicitly its guilt.

The *Bougainville Revolutionary Army* (BRA) was an interesting case of environmental rebellion. In the 1990s it engaged in a guerrilla war to protest against the pollution caused by open-pit copper mining in Panguna (by a branch of Rio Tinto Corporation). As the island was subject to embargo by the central government of Papua New Guinea in retaliation, they had no other choice than to recycle materials abandoned by the mining company after they left, to produce electricity using small hydroelectric power stations, to use coconut oil as fuel for their vehicles, and started a guerrilla war with arrows and bows. It was named *the "coconut" environmental revolution* (Hennings 2016).

## **7.4.5 Freshwater consumption and the global hydrological cycle**

*"Even as the quality of available water is constantly diminishing, in some places there is a growing tendency, despite its scarcity, to privatize this resource, turning it into a commodity subject to the laws of the market. Yet access to safe drinkable water is a basic and universal human right, since it is essential to human survival and, as such, is a condition for the exercise of other human rights" - Pope*

*Francis I, Laudato Si, 30 (2015)*

According to the SRC, the freshwater cycle is strongly affected by climate change and its boundary is closely linked to the climate boundary, yet human pressure is now the

dominant driving force determining the functioning and distribution of global freshwater systems. The consequences of human modification of water bodies include both global-scale river flow changes and shifts in vapour flows arising from land use change. These shifts in the hydrological system can be abrupt and irreversible. Water is becoming increasingly scarce - by 2050 about half a billion people are likely to be subject to water-stress, increasing the pressure to intervene in water systems. A water boundary related to consumptive freshwater use and environmental flow requirements has been proposed to maintain the overall resilience of the Earth system and to avoid the risk of “cascading” local and regional thresholds.

According to Sachs (2015), of the total amount of freshwater that humanity uses, about 70 percent is used for agricultural production; 20 percent is used by industry; and the remaining 10 percent is for household use. Freshwater scarcity will be exacerbated by countless other problems: growing populations, industrial use of water (e.g., for mining and power plants), changing rainfall and soil moisture conditions due to human induced climate change, and the loss of meltwater from glaciers as glaciers retreat and eventually are eliminated as a result of global warming.

On the meantime, neoliberal governments are privatizing the distribution of water for profit, provoking stress and protests.

#### **7.4.6 Nitrogen and phosphorus flows**

According to the SRC, the biogeochemical cycles of nitrogen and phosphorus have been radically changed by humans as a result of many industrial and agricultural processes. Nitrogen and phosphorus are both essential elements for plant growth, and fertilizer

production. Human activities now convert more atmospheric nitrogen into reactive forms than all of the Earth's terrestrial natural processes combined. Much of this new reactive nitrogen is emitted to the atmosphere in various forms rather than taken up by crops. When it is rained out, it pollutes waterways and coastal zones or accumulates in the terrestrial biosphere. Similarly, a relatively small proportion of phosphorus fertilizers applied to food production systems is taken up by plants. Much of the phosphorus mobilized by humans also ends up in aquatic systems. These can become oxygen-starved as bacteria consume the blooms of algae that grow in response to the high nutrient supply. A significant fraction of the applied nitrogen and phosphorus makes its way to the sea, and can push marine and aquatic systems across ecological thresholds of their own. One regional-scale example of this effect is the decline in the shrimp catch in the Gulf of Mexico's "dead zone" caused by fertilizer transported in rivers from the US Midwest.

Without fertilizers, yields would still be around 500 kilograms to 1 ton per hectare, rather than the 3–5 tons or more that farmers can achieve on their grain production. Without chemical fertilizers, it would not be possible to feed the 7.2 billion people on the planet. It has been estimated that perhaps 4 billion people today are fed as a result of chemical fertilizers. Each human being needs an intake of 3gr. of phosphorus per day, and there is no other source of phosphorus than mining. The price of food is related to the availability and price of phosphorus.

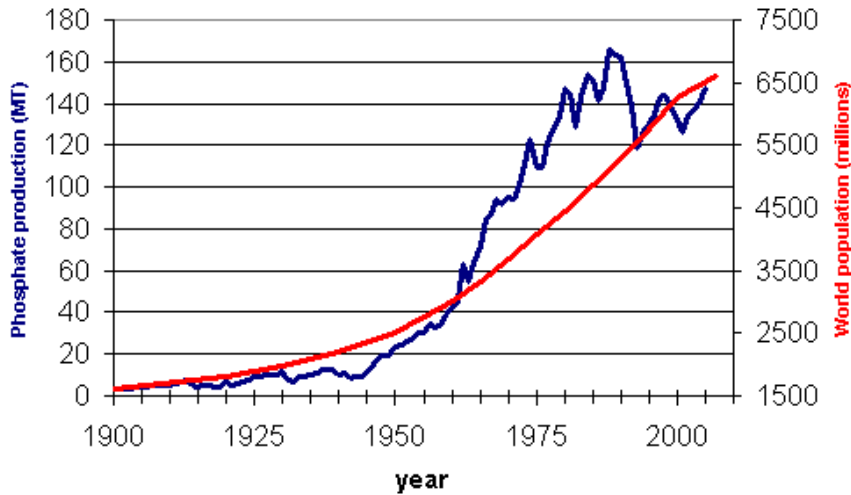


Figure 94: World rock phosphate production vs. world population (source: SRC)

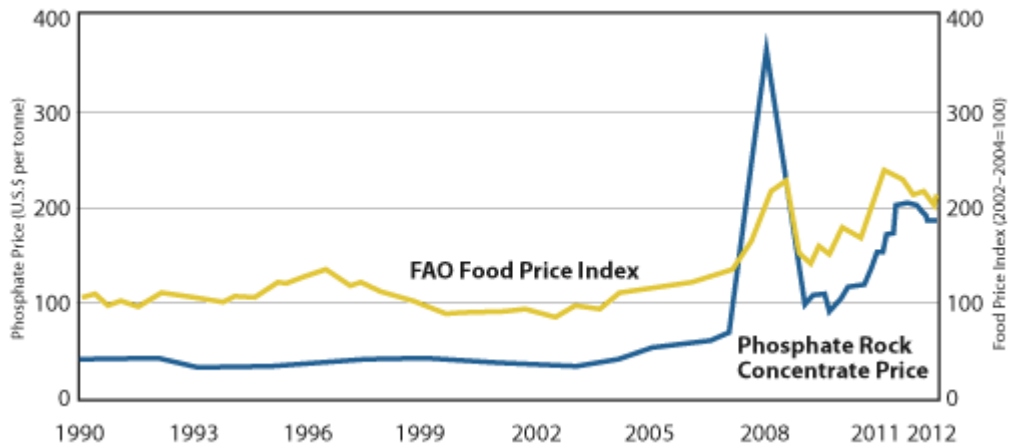


Figure 95: Link between food and phosphate rock prices (source: SRC)

“Peak phosphorus” describes the point in time when the maximum global phosphorus production rate is attained. Phosphorus is a scarce and finite resource and can only be produced through mining. Global phosphorus reserves should be exhausted before the end of the century and peak phosphorus should happen by 2030. Moreover, 70 percent of all the phosphorus comes from one single (contested) country: the Western Sahara.

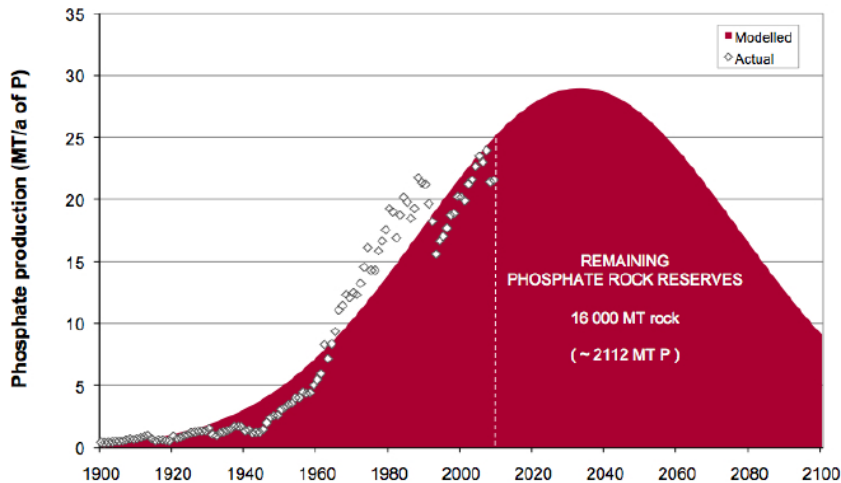


Figure 96: Peak phosphorus curve indicating a peak in production by 2033 (source: SRC)

## 7.4.7 Atmospheric aerosol loading

According to the SRC (2015), an atmospheric aerosol planetary boundary was proposed because of the influence of aerosols on Earth's climate system. Through their interaction with water vapour, aerosols play a critically important role in the hydrological cycle affecting cloud formation and global-scale and regional patterns of atmospheric circulation, such as the monsoon systems in tropical regions. They also have a direct effect on climate, by changing how much solar radiation is reflected or absorbed in the atmosphere. Humans change the aerosol loading by emitting atmospheric pollution (many pollutant gases condense into droplets and particles), and also through land-use change that increases the release of dust and smoke into the air. Shifts in climate regimes and monsoon systems have already been seen in highly polluted environments, giving a quantifiable regional measure for an aerosol boundary. A further reason for an aerosol boundary is that aerosols have adverse effects on many living organisms. Inhaling highly polluted air causes roughly 800,000 people to die prematurely each year. The toxicological and ecological effects of aerosols may thus relate to other Earth system thresholds. However, the behaviour of

aerosols in the atmosphere is extremely complex, depending on their chemical composition and their geographical location and height in the atmosphere. While many relationships between aerosols, climate and ecosystems are well established, many causal links are yet to be determined.

Dishonest corporations however continue to emit aerosols from industry and land use change without any concern of the harmful consequences to society and the biosphere.

## ***7.5 Efforts to address the environmental crisis***

*“If the world doesn’t learn now to show respect for nature, what kind of future will the next generations have?” - Rigoberta Menchú, indigenous leader 1992.*

We will see now the efforts exerted to address the most pressing crisis, which is that of climate change.

### **7.5.1 Mitigation**

Mitigation consists mainly in reducing the GHGs causing human-induced climate change. The world has agreed on several occasions to limit the increase in average global temperature to no more than 2°C above the preindustrial mean temperature. The first mitigation priority is to reduce the CO<sub>2</sub> emissions. The second priority is to stop deforestation, given that forests are an important sink of CO<sub>2</sub>. The third priority is the reduction of CH<sub>4</sub> coming from certain agricultural and non-agricultural processes. The fourth priority is to reduce N<sub>2</sub>O.

The business as usual (BAU) scenario (in red in the figure) would lead to an increase of 7°C in 2100. To contain the temperature hike to 2°C by 2100, the CO<sub>2</sub> emissions have to remain below 450 ppm (the dark blue line in the figure) (in 2015 there were 400 ppm CO<sub>2</sub>), which can only be achieved by a massive reduction of energy consumption and the replacement of the fossil fuels by renewable energy sources like wind, solar, geothermal, hydroelectric, etc. The nuclear energy entails serious, long-term and widespread risks of contamination. The underground carbon capture techniques are risky because they can leak with time, as we have saw in 2015 with the Aliso Canyon methane massive leakage. Biofuels are also a counterproductive solution, as they lead to deforestation in order to cultivate the necessary crops.

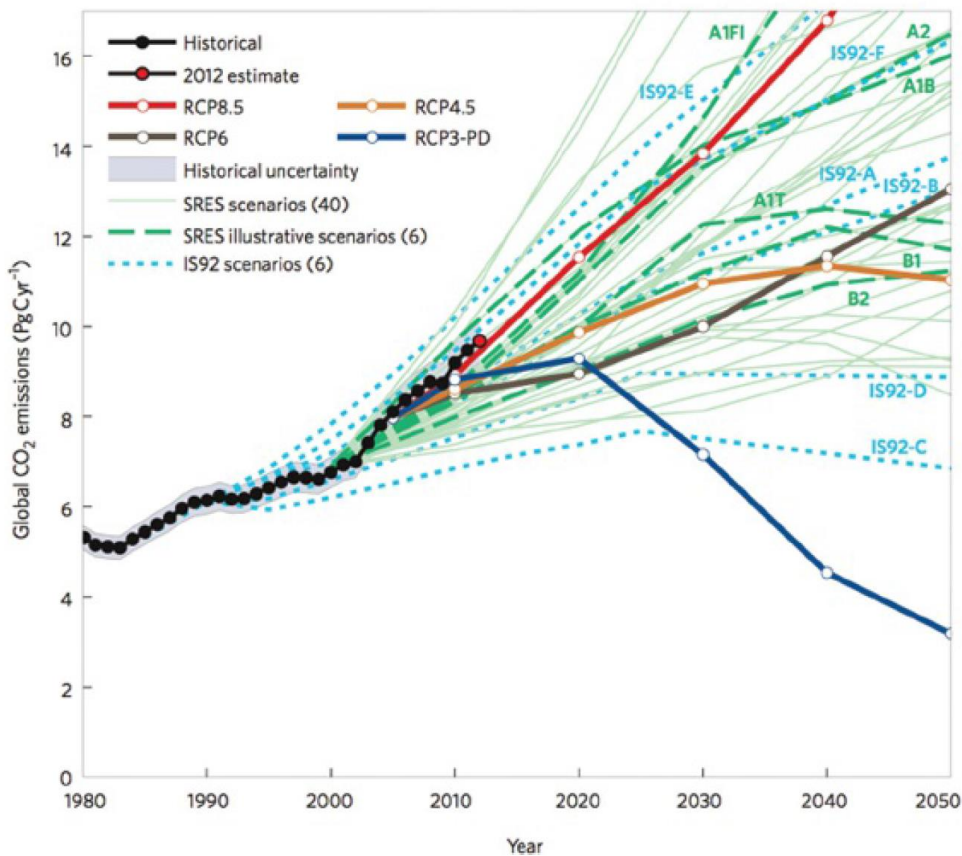


Figure 97: Pathways of CO<sub>2</sub> emissions: estimated CO<sub>2</sub> emissions over the past three decades compared with the IS92, SRES, and the RCPs. (Sachs 2015)

As an example, California, the 12<sup>th</sup> world economy, has committed to a reduction of carbon emissions of 80 percent of the 1990 threshold in the following manner:

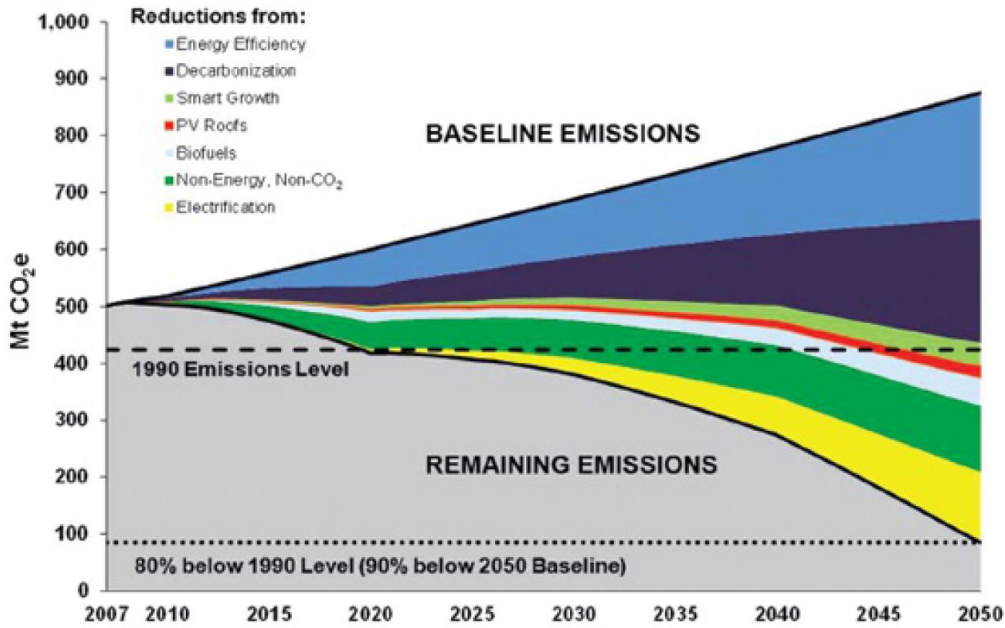


Figure 98: Emission reduction wedges for California in 2050 (Sachs 2015)

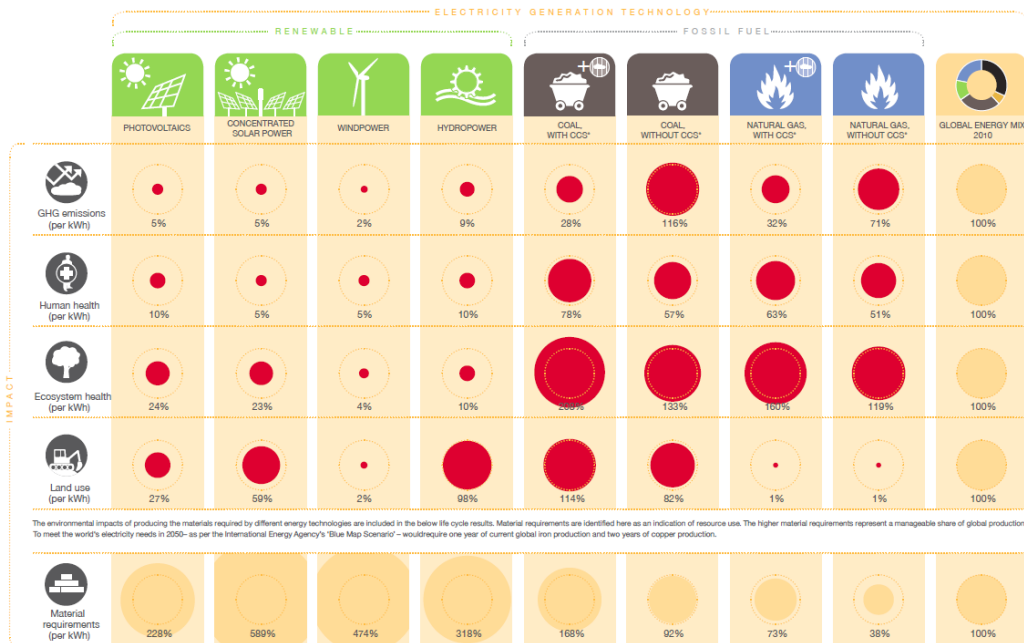


Figure 99: Overview over the life cycle impacts and material requirements of different technology groups compared to the global electricity generation mix in the year 2010 (source:

UNEP)



## 7.5.2 Adaptation

Adaptation is the preparation to live more safely and effectively with the consequences of climate change. Adaptation includes safeguarding cities against storm surges and sea water rise; protecting crops from high temperatures and droughts; and redesigning agricultural technologies to promote more drought resistance, heat tolerance, and flood tolerance in the crops and production systems.

The adaptation process will create new business opportunities, mainly in the construction of infrastructures and in the development of new agriculture techniques, in the treatment of waste, etc. This may give room to the usual corruption system in the allocation of public works. However, the most serious consequences of the environmental changes are impossible to adapt to.

## 7.5.3 The liberal efforts to resolve the crisis

*“With regard to climate change, the advances have been regrettably few. Reducing greenhouse gases requires honesty, courage and responsibility, above all on the part of those countries which are more powerful and pollute the most. International negotiations cannot make significant progress due to positions taken by countries which place their national interests above the global common good. Those who will have to suffer the consequences of what we are trying to hide will not forget this failure of conscience and responsibility”.* Pope Francis I, *Laudato Si*, 169 (2015)

Conscious of the seriousness of the environment threats, liberals have promoted, especially after the oil crisis of the 1970s, a consistent collection of environmental regimes. The international legal environmental framework includes over 270 agreements and instruments. We will focus on the liberal efforts, as the realists are not very conscious of the seriousness of the problem, or may be even tempted to use the regimes to impose hegemony or to join those who deny climate change, as we will see later.

The rise of international environmental law started in 1972 with the Conference on Human Environment. Professor Oran Young has been one of the main promoters of the international environmental regimes. Globalization has also facilitated the participation of NGOs in the regimes to raise public awareness, influence international conferences, and monitor the implementation of agreements by states. In the following chronology, we can find some of the most important environmental efforts in the last decades (Baylis et al. 2014):

<b>year</b>	<b>Event</b>
1946	International Convention for the Regulation of Whaling
1956	UK Clean Air Act to combat 'smog' in British cities
1958	International Convention for the Prevention of Pollution of the Sea by Oil.
1959	Antarctic Treaty
1962	Rachel Carson publishes <i>Silent Spring</i>
1967	Torrey Canyon oil tanker disaster
1969	Greenpeace founded
1971	At the Founex Meeting in Switzerland, Southern experts formulate a link between environment and development
1972	United Nations Conference on the Human Environment (UNCHE) in Stockholm; Establishment of the United Nations Environment Programme (UNEP)
1973	MARPOL Convention on oil pollution from ships; Convention on International Trade in Endangered Species (CITES)
1979	Long-Range Transboundary Air Pollution Convention (LRTAP)

1980	Convention on the Conservation of Antarctic Marine Living Resources
1982	UN Law of the Sea Convention (enters into force in 1994)
1984	Bhopal chemical plant disaster
1985	Vienna Convention for the Protection of the Ozone Layer The Antarctic 'ozone hole' confirmed
1986	Chernobyl nuclear disaster
1987	Brundtland Commission Report; Montreal Protocol on Substances that Deplete the Ozone Layer
1988	Establishment of the Intergovernmental Panel on Climate Change (IPCC) Basel Convention on the Transboundary Movement of Hazardous Wastes
1989	Basel Convention on the Transboundary Movement of Hazardous Wastes
1991	Madrid Protocol (to the Antarctic Treaty) on Environmental Protection
1992	United Nations Conference on Environment and Development (UNCED) held at Rio de Janeiro; Publication of the Rio Declaration and Agenda 21. United Nations Conventions on climate change (UNFCCC) and Biological Diversity (CBD) both signed; Establishment of the Commission on Sustainable Development (CSD).
1995	World Trade Organization (WTO) founded
1997	Kyoto Protocol to the UNFCCC
1998	Rotterdam Convention on Hazardous Chemicals and Pesticides; Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters
2000	Cartagena Protocol to the CBD on Biosafety Millennium Development Goals set out
2001	US President Bush revokes signature of the Kyoto Protocol
2002	World Summit on Sustainable Development (WSSD) Johannesburg; Johannesburg Plan of Implementation
2005	Entry into force of the Kyoto Protocol and introduction of the first international emissions trading system by the European Union
2006	International discussions commenced on the climate change regime after 2012 International Tropical Timber Agreement
2007	Fourth Assessment Report of the IPCC; Bali CoP produces a 'road map' for climate negotiations
2009	Copenhagen climate CoP fails to provide a new international agreement

2010	Nagoya Protocol to the CBD on access and benefit sharing
2011	Durban climate CoP aims to produce a new agreement by 2015
2012	Rio+20 Conference
2013	COP 19 in Warsaw established (voluntary) Intended Nationally Determined Contributions (INDCs) as part of the Paris agreement
2014	Fifth Assessment Report of the IPCC
2015	COP 21 in Paris should have produced a new climate agreement applicable to all parties.

It is unfortunate that there has been limited progress in the resolution of the climate change crisis 23 years after the 1992 Rio Conference. The enormity of the problem does not seem to have encouraged the governments to be more assertive. Moreover, as we will see later, the main fossil fuel related TNCs have lobbied heavily to prevent progress.

Recently though, there has been some court decisions ordering the governments to reduce carbon emissions. In 2015, after a popular complaint, a Dutch court ordered the government of the Netherlands to act on climate change by cutting GHG emissions by 25 percent by 2020. It was the first ruling ordering a government to cut its carbon pollution by a national court that had the power to enforce its decisions. Before this judgement, the only legal obligations on states were those they agreed among themselves in international treaties. It is likely that this case will serve as precedent in other parts of the world. In the USA several groups of children have sued state and federal governments to preserve their future health by reducing GHG emissions. Other similar cases are ongoing in Belgium and Norway through the application of “tort law”. This type of sentences may encourage investors to start divesting from fossil fuels.

In 2015, a group of experts in international law, human rights and environmental law from every region in the world, adopted the *Oslo Principles on Global Obligations to Reduce*

*Climate Change*. They blamed governments and corporations of being in flagrant breach of their legal obligations on climate change - under human rights law, international law, environmental law, and tort law. They argued that any new international agreement will just be an addition to obligations already existing, pressing and unavoidable in existing law. Backed by eminent international lawyers, professors (including Thomas Pogge) and judges, the principles are a model for courts, advocates and lawmakers to act quickly, exemplifying the urgency, conviction and black-letter reasoning required if we are to act before it is too late.

The United Nations Economic Commission for Europe's (UNECE) Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (known as the Aarhus Convention, in force since 2001) is a good model of democratization of an international regime. It establishes a series of rights of the public (individuals and their associations) concerning the environment. The Parties to the Convention are obliged to make the necessary provisions so that public authorities (at national, regional or local level) shall contribute for these rights to become effective. It provides for:

- The right of everyone to receive environmental information that is held by public authorities ("access to environmental information"). In addition, public authorities are obliged, under the Convention, to actively disseminate environmental information in their possession;
- The right to participate in environmental decision-making ("public participation in environmental decision-making");

- The right to review procedures to challenge public decisions that were made without respecting the two aforementioned rights or environmental law in general ("access to justice").

The Deep Decarbonisation Pathways Project (DDPP) is a collaborative global research initiative of 16 industrialized countries to comprehend how individual countries can transition to a low-carbon economies in line with the internationally agreed goal of limiting anthropogenic warming to less than 2°C. Staying within this limit requires global net emissions of GHG to reach zero by 2050. This will entail, more than any other factor, a deep transformation of the energy systems, through sharp declines in carbon intensity across all sectors, a transition called “deep decarbonisation”.

A positive development in the COP21 in 2015 was the participation of sub-state authorities like governors or mayors. In fact these entities can do much to reduce the consumption of fossil fuels through the building standards and the use of electricity. The most prominent one is the governor of California, who has set the most ambitious targets among any other entity, including nation states. The CoP 21 achieved the commitment of all 196 states to avoid a 2C climate warming by 2100, however, the goals are set by nation and are non-binding, and there is no enforcement mechanism. James Hansen, the father of climate change awareness called it “a fraud”.

## **7.5.4 Critical Proposals**

*“People of conscience need to break their ties with corporations financing the injustice of climate change” - Desmond Tutu, social rights activist and bishop.*

According to the academic association Research&Degrowth<sup>7</sup>, sustainable degrowth is a downscaling of production and consumption that increases human well-being and enhances ecological conditions and equity on the planet. It calls for a future where societies live within their ecological means, with open, localized economies and resources more equally distributed through new forms of democratic institutions. Such societies will no longer have to “grow or die.” Material accumulation would no longer hold a prime position in the population’s cultural imaginary. The primacy of efficiency would be substituted by a focus on sufficiency, and innovation would no longer focus on technology for technology’s sake but would concentrate on new social and technical arrangements that will enable us to live convivially and frugally. Degrowth does not only challenge the centrality of GDP as an overarching policy objective but proposes a framework for transformation to a lower and sustainable level of production and consumption, a shrinking of the economic system to leave more space for human cooperation and ecosystems.

Degrowth is a political, economic, and social movement based on ecological economics, anti-consumerist and anti-capitalist ideas. It is also considered an essential economic strategy responding to the limits-to-growth dilemma. Degrowth supporters advocate for the reduction of production and consumption (the contraction of economies) alleging that overconsumption is the cause of long term environmental problems and social inequalities. Crucial to the concept of degrowth is that reducing consumption does not imply individual excessive sacrifices or a reduction of well-being. On the contrary, “degrowthists” aim at maximizing happiness and well-being by non-consumptive ways as sharing work, consuming less, while dedicating more time to art, music, family, culture and community.

---

<sup>7</sup> [www.degrowth.org](http://www.degrowth.org)

The movement grew from concerns over the perception of negative consequences of productivism and consumerism related to industrial societies including:

- The reduced availability of energy sources;
- The declining quality of the environment;
- The decline in the health of flora and fauna upon which humans depend;
- The rise of negative societal side-effects;
- The ever-expanding use of resources by first-world countries to satisfy lifestyles that consume more food and energy, and produce greater waste, at the expense of the third world;

One of the early proponents of Degrowth was the economist Nicholas Georgescu-Roegen in 1971, in his book “*The Entropy Law and the Economic Process*”, in which he claimed that the neoclassical economic model did not consider the second law of thermodynamics by not taking into account the degradation of energy and matter. He associated the economic activity with a surge in entropy, which implied the reduction of resources.

Degrowth is the intentional redirection of economies away from the perpetual pursuit of growth. For economies beyond the limits of their ecosystems, this includes a planned and controlled contraction to get back in line with planetary boundaries, with the eventual creation of a steady-state economic system that is in balance with the Earth’s limits. Degrowth should not be confused with economic decline. As Serge Latouche, a leading thinker on degrowth, explains, “the movement for a *degrowth society* is radically different from the recession that is widespread today. Degrowth does not mean the decay or suffering often imagined by those new to this concept. Instead, degrowth can be compared to a healthy diet voluntarily undertaken to improve a person’s well-being, while negative economic growth can be compared to starvation.” (WWI 2012).



After the 2008 economic crisis, there has been great expectation on its proposals, and International Conferences on Economic Degrowth for Ecological Sustainability and Social Equity were organized. According to D'Alisa (2015) here are some of the concrete proposals to achieve degrowth, which have been adopted subsequently in the programmes of new parties in Europe:

- Promotion of local currencies, elimination of fiat money;
- Transition to non-profit and small scale companies instead of corporate monopolies;
- Increase of local commons and support of participative approaches in decision-making;
- Reduction of working hours and facilitation of volunteer work;
- Reusing empty housing and co-housing;
- Introduction of the basic income guarantee and an income ceiling built on a maximum-minimum ratio;
- Limitation of the exploitation of natural resources and preservation of the biodiversity and culture by regulations, taxes and compensations;
- Minimize the waste recycling with education and legal instruments;
- Elimination of mega infrastructures, transition from a car-based system to a more local, biking, walking-based one;
- Suppression of advertising from the public space;

According to Capellan-Perez et al. (2014), world energy resources are approaching a period of depletion of high-quality fuels, while the decline of the easy-to-extract oil is widely recognized. The end of the era of cheap and abundant energy brings the problem of economic growth in question, stimulating research for alternatives as the de-growth option.

An organized de-growth in the industrialized countries followed by a steady state appears as a valid structure to achieve future human welfare and sustainability. This reduction of consumption may even enhance welfare. Nevertheless, the realization of these targets would imply profound structural changes in the socioeconomic systems together with a radical change in geopolitical relationships.

The NGO European Citizens Initiative has promoted the campaign “*End Ecocide in Europe: A Citizens’ Initiative to give the Earth Rights*”, in which they invite the European Commission to adopt legislation to prohibit, prevent and pre-empt Ecocide, the extensive damage, destruction to or loss of ecosystems. Their main objectives are: (1) To criminalise Ecocide and ensure that natural and legal persons can be held responsible for committing Ecocide according to the principle of superior responsibility; (2) To prohibit and prevent any Ecocide on European territories or maritime territories falling under EU legislation, as well as acts outside the EU committed by EU registered legal persons or EU nationals; (3) To provide for a period of transition to facilitate a sustainable economy.

These ideas go in line with the forecast of a high technology networked economy described by the economist Jeremy Rifkin in *The Zero Marginal Cost Society or the Third Industrial Revolution*. “The capitalist era is passing, not quickly, but inevitably. A new economic paradigm - the Collaborative Commons - is rising in its wake that will transform our way of life. We are already witnessing the emergence of a hybrid economy, part capitalist market and part Collaborative Commons. The two economic systems often work in tandem and sometimes compete”. Not in vain, he has given advice to some of the new southern European parties like the M5 in Italy.

Robyn Eckersley (2004) explores the prospects for "reinstating the state" as a facilitator of progressive environmental change rather than a contributor to environmental destruction.

She is aware that, in spite the new pressures of global economic competition and fast technological change, the state is still the main institution with the capacity and authority to ensure environmental protection. She explores what it would imply to create a “green democratic state” instead of the classical liberal democratic state, the rough growth-dependent welfare state, and the neoliberal market-oriented state. She rethinks a state that would enshrine the principles of ecological democracy with a new role of ecological protector and facilitator of transnational democracy rather than a selfish actor protecting its territory. Eckersley claims that these three elements present the possibility of an ecological world order arising from existing practices, rather than having to develop a new world order. This requires, among other things, addressing the crisis of accountability between those who presently benefit from the production of ecological risks and harms, and those who suffer their consequences now and in the future. The modes of reflexive ecological modernization and globalization that we defend are grounded in a post-liberal, cosmopolitan understanding of “extended responsibility” that is more adequate to a complex, interdependent, and globalizing world (Eckersley & Christoff 2013)

In the “Sustainocene” period, rather than the ideology of infinite economic growth through corporate looting of nature, global artificial photosynthesis should enable a steady state economy and other technological innovations such as domestic nano-factories and e-democratic contribution to local and global governance.

Political scientist Neil Carter (2007, p.65) argues that “there is a consensus over the need for active ecological citizenship because of the recognition that the transition to a sustainable society requires more than institutional restructuring, it also needs a transformation in the beliefs, attitudes and behaviour of individuals.”

There are many other imaginative ideas proposed to confront the challenge of environmental destruction. These radical movements have not had in the past much success in changing the conservative mentalities of elites and non-elites in the short term. But their innovations, or at least their discourse, are ultimately being partially adopted by the establishment in order not to lose influence on citizens during electoral periods. Although the critics do not always have success in implementing their novel ideas, they do shape the political and economic agendas of societies in the long run. Unfortunately, critics are not the only groups trying to influence the agenda of the global environmental crisis, as some darker powerful interests have invested great sums of money to deny that the environmental crisis even exist.

### **7.5.5 Organized Denial/ Agnotology**

*“Currently, the scientific evidence is inconclusive as to whether human activities are having a significant effect on the global climate.” Lee Raymond Exxon*

*Chairman and CEO, 1997*

According to Goldman et al. (2014), companies shape public dialogue around climate change. Corporate messages on the topic have been diverse: from support for international climate negotiations and green marketing campaigns to doubt about climate science and organized denial campaigns. Although companies express concern about climate change or commitment to mitigation, half of the companies studied by Goldman misrepresented climate science in public communications.

Science historian Robert Proctor (2008) coined the word “Agnotology”, the study of *ignorance making*. He claims that we live in an age of ignorance, and that it is important

to understand how this came to be and why. He explores how ignorance is produced or maintained in diverse settings, through mechanisms such as deliberate or inadvertent neglect, secrecy and suppression, document destruction, unquestioned tradition, and myriad forms of inherent (or avoidable) culture-political selectivity.

Influencemap, an NGO dedicated to research on the influence of corporations in the climate change negotiations, has drawn the chart below of a typical climate campaign. Corporations are involved in the development of policy and legislation affecting their business and they consider the need to do this as part of their functioning model. This influence goes beyond the activities with lobbying and includes the control of the public discourse on climate change science and policy through their powerful and generously funded propaganda (advertising, PR, social media, access to meetings) as well as the use of influencers like trade associations and advocacy groups.

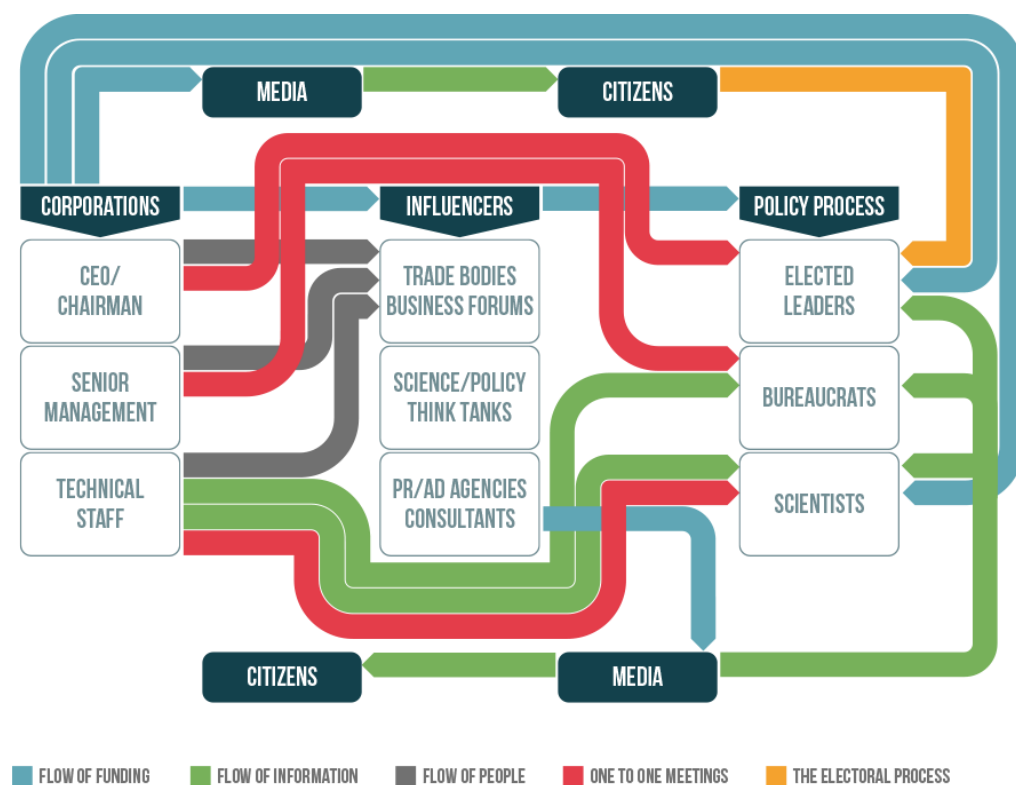


Figure 100: Corporate influence over the policy process (Influencemap)

Next is a table from InfluenceMap with the ranking of corporations according to their influence on climate change policy. The most obstructive ones are at the bottom, in the F band:

Performance Band	Organization	Engagement Intensity	Sector	Region
E+	Boeing	14	Industrials	North America
E+	Merck	15	Healthcare	North America
E+	Bayer	28	Chemicals	Europe
E+	Fiat Chrysler Automobiles	26	Automotive	Europe
E+	Lukoil	13	Energy	Europe
E+	Cargill	16	Materials	North America
E+	Hutchison Whampoa	6	Telecommunications	Asia
E+	Total	38	Energy	Europe
E+	Dow Chemical	27	Chemicals	North America
E+	Schlumberger	11	Energy	North America
E+	Mitsui & Co	12	Commercial Services	Asia
E+	Rio Tinto Group	28	Materials	Europe
E+	CVS Health	11	Retailing	North America
E+	America Movil	10	Telecommunications	North America
E	United Health Group	8	Healthcare	North America
E	BASF	35	Chemicals	Europe
E	Conoco Phillips	19	Energy	North America
E	BP	39	Energy	Europe
E	Caterpillar	18	Industrials	North America
E	Comcast	9	Media	North America
E	Hon Hai Precision Industry	9	Information Technology	Asia
E	Chevron	34	Energy	North America
E	Occidental Petroleum	15	Energy	North America
E	Duke Energy	25	Utilities	North America
E	Reliance Industries	11	Energy	Asia

E	Exxon Mobil	35	Energy	North America
E	21st Century Fox	18	Media	North America
F	Phillips 66	15	Energy	North America
F	Koch Industries	37	Energy	North America

According to Fernandes and Girard (2011), corporations can influence the processes and results of UNFCCC negotiations on climate change in different ways, which go from the direct infiltration in climate negotiations as part of the delegations, to indirect forms of influence such as the funding of UN projects. The capacity of corporations to influence the UN climate agenda through these channels is helped by the “UN’s support for active business participation in policymaking and the creation of specific channels for private sector interaction and input within UN processes”. The main techniques for this are direct lobbying, industry associations, industry events, partnerships and funding.

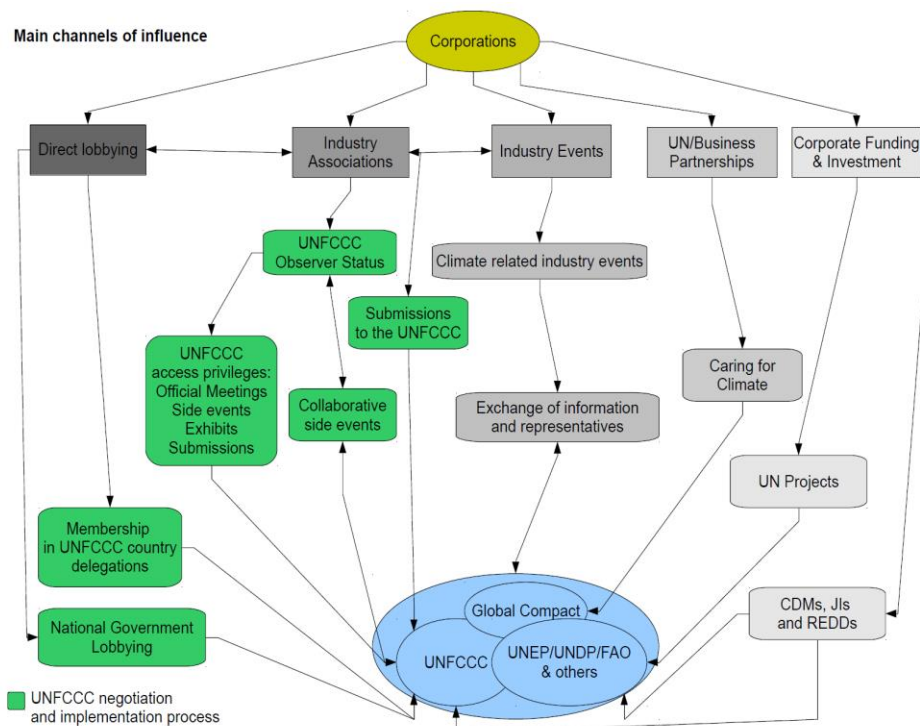


Figure 101: Main channels of corporate influence in climate negotiations (Fernandes and Girard 2011)

In *Merchants of Doubt* Oreskes and Conway (2010) describe how corporations have financed over the decades a group of right wing/ market fundamentalist Think Tanks and scientists to discredit scientific evidence about environmental harms. These researchers started by putting in question the proven fact that tobacco caused cancer. They continued by demonizing biologist Rachel Carson for her campaign against DDT, accusing her of causing millions of deaths of malaria. They tried to cast doubt on the harms caused by asbestos. They claimed that acid rain was caused by volcanic eruptions instead of industrial pollution. In the last decades, they have spread doubt in the mainstream media about the scientific consensus on the existence of climate change and on the fact that the anthropogenic fossil fuel emissions are the cause. The common strategy of these campaigns consists in discrediting the science, spreading confusion and promoting doubt, tactics that were introduced in the 1970s. As with the tobacco or the GMO industries, each additional



day that the industry can sell fossil fuels represents an additional profit of billions of dollars for the shareholders. For them the end justifies the means, even if it implies the future destruction of the planet.

According to sociologists Dunlap and McCright (2011), the denialists have also broadened their tactics well beyond engineering uncertainty, increasingly criticizing peer-review, refereed journals, governmental grant making, scientific institutions and the expertise and ethics of scientists, which is an “assault on scientific practices, evidence, and institutions which weakens a major mechanism of reflexive modernization.”

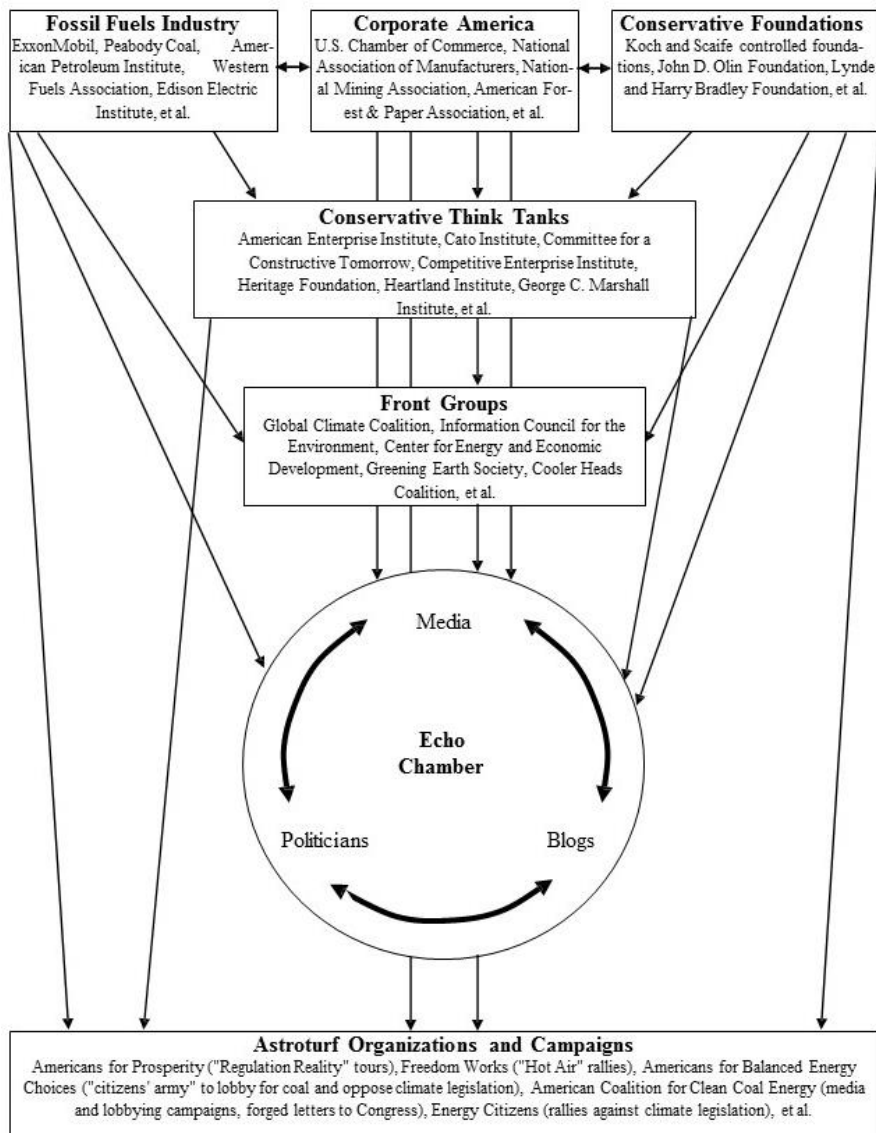


Figure 102: Key components of the climate change denial machine (Dunlap & McCright 2011).

Environmental sociologist Robert Brulle (2014) analysed the funding dynamics of the organized effort in the USA to prevent the initiation of policies designed to limit the carbon emissions that are driving anthropogenic climate change based on IRS information. The efforts of the Counter Climate Change Movement (CCCM) span a wide range of activities, including political lobbying, contributions to political candidates, and a large number of communication and media efforts that aim at undermining climate science. The sizable amount of undisclosed funding, or “dark money” involved in the CCCM obscures its resource mobilization practices. However, enough information is available to document

that a number of major conservative foundations have clearly played a crucial role in the development and maintenance of the CCCM.

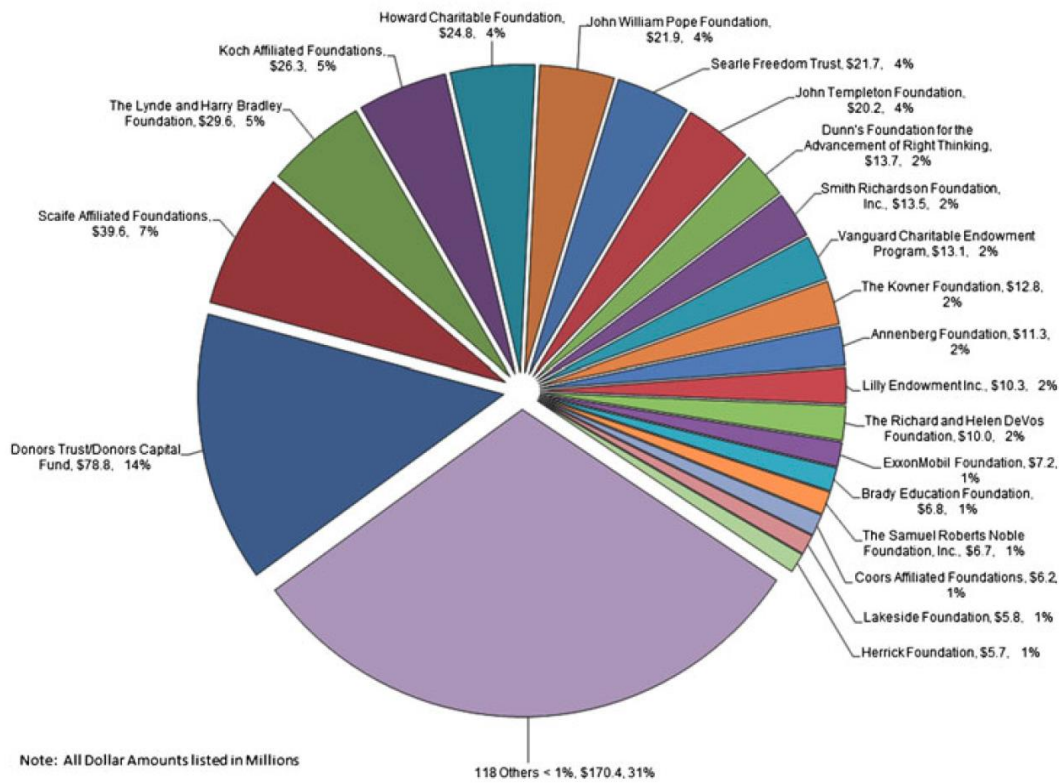


Figure 103: Total foundation funding distribution – 2003 to 2010 US climate change counter-movement organizations (Brulle 2014).

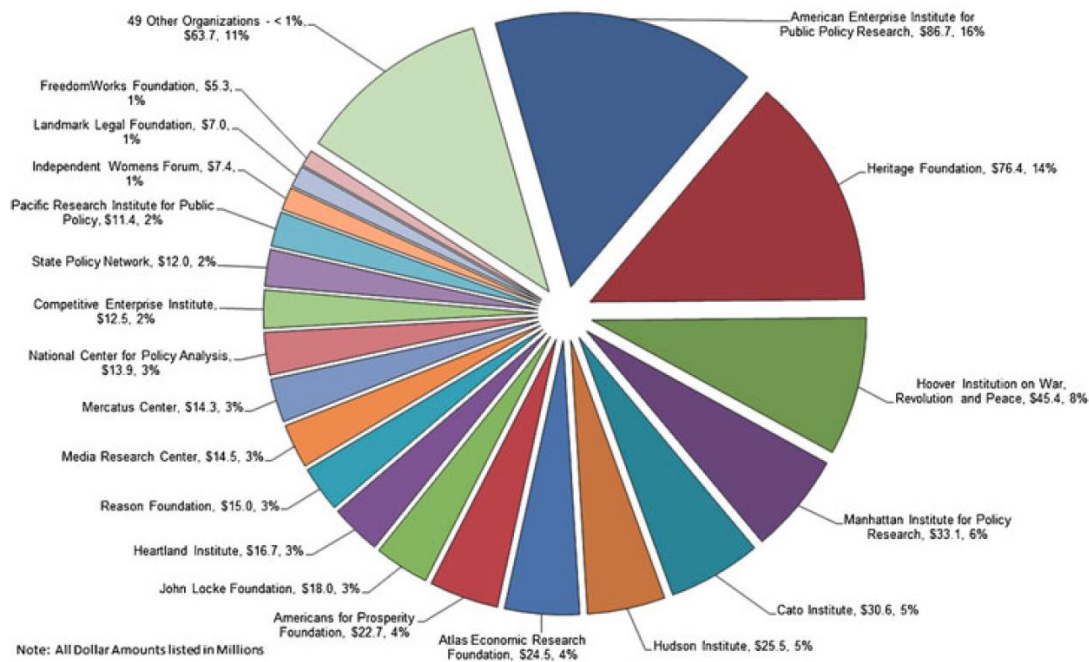


Figure 104: Total Foundation Recipient Income Distribution – 2003 to 2010 US Climate Change Counter-movement Organizations (source: Brulle 2014)

A recent Greenpeace undercover investigation (Greenpeace 2015) revealed how fossil fuel corporations can secretly pay academics at leading American universities to write research that spreads doubt about climate science and promotes the corporations’ commercial interests. Presenting themselves as representatives of fossil fuel corporations, Greenpeace reporters proposed to academics from Princeton and Penn State to draft articles promoting the benefits of CO<sub>2</sub> and the use of coal in developing countries. The professors agreed to prepare the reports and said that they were not obliged to reveal the source of the funding. One scientist from Penn State said that all his work is published as an independent academic. Another prominent climate-sceptic scholar agreed to draft a report for a Middle Eastern oil company on the benefits of CO<sub>2</sub> and to allow the company to keep the source of the funding secret. A coal giant company paid tens of thousands of dollars to a scholar who produced coal-friendly research and provided testimony at USA climate hearings. The Donors Trust, an organisation that has been described as the “dark money ATM” of the US

conservative movement, confirmed in a taped conversation with an undercover reporter that it could anonymously channel money from a fictional Middle Eastern oil and gas company to US climate sceptic organisations.

During the COP21, a group of climate deniers met in Paris in the (unknown) presence of a journalist (Ramsay 2015). The deniers agreed on their deceitful messaging agenda as follows:

- Focus on adaptation
- The carbon cycle is much faster than the UN says.
- CO2 is beneficial to the biosphere
- There is no problem with ocean acidification
- Solar factors are the major drivers of climate change
- We want to see an increasing use of fossil fuel, especially the least expensive, coal
- The relative insignificance of the human contribution to atmospheric composition
- The solutions to the supposed climate crisis are far more damaging than the possible problem
- Global warming is a natural consequence of deglaciation
- In a warming world, extreme storms decrease
- Wind turbines cause more CO2 than coal and kill birds.
- Policy makers & mainstream media have been deceived into thinking there is only one side
- Sea level rise is not happening.
- We are not climate change deniers

- People today are experiencing problems due to natural climate change
- Working people's jobs are being destroyed
- There is no policy that is better than doing nothing
- We don't need any middle man (the UN) if we wish to help people in foreign countries

Every one of these points is, of course, contrary to universally accepted science. Nobody was investigated for conspiring to cause harm to the biosphere. The environmental laws still seem to be dictated by a small powerful minority within the global elites. The attention of the global citizenship was deviated during the days of the COP 21 to an unhelpful air bombardment of the city of Raqqa in Syria instead...

Recent examples of corporate misconduct in the field of climate change are the cases of the Volkswagen fraud that programmed the emissions meters of their vehicles to reduce the consumption of their engines when they detected being tested, and thus declare less GHG emissions than they produced in reality.

In *The Road Not Taken*, environmental reporter Banerjee (2015), describes how Exxon conducted cutting-edge climate research decades ago and then pivoted to the forefront of climate denial, manufacturing doubt about the scientific consensus that its own scientists had confirmed. Other companies (Krauss 2015) (e.g.: BP, Shell, Chevron, as well as some manufacturing companies), also members of the Global Climate Coalition and the American Legislative Exchange Council, which started by actively opposing the engagement of the USA Government in the Kyoto Protocol, are also suspected of similar fraud. New York attorney general's office believes that Exxon Mobil, along with other fossil fuel companies, could be held liable for violations of the USA Racketeer Influenced and Corrupt Organizations Act (RICO) if it turns out that the companies actively worked

together to suppress knowledge about the reality of Climate Change. In 2015 it opened an investigation that may lead to legal actions against all of the companies.

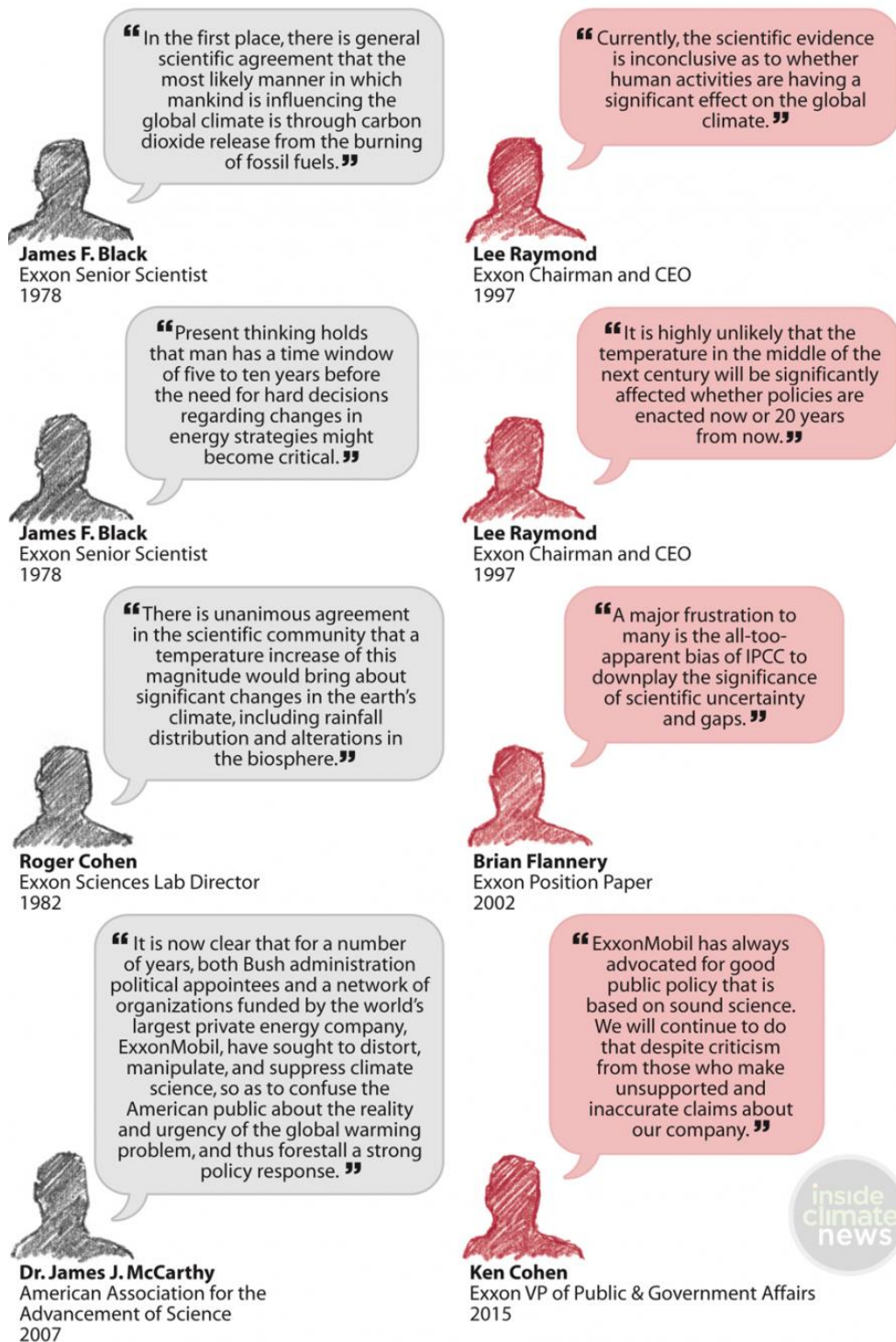


Figure 105: Exxon: Science vs. Misinformation (source: Inside Climate News)

The NGO Corporate Europe Observatory denounced the undue influence that the corporate world is exerting on the COP 21 to push for false climate solutions. These include carbon markets, natural gas including shale, carbon capture and storage, agro fuels, GM crops, and



nuclear power: all disguised in reassuring phrases like “green economy”, “sustainable growth”, and “climate smart agriculture”. Multinational corporations, supported by public institutions, have mastered the art of dressing up their dirty business model as tomorrow’s climate “solutions”. It is however clear that business as usual will fail to prevent catastrophic climate change, and will lock us into a system dependent on fossil fuels. Moreover, it will continue to destroy the livelihoods of local communities as their environments are sacrificed at the altar of corporate profit. They regret that, rather than standing up to these powerful and self-serving corporations, the UNFCCC has granted them a lead role in designing the “solutions”. They think that meaningful change is impossible as long as industry is seated at the table and treated as a partner. The only real solution is to keep fossil fuels in the ground and to make a transition towards truly renewable - and not corporate-dominated - energy. If governments are serious about tackling climate change, these corporations should not be sponsoring the COP; they should not be inside the COP; and they should not have their events endorsed by the COP. As a positive example, the World Health Organization, confronted with the destructive lobby tactics of the tobacco industry, managed to create a firewall between industry and public officials at all levels. World leaders should do the same with the fossil fuel industry and other big polluters.

It is this kind of activities that we can consider as criminal, as they fit into the definition of “serious, wide-spread and long-term harm caused to humans and the environment”. Especially when there is evidence that they continued to emit GHGs after they knew with scientific certainty the damage they were causing.

The NGO Oilchange International (2014) estimates that G20 countries are spending US\$ 88 billion every year in fossil fuels exploration subsidies. This is propping up the

development of oil, gas and coal reserves that cannot be exploited. At least two thirds of proven reserves of oil, gas and coal need to be left in the ground to avoid heating the planet more than 2C. And this is happening in spite of the fact that in 2009 the G20 pledged to phase out inefficient fossil fuel subsidies. This is double the amount that the 20 main private oil and gas companies invest in exploration per year, which proves that they are highly dependent on public finance. If all the subsidies worldwide are considered, they could range between US\$775 billion and US\$ 1 trillion in 2012.

In the next section we will analyse the environmental harms caused by armed conflict.

## ***7.6 War Crimes, the Environment and the Livelihoods of the Population under Armed Conflicts***

Armed Conflict is a situation that receives a very particular treatment by international law, and the protection of the environment in this situation deserves a particular attention. Moreover, International Humanitarian Law is older than most environmental treaties and therefore more developed, and the content of the former could inspire the latter.

Despite the protection offered by important legal instruments, the environment continues to be the silent victim of armed conflicts worldwide. Armed conflicts cause severe damage to the environment and to the communities that are dependent on it for its natural resources. Direct or indirect environmental damage, together with institutional breakdown, represents a threat to the populations' health, their livelihoods and their security, and, ultimately it

compromises the peace-building process after conflicts. Illegal resource exploitation and trafficking fuels and prolongs armed conflicts, especially in countries where governance and institutions have been weakened or collapsed. Because one of the main themes of peace-building is access to the property of natural resources, its protection should urgently be reinforced during armed conflicts. Lasting peace cannot be achieved if natural resources, vital for the economy, are damaged, degraded or destroyed. The International Community has not had much success in demanding responsibility for environmental damages caused by armed conflict, with one notable exception: the responsibility of Iraq for environmental damage caused during the Gulf War in 1990-1, including the payment of billions of US\$ in compensation to Kuwait.

There are four main groups of international agreements to protect the environment during armed conflicts: Humanitarian International Law, International Criminal Law, International Environmental Law, and Human Rights Law.

International Humanitarian Law is the eldest of them, and can be considered as the most developed. This thesis encourages taking inspiration on IHL for the development of other international law. In fact, at the core of this thesis is its proposal of definition of TOC, inspired in articles 35 and 55 of Protocol 1 of the Geneva Convention:

*Severe, widespread and long-term harm caused to society or the environment by an organized group with the purpose of obtaining an economic profit.*

The qualification of “severe, widespread and long-term” is an excellent way to distinguish a serious harm from a mild one, although these terms should still be clearly defined for different crimes.

As proposed by a UN study published in 2009 (UNEP 2009), the protection of the environment in armed conflict could be enhanced in IHL in the following manner:

- The adjectives “*widespread, long-term and severe*” in articles 35 and 55 of Protocol 1 of Geneva Convention, should be clarified;
- A permanent UN organisation should be established to control environmental violations and to deal with possible environmental crimes;
- The UN should clearly define the concept of “*conflict resources*”, and articulate a sanction response mechanism and monitor its implementation.
- A new legal system is necessary to protect places of critical importance in terms of natural resources or ecological significance.
- Environmental Protection should be included in the Statute of the International Criminal Court.

Apart from the famous cases of the destruction of the oil the fields in Kuwait during the first Gulf war already mentioned, and the NATO bombing of infrastructure in Serbia in 1999, we can mention two other important cases of environmental destruction in time of war:

- *The Draining of the Mesopotamian Marshes* by Saddam Hussein in 1991, with the aim of destroying its inhabitants who had rebelled against him. This is a clear case of the use of the environment for political goals. It was called an *Ecocide*, because it combined the destruction of the ecological system with the genocide of the Maadan people.
- The use of *Agent Orange* during the Vietnam war, that caused enormous environmental damage in Indochina, and ultimately led to the drafting of two of the main environmental protection instruments in case of war: the ENMOD

(1976 *Convention on Environmental Modification Techniques*) and *Protocol 1 of the Geneva Convention (art. 35 and 55)*. Unfortunately, a derivative of Agent Orange, Roundup, is currently used in Colombia to destroy coca fields.

## **7.7 Conclusions**

*“These situations have caused sister earth, along with all the abandoned of our world, to cry out, pleading that we take another course. Never have we so hurt and mistreated our common home as we have in the last two hundred years.” –*

*Laudato Si, Pope Francis.*

Climate change is a new global development that has been revealed through scientific research. Although the greenhouse effect was discovered in 1896 by Arrhenius and confirmed all along, only in the last years has the average citizen started to feel directly its effects: record high temperatures, extreme climatic events, droughts, sea level rise, changing seasons, reduction of crop yields, etc. We have seen the enormous efforts done by the largest corporations to hide the knowledge about climate change, in order to continue making some of the largest profits in the world without casting a bad conscience to the consumers. The importance of knowledge in this question is therefore paramount. Industry, the captured governments and the embedded media have been able to conceal the information for decades from the public, and have even managed to block any substantial progress regarding the mitigation of climate change through lobbying and fraud for 21 UNFCCC CoPs.

*Realists* have difficulties to react to the global environmental crisis, because of their focus on national matters, while environmental change is a global issue “par excellence”. They may be concerned by such a serious matter, and may even support international agreements to keep it under control, but they will not be able to provide the necessary leadership to a problem that is essentially global. In the worst case, industrialized countries will avoid compensating developing ones for the relative gains of the past, thus blocking the negotiations. Because of their lack of engagement regarding the environmental crisis, they may easily fall prey to industry lobby groups, especially when they come from a TNC from the same country. In this vein, they may agree to include large corporations’ representatives in decision making or invite them to be part of governmental delegations.

For *liberals*, the global environmental crisis is a serious matter and should be addressed through international agreements, as has happened since the 1972 Stockholm Earth Summit. However, in spite of the huge multiplication of regimes, and with some notable exceptions like the Montreal Protocol on the ozone layer or the Aarhus Convention, the results are limited, and the environment has continued to degrade exponentially. This is probably due to the fact that nature is considered as an “externality” in the liberal ideology, which is not a priority compared to the sacrosanct economic growth. As we have seen, the tobacco, fossil fuels, asbestos, pesticide, GMO and other harmful industries have even been ready to finance fake science to cast doubt on the harmfulness of their products and processes. The liberals therefore, in spite of their good faith and inclination for the proliferation of international regimes, have difficulties to address the present environmental crisis, because they are too close from the economic interests. In particular, liberals are not ready to support serious reductions in the consumption of fossil fuels which is still necessary for the “growth imperative”.

*Critics* think that the only way to mitigate the environmental crisis is through a complete overhaul in the way the economy and politics work. Humanity should start a process of economic de-growth. For critics, consumerism should be reduced; production should serve humans and nature; finance should serve production and not be an economy of its own, hidden in secrecy jurisdictions; waste should be recycled; energy should be renewable; trade should be fair and sustainable; dangerous products should be forbidden; nature should be protected; agriculture should be ecological; and even the number of human beings should decrease. However, such an ambitious agenda in a globalized world can only be implemented by a strong cosmopolitan citizenship and governance that will coordinate the actions of the states, and control the spaces beyond the reach of the states, the offshore spaces. Only a cosmopolitan system will have the leverage to harmonize the global production of energy, the control of the offshore finance, the flows of toxic products, the protection of biodiversity, the regulation of trade, the redistribution of global wealth, and even the control of extremely harmful behaviours like war.

The environmental crisis is essentially a production crisis. Human beings have endeavoured all their history to produce as much as they could in order to allow their civilization to survive. Until the industrial revolution their capacity of production was limited to what they could obtain from the plants through photosynthesis. In the industrial revolution they started to use the energy that the plants had accumulated during millions of years under the earth in their fossil form. This triggered also an unprecedented growth of population. It was the technical progress in energy, industrial production, agriculture and health that permitted this transition. And it is only through new technologies and knowledge that human beings can manage to mitigate this crisis through a “third industrial revolution” (Rifkin 2011).

Unfortunately, there are very powerful “harm entrepreneurs” who want to continue to profit from old fashioned forms of economy, like that of “infinite growth”, even if this causes the destruction of our common house, the biosphere. These behaviours need to be controlled urgently, and policed by a cosmopolitan body, that will be legitimate and strong enough to screen itself from lobbying and revolving doors, and that will have authority over the offshore spaces where most of these harmful activities are based.

The financial power is very influential in environmental TOC, as it is for financial gain that all the environmental damage is done: heating the planet, destruction of species, poisoning of human beings, depletion of soil, polluting the environment, etc. Finance needs to be put back to its initial function, which is to support production, instead of being the engine of the economy. Production also needs to be put at the service of human needs, and not profit. Ultimately human beings need to reduce the production of offsprings to a level which is sustainable in a finite planet.

The welfare may be the most harmed of the structures. The environmental crisis harms all kinds of rights of the biosphere, including the rights of human beings.

A useful development in the security field is the “securitization” of the environmental degradation. It is one way to enhance the profile of this crucial problem, in order to facilitate its urgent solution. On the other hand, traditional security threats are being triggered by the environmental crises, like desertification, food crises, extreme meteorological events, reduction of crop yields, migrations, etc.

But the main field of contention regards knowledge. On one side are the scientists, who are accurate and categorical in their evaluations and predictions: human beings are destroying the biosphere and it is urgent to react to recover a stable situation. They have even quantified this destruction, they have done predictions regarding its evolution, and are



giving clear recommendations regarding what to do and when. On the other side, is the financial power of corporations with their powerful lobbies, bribes to politicians and (some) scientists, control over the mainstream media who spread doubt on the veracity of science and twist the political decisions in their favour. In the middle are the citizens whose capacity to shape political decisions through the democratic vote is dwindling, and in any case are systematically misinformed by the corporate media.

Cui Bono? Clearly, the beneficiaries of the climate manipulations are big corporations (mainly those related to fossil fuels), their leadership, their investors, and the politicians with whom they are associated, the TCC in summary. This is however a very fragile situation, as it does not even benefit the offsprings of the TCC, who will have to live in a planet degraded by the greed of their progenitors. The victims of this crisis are all the rest of life in the biosphere.

<b>Environmental crime and Structural Power</b>			
<b>Structural power</b>	<b>Ideas</b>	<b>Institutions</b>	<b>Capabilities</b>
<b>Security</b>	The environmental is being securitized to facilitate its protection. Science is paramount to deal with the environmental crisis. Lobbying, lies, greenwashing and propaganda are the weapons of corporations.	The existing international regimes are not strong enough to protect the earth from an environmental disaster. Cosmopolitan government should coordinate governments and control “offshore” spaces.	Military security has been part of the problem (e.g.: invasion of Iraq), and cannot do much to resolve it. The environmental crisis can trigger terrible human security problems. The internet has contributed to spread widely the information, in spite of corporate media manipulations and agnotology.
<b>Production</b>	Infinite growth ideology is contrary to a solution to the environmental crisis. The prevailing ideology of growth should change to de-growth.	Regimes to control the production of harms for profit are insufficient, as they are being outpaced by powerful “harmful entrepreneurs”. Cosmopolitan and de-growth governance could contribute to a solution.	Although the technology to produce clean energy exists, the FFIs intend to continue extracting until exhaustion of total reserves and destruction of the planet through climate change. 2/3 of fossil fuel reserves should remain in the ground.

<b>Finance</b>	Prevailing neoliberal speculative finance is contrary to resolve the environmental crisis.	The lack of controls on global finance facilitates operations of destructive industry.	FFIs being some of the most profitable industries, they have the support of the financial and political power. Stock exchanges should control the financing of FFIs.
<b>Welfare</b>	Humans and biosphere should be the object of new political ideologies rather than old fashioned profit, state or god. The new problems of future harms and intergenerational justice are paramount. Even traditional religions (e.g.: Pope Francis I) are taking part in the debate.	Human Rights Law is helpful, but not enough to confront environmental crisis. Institutions like IPCC consolidate the synthesis of the complex climate science.	The reduction of the size of the human population should be addressed without taboos.
<b>Conclusions</b>	Humanity is just now starting to realize the enormity of the problem of trespassing planetary boundaries. Ill-intended entrepreneurs have done all efforts to hide and delay a solution, although the scientific knowledge existed for decades. Trespassing planetary boundaries should urgently be “criminalized” through regimes. A new type of political economy that will permit the survival of the biosphere should be implemented urgently. A cosmopolitan government would be useful to enforce the rule of law “offshore”.		

Next we will examine the threats of TOC to peace.

# 8 Threats to Peace and International Security

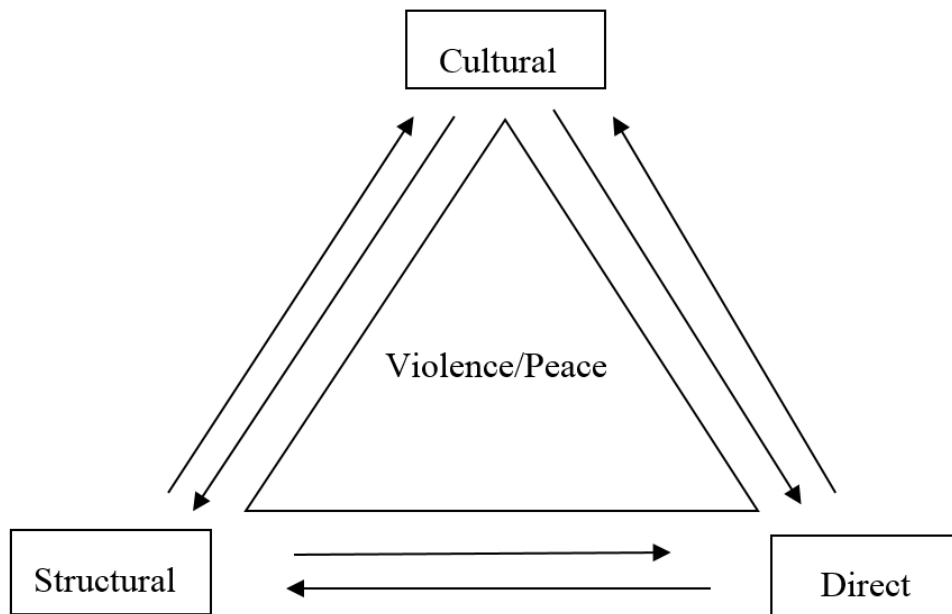
*“Many of them, so as to curry favour with tyrants, are betraying their brothers and making their blood spurt forth for a handful of coins or through bribery or corruption.” Emiliano Zapata, Mexican revolutionary leader, 1911.*

During his first mission as a peace operator in a post conflict situation, the author of this thesis received advice from a veteran and senior UN official on the art of analysing the drivers of violent conflicts in the field: *“Follow the money line”*. Her advice resulted being very pertinent and led to incisive diagnosis and prognosis in later missions, and sometimes even to imagine and effective therapies. Certainly, on some occasions the process of conflict transformation ended up threatening established interests, and triggered negative reactions. On some occasions, this author had to change jobs to avoid personal threats, which is a good evidence that he was on the right track (Ruiz, 2011).

The concept of international security has “become elastic in recent years” (Krasna 1996). Its study covers "security studies", "strategic studies" and "peace studies". In fact, all sectors of human activity can be “securitized” if needed. Buzan et al. (1998) cite the Military, the Environmental, the Economic, the Societal and the Political sectors of security. The concept of security has “widened and deepened” (Buzan & Hansen, 2009) and is now considered as a social construction which is shaped by the discourses that define it, and has new approaches like the post-colonial, the feminist and the critical ones. It has shifted from being focused on the state, to encompass collective security, and is now more concerned by the security of the citizen and the environment in a wider conception.

## 8.1 Theories of Violence and Peace

In order to analyse the threats of TOC to peace, we will build on the theories of *peace* and *violence* of the most renowned scholar in the field, Johan Galtung. Galtung distinguishes between three types of violence (and hence three corresponding types of peace) in global politics. First, is the “*direct*” violence of the conventional literature, which refers to the deliberate infliction of pain, such as war, torture or inhuman and degrading punishment. Direct violence consists usually of an event. Second, Galtung refers to “*structural*” violence, that includes ‘*misery*’ (e.g.: the deprivation of the fundamental material needs for shelter, clothing, food and water); ‘*repression*’ (e.g.: the loss of human freedoms to choose one’s beliefs and speak on their behalf); and ‘*alienation*’ (violence against one’s identity and non-material needs for community, as well as one’s relations with others). *Structural violence* is rather a process than an event in terms of temporal framework. Finally, by ‘*Cultural Violence*’ he means those aspects of culture that can be used to justify or legitimize *direct* or *structural* violence. Cultural violence is located in the *longue durée* temporal framework. Cultural violence can happen in several domains, as in religion and ideology, language and art, empirical and formal science. “The three types of violence (or peace) can be visualized in the shape of a *triangle*. Violence can start at any corner of the triangle and is easily transmitted to the other corners. With the violent structure institutionalized and the violent culture internalized, direct violence also tends to become institutionalized, repetitive, and ritualistic, like a vendetta”. (Galtung 1996).



## ***8.2 Threats to Direct Peace***

*“The consciousness of being at war, and therefore in danger, makes the handing-over of all power to a small caste seem the natural, unavoidable condition of survival” - George Orwell, Nineteen Eighty-Four*

The *Freedom from Fear* school within the concept of Human Security seeks to limit its practice to protect individuals from violent conflicts while recognizing that these violent threats are strongly associated with poverty, lack of state capability and other forms of inequities. This approach claims that limiting the attention to violence is a realistic and manageable approach to achieve Human Security. Emergency assistance, conflict prevention and resolution, peace-building are the main aspects of this approach. Canada, for example, was critical of the landmines banning and has included the "Freedom from Fear" agenda as a primary component in its own foreign policy. Still, whether such

“narrow” approach can really guarantee more results remains to be seen. It is clear that the international community has a Responsibility to Protect human beings from violent practices by Organized Criminals, especially in the form of Mercenaries, Warlords, Mafias, or predatory guerrillas.

However, these concepts are defined by the governments of the wealthy countries, and most of the so-called *Humanitarian Interventions* have been much contested. A recent example was the military operation of NATO to change the regime of Muammar Gaddafi in Libya, with the excuse of protecting civilians, which brought anarchy to a country that formerly had the highest HDI in Africa. Another controversial example was the NATO occupation of Kosovo, which ended up supporting a government with close links to organized crime. In fact, many officials of its government (including Prime Minister Hashim Taçi) are suspected of being part of gangs involved in different traffics, including that of human organs and heroin.

Charles Tilly said that “if protection rackets represent organized crime at its smoothest, then war making and state making - quintessential protection rackets with the advantage of legitimacy - qualify as our largest examples of organized crime” (Tilly 1985, 169).

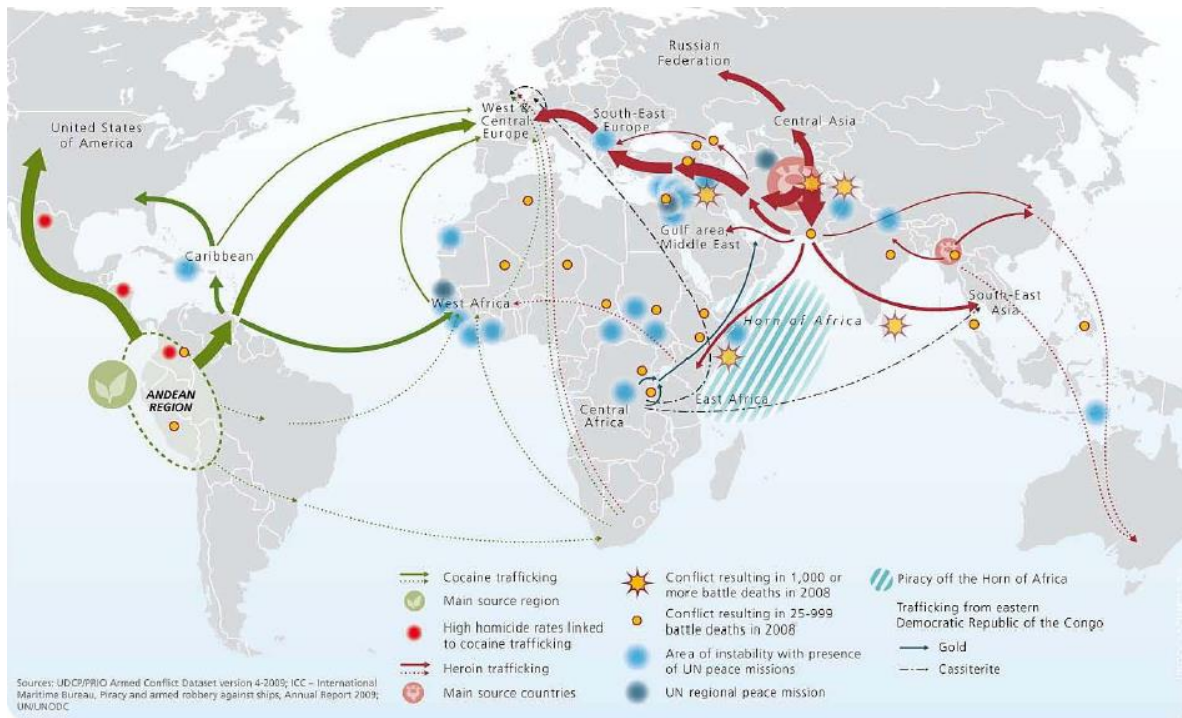


Figure 106: Transnational Organised Crime and Instability (UNODC)

Transnational organised crime can represent a serious threat even for strong states, but when the rule of law and governance has already been weakened, it can represent a real threat to its stability. When crime of this nature undermines governance and stability even further, countries can be trapped in a vicious circle where social trust is lost and economic activity is weakened.

Cases of this kind are the countries where insurgents and illegal armed groups obtain rents through the taxation of illegal activities, especially drug trafficking, or the direct management of these activities. Southwest Asia, Southeast Asia, and the Andean region are examples of this and, not by chance, conflict zones in these areas have turned into the main centres of illicit drug production worldwide. Given the lack of external funding of the kind that used to be available during the Cold War, rebel and illegal armed groups' incomes depend on the territories they control, and these unstable areas are often wrecked by the illegal drugs trafficking. The profits of crime can be so high that rebel fighters can

forget their grievances, and give in to their greed. Even in cases where this does not happen, drugs pay for the cost of weapons, ammunitions and other supplies, and gives fighters such a power that they become reluctant to sit at a negotiation table.

However, drug trafficking is not organised crime's only activity able to finance rebellions and illegal armed groups. As the Democratic Republic of Congo case shows, insurgents can mine and illicitly trade natural resources in the areas they control, generating revenue for the leaders which massively exceed those they could ever obtain in peace time.

Some of the world's poorest countries have thus been deprived of their most valuable resources, and their environment has suffered terrible damage as a consequence. Africa is particularly vulnerable to this kind of abuse, as demonstrated by the wars for diamonds in Angola and Sierra Leone, or the Niger Delta conflict, driven by the oil business.

Organised crime can become even more serious when rebels take exclusive control of a part of the country. The subsequently created pseudo-states are not internationally accountable, and when they are strategically located, they often turn into centres for the trade of all kinds of illicit goods and services. They also constitute a threat for national and international security, becoming the shelter for international fugitives, especially terrorists.

Nevertheless, the conflict areas are not the only places where transnational organised crime can represent a threat to the State. There are some regions of the world where criminals have become so powerful that, not only they elude the Government, but they even manage to confront it. In these cases, some symptomatic patterns tend to appear. Investigators, prosecutors and judges that chase organised criminals are the target of threats and assassinations. Journalists and activists can also be victims of this persecution. Corruption reaches the highest levels of government and the security forces can end up paralysed as a result of mistrust. The State could effectively be prevented from controlling some areas of



the country. This is the present situation in many areas of South and Central America, Western and the Horn of Africa, as well as Afghanistan and Pakistan, which have suffered from violence and instability for a long time.

According to GIATOC (2015), since 2000, the number of UN Security Council resolutions, statements and debates relating to organized crime have increased. In 2005, there was only one statement, while in 2014 there were twenty-eight resolutions referring to organized crime or illicit flows (see below). While resolutions have concentrated mainly on Africa, the Security Council has debated wider set of contexts, including Afghanistan and Central America, as well as thematic debates on corruption, drug trafficking, piracy and terrorism.

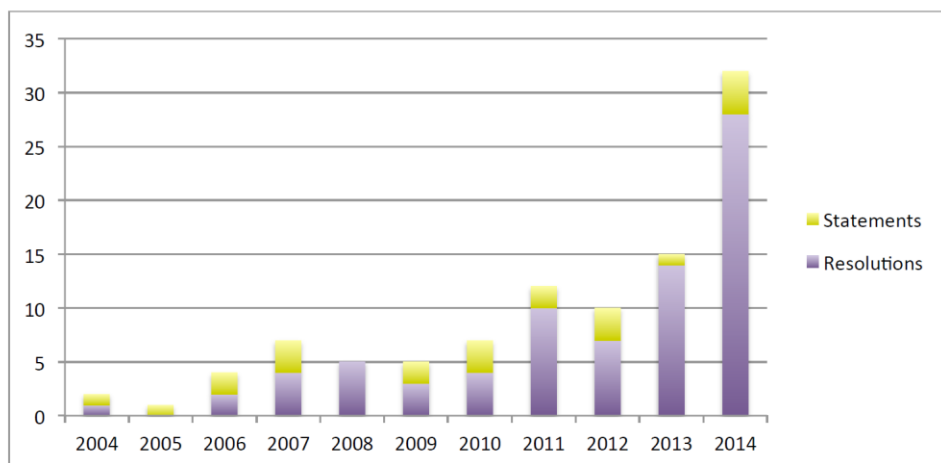


Figure 107: Security Council Resolutions or Statements referencing organized crime (2004-14, GIATOC 2015)

In 2015, the UN Secretary General said that “since 2008 the number of major violent conflicts has almost tripled. Labels assigned to conflict, such as *internal*, *inter-State*, *regional*, *ethnic or sectarian*, have become increasingly irrelevant as transnational forces of violent extremism and organized crime build on and abet local rivalries. Environmental degradation and resource deprivation are not contained by borders. Exclusion at home is

driving tension abroad.” We could say, under these circumstances, that war is the continuation of economics by other means.

## **8.2.1 Organised Crime and International Humanitarian Law**

In an armed conflict, criminal gangs (like any other armed group) are obliged by the International Humanitarian Law (IHL). On the other hand, it is very likely that all parts of a conflict include criminals (or behave like criminals), either in their rank and file or among their leaders.

Special attention should be given to those forces that may qualify as *mercenaries*. According to the additional protocol of the Geneva Convention (relating to the protection of the victims of international armed conflict) they are not to be considered as war prisoners, and can be prosecuted as common criminals. In 1976 the Angolan government sentenced to death and executed four British and US mercenaries.

In the case of the occupation of Iraq by the US-led Coalition in 2003, the exploitation of oil by the occupying power, the privatisation of the public assets, as well as undue appropriation of large funds derived from the sale of oil by staff of the occupation authority could constitute violations of the International Humanitarian Law. According to the auditors appointed by the US government itself, oil resources totalling a minimum of US\$12 billion may have disappeared in the hands of corrupt officers and subcontractors of the Coalition Provisional Authority (CPA) (Whyte 2007). Across Iraq, much of what was not stolen was skimmed on. Schools, clinics, sewage projects, all described as completed by the US embassy, will soon need major repairs as well as regular maintenance work

came out by trained staff (Ruggiero 2010). The extensive use of mercenaries in these military operations is also worrying. Occupation powers assign to the mercenaries the dirtiest jobs, in order to exempt their regular forces from possible international prosecution.

Mercenaries were also hired in Somalia to secure the maritime routes from pirates. Some of the mercenary companies like SomCan used the opportunity to take ransoms for themselves. In 2005, they seized the fishing trawler *Sirichainava* and demanded US\$ 800,000 for its release. This provoked a strong reaction from states as a joint American and British strike force freed the vessels and captured SomCan's marines, who stood trial in Thailand for piracy and were sentenced to ten years in prison.

## **8.2.2 War and disaster profiteering**

*"We're an empire now, and when we act, we create our own reality. And while you're studying that reality, we'll act again, creating other new realities, which you can study too, and that's how things will sort out. We're history's actors...and you, all of you, will be left to just study what we do." Karl Rove, President George*

*W. Bush's senior advisor and chief political strategist, 2004*

According to Naomi Klein's *The Shock Doctrine* (2007), those who want to implement unpopular "free market policies" do so by taking advantage of the aftermath of major economic, political, military or natural disasters. When a society suffers a major 'shock' there is a general aspiration for a rapid response to reverse the situation. This desire for direct and immediate action gives an opportunity for unscrupulous actors to apply policies that go far beyond a legitimate response to an emergency. Klein suggests that when the haste to act implies that the response will avoid scrutiny, it is the moment when unpopular

and unrelated policies can deliberately be forced. These shocks could in some cases be deliberately encouraged or even fabricated. Klein elaborates the “shock doctrine” on Joseph Schumpeter’s latest capitalism phases of "creative destruction". Here are some examples: At the most chaotic situation in Iraq’s civil war, a new law was decided that would allow Shell and BP to claim the country’s vast oil reserves. Immediately after September 11, the Bush Administration silently out-sourced the management of the “War on Terror” to Halliburton and Blackwater. After a tsunami in the coasts of Southeast Asia, the unspoiled beaches are allocated to tourist resorts. New Orleans’s residents, dispersed after Hurricane Katrina, discovered that their public housing, hospitals and schools would never be reopened. Following massive collective shocks (wars, terrorist attacks, or natural disasters) the public’s confusion is exploited to impose economic shock therapy.

Criminologist David Whyte (2010) argues that the routine lawbreaking and corruption that dominated the Iraqi reconstruction can only be understood as a technique of domination. Systematic fraud and bribery served a useful purpose for the Anglo-American occupation as part of a broader economic strategy designed to provide structural advantages to western firms entering the Iraqi economy. Routine corporate criminality, facilitated by the government of occupation, was an important means of producing and reproducing (neo-) colonial power relations. This systematic corruption of the reconstruction economy unfolded in a liminal space opened up by the suspension of Iraqi sovereign law and the establishment of impunity for all US nationals.

Emergency situations, when the normal laws are suspended, are ideal situations for unscrupulous entrepreneurs, often in collusion with corrupt politicians and public employees, to benefit from a monopolistic or quasi-monopolistic trade and rent-seeking. Certain companies provide services in war-time, making huge profits, due to the extreme

circumstances of armed conflict. Among these companies we could cite mercenary companies, military logistics companies, arms factories, arms dealers, traffickers of essential rationed goods, traffickers of natural resources and military operations financiers. Many historical fortunes were made in this kind of activity, such as the Rothschild family, who made huge profits financing the campaigns of Wellington in Portugal and Spain in the last years of the Napoleonic wars. In the recent US military campaigns in Iraq and Afghanistan, the companies that, *without public contest*, obtained substantial contracts to support the Coalition forces, made enormous profits. In the 1930s the US General Smedley Butler had already denounced war speculators in his book "*War is a Racket*": "I spent 33 years in the Marines. Most of my time being a high-class muscle man for Big Business, for Wall Street and the bankers. In short, I was a racketeer for capitalism. I helped purify Nicaragua for the international banking house of Brown Brothers in 1909-1912. I helped make Mexico and especially Tampico safe for American oil interests in 1914. I brought light to the Dominican Republic for American sugar interests in 1916. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenue in. I helped in the rape of half a dozen Central American republics for the benefit of Wall Street." It is interesting to see how the same trends seem to continue in exactly the same places one century later. US President Dwight Eisenhower also famously cautioned about the growth of the "*military-industrial complex*" in his farewell address in 1961.

The world *archaeological heritage* is seriously threatened by illegal and destructive diggings, which look for antiques to sell on the international markets. These antiques are sold without a certificate of origin, so that it becomes difficult to estimate their real nature, and many of these are eventually acquired by museums in Europe and North America. The 1970 *UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property*, created an ethical environment in

which museums and its representative associations adopt rules to prevent the acquisition of uncertified antiques, which are probably stolen. But the agreement is not binding, and it concerns only museums.

The Final Act of the *Intergovernmental Conference on the Protection of Cultural Property In The event Of Armed Conflict*, agreed in 1954, aimed at preventing mass destruction of cultural heritage, as happened during WWII. Cultural heritage looting does not occur in times of conflict only, but these situations provide ideal conditions of immunity to organise the looting. The most extensive looting in recent years has definitely been that of the Mesopotamian archaeological heritage, which began at Baghdad Museum, under surveillance of the USA armed forces, recently arrived in the city in 2003. Although the majority of the archaeological sites were looted by insurgents in order to finance their fight, it was eventually international dealers and collectors from rich countries that took the objects with high profits, while knowing, or at least suspecting their origin. The rebel group ISIS is famous for simulating the destruction of archaeological sites in Syria, and then selling the objects in the international markets through criminal networks in Turkey and Jordan to finance its criminal *quasi-state*.

According to the USA Government *International Report on Narcotics and Law Enforcement 2010*, North Guatemalan natural reserves are currently being depleted of their forests and Maya archaeological heritage by Mexican narco-trafficking gangs, who then launder the money creating enormous cattle ranches (which in turn destroy the rain forest and contribute to GHG emissions).

According to Peter Andreas (2005), the upsurge in the use of economic sanctions in the post-Cold War era has prompted debate over their effectiveness and humanitarian consequences. Little attention, has been devoted to their *criminalizing* consequences and

legacy for the post-sanctions period. He suggests that sanctions can unintentionally contribute to the criminalization of the state, economy, and civil society of both the targeted country and its immediate neighbours, fostering a symbiosis between political leaders, organized crime, and transnational smuggling networks. This symbiosis, can persist beyond the lifting of sanctions, contributing to corruption and crime and undermining the rule of law.

### **8.2.3 TOC and conflict**

*“Is there any man, is there any woman, let me say any child here that does not know that the seed of war in the modern world is industrial and commercial rivalry?” – Woodrow Wilson, September 11, 1919, St. Louis.*

At the beginning of the 2000s, Paul Collier (Collier & Hoeffler, 1998; Collier, 2000; Collier et al., 2003) launched the debate about the causes of civil wars: Greed or Grievance. Collier presents a liberal analysis based on rational choice economic theories, which blames the rebels’ greed for the start of civil wars. Although the ensuing debate brought much light to the causes of civil war, the most complete analysis of *protracted social conflict* (PSC) was developed by Edward Azar (1990) and revived by Ramsbotham (2011). The factors to analyse in Azar’s model are: the “communal content” referring to the interests of the group; the “deprivation of human needs”, referring to security, subsistence political participation and identity recognition; “governance and the state’s role” as the critical factor in the satisfaction or frustration of individual and identity group needs; and “international linkages”, in particular political-economic relations of economic dependency within the international system. However, the focus of this thesis is on TOC, and therefore the economic motivations of violence, and not so much on governance and communal

conflicts. In fact, in the *new wars*, the two main types of criminal actor, *racketeer* (warlord or corrupt official) and *fence* (local or transnational resource trader and launderer), are considered. Therefore, Collier's hypothesis of greed as an important driver of violent conflict will be the main focus of analysis, however it will not be attributed only to the rebel commanders or associated businessmen, but also the elites on the government side who racket and loot as much (or more) than the rebels. In fact, this text often considers the government as one more gang in the looting, as it often behaves in much the same way as the insurgents. The international sponsors (e.g.: Francafrique, Glencore, oil companies, etc.) of these corrupt governments are also part of this "greed" system. This fact has also led to the choice of the case studies: situations where the main driver of conflict is *greed*, be it from the elites of the rebel side, the government side, or the international side (more often all three of them). In any case, the grievances are often related to the unequal satisfaction of needs or greed by the elites of the different parties in conflict. These elites will frame the conflict as a confrontation between ethnic or religious communities, when in reality it is often a problem of exploitation of the lower classes and nature by the elites, or at most a struggle between elites of opposed sides. These conflicts could be interpreted as a new type of "class warfare", with the elites exploiting and repressing no longer just the rest of society but also the rest of the biosphere. According to Duffield (2001), the international interventions are often more about maintaining an unfair global political economy (as well as the internal social structure in the country) than really to develop the weak states at war. Regarding Cramer's (2006) argument that violence can promote progress, as happened in the western countries during the development of capitalism, it can be contested in an era when the economies of the world are very interconnected and controlled by a small elite in the developed countries. Armed liberation movements can end up being puppets of oligarchies, as we can see with many 'liberation' movements in



Africa after the end of the Cold War. Besides, in a time when global environmental chaos is looming, humanity and the rest of the biosphere cannot afford to waste precious resources in futile wars, however just the alleged cause may look.

Combatant	Resource	Period	Est. revenue
Angola rebels (UNITA)	Diamonds	1992–2001	\$4–4.2 billion total
Sierra Leone rebels (RUF)	Diamonds	1990s	\$25–125 million/year
Liberia government	Timber	Late 1990s	\$100–187 million/year
Sudan government	Oil	Since 1999	\$400 million/year
Rwanda government	Coltan (from Congo)	1999–2000	\$250 million total
Afghanistan (Taliban, Northern Alliance)	Opium, lapis lazuli, emeralds	Mid-1990s–2001	\$90–100 million/year
Cambodia government, Khmer Rouge	Timber	Mid-1990s	\$230–390 million/year
Myanmar government	Timber	1990s	\$112 million/year
Colombia (FARC rebels)	Cocaine	Late 1990s	\$140 million/year

Figure 108: Primary commodity exports and the financing of conflict (Ramsbotham 2011)

In *Wage Labour and Capital*, Karl Marx said that "a house may be large or small; as long as the neighbouring houses are likewise small, it satisfies all social requirement for a residence. But let there arise next to the little house a palace, and the little house shrinks to a hut. The little house now makes it clear that its inmate has no social position at all to maintain, or but a very insignificant one; and however high it may shoot up in the course of civilization, if the neighbouring palace rises in equal or even in greater measure, the occupant of the relatively little house will always find himself more uncomfortable, more dissatisfied, more cramped within his four walls". This illustrates the links between greed and grievance in an unequal society, and how inequality can drive social conflict.

According to international scholar James Cockayne (2011), "calling violent disorder a 'crime' suggests that there has been a violation of an international norm. And crimes are typically met with coercive responses to correct the deviation and hold the responsible actor accountable. By contrast, labelling disorder as a 'conflict' suggests the existence of

two or more adversarial actors, and possible impartiality about the need to restore the normative status quo through coercive action”. Whether violent disorder is labelled ‘*crime*’ or ‘*conflict*’ may also depend on how the UNSC chooses to describe the motivations of the violent actors involved. When motivations are seen as stemming from political grievances, disorder is frequently characterized as ‘*conflict*’, but when motivations are seen as arising from pecuniary greed, disorder is often labelled as the product of ‘*crime*’. In contrast, the labels of crisis and collapse suggest a description of structures and systems, rather than an assessment of agency, and point to the need for systemic and institution-building responses. These systemic labels are also linked to the concepts of state ‘*fragility*’, ‘*weakness*’ and ‘*failure*’, increasingly used to justify international intervention on the basis that such states risk becoming incubators of larger threats to the international community.

One key criterion is the strategy of non-state actors regarding authority structures. Illicit actors, such as organized crime and insurgent groups, frequently take one of the three following strategies. ‘*Predatory groups*’ prey upon the resources of local authority structures, in open conflict with them. This implies looting the resources controlled by the authority structure, characterized as ‘*primitive capital accumulation*’. ‘*Parasitic groups*’ prey upon these same resources, but at a level or in a manner that is sustainable. This involves the extraction of *rents* (rather than the consumption of the underlying resource) from populations or government structures, including in the form of *protection rackets*. ‘*Symbiotic groups*’ coexist with existing authority structures, either through overlaps of membership or through other clandestine arrangements of reciprocity and joint venture arrangements.

Another classification can be introduced by breaking down the governance resources of existing authority structures. According to Max Weber’s ‘*types of legitimate domination*’,

these ‘resources’ fall into three categories: (1) the *means of coercion*; (2) *capital*; (3) *legitimacy*. the following matrix displays the classification of organized non-state actors against these two dimensions – strategy and resources:

	Coercion	Capital	Legitimacy
<i>Predatory strategy:</i> e.g., RUF, some actors in eastern DRC, Taliban-linked groups	Predator raises own coercion or co-opts aspects of the state’s security structures (e.g., AFRC in Sierra Leone) which is used to attack existing authority structure	Predator plunders capital from existing authority structure (i.e., plundering of a state’s natural resources) – primitive capital accumulation and asset transfer	Predator ignores or even attacks existing authority structures’ legitimacy. Usually appeals to alternative forms of legitimacy (i.e., non-rational, non-bureaucratic forms – often charismatic, traditional or religious)
<i>Parasitic relationship:</i> e.g., Italian mafia, Russian <i>mafiya</i>	Parasite raises own coercion or co-opts state’s coercion and may seek to impose protection racket over existing authority structure or its members	Parasite extracts capital from existing authority structure on constant, stable basis – rent extraction and market pressure (e.g., road taxes)	Parasite appeals to traditional or charismatic sources of legitimacy, or to rational economic motives, but may refrain from outright attacks on existing authority’s legitimacy
<i>Symbiotic relationship:</i> e.g., some Balkan wartime criminal groups, Charles Taylor’s group	Symbiot may raise own coercion or may operate in joint venture with the state coercion	Symbiot may have reciprocal capital-raising and distributive functions with state, in form of joint venture or market sharing – rent extraction and limited productive capital accumulation	Merging of the legitimacy of the state and the symbiot – state relies on non-rational, non-bureaucratic forms of legitimacy and/or symbiot adopts rational or even bureaucratic legitimacy (e.g., as state-sanctioned public-service provider)

Figure 109: Strategies of organized non-state violence towards governance resources (Cockayne 2011)

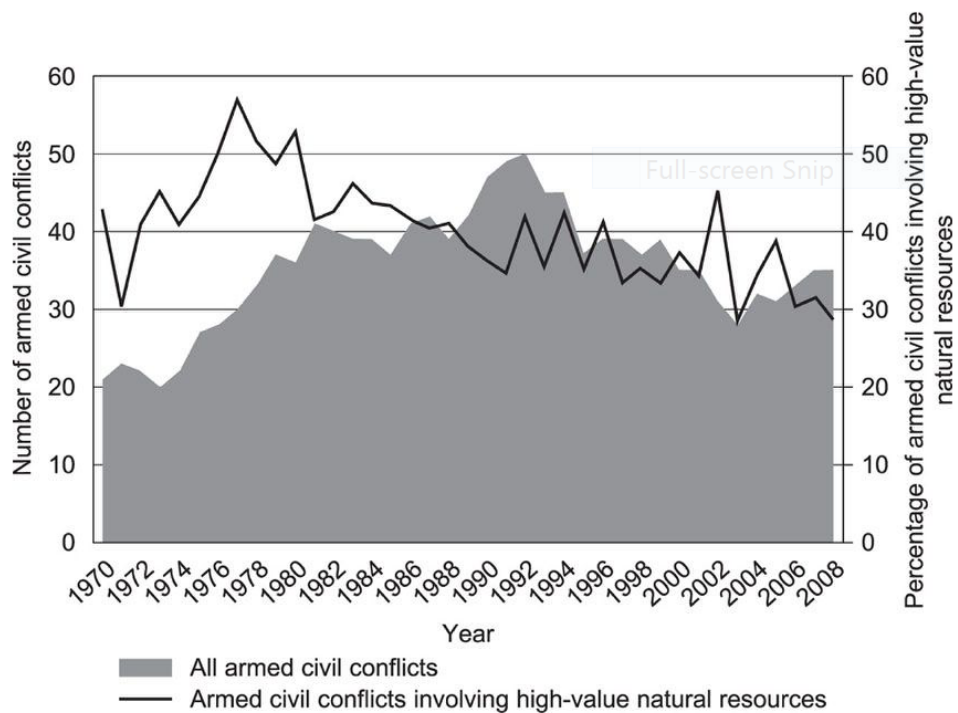


Figure 110: Armed civil conflicts involving high-value natural resources, 1970–2008 (Lujala 2012)

## 8.2.4 Case studies

We will next analyse two case studies. The case of *heroin trafficking in Afghanistan* stands for a parasitical group with strong ethnic and religious roots that has managed to keep at stake the most powerful military organization in the world: NATO. The second case study is the *trafficking of minerals in Eastern DRC*. In this situation, predatory (e.g.: FDLR, CNDP), parasitical (e.g.: Mai Mai) and symbiotic (e.g.: FARDC) groups, more or less openly supported by foreign governments and TNCs, confront the weak government of the DRC, and brutally loot its people’s resources.

### 8.2.4.1 Heroin trafficking in Afghanistan

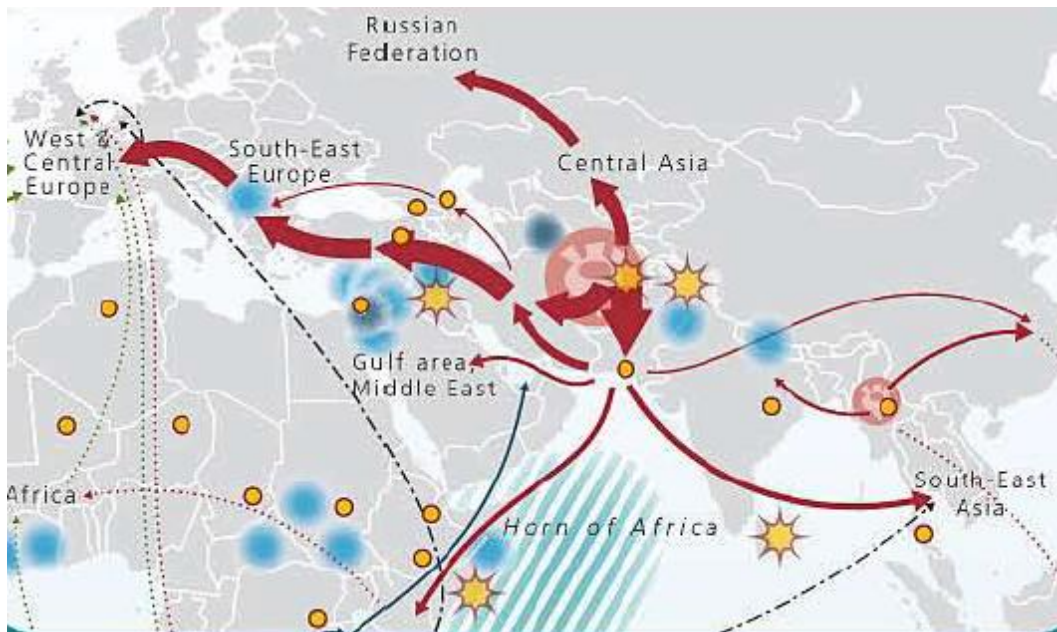


Figure 111: Heroin trafficking from Afghanistan (UNODC 2010)

According to UNODC (2010), Afghanistan is one of the poorest countries in the world, having suffered decades of war and instability. Opium production began at the time of the Soviet invasion, and has soared to become the focus of the economy. As in other areas under drug cultivation and insurgency, drug funds are used to buy weapons, and so perpetuate the conflict. It was encouraged by its western intelligence sponsors. In Afghanistan, where heroin production represents such a large share of total output, the threat posed by the drug trade is very deep. UNODC estimates that Afghan traffickers earned U\$1.9 billion from the trade in opiates in 2009, the equivalent of one fifth of its official GDP.

Afghanistan has dominated the global opium market for more than two decades, with overall opium production in the country reaching at 6,900 tons in 2009, or some 90 percent of global supply. The impact reaches beyond Afghanistan itself, affecting neighbour

countries' own stability. Around 375 tons of Afghan heroin are trafficked worldwide through Pakistan (150 tons), Iran (105 tons), and Tajikistan, Uzbekistan and Turkmenistan (95 tons) (UNODC 2009). Most of the drugs are directed to the lucrative markets in Europe and the Russia, but drug use in the region is also rising.

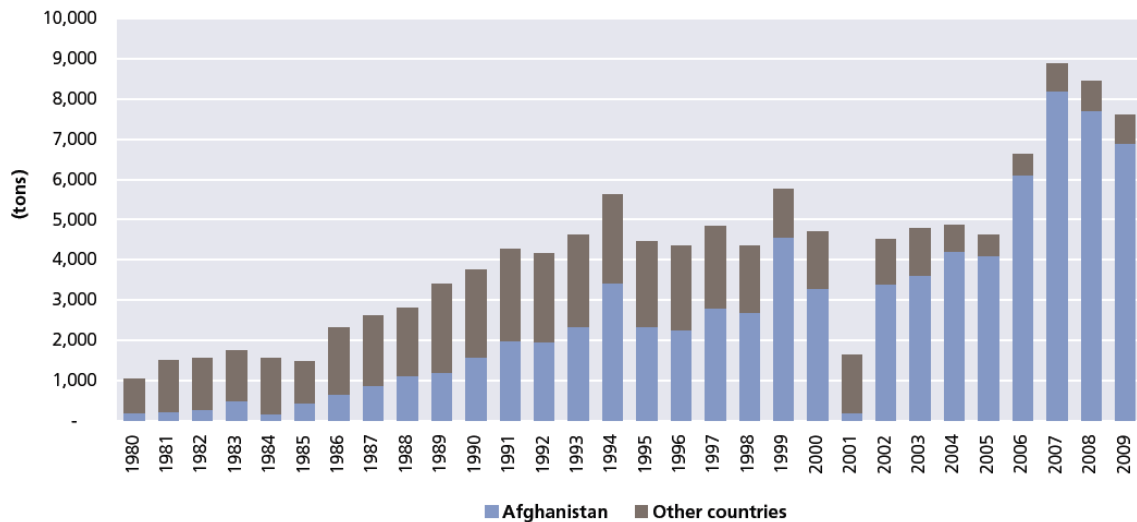


Figure 112: Global potential opium production, 1980-2009 (UNODC 2009)

The heroin traffic is controlled by deep-rooted networks of different sizes, in cooperation with corrupt officials and with a series of international connections. Some of the larger traffickers and corrupt officials may launder their money internationally, particularly in the nearby financial hub of Dubai. The UAE's proximity to Afghanistan, the presence of important South Asian diasporas and wide informal financial systems leave Dubai particularly vulnerable to exploitation by criminal gangs.

In Afghanistan, where 80 to 90 percent of the economy is still informal, the *hawala* system of money transfer remains predominant: money is paid to a network's representatives in one country, and this broker authorizes the same amount to be paid in another. All this occurs outside the formal banking system, and this allows criminal funds to be transferred without risk of facing official controls. Research by UNODC in 2006 suggested that 60

percent of all fund transfers in Afghanistan were related to drugs, while an estimated 80 to 90 percent of the hawala dealers in Kandahar and Helmand were involved in drug money transfers (Buddenberg 2006). Around US\$ 6 billion were transferred to and from Afghanistan in 2004 and 2005, through hundreds of hawala markets around the country.

The smuggling of the chemical precursors needed to make heroin from opium is also a big business. Around 13,000 tons of chemical precursors, including the crucial acetic anhydride, are needed each year to produce heroin from Afghan opium. In the extent of a decade, the price of acetic anhydride in Afghanistan has increased from US\$24 in 1998 to US\$350 per litre in 2008, due to more effective interdiction or increased demand.

Although opium is Afghanistan's most notorious crop, the hashish trade has also grown in recent years, and its production today may rival that of Morocco. All of Afghanistan's neighbours are reporting increases in cannabis seizures, and cannabis production has been reported in 20 of Afghanistan's 33 provinces. With rooted smuggling networks, widespread insecurity and a drug-based economy, Afghanistan is ideally placed to become a major player in the global hashish market. In 2008, a single seizure in Kandahar province netted an astonishing 237 tons of hashish with a regional wholesale value of US\$400 million.

Afghanistan has suffered from more than thirty years of conflict beginning with the Soviet invasion of Afghanistan (1979), a war which would last ten years, cost more than a million Afghan lives, and destroy most of the country's economy and infrastructure. Civil war and warlordism followed the Soviet withdrawal (1988), so that many welcomed the arrival of the Taliban in 1996. They ruled over most of the country until the events of September 11, 2001 and the coalition's invasion of Afghanistan.

Afghanistan is one of the least developed countries in the world in terms of most human development indicators. Governance is weak. The central Government is weak and overtly

challenged in many parts of the country by anti-government elements. The Afghanistan NGO Safety Office (ANSO) estimates that insurgents control or exert effective influence over nearly half of Afghanistan. As the de-facto government in some areas, the Taliban system of taxation and “shadow” tribunals provides the only form of criminal justice and security. As unrest spreads to areas once stable, international agencies are being forced to reduce aid delivery.

Governance in the provinces depends on the leadership and integrity of the individual governors and on the local security situation. Corruption is endemic both at a low level (among border guards and police), as well as among senior officials (UNODC 2009). A recent UNODC survey estimated that Afghans paid more than of US\$2.5 billion in bribes and related payments in 2009. Corruption is also widespread along trafficking routes all the way from Afghanistan to the destination markets of Europe and Russia.

In terms of casualties, 2009 was the deadliest year for coalition forces fighting the insurgency, with 520 soldiers dead. Civilian casualties rose by 14 percent in 2009 compared with 2008 and were the highest they have been since 2001. Nearly 70 percent of the more than 2,400 civilian deaths were reportedly caused by insurgent attacks. Although the number of suicide bombings stayed nearly the same, the average number of attacks rose by 30 per cent according to the United Nations Assistance Mission to Afghanistan (UNAMA).

Insurgent-led insecurity is no longer confined to southern and western Afghanistan, as even the once relatively calm northern areas bordering Tajikistan have seen anti-government elements resurfacing. This is particularly true in Kunduz province, where the Taliban have steadily staged resurgence. The Pakistan-Afghanistan border is one of the most insecure



regions. From bases in Pakistan tribal areas, militants launch incursions across the border into Afghanistan but also increasingly into adjacent Pakistani provinces.

There is a symbiotic relationship between drug traffickers and the insurgency in Afghanistan, and both groups have an interest in prolonging the instability. It is no coincidence that in 2009, 99 percent of all opium produced in Afghanistan came from seven provinces in the south and west, where government control was weakest (UNODC, 2010). Drug traffickers focus on regions controlled by the insurgents. The insurgent groups profit from taxing illicit trade and some receive donations from criminals and warlords. Opium is used as a currency to purchase weapons, vehicles, and manpower.

Taliban insurgents earn at least US\$125 million annually from the opium economy through taxation of cultivation, production, and trafficking, a small figure compared to the overall value of the drugs trafficked, but its impact on the security of Afghanistan is direct and immediate.

The opiate trade and insurgent activity overlap to such extent that some law enforcement actions are both counter narcotics and counter-insurgency at the same time. This was apparent in 2009, when Afghan-led military operations in Helmand province netted millions of dollars' worth of poppy, precursor chemicals, weapons, and ammunition. Although opium poppy is the highest-value drug on regional markets, cannabis also likely contributes to insurgent funding (UNODC 2010)

The total estimated value of opiate trafficking in Pakistan is around US\$1 billion per year. Drugs trafficked into Pakistan that pass through its Federally Administered Tribal Areas (FATA), travel through territory that is under the influence of the Tehrik-e-Taliban Pakistan and other insurgent groups. In southern Tajikistan, the porous border with Afghanistan is crossed by traffickers but also militants linked to the Islamic Movement of

Uzbekistan. The estimated value of opiates trafficked through Central Asia is around US\$350-400 million and increases as opiates travel northward towards the Russian Federation.

On Afghanistan's west, Iran has suffered greatly from the influx of Afghan opium. It has the highest level of opium consumption in the world. Drug trafficking is considered such a major security threat that the Government has spent over US\$600 million to dig ditches, build barriers and install barbed wire to stop well-armed drug convoys from entering the country. More than 3,500 Iranian border guards have been killed in the past decades by drug traffickers.

In addition to funding insurgency, the drug trade is fuelling *corruption*. Afghanistan seized less than three tons of heroin in 2008 while about 375 tons were estimated to be trafficked out of the country, a seizure rate of less than one percent. This appears to mirror high levels of corruption among border guards and police, as well as collusion with transporters. Moreover, few drug traffickers are ever brought to justice, and some of those that have been convicted have been pardoned, suggesting higher level corruption as well. At the same time, being a member of the judiciary has become a dangerous profession. For example, Chief Judge Sher Gul was murdered by insurgents in Khost province in August 2008 while Judge Alim Hanif, who headed the Central Narcotics Tribunal Appeals Court in Kabul, was murdered in September 2008.

Widespread corruption, violence, and impunity have undermined the confidence of the Afghan people in their government, further strengthening the hand of the insurgents. Actually, a portion of the Afghan Taliban is non-ideological, more "opportunistic" fighters motivated by a mixture of political discontent and financial need or greed. As the insurgents

and criminals grow stronger, they are better able to scatter more violence and corruption, and recruit among the marginalized.

At present, various insurgent groups control large swathes of the Afghan countryside, preventing aid from reaching some of the most vulnerable communities. At the same time, insurgents are able to carry out bold terror attacks in major population centres.

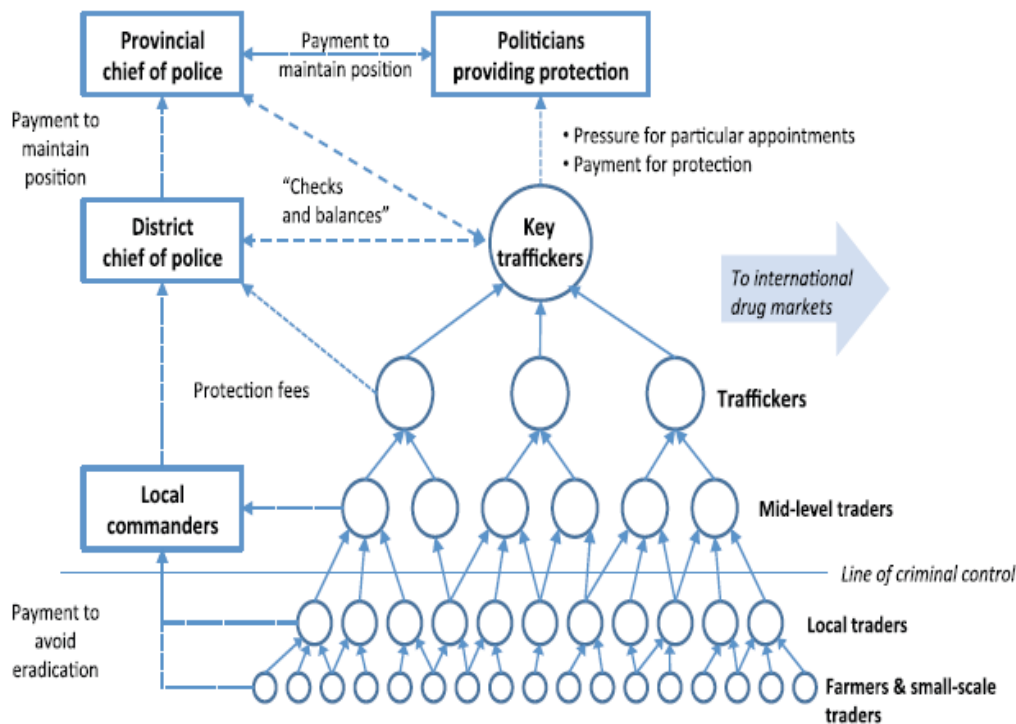


Figure 113: Drug trafficking in Afghanistan: protection and patronage (Source: UNODC and WB)

## Analysis:

- The fact that the production of opium in Afghanistan was almost stopped by the Taliban regime in 2001, only to re-start after the western occupation in 2002 may have two explanations. One is that there was an excess of production in the years before 2001, and that a reduction of production was necessary to maintain the high prices. The other explanation is that certain members of the western

establishment that occupied Afghanistan in 2001 were involved in the trafficking at the highest levels, and have protected it. After all, the growth of opium in Afghanistan was promoted by the USA in the 1980s in order to finance the military resistance of the Mujahedeen against the Soviets (in a way similar to what the USA had done earlier with Hmong tribes during the Vietnam War).

- As we have seen in the description of the situation, Afghanistan is a clear case of symbiosis of insurgency with organized crime. Beyond the nationalist and religious stamina of the insurgents, they would not have been able to maintain such a fierce fight for so long without the huge revenues of the opium trade.
- *Cui bono?* Seen from a global perspective, the revenues of this traffic remaining in Afghanistan are minimal: of the 375 tons of heroin trafficked from Afghanistan, with a global market value of US\$ 55 billion, only US\$ 2.5 billion (or 5 percent) stay in the country. This would suggest that, although the insurgents, criminals and corrupt officials are very powerful in Afghanistan, the real managers of the business are not Afghan. Considering that the main markets are Europe and Russia, this would give an indication of who the main beneficiaries can be.
- As Susan Strange mentioned in *Mad Money*, one of the obstacles for the farmers of drug producing countries to grow licit crops instead of drugs, is the low international prices for those crops (due mainly to the subsidies for agricultural products in developed countries). However, the prices of drugs are so high that traffickers can always offer higher prices for opium to farmers than any other crop.
- Among the Afghan beneficiaries of the business you can find groups that are on opposite sides in the armed conflict: insurgents and government officials. This

fact can shed doubts about the real intention behind the continuation of the conflict: greed or grievance?

### 8.2.4.2 Trafficking of conflict minerals in DRC

*"Because of the exploitation of its natural resources, Congo may represent the greatest crime ever committed in the history of the world" - Sir Arthur Conan*

*Doyle (1909).*

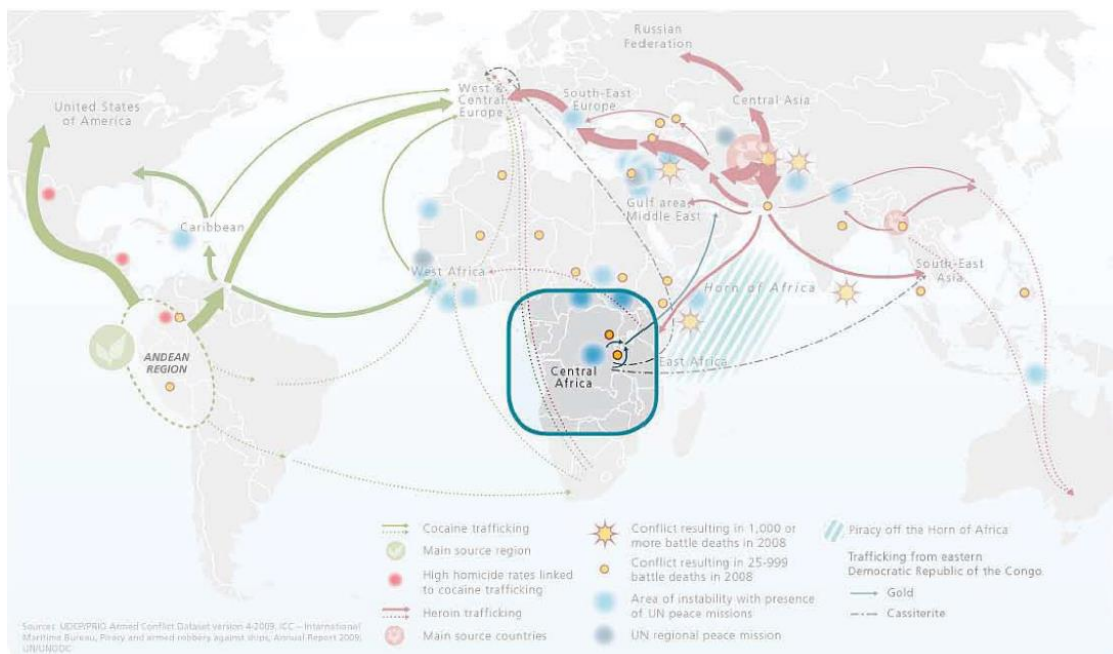


Figure 114: the impact of mineral smuggling in Central Africa (UNODC).

As stated by Conan Doyle in the citation above, the Congo is an area that has attracted the greatest greed since it became integrated in the world economy. The citation referred to the first exploiter of the Congo and its founder, King Leopold II of Belgium. He ruled over the “Free” State of Congo as an autocrat with the aim of exploiting its enormous wealth. In doing so, he exterminated about one quarter of its population (Hochschild, 1998).

Curiously, one of the alleged reasons to conquer its vast territory was the “humanitarian” goal of interdicting its territory to “Arab” slave traders.

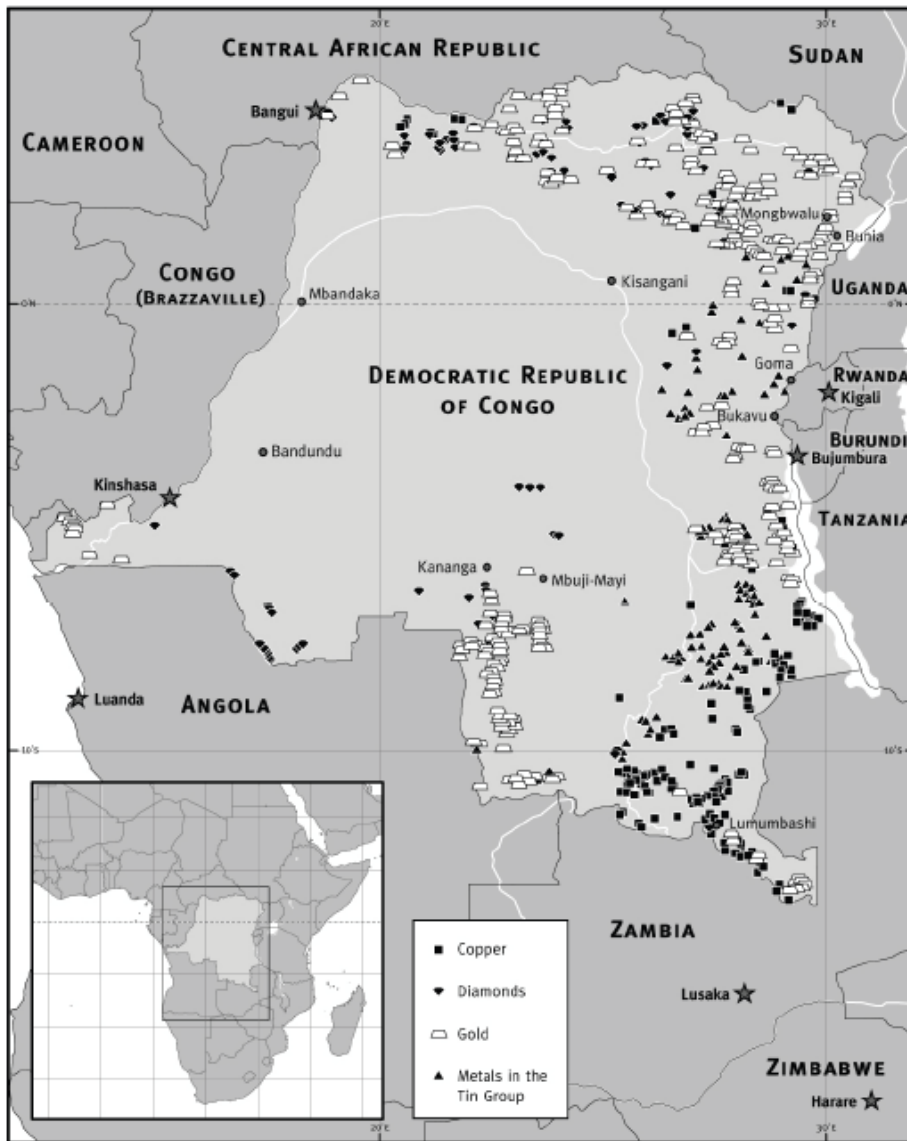


Figure 115: Major mineral deposits in DRC (HRW, 2005)

According to UNODC (2010), today the DRC still has huge mineral wealth left, yet the Congolese are among the poorest people on earth, and they have grown poorer even when the value of their national assets grew. One of the reasons for this paradox is the presence of *organized crime*, the trafficking of gold and other minerals by armed groups who have taken control of parts of the country. Insurgents in the eastern DRC arm themselves with

money gained from illegal mining and trafficking. The problem is international, with countries in the region serving as transit zones and rich countries as destination for these products. Rwanda is particularly involved, being a key transit zone for trafficked minerals. But the trafficking also affects Burundi, Uganda and Tanzania. The main destination markets include Belgium, the United Kingdom, the United Arab Emirates and Thailand.



Figure 116: key mining areas benefiting the FDLR and CNDP in 2009 (UNODC)

While coltan used to be the biggest source of income for armed groups in the eastern DRC, they have been now replaced by gold and cassiterite (tin ore). Gold prices have increased gradually over the last decade, and demand has been stable at around 4,000 tons per year. Demand for tin increased in the mid-2000s, peaking at more than 363,000 tons per year in

2007, and prices increased accordingly. However, as a result of the global economic recession in 2008, both demand for, and the price of, cassiterite have decreased.

Since export-grade cassiterite from the DRC normally contains around 65 percent tin, the total official exports in 2007 would have a value of some US\$ 140 million. Gold is worth much more and its value is growing as global economic insecurity increases. It is also easier to smuggle and sell, making it a very attractive commodity for rebel armies. It is also attractive for corrupt officials: in its 2010 report, the UN Group of Experts on the DRC said they did not even consider gold statistics worth detailing, given the scale of the fraud. An official source gives an estimate of the amount of gold smuggled, at around 40 tons per year, valued at some US\$1.24 billion in 2009.

Trafficked gold is mined in the eastern rebel areas of the country, particularly North and South Kivu. Gold from North Kivu is mainly smuggled through Uganda, while gold from South Kivu is smuggled through Burundi, with a smaller part going through Tanzania. The main destination for the Kivu gold is the UAE.

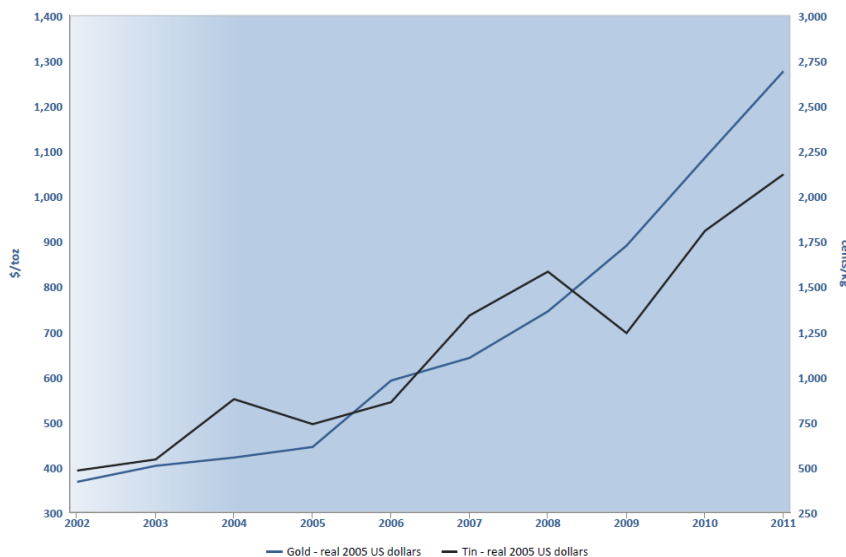


Figure 117: Gold and tin prices 2002-2011 (World Bank)



The *cassiterite* trade is more complex, as the weight of the mineral makes clandestine trafficking difficult. Cassiterite miners sell their minerals to *négociants* (traders) who are licensed to buy and resell to domestic export companies, the so-called *comptoirs* (buying houses). In 2008, there were some 40 *comptoirs* in the Kivus. Official *comptoirs* are required to obtain a license from the mining ministry, which gives an apparent legitimacy to the trade, as foreign buyers can assert that they buy only from "legal" sources. In 2007, most of the registered cassiterite from the Kivus was sold to Belgium based traders. In 2008, traders in Canada, China, India and Russia increased their share. Foreign companies use the "legal" status of their suppliers as justification for continuing to trade with them, without verifying the exact origin of the minerals or the identity of intermediaries.

The DRC has the size of Western Europe, and shares land borders with nine countries. Most Congolese today live within 100 kilometres of an international border and often have closer links with neighbouring countries than with the central government. The distance from Kinshasa to the Kivus is more than 1,500 kilometres, and there is almost no paved roads. The country has experienced serious political problems since independence, including civil wars and the Mobutu dictatorship, during which the infrastructures were allowed to deteriorate.

In 1994, ethnic Hutu militias tried to exterminate the Tutsi population in Rwanda, killing around half a million people. When the country was taken over by the Tutsis, a large number of Hutus fled the country in fear of reprisals. Among them were militants, who continued to attack Rwanda, and eventually evolved into today's Forces Démocratiques de Liberation du Rwanda (FDLR). In 1996, the Rwandan and Ugandan armies invaded the DRC, with the aim of overthrowing Mobutu and defeating the Hutus. DRC rebels were put at the head of the insurgency.

In 1997, Laurent Kabila unseated Mobutu with the support of the Rwandan and Ugandan armies. In 1998, Kabila broke with his allies, who refused to leave the country, so both backed new militia groups. Although the conflict officially ended in 2003, eastern DRC is still experiencing armed conflict. Although there are several underlying matters, profits from illegal minerals are funding armed groups and perpetuating insecurity.

The political situation evolved in 2009. The long-time leader of the armed group Congrès National pour la Défense du Peuple (CNDP), Laurent Nkunda, was arrested in Rwanda. Soon thereafter, several thousand combatants from the CNDP, PARECO (Patriotes Résistants Congolais) and smaller armed groups were incorporated into the national army (the *Forces Armées de la République Démocratique du Congo* – FARDC).

In spite of the political progress, the *Forces Démocratiques de Liberation du Rwanda* (FDLR) remained active, and millions of dollars continue to flow into its coffers. Although the CNDP was ostensibly a part of the FARDC, the movement and its revenue-generating capabilities remained distinct. The CNDP was eventually defeated by the Government with UN support in 2013, and its elements fled to Rwanda and Uganda. However, the influence of the leaders of this group on the economic life of the Kivus remains.

The UN has recognized clear links between illicit mineral exploitation and trafficking and armed conflict in eastern DRC through the Group of Experts on Sanctions. The Group's reports have detailed how revenue from this trade has enabled various armed groups to build up their military capabilities and challenge the Government's territorial control, particularly in North and South Kivu.

The FDLR is the group that benefited most from illicit minerals. Its control of gold and cassiterite mines, continued to generate large revenues. It has been involved in trafficking minerals by road to Rwanda, and has close ties to a number of traders and trading houses.

After the defeat of the M23 in 2013, the FDLR became the main target of the Government with UN support. However, the government blocked the offensive against the FDLR with the excuse of disagreements with the UN about the human rights record of the Congolese commanders of the military operations.

Community-based armed groups known as “Mai Mai” also benefit financially from the trade in illicit minerals, but usually in an opportunistic way. This also reflects the fact that these groups tend to lack a well-defined economic and political agenda. Elements of the Congolese army are also deeply entrenched in and benefiting from the trade. The UN Group of Experts argued that it is not in the interest of certain FARDC commanders to end the conflict in eastern Democratic Republic of the Congo as long as their units are able to deploy to, and profit from, mining areas, as well as government funding for the operations. The control of business by FARDC has become even stronger after the defeat of the M23, as they have taken over some of their areas of control.

According to Global Witness, the main beneficiaries of a six month mining ban imposed by the Congolese government in 2011 were senior FARDC commanders who were able to consolidate their hold on extortion and smuggling rackets. From 2006 to 2009 an army brigade controlled the mine of Bisie that accounts for 80 percent of the production of cassiterite of North Kivu, providing them a rent of approximately US\$ 120,000 a month. The FARDC and the FDLR – supposedly battlefield enemies – often act in collaboration, carving up territory and mining areas through mutual agreement and sometimes sharing the spoils.

International standards on *due diligence* – the supply chain controls – that companies using tin, tantalum, tungsten and gold should undertake, were completed and adopted by the United Nations (UN) Security Council and the Organisation for Economic Co-operation

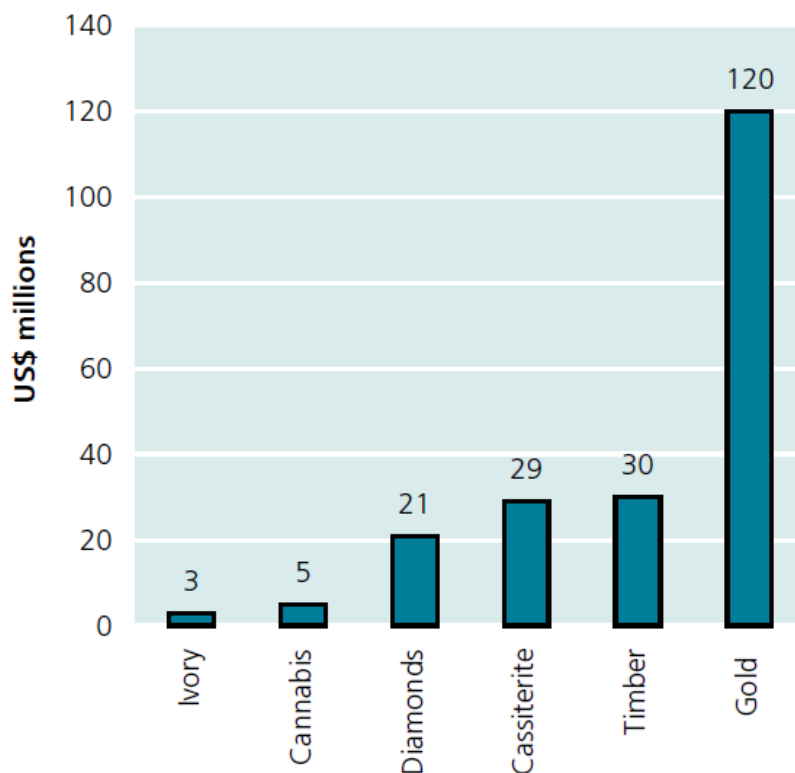
and Development (OECD). The essence of these standards is the requirement that companies must assess the risks of their minerals purchases benefiting rebels and army units in the DRC, take action to exclude any conflict minerals from their supply chains, have their due diligence measures independently audited and report publicly on what they have done. The US Congress passed a landmark legislation in July 2010 requiring companies to conduct due diligence on their mineral purchases from DRC and neighbouring countries, in order to detect conflict minerals in their supply chains.

However, the implementation of these standards and regulations has not yet been fully accepted by the industry. Breaking through this impasse requires rapid and concerted action by companies, both national and international, the Congolese government, the governments of Rwanda and other neighbouring countries, international donor countries and MONUSCO.

According to *SIPRI* (2011), the political economy of mining in the Democratic Republic of the Congo (DRC) is central to sustaining the conflict in the east of the country. Transforming it is a priority in order to alleviate the conflict and suffering that it fuels. In an effort to ensure that conflict minerals do not enter the legal supply chain, industrial actors, the Congolese Government and international donors have established schemes to trace minerals such as cassiterite and coltan back to the mines of origin. However, there are still a number of problems that must be overcome before mineral traceability schemes can have an effect on a large scale. Mines that are considered ‘conflict free’ need to be completely demilitarized, which means removing both rebels and regular soldiers. The substantial involvement of the FARDC in mineral trading makes the army a “self-generating revenue agency”.

According to *International Alert* (2009), the current system of commercial trading is highly concentrated and enriches a group of government officials, army officers, militia leaders, traders, transporters and foreign intermediaries whose profits are thought to be running in the millions of dollars. The attempts by the UN and NGOs to identify the individuals involved in these “networks of elites” have only been partially successful. Despite their lack of transparency, these “networks of elites” illustrate the criminal nature of relationships between business, politics and violence.

The mineral trade in the DRC reveals a regional economy that is firmly turned towards East Africa. Towns near the border create a bridge between the informal upstream chains and the downstream linked to the circuits of the global economy. The minerals trade contributes to the integration of the informal economy of the Great Lakes Region and demonstrates a separation between politics (within the framework of national sovereignty) and economics (within the system of integrated trade in East Africa).



*Figure 118: Gross value of contraband flows from the DRC in 2010 (UNODC)*

According to International Alert, the social and economic risks of artisanal mining are considerable. Artisanal mining is a poverty trap, as most of the miners involve in it as a means of survival, either willingly or by necessity. Behind the illusion of sudden wealth, it generates a dynamic of impoverishment. Artisanal mining is part of a worldwide process of social transformation driving people from the countryside towards the mines and urban centres. Small towns have appeared around the largest mining sites, further altering the spatial distribution of the population. These agglomerations created from mining have changed economic, social and cultural life in the Kivus and Ituri. The system of artisanal mining exploitation produces both direct and indirect violence.

The environmental consequences of mining are negative in every respect, from chemical pollution of the water table, to deforestation, diversion of rivers, the sweeping away of whole sections of hillsides and the disappearance of arable land to intensive poaching in national parks to feed the miners. The killing of wild animals to feed the workforce has caused considerable damage, especially since part of the poached game is diverted to markets in the towns in Kivu.

In 2009, the Organisation for Economic Cooperation and Development (OECD) developed together with governments, companies, NGOs and other participants, guidelines on due diligence for companies sourcing minerals from conflict affected regions. The “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” were adopted in 2010. The Guidance includes measures to evaluate and mitigate risks and in some cases requires companies to disengage with suppliers if the risks are high. The OECD Guidance emphasizes the need for companies in the ‘upstream’ part of the supply chain (meaning firms involved in mining, trading and smelting mineral

concentrate) to carry out a comprehensive process of checks on their supply chains when sourcing from conflict-affected regions. These checks include tracing minerals to the mine of origin and undertaking on the ground risk assessments to avoid the risk of benefiting armed groups. Implementation of the Guidance will be audited at the smelter level. The guidance also seeks to set out ways in which downstream firms can trace the metals they use by finding the smelter that refined them and obtaining the relevant information from them. The principles have been endorsed by the ICGLR governments. The question now is the extent to which companies can be persuaded or compelled to abide by them. National governments and regional organizations should pass these due diligence standards into law.

One significant example of a national effort to improve corporate due diligence for companies operating in the DRC and the region is the Dodd Frank Wall Street Reform and Consumer Protection Act. With the passage of this bill, US Legislators are playing an important role in tackling the links between commerce and conflict in Congo. It requires all companies registered with the SEC, and whose products contain cassiterite, coltan, wolframite or gold, to disclose whether these minerals originate from Congo or adjoining countries. Those firms must submit annual reports to the SEC, setting out the due diligence measures that the companies have taken, the smelters that processed the minerals and the companies' efforts to determine the mine of origin. These reports to the SEC must be subject to an independent private sector audit and the companies must publish the information that they contain on their websites.

According to Paul Collier (2007: 34), "a country such as the Democratic Republic of the Congo will need around half a century of peace at its present rate of growth simply to get back to the income level it had in 1960. Its chances of getting fifty continuous years of

peace with its low income, slow growth, dependence upon primary commodities, and history of conflict are, unfortunately, not high.”

### **Analysis:**

The case of the trafficking of minerals in DRC reveals the following considerations related to the structures of power:

- A long term pattern of colonial and neo-colonial exploitation of valuable natural resources by the developed economies has continued since the 19<sup>th</sup> century. This has seriously damaged the social structure of the country, transforming it into the “heart of darkness”
- Since the 1990s the regional hegemons (mainly Rwanda and Uganda) maintain a conflict in the East of the DRC through proxies (and occasionally through open invasion) in order to maintain a vast smuggling operation of natural resources through their own territory towards the global markets.
- The Government of DRC (particularly after the fall of Mobutu Sese Seko) has not been able to maintain a transportation infrastructure nor an administration that would have permitted it to control and tax the trade of natural resources throughout its territory. The donor countries have not invested in the development of an infrastructure that would have permitted the legal and industrialized exploitation of these resources.
- A weak government as that of the DRC prefers to keep its army *busy* in the East of the country fighting rebels and profiting from the trafficking of blood minerals, rather than risking putsches if they had been deployed near the capital Kinshasa.



- The image of DRC in the West has changed from that of the “corrupt gendarme” of the West (in the time of Mobutu), to that of a nation “liberated” by Rwanda and Uganda (1996-1998), to the victim of “Africa’s world war” (1998-2003).
- The influence of the *moral entrepreneurs* (e.g.: Enough, Global Witness) has been fundamental in the establishment of norms to control the trafficking of minerals. The role of the TNCs has also been important behind the scenes.
- The action of the international community has come mainly from the trade *hegemon*, the USA. In fact, the Dodd-Frank bill on financial reform includes an article on the due diligence of companies regarding conflict minerals sourced in the DRC. This is an unprecedented case of human rights measures taken unilaterally by one (powerful) state, pressured by moral entrepreneurs, through the markets, with a global reach. This has encouraged other actors like the OECD, the ICGLR or the EU to move in the same direction. However, all the schemes are complex, costly and voluntary.
- *Cui bono?* Powerful TNCs from industrialized countries obtain huge profits from the trade of precious minerals and the production of electronic goods. Miners, insurgents, local traders and DRC officials obtain just enough to survive out of this trade. The local populations, and in particular the most vulnerable as children, women and indigenous peoples suffer the whole weight of an cruel and long war.
- The case of Canada is an interesting one of ambiguous attitude towards the DRC. It provides strong support to the promotion of human rights, but most of the TNCs profiting from the trade of minerals are capitalized in the Toronto stock exchange. Germany is discretely but actively promoting initiatives aiming at the legalization of the trade of minerals.

## 8.2.5 Comments

Returning to the proposed definition of TOC of this thesis: *Serious, widespread and long-lasting harm caused to society or the environment by an organized group with the purpose of obtaining an economic profit*, we can say that armed conflict is a highly criminogenic activity. As the normal social rules cease to be applicable, and the control mechanisms are weak, every dishonest actor can take advantage of the situation: the rebel leader that loots and extorts, the army officer who behaves like a rebel, the government official who takes bribes and looks aside, the international trafficker who sells and buys illegal or illicit goods in a territory at war, the manager of a TNC who buys from the trafficker, the mercenary company who is hired by the TNC to operate in a country at war, and the politician who condones the occupation of Iraq and all the corruption that occurred because he has the power to do so.

But let's see how each of the schools of thought may perceive the issue, and how it could react:

- For a *realist*, organized crime is a menace because it threatens to substitute the state. For an official of a weak government this feeling is very strong and tangible, as a traditional TOC group can violently take over the governing functions from the state in the areas that it controls: taxing, monopoly of violence, dictating laws, organizing trade, controlling resources, etc. A realist (like Susan Strange herself) would be shocked by an economic actor (like a TNC) trying to compete with the state, and would have difficulty to address the situation, as he/she does not fully trust the international regimes nor

cosmopolitan governance. His reaction would be to use military force, which is inefficient to combat TOC.

- A *liberal* would also feel threatened by the traditional TOC, and would be concerned that it captures the government. A liberal would promote regimes, even weak, as we have seen in the case of the DRC, to try to curb the trafficking. He would also encourage the establishment of a liberal peace in the failed state through the deployment of a peacekeeping mission, and through the provision of development and humanitarian aid. The liberal would, however, have difficulties in confronting malfeasance when perpetrated by an important economic actor like a TNC, because he is convinced that the transnational trade will be self-regulated by the greedy economic actors with the help of some treaties. Moreover, a liberal would support further the weakening of the state through privatization and deregulation measures, making it inefficient to control TOC.
- A *critic* would feel as threatened as the others by traditional TOC in a conflict environment, and would confront it in a similar way. Like the liberal, he would promote international regimes to curb TOC. However, he would propose fairer economic rules, in order to prevent the development of “illicit” markets. He would also promote a stronger cosmopolitan governance in order to enforce these rules and to control the “offshore” spaces used by traditional TOC as well as white-collar criminals for their ultimate goal, which is to hide and launder the proceeds of their crimes.

<b>TOC in armed conflict and Structural Power</b>			
<b>Structural power</b>	<b>Ideas</b>	<b>Institutions</b>	<b>Capabilities</b>
<b>Security</b>	It should be acknowledged that not only TOC and	The UN should pay more attention to TOC in armed	The new technologies are not very useful to

	<p>insurgents are driving conflicts, but also government officials and economic actors. “Shock and awe” can be used to impose otherwise unacceptable capitalist conditions. The association of traditional TOC with rebellions is classic.</p>	<p>conflict, because it is an important driver thereof. Prohibition of trade of some substances like drugs can be an incentive to increase their price.</p>	<p>fight insurgencies, as they use traditional/ asymmetric means. A global/ cosmopolitan authority would be most efficient way to control armed conflicts and associated crime.</p>
<b>Production</b>	<p>Smart neoliberal TNC managers will envision opportunities for business, even if they originate in war zones and are illegal.</p>	<p>Regimes to control the trafficking of natural resources in war situations can be useful, but should be more assertive. Traditional TOC can take over a weak state and shift from roving to static bandit.</p>	<p>Airplanes and GPS can be useful for TOC to smuggle valuable goods from remote and inaccessible areas. Most profit is not done at the production level of illicit goods, but at the international resale markets.</p>
<b>Finance</b>	<p>International “clean” financial links are necessary to transform the proceeds of looting and smuggling into laundered money. Elites among the communities build on ethnic grievances to assert themselves and obtain economic gain.</p>	<p>Stronger international financial control regimes should contribute to reduce trafficking. Secrecy jurisdictions are indispensable to keep and launder the proceeds of TOC in conflict, and closing them would necessarily reduce resource wars.</p>	<p>The capacity to move money through the internet to secrecy jurisdictions makes the fight against TOC very difficult.</p>
<b>Welfare</b>	<p>The population and the environment are the main victims of TOC related armed conflicts. The “class warfare” angle should be analysed in every violent conflict, although it is often disguised as an inter-community conflict.</p>	<p>Development and humanitarian aid should be careful not to fall prey to TOC. IHL can mitigate effects of conflict on the population.</p>	<p>The only way to reduce the suffering of the victims is through the end of the conflict.</p>
<b>Conclusions</b>	<p>The mitigation of harm caused by TOC in armed conflict through peacekeeping and the provision of aid is very useful. However, in conflicts driven by illicit trade, the control of international financial flows can help to curb the financing of armed groups. The regimes for the control of the trafficking of natural resources from conflict areas are very useful, but should be more assertive. The “class warfare” angle should be taken into account in every conflict, although they are often disguised as inter-communitarian or ideological conflicts.</p>		

## 8.3 Threats to Structural Peace

*“Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist”. Kenneth Boulding, economist.*

As we have seen in previous chapters, the deregulation and privatization processes brought by the neoliberal revolution has given room to numerous harms being inflicted to the population and the environment. The infliction of harm does not depend only on the intent of the actors, but also on the context in which this happens. If the wellbeing of the population and the environment are considered as “externalities” and not as essential objects to protect, there would be few incentives not to harm them. The harmful actor can have two attitudes towards the object (population, environment), depending on his ideology (neoliberal, critical), that will place the object as the focus of his attention, or will simply dismiss it as an “externality” that can be exploited at will. Next is a table of those two opposing views on development:

	<b>The orthodox view</b>	<b>The alternative view</b>
<b>Poverty</b>	A situation suffered by people who do not have the money to buy food and satisfy other basic material needs.	A situation suffered by people who are not able to meet their material and non-material needs through their own effort.
<b>Solution</b>	Transformation of traditional subsistence economies defined as 'backward' into industrial, commodified economies defined as 'modern'. Production for profit. Individuals sell their labour for money, rather than producing to meet their family's needs.	Creation of human well-being through sustainable societies in social, cultural, political, and economic terms.
<b>Core ideas and assumptions</b>	The possibility of unlimited economic growth in a free market system. Economies eventually become self-sustaining ('take-off' point). Wealth is said to trickle down to those at the bottom. All layers of society benefit through a 'trickle-down' mechanism	The inherent value of nature, cultural diversity, and the community controlled commons (water, land, air, forest). Human activity in balance with nature. Self-reliance and local control through democratic inclusion, participation, and giving a voice to marginalized

	when the superior 'Western' model is adopted.	groups, such as women, indigenous groups.
<b>Measurement</b>	Economic growth; Gross Domestic Product (GDP) per capita; industrialization, including agriculture.	Fulfilment of basic material and non-material human needs of everyone; condition of the natural environment. Political empowerment of marginalized.
<b>Process</b>	Top-down; reliance on external 'expert knowledge'. Usually Western. Large capital investments in large projects; advanced technology; expansion of the private sphere.	Bottom-up; participatory; reliance on appropriate (often local) knowledge and technology; small investments in small-scale projects; protection of the commons.

*Figure 119: The two concepts of development (Evans and Thomas 2014)*

According to economist Michel Husson (2012), capitalism has the infinite accumulation of capital as its profound vocation and as an aim in itself; as an origin it has the private appropriation of the means of production; as support the commodification of the world; as means the exploitation of labour and the predation of nature. Capitalism, in decreasing in productivity and unable to satisfy its needs, while in the environmental field its logic is purely destructive. A different project of society, far from the illusion of a solution through regulation, must come from a radical diagnostic of the present.

As stated by criminologist Reiman (2015), “bias against the poor starts at the point at which legislators decide what is to be a crime in the first place. Many of the ways in which the well-off harm their fellows (deadly pollution, unsafe working conditions, and some of the harmful practices that have led to the current financial crisis) are not even defined as crimes, though they do more damage to life and limb, or take more money from people's pockets, than the acts that are treated as crimes.”

In “The Bottom Billion”, Paul Collier (2007) describes the *Development traps*. The book suggests that, whereas part of the 5 billion people in the "developing world" are slightly improving their material conditions, a group of countries (mostly in Africa and Central America) are stuck in their misery and that development assistance should be focused heavily on them. These countries typically suffer from one or more of the following development traps:

- The Conflict Trap: Civil wars (with an estimated average cost of \$64bn each) and coups suffer large economic costs to a country. Furthermore, in the time period following immediately a major conflict, relapse into conflict is highly likely. Collier argues that the longer a country stays in a state of conflict, the more players benefit from the state of turmoil, making the situation gradually more intractable.
- The Natural Resource Trap: Countries that are rich in natural resources are paradoxically worse off than countries that are not. Collier attributes this different causes:
  - The availability of resources makes conflict for them more likely.
  - The availability of resources means that a government does not have to tax its citizens, who are in turn likely to demand the government for financial accountability.
  - The exploitation of valuable natural resources can cause the Dutch disease, where a country's other industries become less competitive as a result of currency valuation due to the revenue from the resource.
- Landlocked with Bad Neighbours: Poor and landlocked countries with bad neighbours find it almost impossible to be connected to the global economy. Collier explains that countries with a coast trade with the world, whereas

landlocked countries can only trade with their neighbours. Landlocked countries with poor infrastructure connections to their neighbours thus necessarily have a limited market for their goods.

- **Bad Governance in a Small Country:** Bad governance and bad policies can destroy an economy with great speed. The reason why small countries are disadvantaged is that although they may have a low cost-of-living, and therefore be ideal for labour-intensive work, their small size discourages potential investors, who are unaware with the local conditions and risks, and opt instead for better known countries like China and India.

TOC takes advantage of all of these traps to make profits.

The World Bank's 2011 World Development Report (WDR) covers the relationship between conflict, security, and development. The idea of the Report is that it is important to "accept the links between security and development outcomes", and it presents an analysis of the basic trends underlying conflict and violence in the 21st century, as well as some policy recommendations to face "the challenge of repeated cycles of violence". The WDR suggests that modern conflicts are no longer one-off events, that new forms of conflict and violence are emerging, and that different forms of violence can be linked to each other in manners that stimulate negative "feedback loops" that are very difficult to break, particularly in "fragile" situations. In order to meet these challenges, the Report suggests that the build-up of "inclusive-enough coalitions" in conflict-affected settings, that these push forward "pragmatic, best-fit" measures that will produce "early results" in order to improve levels of confidence in society, and that they focus primarily on "security, justice, and jobs" (Jones and Rodgers 2011). The constant fight against all kinds of TOC



(traditional, economic and environmental) is therefore a necessity in order to achieve structural and direct peace.

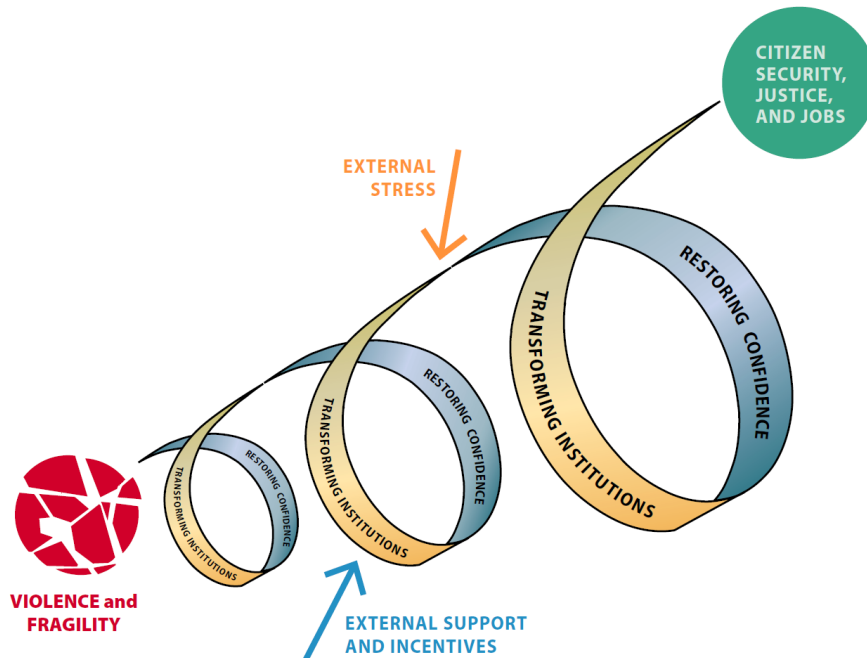


Figure 120: Moving from fragility and violence to institutional resilience in citizen security, justice and jobs (source: WDR 2011)

### 8.3.1 Organised Crime and the Sustainable Development Goals

*“We are faced not with two separate crises, one environmental and the other social, but rather with one complex crisis which is both social and environmental”. Pope Francis, Laudato Si, 139 (2015)*

The report *Improving Development Responses to Organized Crime* of the GIATOC (2014) says that over the last decade, the world has realized that TOC is a development spoiler. This realization has been recorded in several influential reports: In 2005, the report of the

Secretary General ‘In Larger Freedom’ which identified the challenges preventing the success of the MDGs highlighted organized crime as one of the main threats to peace and security in the 21st Century. In 2014 also, a UNODC report underlined the link between underdevelopment and a criminogenic environment. The 2010 “Keeping the Promise” report of the Secretary-General documented that in order to achieve the MDGs there should be a capacity to respond to TOC. The WDR 2011, concluded that both conflict and TOC have the same harmful effect on development, resulting in a decrease of 20 percent development performance. The “Action Agenda” of the Secretary General in 2012 mentioned the need to react better to TOC as a priority to achieve a stable world. The OECD report “States of Fragility” in 2015 cites TOC as one of the “global public *bads*”. The final document of the expert meeting at the Commission of the African Union in Addis Ababa in 2014 strongly emphasises on the themes of SDG 16, which vows to “significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime by 2030”.

According to Mark Duffield (2007), “rather than development being concerned with reducing the economic gap between rich and poor countries, or extending to the latter the levels of social protection existing in the former, as a technology of security it functions to contain and manage underdevelopment’s destabilizing effects, especially its circulatory epiphenomena such as undocumented migrants, asylum seekers, trans border shadow economies or criminal networks. Since decolonization, the biopolitical division of the world of peoples into developed and underdeveloped species-life has been deepening. Today it shapes a terrain of unending war.”

In 2015, the 193 countries of the UN General Assembly adopted the 2030 Development Agenda titled “Transforming our world. The 2030 Agenda for Sustainable Development”.

It builds on the Millennium Development Goals that end in 2015. The Agenda is a plan of action for people, planet and prosperity, and also seeks to strengthen universal peace in larger freedom. It includes 17 Sustainable Development Goals (SDGs) and 169 targets. It responds to the new international multi-centric context. It includes a strong environmental agenda and reaffirms “that the Earth and its ecosystems are our common home and that ‘Mother Earth’ is a common expression in a number of countries and regions”. It applies to all countries of the world and does not respond to a North South development agenda as in the past. Each government will decide how to integrate these aspirational goals in their national development agendas.

Next we will see the links between TOC and the different SDGs:

### ***8.3.1.1 End poverty in all its forms everywhere***

*“The same mind-set which stands in the way of making radical decisions to reverse the trend of global warming also stands in the way of achieving the goal of eliminating poverty.” Pope Francis I, Laudato Si, 175 (2015)*

The SDGs document reminds that 836 million people still live in extreme poverty and that about one in five persons in developing regions lives on less than US\$1.25 per day.

It will be difficult to achieve the seventeen SDG targets if traditional TOC and corruption are not curbed, but especially if the harmful economic and environmental practices that we have seen in previous chapters are not controlled. It is unlikely that social protection systems will be implemented with the prevailing neoliberal ideology that advocates for the reduction of spending in social services. The present trend of land-grabbing needs to be stopped for all men and women to have access to land.

According to anthropologist Jason Hickel (2015), it will take 100 years for the world's poorest people to earn US\$1.25 per day with the present economic structure. To achieve it, the global GDP should grow 175 times, and to achieve this at the present levels of inequality, global per capita income would have to be no less than US\$1.3 million. He thinks that if we want to suppress poverty sooner without destroying our ability to inhabit this planet, we need to abolish debts owed by developing countries, close down the tax havens, install a global minimum wage, place a moratorium on land grabs, and put an end to the structural adjustment programmes. On top of all this, we need to dethrone the GDP measure and replace it with something more rational - like the Genuine Progress Indicator or the Happy Planet Index.

### ***8.3.1.2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture***

It is unlikely that the agribusiness corporations, through their lobbying, will allow the small farmers to increase their production. It is also unlikely that they will allow the diversity of seeds, if this goes against their business plans.

It is also unlikely that the USA and the EU will reduce their enormous agricultural subsidies that completely distort the global food markets.

According to the World Development Movement, the rise in food prices from 2007-2008 was caused mainly by speculation by banks on food prices. Following the 1929 global economic crisis, food price speculation had been forbidden; however during the neoliberal deregulation and liberalization processes this ban disappeared.

In contrast to hunger, the medical magazine *The Lancet* stated that 2.5 million out of 1 billion obese people in the world die every year due to the long-term effects of their condition. Taking into account their responsibility for creating this new epidemic, fast food producers and unscrupulous advertising companies could be considered guilty of this situation.

### ***8.3.1.3 Ensure healthy lives and promote well-being for all at all ages***

It will be difficult to cure many illnesses if counterfeit medicines continue to circulate massively, especially in poor countries. But it will also be difficult for the poor to have access to the “good” medicines if the Big Pharma corporations continue to speculate on the prices of patented medicines.

It will be difficult to prevent and treat drug abuse if drug trafficking continues at the present levels. In fact, as we have seen in other chapters, the main reason for the epidemics of drugs is precisely that some governments have “securitized” the drug problem instead of addressing it as a public health issue and a social problem. It is this securitization that rises the prices of drugs. On the other side, tobacco is legal, but the corporations are allowed to influence the laws that regulate its consumption, causing epidemics as well.

It will be difficult to obtain universal health coverage with the prevailing neoliberal-inspired austerity measures that promote the reduction of health budgets in most countries, and the privatization of health services.

It will also be very difficult to reduce the number of deaths by pollution if the polluting industries are not properly controlled, as we have seen in the chapter about the

environmental crimes. On the contrary, corporations influence governments through their lobbies and buy the support of politicians through the “revolving doors”.

According to TI (2010), corruption in the health care sector harms government funding for the sector, the quality of medicines and the delivery of services. Tapping off funds from health budgets is common in Azerbaijan and Uganda. In Liberia, where the government has been active in anti-corruption, audits by the country’s General Auditing Commission reported serious irregularities by employees of the Ministry of Health & Social Welfare. Investigators exposed a discrepancy of nearly US\$4 million in unaccounted-for funds, or roughly 20 percent of the whole budget of the ministry. Bribes and other muddy business in a country’s pharmaceutical industry can harm even well-designed national health programmes. Altered medicines and substandard procurements inflict a high loss of resources and lives. In China the occurrence of counterfeit drugs is estimated to result in almost 300,000 deaths annually. As in the education sector, bribery and irregular payments often distress a country’s health system. A study by Amnesty International on maternal health in Burkina Faso revealed that corruption among medical personnel is one of the main causes of death for thousands of women during pregnancy. Poor women are turned away from hospitals, unable to pay the bribes requested by hospital staff to provide care. This evidence from Burkina Faso is supported by findings by TI that the occurrence of bribery in a country is correlated to death rates for women giving birth. This relationship is significant even when per capita income and the share of total spending on health in a country are taken into account. The findings, based on data for 64 countries, suggest that a surge in bribery is associated with a rise in maternal mortality, irrespective of how rich a country is or how much it invests in health.

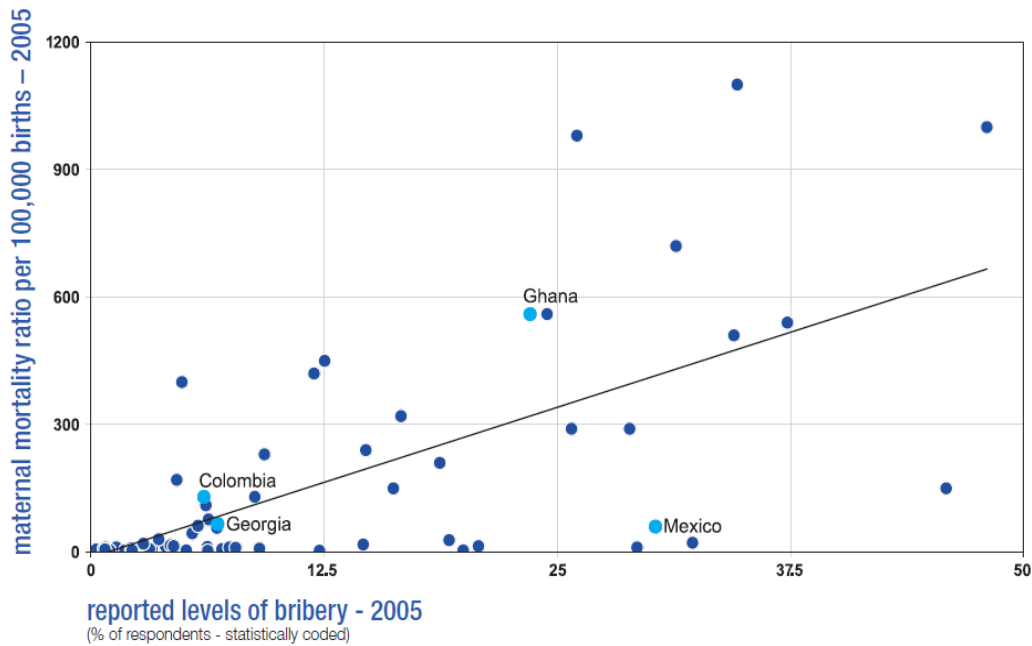


Figure 121: Bribery and maternal mortality (TI, 2010)

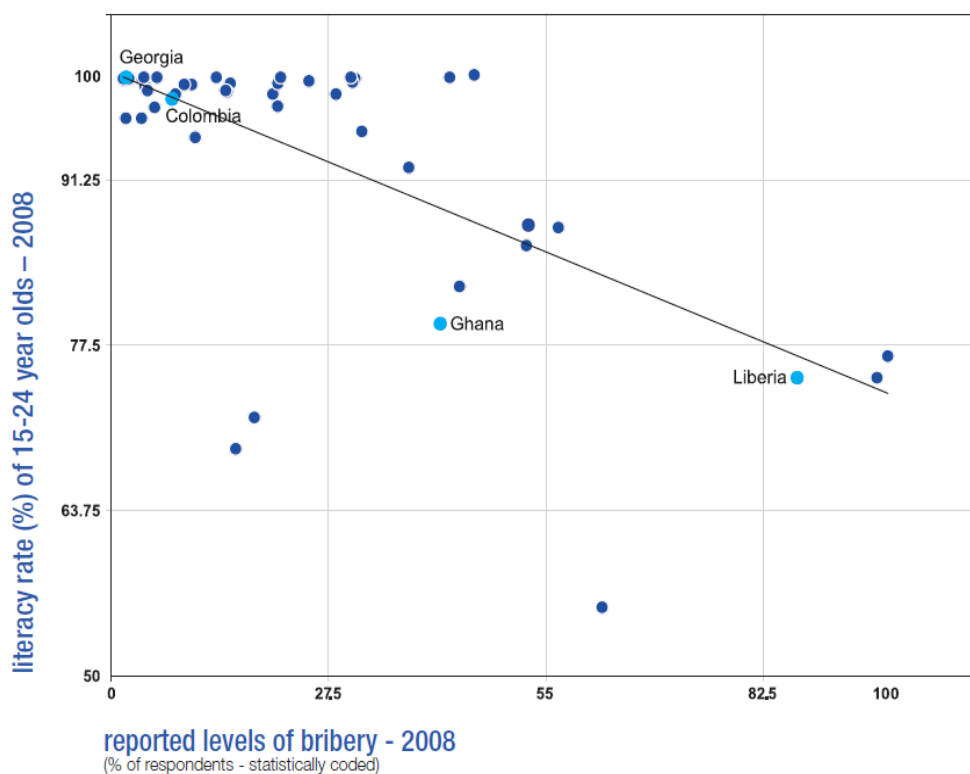
### ***8.3.1.4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all***

It is unlikely that all girls and boys will have access to education with the present neoliberal trend to reduce public education budgets and to privatize the education system. On the contrary, it is likely that children will start working “in the black economy” at an early age to compensate the loss of revenue of their parents in an age of austerity and unemployment.

It is also unlikely that there will be much progress in stimulating the values of sustainability, human rights, peace, and global citizenship in an era when only the skills useful to work in corporations are promoted.

Neither is it likely that there will be many highly qualified teachers, considering that only the careers giving access to the financial sector, like bankers, economists, computer technicians or lawyers are well paid.

Transparency International research (2010) in 50 countries revealed there is a clear correlation between a surge in corruption and a reduction of the quality and quantity of education in a country. Data suggests that the increase in paying bribes is related with a lower literacy rate among 15 to 24 year olds, which holds independently of a country's per capita income. Corruption can disturb education systems in different, destructive ways. In some countries schools are meant to be free and open to all students. However conclusions from Transparency International's seven-country study in Africa - Ghana, Madagascar, Morocco, Niger, Senegal, Sierra Leone and Uganda - show that 44 per cent of parents had to do illegal payments to send their children to school. In Bangladesh the problem of irregular payments has meant that even scholarship programmes have become biased. One initiative that aims to send girls of poor families to school has been ineffective and expensive. According to a study by TI Bangladesh, 25 percent of families registering in the programme have reported to pay a bribe. Furthermore, when the family went to collect the money, half the respondents said that part of it was missing.





### ***8.3.1.5 Achieve gender equality and empower all women and girls***

Target 5.2 calls directly for the elimination of trafficking and sexual and other types of exploitation of women and girls by TOC. However, as long as the neoliberal ideology will prevail, there will continue to be huge regional economic inequalities, obstacles to the movement of people (but not capitals and goods) and wars that will put people in the hands of traffickers and pimps to save their lives or livelihoods. There are more and more accounts of women turning to prostitution in austerity stricken countries like Greece (Reid 2015).

It is also unlikely that unpaid care and domestic work will be properly recognized in times of public austerity.

Reproductive health services could be instrumental to reduce the unsustainable huge numbers of the human population. But this should be done in a voluntary manner, and not imposed, as happened in the past in countries like India or China. In any case, it has been proven that it is the education and jobs of women that most favour the reduction of the number of children.

### ***8.3.1.6 Ensure availability and sustainable management of water and sanitation for all***

It is unlikely that there will be universal and equitable access to safe and affordable drinking water for all when the water sources and distribution systems are being sold to private sector corporations. Water is turning from a right to a commodity.

The quality of water is not likely to improve when polluting industries and farms are allowed to continue operating unmolested. Not much is done neither against the dumping of hazardous waste, as we have seen in the case of the Probo Koala in Ivory Coast mentioned earlier.

At the same time, water related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes are often sacrificed to the supreme neoliberal goal of profit making.

According to the World Health Organization and UNICEF, some 663 million people lack access to so-called “improved” drinking water sources globally. This contributes to 1.6 million deaths annually, most of whom are children under 5 years old. For example, in 2013, Malawi’s reformed public financial management system was misused to divert US\$5 million in public funds to the private accounts of officials. In 2015, an audit of the €70 million phase II national water programme in Benin, revealed that €4 million had vanished.

According to Transparency International (2010), corruption is assessed to increase the price of connecting a household to a water network by as much as 45 percent in developing countries. People living in slums not connected to the water grid frequently pay much more for water than connected customers. Residents of Manila that are off the grid pay more for water than residents of London, New York or Rome. It is estimated that worldwide 20 to

70 percent of lost resources in the water sector could be saved if transparency was prevalent and corruption was eradicated. In India local water and sanitation specialists in the state of Kerala have calculated that public projects in the sector lose between 20 and 30 percent of their resources to corruption. In Kenya corruption in the water sector is characterised by bribery. According to TI Kenya, 87 percent of respondents in Nairobi had observed the payment of bribes in order to connect to the city's water grid. Analysis by TI finds that a population's access to safe drinking water is negatively correlated with the level of bribery prevalent in the country. This result is independent of the level of GDP per capita and the money invested by the government in public water infrastructure. The results show that the statistical effect of bribery is equivalent to that of per capita income: a lower prevalence of bribery has the same correlation to the increase of access to clean water as does a higher per capita income. Poor families, when compared to other income groups, are especially burdened by hassles for petty bribes. Corruption has become a regressive tax on poor households that undermines attempts to eradicate poverty. In India surveys conducted by the TI chapter similarly reported that poor people have paid more than US\$ 200 million in bribes annually to access "free" services, including hospitals, the police, schools and employment benefits. There is even evidence of Indian families paying bribes when they try to get entitlement cards to attest their income is below the national poverty line.

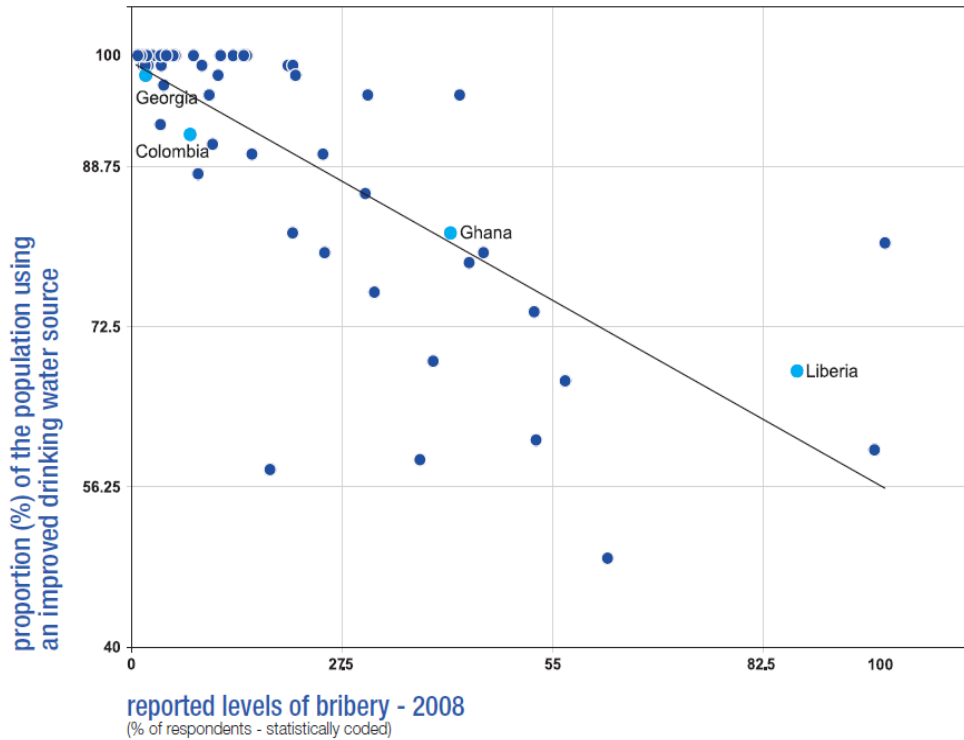


Figure 123: Bribery and access to water (TI 2010)

### ***8.3.1.7 Ensure access to affordable, reliable, sustainable and modern energy for all***

Governments in the West are still giving more subsidies to fossil fuel than to renewable energies (The Guardian 2015). Greenpeace (2012) estimates that the governments were still providing US\$ 1 trillion worth of harmful subsidies a year, covering fossil fuels to fertilizers and fisheries in 2012. According to the OECD, government support to fossil fuel consumption and production in OECD countries and key emerging economies remains high, at US\$ 160-200 billion annually (OECD 2015). This support is hampering global efforts to curb emissions and combat climate change. In 2009 G20 members had committed to phasing out “inefficient fossil fuel subsidies” as part of wider efforts to combat climate change.

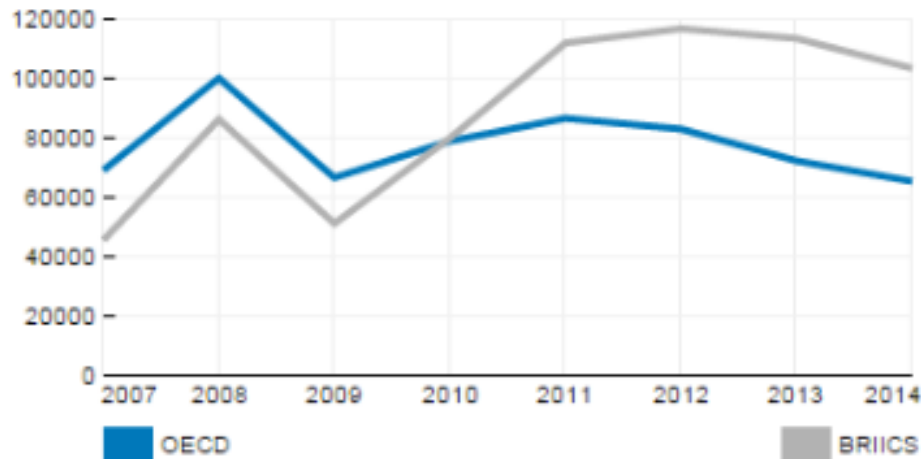


Figure 124: Total support for fossil fuels, in millions of current US\$ (source: OECD 2015 inventory of support measures for fossil fuels).

### **8.3.1.8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

*“Put simply, it is a matter of redefining our notion of progress. A technological and economic development which does not leave in its wake a better world and an integrally higher quality of life cannot be considered progress.” Pope Francis I,*

*Laudato Si, 194 (2015)*

Target 8.7 calls for the eradication of forced labour, the end modern slavery and human trafficking and to secure the prohibition and elimination of the worst forms of child labour. This aims directly at the activities of traditional TOC. However, if neoliberal capitalism continues to put obstacles for the free movement of workers, it is setting the conditions for the trafficking to thrive.

Aside of this, target 8.1 advocates for a sustained economic growth. However, as seen before in this thesis, infinite economic growth in a finite planet is not possible. Maybe the time has come for a strategic change of plans.

Target 8.4 appeals for the “decoupling of economic growth from environmental degradation”, which will be difficult if the only measure of the economy is the GDP, in which the state of the environment is not considered.

Target 8.5 appeals for the full employment for all. However, it is well known that unemployment, the “reserve army of labour”, is a necessary feature of the prevailing capitalist system, as explained by Karl Marx in *Wages* (1847).

### ***8.3.1.9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation***

This goal is very fair, but the document does not say how to achieve it. In fact, we have seen in the past the promotion of the construction of unnecessary and environmentally unfriendly industries and infrastructures with the support of the IFIs and ECAs, mainly in developing countries.

On the other hand, it is likely that construction corporations will take advantage of the adaptation to climate change to undertake important infrastructure works, especially in the areas inundated by the rising oceans. This adaptation will be preferred to mitigating climate change, because it produces important profits to corporations.

### ***8.3.1.10 Reduce inequality within and among countries***

*“There’s been class warfare going on for the last 20 years and my class has won.” - Warren Buffet, the Fourth Wealthiest Person in the World*

It is commendable that, for the first time, a goal to reduce inequality is included in such a strategic document as the SDGs. However, in a time when the TCC has acquired an unprecedented power globally, it is unlikely that they will allow the reversion of inequality. The whole purpose of hierarchical societies, and in particular capitalism, is to maintain a difference between rich and poor, so as to maintain a pool of poor underemployed people available to work for a small wage, and produce value for the owner.

It is unlikely that the TCCs will allow the increase of taxes for the rich, or the reduction of the wage gap, or spending more money in social protection as proposed in target 10.4, because this would go against their lust for accumulation of capital and power. The TCCs will also resist very strongly the re-regulation of the global financial markets (10.5), for which they fought so hard for decades. They will not allow the free mobility of people, because the TCCs would lose the “reserve armies of labour” from the periphery to exploit.

According to the UNDP HDR 2014, the 85 richest people in the world have the same wealth as the 3.5 billion poorest people (half the human population). This gives an indication of the power accumulated by the TCC. The report also asserts that if certain limits are crossed, high inequality can lead to alienation, social unrest and vulnerability through large sections of the population. High inequality can lead to loss of social competencies, and ‘tipping’ points’ may be reached beyond which societal degeneration is unavoidable. Inequality in access to resources and outcomes that coincides with cultural differences can turn into mobilizing agents that end in political disorders.

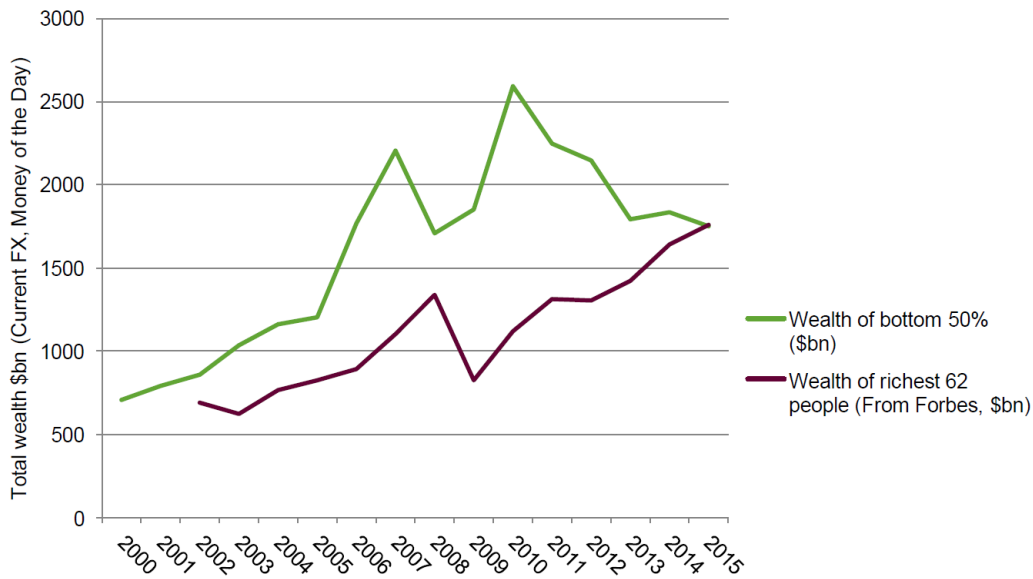


Figure 125: The wealth of the richest 62 individuals continues to grow, while that of the poorest half of the world stagnates (Oxfam, 2016)

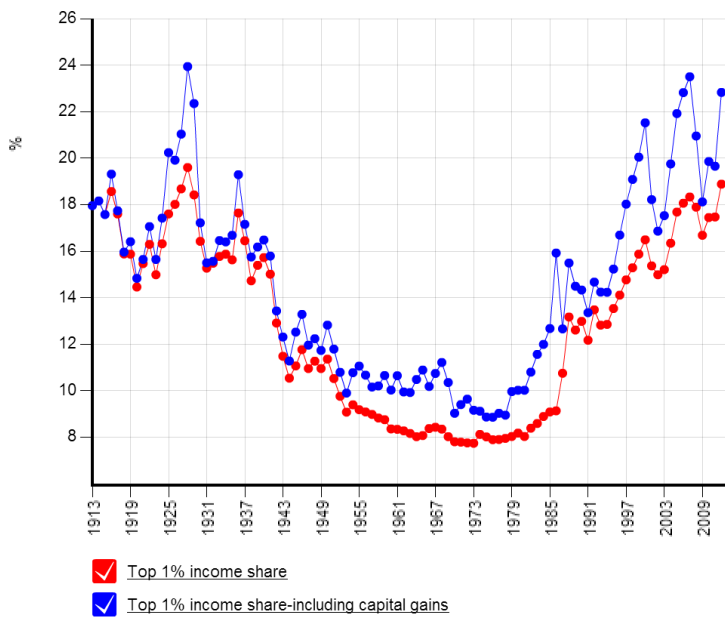


Figure 126: Top income shares USA 1913-2012 (source: The World Top Incomes Database)

Daly, Wilson and Vasdev (2001) found that income inequality, and not median income levels, relate to homicide rates. Their research compared Canadian provinces and US States. The more unequal areas have homicide rates ten times as high as the most equal. The authors suggest that this link is caused by inequality stimulating social competition,



thus encouraging violence. We can conclude that inequality is an important driver of crime. Robert Gurr (1970) had already emphasized the importance of “relative deprivation” as a cause of rebellion.

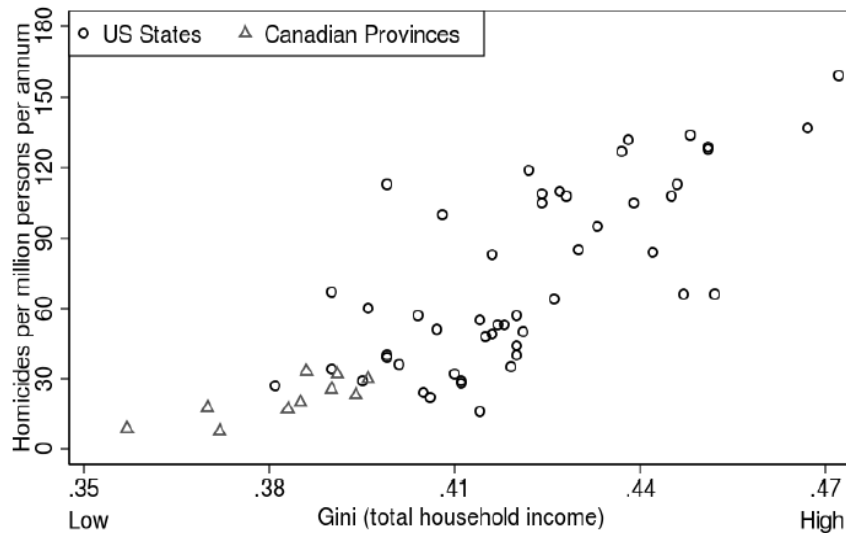
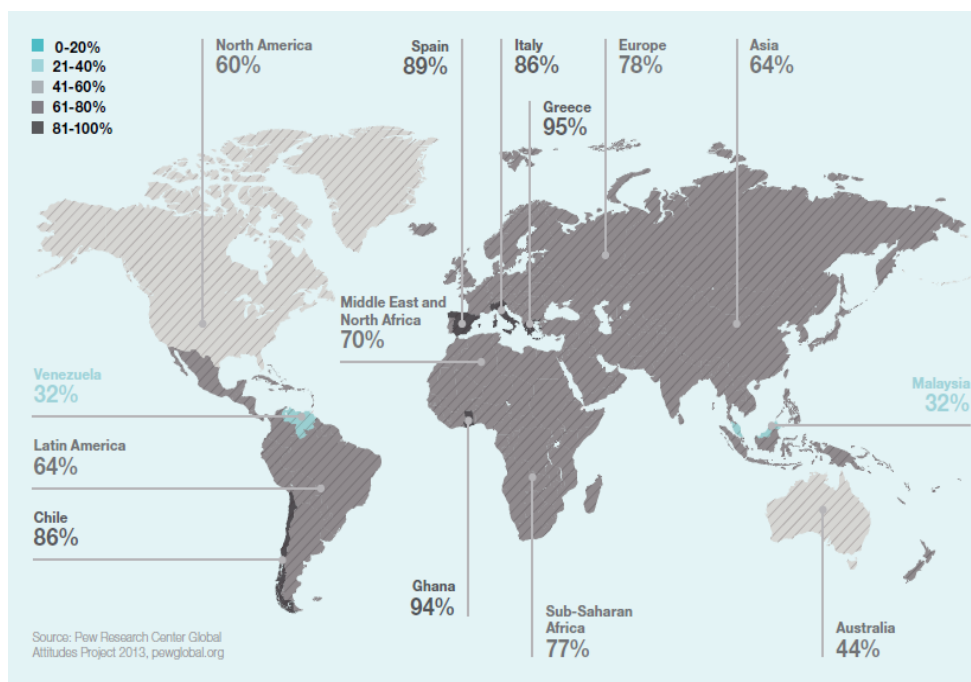


Figure 127: Homicide and income inequality in the USA and Canada (source: Daly, Wilson and Vadsev 2001)

According to Paul Rogers (2013), “global challenges will stem less from the likes of al-Qaida and much more from the dangerous combination of a polarised world, with its successful elites protected by force from both the global ghettos of the marginalised and evolving environmental constraints, of which climate disruption is the worst”

In *Capital in the Twenty-First Century* (2013), French economist Thomas Piketty argues that the rate of capital return in developed countries is persistently greater than the rate of economic growth, and that this will cause wealth inequality to increase in the future. To address this, he proposes a redistribution of incomes through a progressive global tax on wealth.



*Figure 128: Percentage of people who say the economic system in their country favours the wealthy (World Economic Forum 2014)*

According to Oxfam (2015), the poorest half of the global population are responsible for only around 10 percent of global emissions yet live overwhelmingly in the countries most vulnerable to climate change, while the richest 10 percent of people in the world are responsible for around 50 percent of global emissions. The average footprint of someone in the richest 1 percent could be 175 times that of someone in the poorest 10 percent.

In its 2015 report “Wealth: Having It All and Wanting More”, Oxfam alleges that global wealth is increasingly concentrated in a small rich elite, the TCC. “These wealthy individuals have generated and sustained their vast riches through their interests and activities in a few important economic sectors, including finance and pharmaceuticals/healthcare. Companies from these sectors spend millions of dollars every year on lobbying to create a policy environment that protects and enhances their interests further”. The most creative lobbying activities in the US are on budget and tax issues; public resources that should be directed to benefit the complete population. Two powerful economic and

political drivers of inequality can be identified, which can explain the extremes witnessed today: market fundamentalism and the capture of power by economic elites.

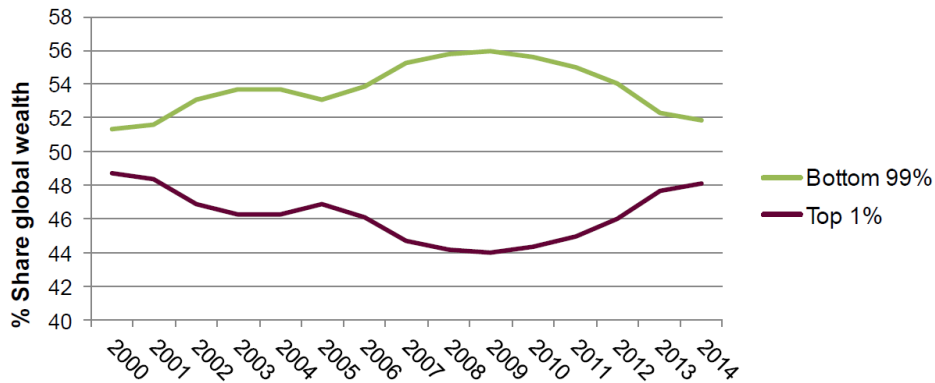


Figure 129: Share of global wealth of the 1 percent and bottom 99 percent respectively (source: Credit Suisse)

According to the IMF (2014), fiscal policy is the main tool for governments to adjust income distribution. Growing income inequality in advanced and developing economies has concurred with growing public support for income redistribution. This comes at a time when fiscal restraint is an important priority in many advanced and developing economies.

The 2014 Human Development Report has introduced the “Coefficient of Human Inequality”, which is an average of inequality in health, education and income. This improves the previous measures of inequality based only in income.

### ***8.3.1.11 Make cities and human settlements inclusive, safe, resilient and sustainable***

The first thing that should be done to ensure the access to adequate housing (11.1) is to regulate the financial system that caused a global economic crisis in 2008 through the

promotion of subprime loans in the real estate sector. However, there has been no criminal prosecutions for this, except for some bankers in Iceland.

The world heritage (11.4) will not be preserved if the food industry is allowed to replace the rain forest in the Amazon by cattle ranches and in Indonesia by palm oil plantations.

Waste management (11.6) needs to be protected from mafias or corrupt companies that traffic with it for profit.

### ***8.3.1.12 Ensure sustainable consumption and production patterns***

The prevailing growth economy is based on increasing consumption (12.1). It is therefore doubtful that consumption can be controlled unless the present consumerist economic paradigm is changed to one more sustainable.

It will be difficult to impose sustainable management of natural resources (12.2) and reduce food waste (12.3) if the sole and only goal of the present firms (and now also politics, given the importance of the “opinion of the markets” in political decision making) is profit-making for shareholders. The same applies to waste generation (12.5), an “externality” according to neoliberal economists.

Publicity continues to promote artificial consumerist lifestyles (12.8), and not lifestyles that are in harmony with the environment. The same applies to tourism (12.b).

We have mentioned earlier the negative effects of fossil fuel subsidies (12.c).

### **8.3.1.13 Take urgent action to combat climate change and its impacts**

*“It is remarkable how weak international political responses have been. The failure of global summits on the environment make it plain that our politics are subject to technology and finance. There are too many special interests, and economic interests easily end up trumping the common good and manipulating information so that their own plans will not be affected.” Pope Francis I, Laudato Si, 54 (2015)*

Target (13.1) of adaptation to climate change can imply the undertaking of important infrastructure works, and even the replacement of entire cities located at the sea level, which can fall prey to predatory construction TNCs.

Regarding education and awareness-raising on climate change, we have to take into account that many TCCs, and their embedded academics and media, are still trying to deny the facts around it, as we have seen in chapter 7.

As to the mobilization of US\$ 100 billion annually for mitigation (13.a), it will be difficult to achieve, when the military budgets are soaring (US\$ 1.8 trillion, according to SIPRI). In any case, this budget would be insufficient once the worst effects of climate change will unravel in some years.

### ***8.3.1.14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development***

It will be difficult to reduce marine pollution (14.1) if pollution continues to be an “externality” for classical economists. The same applies for the protection of marine and coastal ecosystems (14.2).

It is impossible to control the ocean acidification (14.3) without a reduction of CO<sub>2</sub> emissions by the FFIs.

It will be very difficult to control the effects of IUU and destructive fishing (14.4) if the depletion of the ocean life continues to be considered as an externality for the ruling economic and political elites. The same applies to the conservation of 10 percent of coastal and marine areas (14.5). We can also see how easily the coasts fall to uncontrolled urbanization and sea food farms under the neoliberal system.

Regarding the subsidies for fisheries (14.6), they will be very difficult to control if the industry is allowed to gain influence in politics through corrupt lobbying practices.

### ***8.3.1.15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss***

As we have seen in chapter 7, it will be very difficult to protect ecosystems (15.1) if the (harmful? criminal?) neoliberal credo says that the only priority of the economy is to

produce profit for shareholders out of anything and at any cost, and that the destruction of nature is an unfortunate “externality”.

It will be impossible to control desertification (15.3) because it is a consequence of climate change, which is already out of control due to the destructive production activities by the human elites during decades, although they were aware for decades of what the consequences would be. It was cheaper to finance denial.

The loss of biodiversity is driven by climate change, pollution and greed. There is not much that can be done about it without radical changes in human behaviour.

Regarding the financial resources to conserve biodiversity and ecosystems, it will not happen until it becomes more profitable than war making or drug trafficking, which is not going to happen until a radical change in human mentality takes place.

***8.3.1.16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels***

The inclusion of a political goal in a development agenda is a recognition of the synergies between both (WB 2011). This fact moves forward in the sense of the securitization of the development agenda (Sanahuja 2015).

In the build-up of the 2015 UN summit, there were especially intense deliberations on the goal concerning peace, justice and governance. The implementation of the targets of this goal are central for the overall success of the agenda. This applies particularly to the containment of TOC. The hoped reduction of illicit financial and arms flows, consolidation

of stolen asset recovery and combating all forms of TOC play a significant role in removing obstacles to development. (Vorrath & Beisheim 2015)

The Final MDG report already identified violent conflicts as the ultimate threat to human development, and as the main obstacle to the timely implementation of the MDGs. Fragile and conflict affected countries typically have the highest poverty rates. Peace is now one of five principal themes named in the preamble of the 2030 Agenda. However, SDG 16 only made it into the goal list after prolonged and contentious discussions.

But TOC is also pertinent as a cross-cutting issue for many SDG goals: improvement in areas such as health and the environment could be endangered by effects of the drug trade or of environmental crime, such as waste dumping.

The targets included in this goal refer to the advancement of peaceful and inclusive societies, access to justice for all and building effective, accountable and inclusive institutions at all levels. Beyond the decline of war and violence it is, consequently, a stated aim to control corruption and TOC, and to improve the rule of law and governance.

At the same time, the targets are imprecisely formulated, thus leaving much scope for interpretation. Consequently, the need to determine meaningful indicators becomes even more important. The goal endeavours the significant reduction of illicit financial and arms flows, strengthening of recovery and return of stolen assets, and combating all forms of organized crime, contains four different components that cannot be evaluated by one common indicator. Given the underground nature of criminal activities, generating suitable and consolidated data on TOC will always be difficult. The easier indicator would be one on the IFFs, which are already being monitored by the NGO GFI, and would have the advantage of not only measuring (indirectly) traditional TOC, but also white collar crime.



Resolving tax fraud is decisive to close the funding gap considering that developing countries lose nearly \$1 trillion a year to “illicit financial flows,” according to GFI.

It is important to use the synergies with other goals like the targets on the elimination of violence against and exploitation of women and girls (5.2) and children (16.2), which have obvious links to human trafficking. It can also contribute to combat illegal, unreported and unregulated (IUU) fishing (14.4), as well as poaching and trafficking of protected species of flora and fauna (15.7). There is still one link to SDG 10 (reduction of inequality within and among countries), which entails a firm response to corruption and the embezzlement of assets. In developing countries, embezzlement of public funds reaches up to US\$ 40 billion per year (WB), which corresponds to 20-40 percent of the total yearly global ODA.

According to TI (2015) report *“Curbing Illicit Financial Flows to Unlock a Sustainable Future”*, achieving the sustainable development goals and countering climate change will entail considerably more resources than what public finances alone can provide. By reducing illicit financial flows and recovering stolen assets, governments tap into valuable resources needed to close the financing gap. "The fight against corruption has the potential to release precisely the resources needed to lift billions of people out of poverty." (Huguette Labelle, at the 14th IACC)

Global Financial Integrity estimates that around US\$ 1 trillion are illicitly transferred every year from developing countries to Western economies. These trans-border transfers come from public servants bribes and misappropriation (about 3 percent of the world total), criminal activities as illegal drug trafficking and organised crime (between 30 and 35 percent of the world total) and commercial tax evasion, especially through import/export mispricing (60-65 percent of the world total). Almost all these financial flows are directed abroad. Only a fraction of these returns to the country of origin, and when this happens, it

is as direct foreign investment (DFI). This large transfer of developing countries' wealth is the economic factor which most heavily damages the initiatives to reduce poverty and to promote sustainable development in these countries. These large money transfers have been encouraged by a shadow financial system that has expanded all over the world since the 1970s. This system was created to facilitate capital flight and tax evasion from countries that had gained independence recently. These channels have been used by criminals and financiers of terrorism. This same shadow financial system is now an essential factor of the global financial crisis (Taxjustice 2009). GFI report “*Illicit financial flows from developing countries: 2002-2006*” concludes that developing economies lose 10 dollars through illicit means for every dollar of foreign aid received. In 2002, the richest 1 percent of the world population had as much revenue as the poorest 57 percent (UNDP 2002, box 1.1).

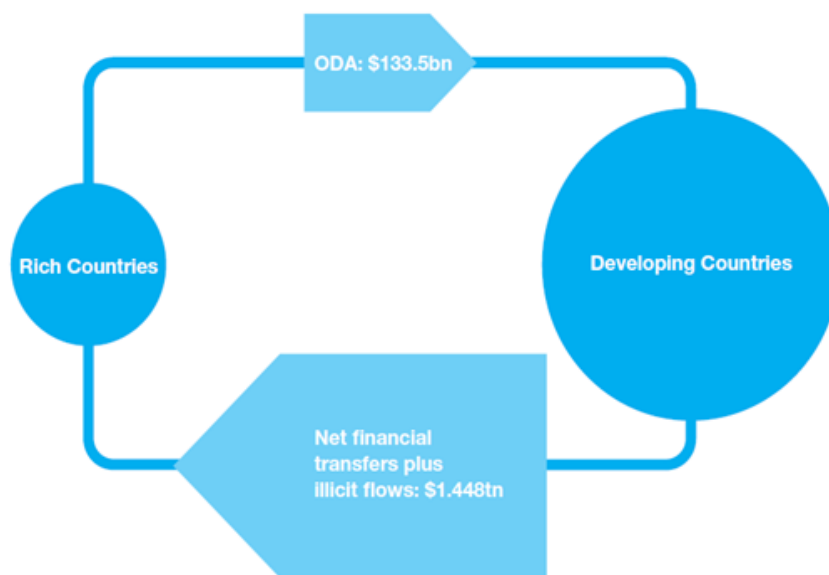
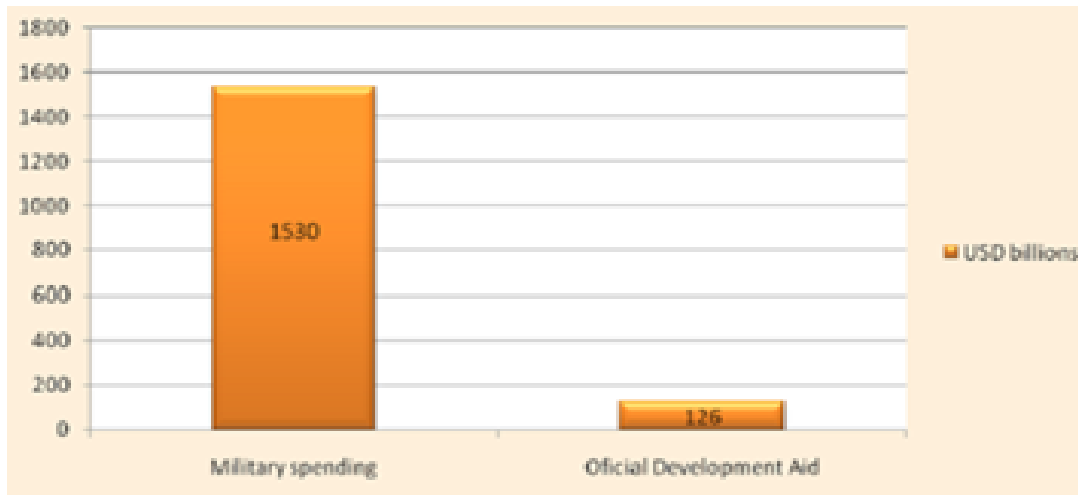


Figure 130: The flow of money between rich and poor countries (source: ECOSOC, GFI, OECD)

According to the *Institute for Economics and Peace (2010)*, if armed conflicts were reduced by 25 percent, the global economy would save US\$ 7 trillion for other goals, in a time span of 4 years. Taking into consideration that TOC is associated in one way or another with all armed conflicts, we can conclude that the reduction of organized crime

would represent a direct improvement for the standard of living of all citizens in the world (except the few war profiteers).



*Figure 131: Military spending compared to development aid in 2009 (International Peace Bureau)*

### ***8.3.1.17 Strengthen the means of implementation and revitalize the global partnership for sustainable development***

It will be difficult to strengthen domestic resource mobilization (17.1) if the ruling neoliberal ideology dictates that taxes need to be reduced, especially those of the rich and the TNCs, and that they can continue to evade taxes freely through the secrecy jurisdictions.

Regarding ODA, as mentioned before, the elites of the powerful countries would rather invest in the military (which is certainly a more profitable investment).

Concerning the debt (17.4), this phenomenon is at the core of the global neoliberal power system (Graeber 2011; di Muzio and Robbins 2015) and it is unlikely that it will change

soon. The same can be said of global trade, which structure is designed to favour economies in the centre to the detriment of those in the periphery.

Regarding the involvement of the private sector, and in particular the TNCs, in promoting sustainable development, it is only going to be a cover for yet more privatization and exploitation. We can see how they have lobbied and influenced the decisions in the COP21 in favour of GMOs and fossil fuel industries.

### ***8.3.1.18 Comments***

The SDGs are an ambitious plan to resolve the main problems of humanity. It is laudable that criminal issues like IFFs, STAR, organized crime, corruption, the rule of law, transparent institutions and public access to information are included. It will certainly give legitimacy to the fight against crime, and will probably improve the situation in some countries. However, the goals are voluntary, and there is no clear mechanism for its implementation. Moreover, it is not clear which benchmarks will be designed to measure the fulfilment of the targets.

It is also unfortunate that important goals that would have contributed to curb TOC, related to migrations, demography, social corporate responsibility or peacebuilding, are absent (Sanahuja 2015). Absent are also specific measures to regulate international taxation, secrecy jurisdictions, trade agreements or TNC behaviour. Regarding the harmonization of taxation, it is a pity that the creation of a global tax body was not retained, as proposed by developing countries in the Addis Ababa meeting on financing for the development (2015). It will be very difficult to fight tax evasion without this, and the developing countries will

continue to fall into the debt trap without a solid global taxing system. There is no concrete proposal of reform of the financial sector, in which the worst crimes happen.

*Realists* should find the SDGs as an excessive encroachment to the state sovereignty, and should welcome the voluntary character of the document, so that they do not feel bound by their targets. They would cherry pick in the long number of targets those that are most interesting for a particular state.

*Liberals* should find the agenda very useful to identify the array of problems that humanity and the planet faces today, and to try to convince governments, the private sector and civil society to contribute to resolve them. However, they have designed the goals in the understanding that they consist of wishful thinking that do not all necessarily need to be implemented fully. They also know that some of the provisions, like the reduction of GHGs, the increase of budgets for health and education, the reduction of IFFs would not be in the interest of the corporations that support the neoliberal economic system.

*Critics* should find the implementation measures (enforcement, financing, sanctioning, etc.) very weak. They should also find some essential issues missing (e.g.: international tax body). They would prefer to have a cosmopolitan-inspired body to coordinate the efficient implementation of the SDGs if the governments do not have the capacity or the will to do it.

### **8.3.2 Organised Crime and Human Security**

*“Poverty is the worst form of violence”, Mahatma Gandhi*

One of the fields most affected by organised crime is *Human Security*. We will analyse the concepts of *Freedom from Want* and *Freedom from Fear*, although the latter would fit more within the concept of Direct Peace than that of Structural Peace. The UNDP report on Human Development of 1994 emphasises the following aspects of human security:

- *Economic security* is defined as an assured basic income, usually from a remunerated work or from a publicly financed safety net. Developing countries' economies are bled by organised crime through all kinds of exploitation and violence. Even when its investments create employment, labour regulations are not respected, increasing the level of exploitation and structural violence. Organised crime also compromises social networks with the armed conflicts that it provokes. Developed economies are also damaged by corruption and the ensuing economic crises.
- *Food security* requires that individuals have both physical and economic access to basic food. Organised crime distorts national and international markets, promotes the cultivation of drugs instead of food, and enables money-laundering through the massive procurement of agricultural land in developing countries. In Somalia, pirates have hijacked WFP ships carrying food relief.

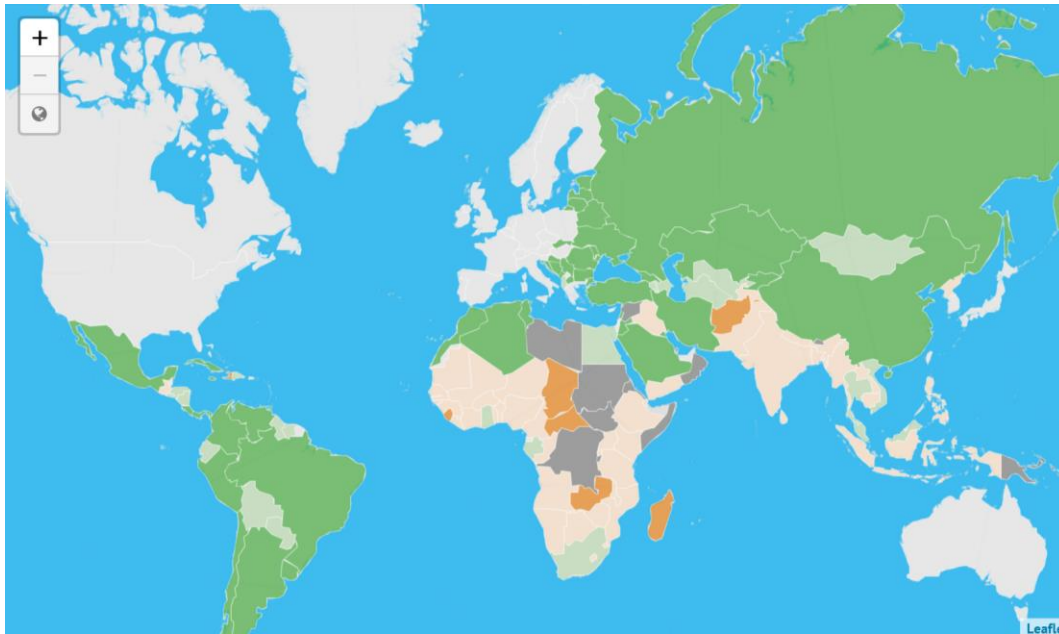


Figure 132: Global Hunger Index 2015 (source: IFPRI)

- *Health Security* implies the absence of disease and infection, as well as access to health services. TOC compromises it by trafficking with fake medicines, evading capital that should fund health services and infrastructures, maintaining social inequality, encouraging drug addiction, and the spread of disease through injecting drugs.
- *Environmental security* involves access to clean water resources, clean air and non-degraded land. Waste trafficking directly compromises water, air and land. Trafficking in natural resources degrades resource extraction areas. Illegal logging and fishing have a particularly strong impact on the forests and oceans. Wild animal trafficking contributes to the extinction of the species. Illegal construction and the excessive use of non-renewable resources degrade the environment and contribute to climate change.
- *Personal security* is defined as the absence of threats and physical violence, especially towards women and children, who are the most vulnerable. Trafficking in persons and human organs, prostitution and the slave trade

threaten directly personal security. Wars supported and maintained by war profiteers are another threat. Drug trafficking causes many deaths and mutilations. However, the greatest threat of all is poverty. We should remember that approximately every second, one person dies in the world from starvation or curable diseases. As we can see in the following figures, the risk of dying from poverty is much higher than from terrorism or war.

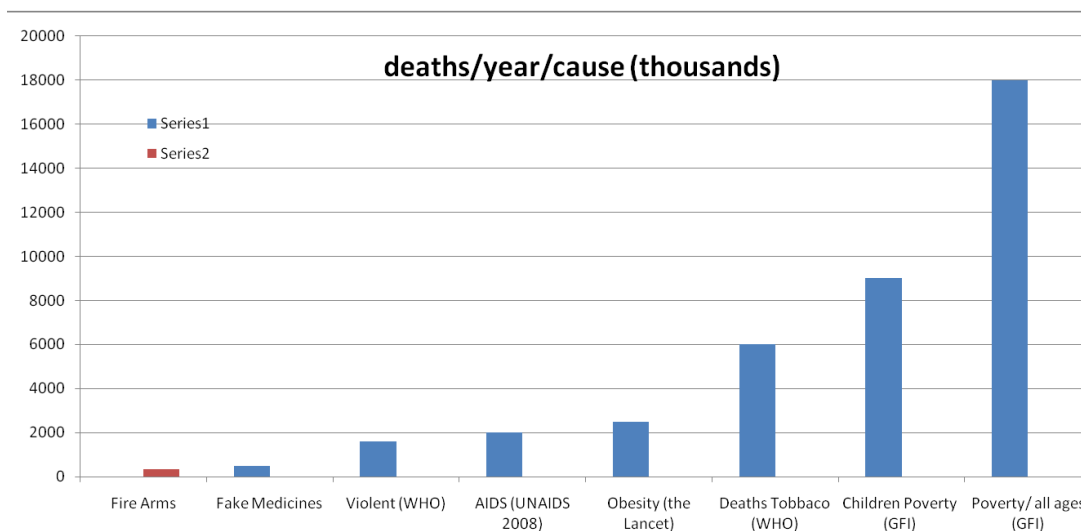


Figure 133: Perspective of human deaths due to selected causes (Ruiz)

Year	Deaths from terrorism	Deaths of soldiers and civilians in combat	Deaths from Measles	Deaths from Malaria	Deaths from Diarrhoea	Communicable disease
2002	970	21,405	611,000	1,272,000	1,798,000	14,866,870
2003	470	47,351	530,000	1,000,000	1,788,500	N/A
2004	732	41,586	454,000	1,000,000	1,820,007	N/A
2005	550	31,013	345,000	1,000,000	N/A	14,018,871
<b>Total</b>	<b>2,722</b>	<b>141,355</b>	<b>1,940,000</b>	<b>4,272,000</b>	<b>5,406,507</b>	<b>28,885,741</b>

Figure 134: Comparing different causes of avoidable mortality (Roberts 2009)

- *Community security* means the respect of cultural dignity and peace among communities. Organised crime threatens the communities when they happen to collide with their business. In Colombia, indigenous communities are the target



of the narco-traffickers, in Brazil of hardwood traffickers, in Niger Delta of crooked oil traders, in Liberia and Angola of diamonds traffickers, in Eastern Congo of mineral traffickers. They can also promote and finance confrontations between communities, if their businesses can benefit from it.

- *Political Security* stands for the respect of human rights and fundamental freedoms. In many countries (developing, but also developed), administrations are captured by criminals. As a consequence, these governments cease to serve their citizens, and work for the criminals who finance and protect them. An example could be the lack of action taken by the world's governments on the crucial issue of climate change since 1992.

Another principle threatened by TOC is that of sustainable security.

### **8.3.3 Sustainable Security**

According to the Oxford Research Group, present approaches to national and international security are ruled by the 'control paradigm': an approach based on the principle that insecurity can be controlled through military means or balance of power politics and containment, hence maintaining the status quo. The most obvious recent example of this approach was the so-called 'war on terror', which basically aims to 'keep the lid' on terrorism and insecurity, without dealing with the root causes. Such approaches to security are severely flawed and distract the politicians from developing realistic and sustainable solutions to the new global threats of the 21st century.

An alternative approach is required, that of 'sustainable security'. The central assumption of sustainable security is that we cannot successfully control all the consequences of

insecurity, but must work to fix the causes. In other words, ‘fighting the symptoms’ does not work, we must ‘cure the disease’ instead. Such a framework must be based on an integrated analysis of security threats and a preventative approach to responses.

Sustainable security focuses on the interconnected, long-term drivers of insecurity, including:

- *Climate change*, which can provoke loss of infrastructures, resource scarcity and mass displacement of peoples leading to civil unrest, inter-communal violence and international instability.
- *Competition over resources*, including food, water and energy, especially from unstable parts of the world.
- *Marginalisation of the majority world*, meaning the increasing socio-economic divisions and the political, economic and cultural marginalisation of the vast majority of the world’s population.
- *Global militarisation*, or the increased use of military force as a security measure and the further spread of military technologies.

Sustainable security makes a distinction between these trends and other security threats, which might instead be considered symptoms of the underlying causes and tend to be more local and immediate. It promotes a comprehensive, systemic approach, taking into account the interaction of different trends which are generally analysed in an isolated manner. It also pays especial attention on how the current behaviour of international actors and western governments contribute to, rather than reduce, insecurity.

Sustainable security goes beyond analysis of threats to the development of a framework for new security policies. It takes global justice and equity as the key requirements of any

sustainable response, together with progress towards reform of the global trade systems, aid and debt relief; a fast move away from carbon-based economies; audacious, visible and substantial steps towards nuclear disarmament; and a shift in defence spending to focus on the non-military elements of security. This takes into account the underlying structural problems in national and international systems, and the institutional changes that are needed to develop and implement effective solutions.

By aiming to cooperatively resolve the root causes of threats using the most effective means available, sustainable security is inherently preventative in that it addresses the likely causes of conflict and instability well before the ill-effects are felt.

Clearly TOC contributes against all four drivers of sustainable security, as we have seen in previous chapters.

### **8.3.4 Organised Crime and Human Rights**

Organised crime activities violate all kinds of human rights recognised by the United Nations. We will see TOC's impact on different human rights *issues*, according to the Office of The High Commissioner for Human Rights (OHCHR). Although some of the HR issues as the *civil and political rights* could better fit in the *Direct Peace* section of this study, we will stick to the principle of *indivisibility* of human rights, and treat them together here:

- *Access to Water and Sewerage* is compromised by the flight of the capitals and tax evasion allocated to public infrastructures, by fraudulent public works, by the privatization of the fraudulent water networks and by trafficking in resources and toxic waste.

- *The Right to Food* is compromised by mispricing, speculation on food markets, land grabbing, capital flight, corruption of the administration, drug cultivation, imposition of OGM agriculture, poisonous pesticides and waste and resources trafficking.
- *The Human Rights Defenders* are frequently persecuted and attacked when denouncing TOC's abuses and its connections<sup>8</sup>.
- *Democracy* has difficulties to progress where organised crime has produced violence, fear, corruption, inequality, state capture, bribery, nepotism, poverty, illicit funding of political parties, environmental damage, illiteracy and lack of transparency.
- *Civil and Political Rights* are hardly respected where injustice, corruption, violence, fear, kidnapping, and slavery thrive and are managed by TOC.
- *Economic, Social and Cultural Rights* are hard to attain when market distortion, corruption, poverty, exploitation, looting of world heritage, fraud, death squads, capital flight, biopiracy and inequality are the rule, or when governments invest more funds in arms than in education.
- *International Solidarity* against human rights abuses is manipulated by TOC, which bribes managers worldwide, including in governments, international organisations, TNCs and NGOs.
- *Detentions and Disappearances* are common TOC activities used to achieve their goals, and obtain profit. Recent examples of this are the assassinations and

---

<sup>8</sup> In 2007, Mario Sá Gomes, NGO leader, Human Rights Defender and a close collaborator of the author, publically denounced the involvement of members of Guinea –Bissau government in cocaine trafficking. He was immediately threatened with death, and had to live as a fugitive. Initially he was hiding during day time, only able to move at night. Later he took refuge in the UN compound, and eventually sought political asylum in Europe.

disappearances in Mexico, conducted by narco-trafficking groups, or in Colombia by death squads.

- *Sustainable Development* is completely compromised when TOC encourages capital flight, corruption, market distortion, environmental harm, excessive consumption, and bad governance.
- *Disability, injury and death* are direct consequences of armed conflicts, environmental poisoning, lack of health services, and other miseries caused by TOC.
- *Education* is difficult to organise when TOC diverts funds towards tax havens, private investments in rich countries, or uses them to buy weapons. In addition, corrupt regimes (both in the Centre and in the Periphery) are not really interested to educate the population, as an ignorant citizen will be easier to manipulate than an educated one. They would do anything to prevent the development of a universal and free education, as we can presently see happening, even in industrialized countries.
- *Executions* are a common TOC practice against those who dare to oppose them, as TOC has its own parallel “criminal justice code” that includes the death penalty.
- *Transnational Corporations* require a new code of conduct and a new controlling organisation in order to avoid them to behave criminally. Their important role in the globalised economy can be compromised due to this lack of regulation and policing. Some of these corporations have been involved in very harmful activities, especially those related to capital flight, tax evasion, political and administrative corruption, pollution, climate change or even the continuation of armed conflicts with the aim of gaining access to precious

resources (minerals for electronics in DRC, Shell's exploitation of oil in the Niger Delta, Chevron in Ecuador).

- *Slavery* is one of TOC's favourite businesses. Since the trade in or the exploitation of slaves is not legal, they are the only ones who can practise it. Prohibition is probably the main reason why this activity is so lucrative. But we can see efforts to make slavery legal again, as in the Islamic State in Syria.
- *Gender*: women and girls are a specific target of sex traffickers. Moreover, women being a vulnerable part of society, they suffer particularly from armed conflicts and poverty caused by TOC.
- *The Globalisation of Business, Trade and Investments* implies an enormous increase in activities, and a consequent reduction of controls, which is skilfully used by TOC to develop its activities. Some trade rules are also designed to exploit weaker countries, or weaker classes within the countries. It is vital that the international community establishes systems to avoid TOC's harmful activities being mixed with the legal economy;
- *Impunity*: It is easy for TOC to act with impunity in a globalised system with few and weak transnational controls. TOC should be included in the Statute of the International Criminal Court since, due to its delocalised nature and power, individual governments are incapable to control it efficiently.
- *Independence of Judges and Lawyers* is threatened worldwide by TOC's bribery, extortion and threats.
- *Freedom of Opinion and Expression* is not respected when Organised Crime can threaten, repress or bribe journalists and opposition leaders, or can even buy the mainstream media;

- *Freedom of Religion and Belief* is not easily respected if religious representatives who are opposed to OC are attacked, as was the case in Southern Italy (i.e.: Father Giuseppe Diana, killed by Camorra in Casal Di Principe in 1994) or in Latin America (i.e. Monsignor Romero assassinated by death squads in Ecuador in 1980). Religious feelings can also be manipulated by TOC to gain support from the population, as is the case of Daesh in the Middle East;
- *The Environment*, still considered an “externality” by mainstream economists, is one of the main victims of TOC, since its inconsiderate exploitation is extremely profitable. The environment is destroyed by the trafficking of toxic waste, natural resources, animal parts, hard wood, fish, the illegal construction, abusive agriculture, and excessive use of fossil fuels (contributing to the greenhouse effect and therefore intensifying climate change).

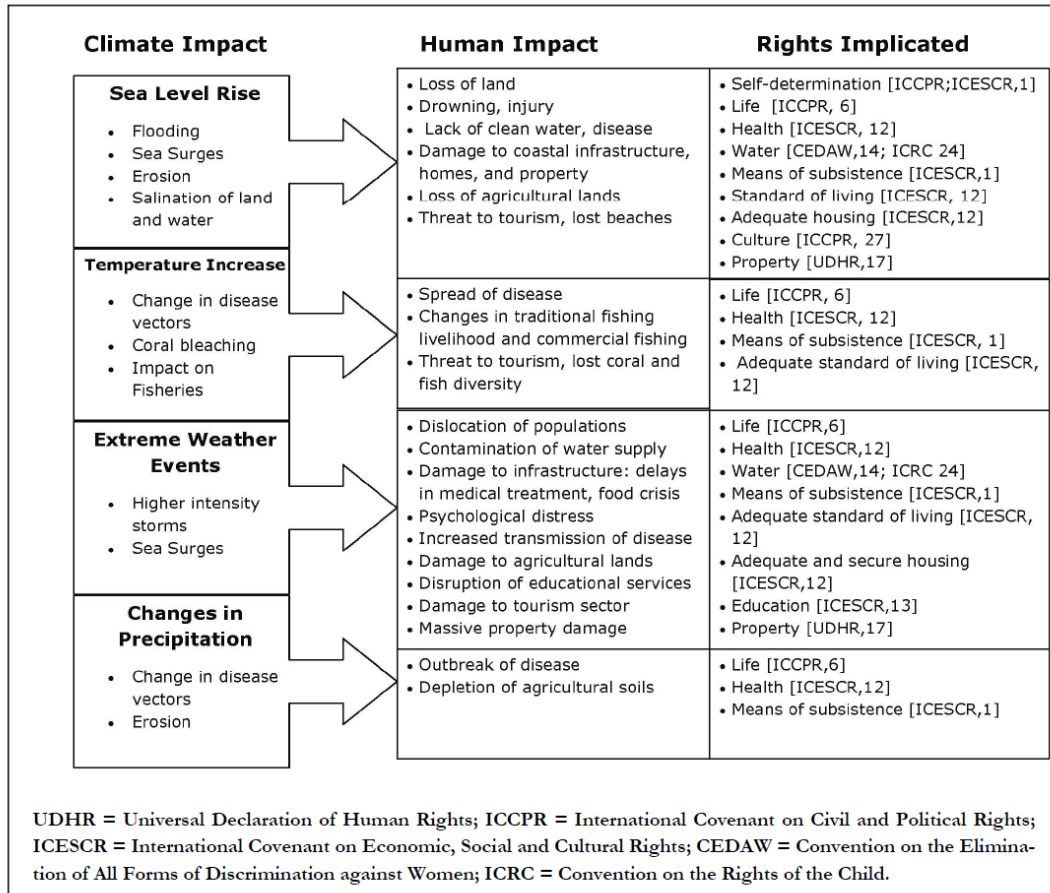


Figure 135: Climate Change and Human Rights (CIEL 2011)

- *Mercenaries* are directly recruited by organised criminal gangs, and as a matter of principle they will work for the highest bidder. Moreover, their existence alone constitutes a crime (in spite of their growing use done by decadent governments).
- *Migration* is another of TOC's favourite areas, as they smuggle millions of migrants worldwide every year for profit. In addition, poverty, inequality and violence provoked by TOC in poor countries forces millions of human beings to migrate every year (e.g. smuggling of African migrants and Middle Easterns to Europe or Mexicans to the USA). However, the barriers to migration put in place by powerful governments contributes to make this business profitable.



- *Minorities* can easily become victims of organised crime when they dare to oppose their plans. They can also be highjacked by a criminal member of their community who will manipulate with their ethnic identity to obtain support and create an ethnic mafia. Minorities are especially vulnerable, as they receive little protection from governments, even the democratic ones (which are ruled by majorities).
- *Children* (in one piece or by parts) are “commodities” with which TOC trades regularly in the markets for slavery, prostitution, pornography, child soldiery, transplants or adoptions. Moreover, the misery caused by TOC in poor countries, prevents children from achieving adequate physical and mental development.
- *Internally Displace Persons* are direct victims of the conflicts caused by TOC. They are also often victims of the smuggling of migrants or trafficking of persons.
- *Poverty* is a direct consequence of TOC, which provokes armed conflicts, inequality, monopoly, racketeering, corruption and bribery. In addition, inequality and poverty are the ideal ground for TOC to grow, as it makes people more vulnerable to abuse.
- *Indigenous People* can easily become TOC’s victims if they dare to oppose its plans. For example, indigenous people are repressed by Colombian narco-traffickers, woodcutters in Indonesia, bio pirates in the Amazon and sex traffickers in Nigeria.
- *Racism* can be an excellent argument to provoke and maintain conflicts, which will be the perfect breeding ground for TOC. Apartheid is a good example of state crime in this field.

- *Health* of human beings is endangered by poverty, hunger, drug use, fake medicines, environmental degradation, bad governance and neoliberalism, all related to TOC.
- *Terrorism* is one of the manifestations of TOC, be it perpetrated by political groups, common criminals, or the state. The disproportionate importance given to this phenomenon after the attacks on the USA in September 2001 was a good pretext to distract the attention of law enforcement from other activities of TOC (especially white collar crimes) which are much more threatening for the whole humanity.
- *Torture* is a usual practice of criminals, if this can bring them some benefit (e.g.: Mexican narco-traffickers practice tortures and executions of rivals and enemies extensively)
- *Trafficking in Persons* is one of the primary activities of TOC, and enslaving persons is one of their main sources of income.
- *HIV/AIDS* is contracted mainly through the use of shared needles by drug addicts (who are themselves victims of drug traffickers). The research, production and distribution of medicines to treat AIDS suffer from the speculation of big pharmaceutical TNCs.
- *Adequate Housing* is difficult to achieve when OC uses the construction industry to launder money. This way, housing prices increase to the point where they become unaffordable even for the middle classes of rich countries. OC also offers shark or junk loans to victims who are in bad need to buy a home. Many poor countries' residents have to live in shanty towns or unsafe houses, because the expected funds for urbanisation and decent housing construction have been

diverted to tax havens by the TCCs. Good examples of this phenomenon are the recent earthquakes in L'Aquila (Italy) and Port-au-Prince (Haiti).

Because TOC violates so consistently and seriously human rights worldwide, it would be appropriate for OHCHR to create a working group dedicated entirely to this issue. It would be much more adequate than a working group on *Terrorism*, in any case.

## ***8.4 Threats to Cultural Peace***

The United Nations General Assembly in 1998 defined the “Culture of Peace as consisting of values, attitudes and behaviours that reject violence and endeavour to prevent conflicts by addressing their root causes with a view to solving problems through dialogue and negotiation among individuals, groups and nations”. The 1999 United Nations Declaration and Programme of Action on a Culture of Peace called for all - governments, civil society, the media, parents, teachers, politicians, scientists, artists, NGOs and the whole UN system - to assume responsibility in this respect. It proposed eight action areas for actors at national, regional and international levels:

- *Fostering a culture of peace through education* by promoting education for all, focusing especially on girls; revising curricula to promote the qualitative values, attitudes and behaviour inherent in a culture of peace; training for conflict prevention and resolution, dialogue, consensus-building and active non-violence. As we have seen in the rest of this work, organized crime in any of its versions is not interested in educating for peace, because war and injustice can grant them more dividends.

- *Promoting sustainable economic and social development* by targeting the eradication of poverty; focusing on the special needs of children and women; working towards environmental sustainability; fostering national and international co-operation to reduce economic and social inequalities. We have seen that OC increases poverty, environmental degradation and inequality, because vulnerable people and nature are the sources of their profits. In fact they promote a monopolistic version of capitalism in which wealth falls into few hands.
- *Promoting respect for all human rights* by distributing the Universal Declaration of Human Rights at all levels and fully implementing international instruments on human rights. OC is not interested in the protection of human rights, but rather in their violation, because “human wrongs” are the source of their profits, or at least an “externality” to their business.
- *Ensuring equality between women and men* by integrating a gender perspective and promoting equality in economic, social and political decision-making; eliminating all forms of discrimination and violence against women; supporting and aiding women in crisis situations resulting from war and all other forms of violence. OC considers women a commodity in the slave and prostitution business.
- *Fostering democratic participation* by educating responsible citizens; reinforcing actions to promote democratic principles and practices; establishing and strengthening national institutions and processes that promote and sustain democracy. OC always tries to impose their interests upon the democratic decision making processes. If they cannot do it through quiet manipulation, they do it through corruption or even violence.

- *Advancing understanding, tolerance and solidarity* by promoting a dialogue among civilizations; actions in favour of vulnerable groups, migrants, refugees and displaced persons, indigenous people and traditional groups; respect for difference and cultural diversity. OC is very efficient at exploiting differences between civilizations and groups to promote violence and sell arms and other illicit commodities. They are also efficient at abusing vulnerable populations for profit, like the trafficking of persons and migrants.
- *Supporting participatory communication and the free flow of information and knowledge* by means of such actions as support for independent media in the promotion of a culture of peace; effective use of media and mass communications; measures to address the issue of violence in the media; knowledge and information sharing through new technologies. The access to exclusive information is fundamental for the success of profitable businesses. OC has therefore an interest to close any open source of information. An interesting recent case of this tendency is the ruthless behaviours against the whistle blowing internet site WikiLeaks by shady banks, media and governments.
- *Promoting international peace and security* through actions such as the promotion of general and complete disarmament; greater involvement of women in prevention and resolution of conflicts and in promoting a culture of peace in post-conflict situations; initiatives in conflict situations; encouraging confidence-building measures and efforts for negotiating peaceful settlements. The trade in weapons (legal and illegal) is one of the main businesses of OC. Moreover, OC needs instable social environments, as are the open or low intensity wars, to operate with impunity.

Behind the obsession to gain wealth at any cost, even at the cost of damaging society and the environment, is the present capitalist culture that enshrines the lust for the infinite accumulation of wealth. This culture of greed can even reach the extreme of damaging not only the victim, but also the perpetrator of the illegitimate act. A good example of this is how narco-traffickers are eventually investigated after they show off excessive wealth. Another example is the epidemics of obesity that thrives in the wealthy populations.

We will now see some examples that illustrate how knowledge can be highjacked by unscrupulous systems:

### **8.4.1 Manipulation of public opinion**

*“The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country.”*

*Edward Bernays, Propaganda, 1928.*

In *Manufacturing Consent* (1988) Chomsky and Herman denounce the manipulation of the public opinion by the mass media, which "are effective and powerful ideological institutions that carry out a system-supportive propaganda function by reliance on market forces, internalized assumptions, and self-censorship, and without overt coercion". Editorial distortion is intensified by the media's reliance upon private and governmental sources. If a newspaper, television station or magazine, falls out of favour of the government, it is subtly excluded from access to information. As a result, it loses audience,

and ultimately, advertisers. To minimize such financial danger, media businesses distort their reporting to favour government and corporate policies in order to stay in business.

They refer to the precursor of Public Relations, Edward Bernays, a nephew of Sigmund Freud. With the advent of democracy, the elites had to find a way to control what people think. He had taken part in the committee charged with manipulating the US public to take part in WWI. In his book “Propaganda”, he says that it is possible to "regiment the public mind every bit as much as an army regiments their bodies". These new techniques of “regimentation of minds had to be used by the intelligent minorities in order to make sure that the slob stay on the right course”. He engineered the public relations actions behind the U.S.-backed coup to overthrow the democratically elected president of Guatemala. His major coup though, was getting women to smoke in the 1920s.

In the report “Oligarchs go Shopping” (RSF, 2016), Reporters Without Borders (RSF) describes a worldwide phenomenon, the takeover of entire media groups or even entire media landscapes by “oligarchs,” extremely wealthy individuals whose interest in journalism is secondary to the defence of their personal interests. They buy up media not to increase media pluralism but to extend the scope of their own influence or the influence of their friends.

## **8.4.2 Privatization of scientific knowledge**

Since the advent of the internet, scholars have complained of the “enclosure” of academic publishing. The group “The Cost of Knowledge” protested in particular against the behaviour of publisher Elsevier. They raised more than 15,000 signatures of academics. In 2012, the mathematician Timothy Gowers publicly announced he would boycott Elsevier.

The three reasons for the boycott were high subscription prices for individual journals, bundling subscriptions to journals of different value and importance, and Elsevier's support for SOPA and PIPA. They complained about the privatization of the texts and their extremely high prices. These prices affect the efficiency of the university libraries and the cost of education. Elsevier's profit margin in 2010 was 36 percent. The main companies like Elsevier, Springer and Wiley, who have bought up many of their competitors, publish 42 percent of all journal articles. The academics complain about the rentier behaviour of the companies: they monopolise a public resource and charge exorbitant fees to use it. It contravenes the universal declaration of human rights, which says that "everyone has the right freely to share scientific advancement and its benefits".

### **8.4.3 Patents**

According to Boldrin and Levine (2013), there is no empirical evidence that patents serve to increase innovation and productivity. In spite of the enormous increase in the number of patents and in the strength of their legal protection, the economy has seen neither a dramatic acceleration in the rate of technological progress nor a major increase in the levels of research and development expenditure. Both theory and evidence suggest that while patents can have a partial equilibrium effect of improving incentives to invent, the general equilibrium effect on innovation can be negative. More generally, the initial eruption of innovations leading to the creation of a new industry - from chemicals to cars, from radio and television to personal computers and investment banking - is seldom born out of patent protection and is instead the fruit of a competitive environment. The political economy pressures tend to benefit those who own patents and are in a good position to lobby for stronger patent protection, but disadvantage current and future innovators as well as



ultimate consumers. This explains why the political demand for stronger patent protection comes from old and stagnant industries and firms, not from new and innovative ones. Their preferred policy solution is to abolish patents entirely and to find other legislative instruments, less open to lobbying and rent seeking, to foster innovation when there is evidence that laissez-faire undersupplies it.

Drahos and Braithwaite (2002) claim that multinational corporations have seized control of intellectual property rights. New intellectual property regimes are entrenching new inequalities. Access to information is fundamental to the exercise of human rights and marketplace competition, but patents are being used to lock up vital educational, software, genetic and other information, creating a global property order dominated by a multinational elite. The authors argue that in the globalized information society, the rich have found new ways to rob the poor, and shows how intellectual property rights can be more democratically defined.

## ***8.5 Conclusions***

TOC, in its traditional, economic or environmental versions, is a considerable threat to peace in all its forms: direct, structural and cultural. It is a driver of direct violent conflict, as we have seen in the cases of Afghanistan and the DRC, because it obtains profit from conflict and disaster. It can opportunistically take advantage of shocks like war or disaster to dispossess wealth from the weak. It also threatens the implementation of the new SDGs (one of them, 16.4, being dedicated to governance and the control of TOC), as well as Human and Sustainable securities and Human Rights.

<b>TOC's threats to Peace and Structural Power</b>			
<b>Structural power</b>	<b>Ideas</b>	<b>Institutions</b>	<b>Capabilities</b>
<b>Security</b>	Human life and welfare and the environment have been securitized. TOC threatens them directly. Shock treatment can be used by dishonest governments to impose neoliberal reforms. The concepts of peace, violence and security have shifted in recent decades from focusing in the state to focusing in human beings and the environment.	Concepts like Human and Sustainable Security help the establishment of international regimes.	Human life and the environment are no longer protected primarily by military means.
<b>Production</b>		Some of the provisions of the SDGs are related to the production structural power.	Humanity needs to limit production that harms humans and the environment
<b>Finance</b>	Finance should serve production, and not the other way around	The international regimes to prevent economic crimes are indispensable to the implementation of the SDGs	
<b>Welfare</b>	The concepts of this chapter are new constructions related to welfare.	Several regimes on welfare have been established in the last decades. The SDGs are the most comprehensive guarantee to human life and environmental protection ever agreed.	The international regimes on welfare will not be efficient without a cosmopolitan enforcer.
<b>Conclusions</b>	This chapter has highlighted the threats of TOC (traditional, economic, and environmental) to peace (direct, structural, and cultural).		

## 9 What is to be done? <sup>9</sup>

*“The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear”*

*(Gramsci 1971: 276).*

The power of the international organizations and regimes does not match the power of the international markets. The markets are globalized par excellence. The global civil society is also efficient in this field (e.g.: Greenpeace, etc.). IOs set the norms, but have little direct power. But even these rules are reduced to the minimum common denominator, as in the case of the UNTOC, or squarely support the hidden interests of powerful economic actors, as is the case in the trade agreement project between the USA and the EU (TTIP). There should be a stronger global governance, which, to be powerful, should be legitimized by elections.

### ***9.1 What is being done***

International norms relating to organised crime and corruption focus on the following issues: criminalisation of corruption and organised crime; international cooperation in judicial matters; asset recovery and establishment of structures in order to prevent and

---

<sup>9</sup> *What Is to Be Done?* Is the title of one of Vladimir Lenin’s political essays, published towards the end of 1901. Here, Lenin provides practical proposals on how to organise a revolutionary party, and which strategy it should follow.

sanction money laundering. The most important international instruments in this field are the United Nations Convention Against Corruption (UNCAC, 2005), the United Nations Convention on Transnational Organized Crime UNTOC (2003) and the FATF 40 Recommendations on Money Laundering (2003). These global instruments were already present in regional conventions with similar obligations, especially in Europe under the Council of Europe Conventions (1999). The main instruments overlap with each other, especially with regard to money laundering, criminalisation of corruption and confiscation of criminal assets.

Regarding organised crime, the UNTOC focuses on criminal law and its observance: definition of organised crime, criminalization of the participation in an organized crime group, measures to fight money laundering, criminalisation of corruption and other measures to prevent it, assets confiscation and seizure, and international judicial cooperation (for instance extradition).

For money laundering, the main organisation in terms of norms is FATF, created in 1989 to develop and promote national and international policies to fight money laundering and the funding of terrorism. FATF has issued 40 recommendations to prevent money laundering and nine special recommendations to prevent the funding of terrorism. FATF has completed the evaluations on the implementation of the recommendations by its members. FATF is directed to the criminalisation of money laundering, the funding of terrorism, freezing or seizure of the proceeds of crime, financial institutions' control over transactions and clients, and the establishment (in every country) of identifying notifications system of suspicious transactions to a financial intelligence unit, for the subsequent processing of this information. However, as we have seen, the evaluation of the secrecy jurisdictions by FATF is not very strict. As mentioned by van Duyne (2014), FATF

represents a flawed soft power that covers up secrecy jurisdiction like Delaware or Nevada or the Russian tycoons of The City. According to Global Witness, FATF relaxed its position in 2002, when it ceased to publish the list of con-compliant countries, and when it exaggerated the emphasis on the financing of terrorism at the expenses of money laundering, corruption and crime.

The Global Organization of Parliamentarians Against Corruption (GOPAC), in its 2013 report “*Prosecuting Grand Corruption as an International Crime*”, proposed the international community to pursue grand corruption through a combination of streams, such as national, regional or international courts, or the creation of entirely new mechanisms altogether.

Other organisations have developed lists of *best practices* in areas unrelated to criminal law. We can quote the example of the *Transparency International’s National Integrity System (2000)*, the *UN Instruments to Fight Corruption (UNODC 2004)*, the OECD’s *Guidelines for Managing Conflict of Interest (OECD 2005)* and on *Public Acquisitions (OECD 2007)*, the *International Accounting Standards and the Government Auditing Principles* published by the International Organisation of Supreme Audit Institutions (INTOSAI), or the *guidelines on public expenditures* published by the IMF. In 2007 UNODC and the World Bank launched a programme to recover stolen assets (StAR).

In 2005 French-Norwegian Judge, Eva Joly, who uncovered the corruption case of Elf in France, created the “*Network*”, a supporting network for judges in developing countries.

The “*Geneva Appeal*” is a petition signed in 1996 by the greatest anticorruption magistrates to fight financial misappropriation in the European judicial space. It includes the Spaniard Baltasar Garzón, the Chilean Juan Guzmán, the judge who prosecuted Pinochet case, and the Swiss Prosecutor Bernard Bertossa.

TOC can operate in a world without borders, whilst the crime control is trapped within national borders. Cartier-Bresson (2002) expressed this concept outstandingly by saying that “the European situation where a trader is free to circulate, but where police are not, must end”.

Political scientist Barnett Rubin suggests that the UN should include the prevention of drug trafficking, the regulation of the diamond and arms markets, the fight against corruption and money laundering, and the prohibition to pay ransoms as part of a UN “systemic prevention” function (Barnett 2005).

The initial draft of the Rome Statute of the International Criminal Court included the crimes of *Terrorism and Drug Trafficking* (Pignatelli 2002, p. 534). However, they were excluded from the final version, probably for the lack of clarity in the definition of both concepts, and because of the political and economic implications. In the last revision of the Statute in 2010 in Uganda, the crime of “*aggression*” was included (with many reservations), but not drug trafficking. It was probably decided so not to divert attention from the issue of “*aggression*”, which represented the main item in the agenda.

The analysis of organised crime should be integrated to all aspects of any peace-building process. For instance, the Peace Building Commission, the Peace Building Support Office, and the United Nations Mediation Support Unit in the Department of Foreign Affairs should have access to the analysis of criminal threats in order to understand the role of TOC in the continuation of certain conflicts. Peace-keeping missions should also have TOC experts in their staff. The *International Peace Institute* (2009) proposes to deploy teams of investigators against organised crime, “*the blue suits*”, together with the “blue helmets” in the UN peacekeeping missions, in order to build long-term stability.

TOC's threat to peace and international stability is real and can increase. States, international organisations and civil society should act soon in order to re-examine this threat and to reconsider the best approach to deal with it. Without a concerted effort, the multilateral security system is in danger of collapsing as a result of the delayed impact that TOC's networks have.

Hanna Arendt (1963) raised the issue of "the banality of evil" during the trial of the war criminal Adolph Eichmann in Jerusalem. She wondered whether evil is radical or simply a function of thoughtlessness - the tendency of ordinary people to obey orders and conform to mass opinion without critically thinking about the results of their action or inaction. The citizens of rich countries have to think critically on whether their habits of conspicuous consumption causes harm in other parts of the world, and whether their individual behaviour is really a personal decision or responds to mass manipulations from the elites, the TCC. The consumption of electronic devices without thinking about the abuses committed in the resource conflict areas to obtain the minerals needed to produce them is a good example. Another example is the purchase of cheap items without recognising that in some countries other human beings are being exploited in sweatshops to produce them. One more example is the adoption of children from poor countries, without realizing that many of them have been kidnapped or bought (e.g.: after Haiti's earthquake, some American missionaries were arrested on kidnapping charges while attempting to "adopt" Haitian children, who were later found to have families). Financial products should not be traded unless both the buyer and seller know perfectly well how they function and what the consequences are (Galtung 2008). Global citizens play a fundamental role in stopping this wave of organised crime, by being informed and refusing to be accomplices to the harms inflicted.

In several parts of the world strong, civil movements against corruption have begun. The “clean hands” movement in Italy in the 1990s radically changed the country’s political and social orientation regarding OC. Although Italian society did not manage to eradicate corruption from its political life completely, strong social and political movements with a solid anti-corruption ideology embodied by former judge Antonio Di Pietro, or the comedian-politician Beppe Grillo.

In 2007, economist Ravi Batra foresaw that the suffering due to the economic crisis would provoke a global citizen reaction against corruption, which we have started to see, in particular in Southern Europe. Nobel Peace Prize winner Shirin Ebadi has recently proposed suspending all development aid for those countries whose defence budget exceeds that of education or health.

## ***9.2 How to go beyond: critical proposals***

*“The key point is that it is wrong to promote the interest of our own society or our own personal advantage by exporting suffering to others, colluding in their suffering, or benefiting from the ways in which others exploit the weakness of the vulnerable.” (Andrew Linklater 2002: 145)*

The proliferation of regimes has greatly advanced in the last decades the capacity of humanity to protect human beings and natural environment from TOC, corruption, and environmental and economic harms. However, open or hidden interests have prevented many of these regimes to be even approved, or have any effect. Moreover, there are spaces that the states have difficulty (or reluctance) to control, as are the “offshore” spaces and



the global commons. Be it for ethical or even for utilitarian reasons, in this era of globalization it will be difficult to regulate the relations between states as well as to control the spaces beyond the reach of the states without a global overarching authority.

The Westphalian system has permitted humanity to progress for centuries, but its limitations are in the end being seriously felt: two terrible world wars; genocides; outrageous poverty, hunger and inequalities; recurring economic crises; unfair trade; and now climate change. All of these terrible events could easily be dealt with by a global government: the prevention of war and genocide (they should be treated as internal security issues); the solution to poverty and inequality through fiscal redistribution policies; the economic crises through the imposition of universal financial rules, including the disappearance of secrecy jurisdictions; climate change through the imposition of strict and balanced limits to the emission of GHG in all parts of the world, and the support to clean energy technologies; the demographic crisis through the support to family planning throughout the world. We have extensively seen throughout this dissertation that the main reason why harms or crimes happen is the lack of (e.g.: in failed states) or inadequate regulation (e.g.: war on drugs).

Of course, the constitution of a world government needs to follow all the rules established for democracies in the individual states: universal suffrage elections and direct democracy (easy to implement through the internet); a representative parliament; separation of powers; redistributive policies; internal security instead of defence; global financial system and common currency; etc. The world has already established a good legal base through the numerous international regimes, and the globalization process has prepared the minds of the world citizens for it. A good model could be that of the European Union, the region of

the world that has voluntarily moved most towards a solid union, in spite of all the obstacles found, the last being the crises of the Eurozone and of the Syrian refugees.

As mentioned by David Held (2010), “if *democracy* is about self-determination, *globalization* about trans-border processes and *cosmopolitanism* about universal principles which must shape and limit all human activity, together they help us understand that the fate of humankind can no longer be disclosed merely by examining self-enclosed political and moral communities, and that the principles of democracy and cosmopolitanism need to be protected and nurtured across all human spheres – local, national, regional and global.”

Daniele Archibugi (2008; 2013) critically examines the prospects for cosmopolitan democracy as a viable and humane response to the challenges of globalization. Arising after the collapse of the Soviet Union and the decisive affirmation of Western-style democracy, cosmopolitan democracy envisions a world politics in which democratic participation by citizens is not constrained by national borders, and where democracy spreads through dialogue and incentives, not coercion and war. Archibugi looks at all aspects of cosmopolitan democracy in theory and practice. He argues that democracy can be extended to the global political arena by strengthening and reforming existing international organizations and creating new ones, and he calls for dramatic changes in the foreign policies of nations to make them compatible with global public interests. He advocates giving voice to new global players such as social movements, cultural communities, and minorities. He proposes building institutional channels across borders to address common problems, and encourages democratic governance at the local, national, regional, and global levels.

According to Wendt (2003), a world state is inevitable, and it should happen by the end of the century. The process should move through five stages, each responding to the instabilities of the one before: a system of states, a society of states, world society, collective security, and the world state.

IR scholar Jan Aart Scholte argues that governance bodies are proliferating and growing in significance, however, unlike states, which are accountable to their citizens, the accountability of global governance bodies is uncertain. Without being held accountable, global governance bodies will fail to achieve their purposes, generate limited support and undermine core societal values. As such, accountable global governance is essential for today's more global world. Scholte contends that states can no longer fulfil this role.

Ulrich Beck (2011) proposes the establishment of a "Global Domestic Policy", now that the global risks (climate change, financial crisis, etc.) dissolve the borders and the categories, in which "the other" has started de facto to occupy the centre of our lives. It is a commonplace that, with the globalization of capital and risk, the measures adopted at national level are condemned to failure. The more climate change separates the world for a global domestic policy, the sharper will the opposition be between north and south, rich and poor, developing and developed countries and regions. Beck (2006) poses the concept of cosmopolitan critical theory in opposition to realist theory. Cosmopolitanism sees global capital as a possible threat to the nation state and places it within a meta-power game in which global capital, states and civil society are its players. For Beck, imposing a single world order instead of cosmopolitanism is considered hegemonic at best and ethnocentric at worst. Rather, cosmopolitanism rests upon these fundamental foundations:

- Acknowledging the otherness of those who are culturally different
- Acknowledging the otherness of the future

- Acknowledging the otherness of nature
- Acknowledging the otherness of the object
- Acknowledging the otherness of other rationalities

As suggested by David Held, Cosmopolitanism has become the *New Realism*.

# 10 Conclusions

This study was set out to explore the nature of Transnational Organized Crime (TOC) and its threats to peace. The thesis is that TOC has become one of the main threats to human society and the environment in the last decades. This has happened because of the changes in the structural power in a globalised society.

For this, the study has used a social constructivist version of the theory of structural power as the theoretical framework. This theory, initiated by Susan Strange, establishes four power structures (security, production, finance, welfare) and an ideational base. Each of these is integrated by ideas, institutions and material capabilities. The social constructivist angle has been introduced to facilitate the analysis of an essentially evolving and secretive phenomenon.

TOC has been presented by governments and international institutions as an important threat to humanity after the end of the cold war. However, due to its clandestine character, the nature of TOC has been veiled by a curtain of ignorance and stereotypes. Limited academic research has been undertaken until now, and most of it by investigative journalists, government or NGOs, criminologists, political scientists, economists and ecologists. There is little cross-cutting research.

This thesis focuses on the harms caused by TOC among humans and the environment. It considers that TOC should be qualified rather by its structure (the criminal markets) than by its agent (the criminals), given that a criminal can easily be replaced by a competitor if the business is profitable.

To analyse TOC, this study has established a series of research questions that we will see in the next section:

## ***10.1 Empirical findings***

The thesis of this dissertation is that TOC has gained prominence in the last decades due to the changes in the structural power. The three types of TOC have gained power mainly due of the liberalization of the financial markets and the privatization of the production means in the backdrop of the neoliberal revolution that seeks financial profit for the elites above all. Connected to this are misplaced governance features related to TOC, like the excessive barriers on the trade of soft drugs or the lack of control on the trade of weapons.

### **10.1.1 How can TOC be defined?**

This dissertation has proposed the following definition of TOC: *Severe, wide-spread and long-lasting harms caused by an organized group to society and the environment for profit.*

In this innovative definition, TOC has two victims: human beings and the rest of the biosphere. If in the past of human civilization the environment seemed to be a resilient element that could recover easily from human interference, this is no longer the case. Harms are committed for profit, and exclude those committed for political reasons, although most political crimes have an economic angle. The qualification of ‘severe, wide-spread and long-lasting’ – inspired by IHL environmental provisions - excludes minor harms. The fact that the agent is an ‘organized group’ may be considered as secondary, if we ponder the size and consequences of the deed. Moreover, if an activity is profitable, the

actor will easily be replaced by a competitor. The use of the concept of ‘harm’ is very important, because it permits to go beyond the national laws that are not only different in each country, but also influenced by powerful elites involved in their drafting, and interested in downplaying the harms caused by themselves. It permits also to bridge between illegal and illicit activities, as long as the consequences are serious. Although it is difficult to evaluate the size of the different types of TOC due to their clandestine nature, it amounts to an important portion of the global wealth. Another virtue of this definition is that it embraces all three types of crime: traditional, economic and environmental. The traditional type of crime represented by novels and films is just one of the types.

### **10.1.2 What are the links between TOC and the rest of society?**

TOC can be the embryo or the *State* in primitive societies, and the state can also revert to TOC in the form of a failed state. TOC is thus an important driver behind civil wars, which may be prolonged to suit business interests rather than political goals. Conversely the state can hire organized crime to perform clandestine operations and TOC can also capture the state and use it for its needs. The states have developed international regimes to try to fight TOC. The main difference between states and gangsters is that the latter only seek profit, while the former should seek the welfare of its citizens. The traditional type of TOC can be considered as predatory or parasitical in relation to the state, while economic and environmental crimes are essentially embedded or symbiotic with the state, as their actors are usually the same, which explains the impunity they enjoy.

We have seen how the *markets* can be highly criminogenic, especially in the neoliberal context with its financialization, privatization and deregulation features. They are generating a dangerous class confrontation between the haves and the have nots at local and global levels. Neoliberalism justifies the accumulation by the rich, while condemning the poor for being passive. Legitimate and illegitimate economic actors tend to have their boundaries blurred in this scenario. As the elites both control business and draft the laws, they tend to criminalize only the small criminals, while keeping themselves impune. The markets try to control democracy through secret societies, lobbying and revolving doors. Harmful practices cause major crises as that of 2008. A new powerful ‘Transnational Capitalist Class’ has appeared, whose aim is the ‘accumulation by dispossession’ of the rest of society, through ‘shock’ tactics if necessary. The big economic and financial monopolies are protected from failure, as being ‘too big to fail’. Not much has been achieved until now in terms of controlling this phenomenon through the international regimes. A democratic cosmopolitan governance system could be instrumental to control the ungoverned spaces as the secrecy jurisdictions.

*Civil society* can be very engaged in the fight against TOC, as Pope Francis, Wikileaks, Global Witness, ICIJ, TI and many other have proven. But it can also be part of the harmful system, as we have seen with the corporate media and academia who, for example, manipulate information on climate change. The media can be a powerful agent against crime, or can also cooperate with it if it is paid to do so. The surge of TOC is favoured by the capitalist exaltation of the *competitive* angle of human character and the suppression of its *cooperative* side.



### 10.1.3 What are the types of organized crime?

*Traditional organized crime* consists mainly of illegal or illicit trade with or without violence as well as racketeering. It is often the obstacle constituted by the border, or by misguided policies or prohibitions that add value to the traded commodity. This crime develops state-like structures and is often associated with failed states and ‘new wars’. The main trafficked resources are drugs, fake medicines, human beings, natural resources, arms or toxic waste. An important number of international regimes has been established in the last decades, but without much success in curbing this phenomenon. There is often blurring of lines between legal and illegal entrepreneurs. Violence is used as an enforcement method in an environment which is not controlled by the state or as a way to communicate power messages. It is often practiced by lower classes who aspire to join of the TCC elite.

*Economic crime* has many forms but consists mainly in the dispossession of wealth by stealth through the complex and unruly financial system. This crime’s success is facilitated by the prevailing neoliberal ideology and the use of new electronic technologies. It is the crime which is yielding the highest profits of all, and is creating a new transnational capitalist class which manages to capture the state power through its huge wealth and leads to an extremely unequal society. This type of crime has many types of expression: corruption (government and private), illicit financial flows, tax evasion, money laundering (an indispensable process to conceal the origin of all types of criminal money), mispricing by TNCs, fraud, etc. Most of these concepts are not yet clearly (and even less legally) defined. All of them represent serious, wide-spread and long-lasting harms to society (and some directly to the environment), however only a few have been criminalized recently, because the incestuous links between business and politics (through revolving doors,

lobbying, etc.) are preventing the development of appropriate laws and strong international regimes. The concealment of illicit money is done mainly through secrecy jurisdictions, most of which are not based in exotic locations, but rather in rich places like London, Switzerland or Delaware. These abuses are directly contributing to economic depression, growing inequality and political instability in the world. They have been facilitated by the processes of financialization, privatization and deregulation of the last decades, and have granted the new TCC a disproportionate power which allows it to control the leverage of the state, and to buy part of the media and the academia, thus rendering democracy an empty shell.

*Environmental crime* is destroying the biosphere for profit. As the neoliberal ideology considers the environment as an 'externality', most of these outrageous harms are not even criminalized. Because of its very long lasting effects, environmental crime raises the problem of inter-generational justice. The TCC is exploiting the earth beyond its carrying capacity through the use of fossil fuels, to the point of triggering a new geologic era, the Anthropocene. Science has established planetary boundaries designed to define a safe operating space for humanity, some of which have already been crossed. The most dangerous ones are Climate Change and the Loss of Biodiversity. The changes in the climate caused by the uncontrolled dumping of GHGs into the atmosphere are very long lasting and complex because of feedbacks and tipping-points, and have already started to cause drought, food insecurity, disease, coastline changes, frequent natural disasters and mass migrations. The main culprits are the industrialized countries and their elites, while the main victims are the developing ones and their poor populations. Very little progress has been done to mitigate climate change because the main emitters are the most powerful TNCs, who exert political pressure on states to prevent the international regimes to make progress. Through pollution, land-use change, climate change, freshwater depletion, ocean

acidification and nitrogen and phosphorus flux, humanity is causing the ‘sixth extinction’ of life in the planet. The main perpetrators have financed fake science and media in order to conceal climate change from the public.

Comparison of the three types of TOC									
TOC	Direct violence	Structural harm	Longevity of the harm	Seriousness of the harm	Range of the harm	Illegality	Parasitical/ Embedded relationship to elites	Main victims	Communication trough
Traditional								Local society	Violence; Corruption
Economic	↑	↓	↓	↓	↓	↑	↓	Global society	Grand corruption ; Political lobbying; Mainstream media
Environmental								Biosphere; Future generations	Scientific corruption ; Political lobbying

### 10.1.4 Should all these phenomena be considered as “crimes”?

This thesis has based the nature of crime not on the agent nor or the act, but on the effects, the harms, that they produce. As seen through the text, the qualification of certain acts as crimes has traditionally been done by an economic and political oligarchy whose aim is

not to promote a peaceful and just society, but to protect its class interests, and to continue profiting. Moreover, each national oligarchy having its own national interests, there is no unified criteria regarding the criminalization of harms. This thesis thus proposes to accelerate the ongoing trend to base the qualification of harms as crimes on human-rights based criteria through the definition of TOC proposed: *Severe, widespread and long-lasting harm caused to society or the environment by an organized group with the purpose of obtaining an economic profit.*

It is desirable that the worst harms described in this thesis will be criminalized soon if major social and environmental disasters are to be mitigated.

### **10.1.5 Why is there so little information about TOC?**

One of the reasons why there is so little information about TOC is that crimes are obviously clandestine activities, and the criminals will do their best effort to hide them. Moreover, criminals often use violence in their business transactions, which discourages researchers to interact with them. But the main reason for the lack of objective information, statistical, journalistic or scientific about TOC is that the media, government and the academia are influenced by the same elites who ultimately benefit from the crimes or harms described in this thesis, mainly the economic and environmental ones. For example, justice will imprison small thieves but very seldom big bankers (as we have seen in the aftermath of the 2008 financial crisis); corporate media will seldom give objective and detailed information about fiscal havens; there will be no funding for academic research on economic or environmental crimes, etc.

## 10.1.6 What are TOC's threats to peace?

TOC threatens '*direct peace*' because most wars are fought for plunder (or to defend the community from plunder), or are financed through illegal activities, or because violence is part of traditional TOC's business activities. Traditional TOC directly threatens or competes with weak states. TOC is becoming one of the main drivers of the 'new wars' as we have seen in the cases of Afghanistan (drugs) and DRC (natural resources). TOC thrives in conflict environments when the rule of law is weak. Rebels can be predatory, parasitic or symbiotic in relation with the state. War is also an environment favourable to plunder cultural heritage (e.g. ISIS). War also represents a good opportunity to sell weapons legally or illegally. The imposition of sanctions has the (unintended?) consequence of criminalising the state targeted, because it needs TOC to circumvent them. War can be considered as the 'quintessential protection racket' (Tilly, 1985). According to Klein (2007), war and disaster 'shocks' can be used to impose neoliberal reforms.

TOC threatens '*structural peace*' even more than the direct one, because it steals the means of subsistence from society, their food, shelter, welfare, health and education. Moreover, environmental crime robs the future means of subsistence of the whole biosphere, creating an intractable inter-generational conflict. The de-regulation, privatization and financialization of the economy brought by the neoliberal revolution has contributed to deprive society and the environment of their livelihoods. For TCC, whose final goal is the infinite accumulation of capital, human beings and nature are dispensable 'externalities' of their businesses. This threat is even more pervasive because the elites tend to elude criminalizing this dispossession process. After having opposed the MDGs since 2000, now TOC is countering the SDGs, which include targets against TOC (in particular in goal 16),

inequality (goal 10), climate change (goal 13), and sea and land environmental degradation (14 and 15). TOC also violates all kinds of human rights themes, as defined by the UN.

But the most damaging threat of TOC is to '*cultural peace*', as it distorts or privatizes information, ideas, intellectual property or culture in order to prevent society from understanding the nature of TOC and be able to confront it or to benefit economically.

### **10.1.7 Why did TOC thrive in the last decades, and why is it so difficult to control?**

The main reason why TOC has prospered in the last decades is because it has captured part of the structural power in society, including state power, through its huge economic power, facilitated by the de-regulation and privatization processes of the neo-liberal revolution. Legal and illegal business practices have tended to merge into an illicit/ immoral model that controls economic and political power. Society has difficulty to resist this, because it does not have enough information nor power.

The international regimes developed are weak because they respond to the lowest common denominator of the intentions of the different states, and because the same TCC that controls the TNCs also controls the state leverages and those of the United Nations. Sometimes, as is the case of drug trafficking, the international regimes themselves contribute to enhance the value of the trafficking, encouraging crime to thrive.

As proposed by David Held, Ulrich Beck and Daniele Archibugi among others, a cosmopolitan governance system would be able to harmonize the different legislations and police the spaces not governed by the state system, like the offshore spaces, the high seas,

the failed states, the borders, the failed international regimes (e.g.: drug trafficking, UNFCCC, etc), the deregulated international financial markets, the unlimited economic growth, etc.

## **10.1.8 Is the theoretical framework of the Structural Power adequate for the research in TOC?**

TOC as a power agent can be analysed through the lense of the structural power theory. It has strong links to the production, welfare, security and finance structures of power as well as to the ideational base. We have seen how the ideas, the institutions and the capabilities around organized crime have allowed it to acquire the power that it has today. The social constructivist character of this version of the theory of structural power has proven to be instrumental to explain the dynamic changes in TOC during the recent decades and to explain the power that it has taken from the state. It has also permitted the proposal of new critical strategies to confront it as is the cosmopolitan governance.

### ***10.1.8.1 Ideas***

TOC is based in the idea of acquiring wealth by dispossessing others within a hierarchical society. TOC has become more powerful with the advent of capitalism, the globalization of markets, the financialization of the economy and the privatization of public services, in other words with the neoliberal ideology.

The definition of TOC as a *“severe, widespread and long-lasting harm caused to society or the environment by an organized group with the purpose of obtaining an economic*

*profit*” has proven to be a simple but useful definition of the phenomenon. It encompasses the three types of TOC described in the thesis: traditional, economic and environmental. The idea of measuring TOC through the harm that it causes is key in this thesis, because it gives an objective character to the concept of crime, and disentangles it from the laws constructed by the elites for their benefit.

The secret character of crime and the lack of statistics about it makes the research on TOC very complex. Most often the data are indirect: traditional TOC expresses itself through violence (e.g. exemplary punishments); economic crime communicates through the channel of corrupt officials and crony media; environmental crime expresses itself through the publications of corrupt scientists. Constructivist or reflexive analyses of TOC must be based on these indirect signals, as criminal agents don’t express themselves openly, or they do it through proxies or with misleading messages.

The idea behind *traditional TOC* is the eldest idea to gain undue profit, and can be considered to have the same origin as the state. In fact, when the state becomes weak, it can easily be replaced by TOC. It uses the same leverages as the state, as the use of violence, the regulation of the markets, the collection of taxes, the provision of welfare, etc. The main difference is that TOC works with the aim of obtaining profit for a small group, while the state should work for the welfare of its population and environment.

The idea behind *white collar crime* can be considered as more damaging to society and the environment than the traditional type, although it practices less direct violence. It uses stealth instead, and is perpetrated by individuals who have more wealth and culture than the traditional criminals, constituting thus an elite crime. In fact it is easier to cheat an ignorant than an educated person. The aim is to obtain the maximum gain taking the



minimum risk. The neoliberal ideology, with its privatization and de-regulation push is the main single promoter of the proliferation of financial crime/ harm in the last decades.

The idea behind the *environmental crime* has been slow to be understood by society, as human beings have always exploited the environment, but it is only the high technological power behind modern production that has been able to cause a major harm. Due to the novelty of the problem, there is still room for perpetrators, through the Merchants of Doubt, to impose the idea that the environmental exploitation is harmless. Environmental harms are being securitized and should be criminalized soon if an irreversible environmental disaster is to be averted.

### ***10.1.8.2 Institutions***

The institution of organized crime has existed for a long time although most forms of it have only been officially declared as criminal recently. The eldest to be criminalized were piracy and the slave trafficking. With time, other institutions were criminalized like the mafias, the drug traffickers, the waste traffickers, and so on. Some of the institutions like the fraudsters and the corruptors have only been criminalized very recently, and still very weakly. Other institutions like fossil fuel companies could be criminalized soon, considering the serious harm that they are causing to the environment, and in particular to the climate.

The control of TOC has been assigned traditionally to the nation states. Only recently have the international regimes started to be involved in harmonizing the actions of the states in this field. Most of these regimes have only seen the light after the end of the cold war.

Maybe the sector with highest number of regimes is the environmental sector due to its size and complexity, but their efficiency in terms of protection from harms is low.

In spite of the progress attained by the international regimes in coordinating the fight against TOC, some limitations have appeared, as the individual states tend to cheat and favour their national (or corporate) interests, at the cost of the common interest. Only a cosmopolitan governance system can really have an efficient authority in the areas beyond the control of the states like the borders, the offshore financial centres, the high seas, the failed states, the atmosphere, etc.

TOC thrives in poorly or wrongfully governed spaces. For example, drug traffickers obtain their huge profits from the fact that some types of drugs are addressed as a security problem instead of being regulated as a health/ welfare problem. Trafficking of natural resources happens in areas not governed by a weak state. Guns are trafficked from the USA into Mexico because they can be bought freely in the USA but not in Mexico. Tax evasion happens because there is no control on deposits in secrecy jurisdictions. Climate change happens because it has been impossible to encourage the states to reach an agreement since 1992.

Traditional TOC can be considered as *parasitical* to the establishment, as it frequently competes with it, often in a position of weakness. Economic and environmental TOC should be considered as *embedded* in the prevailing political-economic system, as they could not exist without their consent or complicity (e.g.: the existence of the secrecy jurisdictions, in spite of being used to launder money; the authorization to continue extracting and burning fossil fuels, although they cause climate change, etc.).

### 10.1.8.3 Material Capabilities

*Traditional TOC*, which is parasitical to the state because it is not usually supported by the elites, causes violence and deprivation mainly in poor countries.

*Economic crime* is usually committed by the elites from the rich countries, because it is them who have the knowledge and power needed to perpetrate such sophisticated crime. The victim is mainly the welfare of the populations of poor countries, but also the lower and middle classes of the rich countries. It is generating a sense of injustice that contributes to structural violence and ultimately to a class confrontation.

*Environmental crime* causes harm mainly in poor countries. However, the harms are so wide-spread and long-lasting that they end up affecting the whole planet. It is generating an intergenerational justice problem that will be very difficult to resolve.

Power has not really shifted from the state to the markets, but from the majority in society to the elites. Power has also shifted from non-humans to humans.

<b>TOC: nature and threats to peace</b>			
<b>Structural power</b>	<b>Ideas</b>	<b>Institutions</b>	<b>Capabilities</b>
<b>Security</b>	Traditional TOC should be considered a security and direct threat to the state. Economic and environmental harms should be securitized and criminalized soon if disasters are to be mitigated. Shock treatment can be used in the wake of an emergency by dishonest elites to impose neoliberal dispossessive reforms.	Cosmopolitan governance would be the best way to control the security threat from TOC, as international regimes have failed so far. Concepts like Human and Sustainable Security help the establishment of more efficient international regimes against TOC. The individual military action advocated by realists is inefficient to confront TOC	Traditional TOC is ready to use violence as a means of expression. Human life and the environment are no longer protected primarily by military means, but by the establishment of a fair cosmopolitan governance. Traditional TOC is a major driver behind the “new wars”.

<b>Production</b>	Traditional crimes deal with commodities that increase value thanks to flawed governance. Traditional TOC is mainly linked to trade of illegal commodities. Environmental TOC is an “externality” of the fossil fuel industry.	Producers of illicit goods gain little, traders gain much more. International regimes to control traditional and environmental TOC are weak because some of the drafters are involved.	Criminal production has not been compromised by the economic crisis. Environmental TOC could cause the end of human civilization by trespassing the planetary limits.
<b>Finance</b>	All types of TOC are interested in profit. Economic TOC is mainly based in the Finance structural power.	The secrecy jurisdictions are vital for the existence and growth of all types of TOC. Legal and illegal enterprises merge to practice some degree of illicitness. It is unlikely that international regimes drafted by the TCC will be efficient against financial crime, as they are linked to it. A stronger cosmopolitan governance should be developed instead.	Considering the huge sums of money moved by TOC, they have become an important global economic and political actor in the last decades. Financial crime is at the core of the traditional and environmental ones
<b>Welfare</b>	Economic and environmental TOC are a major threat to the welfare of human society and the rest of the biosphere.	Only very recently has the IC started to build regimes to protect the welfare of the victims of TOC. The international regimes on welfare cannot be efficient without a cosmopolitan enforcement	TOC has the capability of ruining the future welfare of the biosphere.
<b>Conclusions</b>	TOC bases its huge profits in governance flaws: excessive (drug trafficking); default (failed states, secrecy jurisdictions, climate change); biased (sanctions); unbalanced (guns in Mexico). The best solution to curb TOC is to exercise cosmopolitan governance in the mis-governed spaces. This thesis’ definition of TOC is more accurate and useful than mainstream ones. The theoretical framework is adequate to research on TOC. Traditional TOC is parasitical to the world order. Economic and environmental TOCs are embedded to it. TOC is promoting class warfare. The international regimes are weak to confront TOC, and a cosmopolitan governance system should be developed instead.		

We have seen that the theoretical framework has facilitated the analysis of TOC, and to reach rational conclusions about it.

## **10.1.9 What can be deduced from this study in relation with the agent-structure issue?**

This study has analysed how TOC has grown in the last decades in the global system. One important conclusion is that TOC is at the same time an agent and a structure. It is an agent because its ideas, capacities and interests can shape the social structures, and that the structures facilitate its activities. But it is also a structure, because it is also influenced by internal agents, who are in turn influenced by the criminal structures.

As an agent, we have seen that TOC can influence the state structures (e.g.: it can shape important state decisions through bribing), the international structures (e.g.: it has delayed for long the regimes to curb it: UNTOC 2000, UNCAC 2003, ATT 2014, BEPS still being discussed, etc), the economic structures (e.g: secrecy jurisdictions, opaque tax regimes, etc), the biosphere (e.g.: biodiversity degradation through wildlife crime, the atmosphere through GHGs, UV radiation through CFCs); it can co-opt media, academia or civil society (e.g.: the merchants of doubt).

But TOC has also seen its activities influenced by the international system, for example: it has been able to launder money by the existence of secrecy jurisdictions or shell corporations, it has been able to extract huge profits from the natural environment because the regimes to protect them are weak and dispersed, it has been able to traffick human beings because the international economic system facilitates the movement of capital but not that of labour, it can make enormous profits from drug trafficking because the international system has forbidden them.

As a structure, we have seen how TOC can survive changes (e.g.: a criminal network can overcome the change/ arrest of its members as we have seen in the DRC with minerals, Afghanistan with opium or Colombia with cocaine); how it can shift from one business to another according to necessity (e.g.: Colombian narcos shifting to gold, Congolese armed groups from coltan to gold) or combine different ones (Mexican narcos trafficking migrants in one direction and weapons in the other direction); it can change structure according to pressures (e.g.: from hierarchic to cellular); it can infiltrate or merge with other structures like government or business.

As a structure, TOC also influences the agents that compose it: the way criminals use stealth or/and violence, how they practice justice among them, how they communicate with each other, etc.

We have seen that the agency-structure issue is a major one in the study of TOC.

### **10.1.10 Is Critical GPE/IPE the right approach to study TOC?**

Most of the studies on TOC until now have been based on “problem-solving” theories. They have been based on existing definitions of “crime”, and have therefore not put in question the status quo. The reason is that it is still the elites who define what a crime is and what it is not, and therefore continue to cause harms to society and the environment in order to continue to accumulate wealth with impunity. The definition of crime based on the harm produced permits to go beyond this blockage, and put in question the mainstream views.

The reflexivity of the critical theory permits to deepen into the bottom of the phenomenon. It permits to unfold the hidden agendas from the “merchants of doubt” of the media and the academia.

The historical perspective permits to go beyond the rigid power-based opinions of the neo-realist or the capitalist-friendly solutions of the liberals. It permits to analyse the historical evolution of TOC, and realise how close it can be from structures like the state and the markets.

The critical theory also gives an emancipatory perspective to the study, and permits the proposal of counter-hegemonic solutions as the cosmopolitan system. The critical perspective facilitates the identification of the transnational elites as perpetrators or accomplices of harms (and therefore crimes). It reveals that TOC is part of the global class struggle for power and wealth.

### **10.1.11 Is Interdisciplinarity necessary to analyse TOC?**

The social or natural phenomena can very seldom be analysed with one single scientific discipline, because they are complex and function in open systems. It is therefore necessary to employ several disciplines to research on a particular phenomenon, especially in the social field. If this centripetal analysis is not done, there is a strong risk that the vision will be in a tunnel vision, and therefore distorted. This biased vision can be the consequence of ignorance, but it can also be intentional, in order to hide certain aspects or links of TOC.

This analysis of TOC has built on several fields, most of which are themselves multidisciplinary, like GPE/IPE, criminology and ecology. This has permitted to (re)-define relatively new phenomena like the *white-collar crime* or the *environmental crime*. But it would have been difficult to arrive these ontologies without an economic and ecological analysis. The multidisciplinary approach has been necessary to analyse TOC's structural powers.

A comprehensive interdisciplinary theoretical framework for the study of TOC would be a major progress in the study of TOC.

### **10.1.12 Is TOC a parasitical or embedded phenomenon in the global neoliberal system?**

The *Traditional type of TOC* is mainly a parasitical phenomenon in the present system, as its actors are not part of the ruling class, but it is however collaterally favoured by the present power structures (e.g.: the 'war on drugs' favours drug trafficking, the stringent pharmaceutical patents favour the trafficking of fake medicines, the obstacles to migrations favour the trafficking of persons, the promotion of wars facilitate the trafficking of weapons, the promotion of overconsumption favour the trafficking of natural resources, etc.).

The *Economic crime* is embedded in the neoliberal political economy, as its actors are part of the elites of the global capitalist system. Only through its access to economic and political power has it been able to maintain the existence of secrecy jurisdictions, to produce a bloated financial sector, to practice land grabs, to create impunity for themselves,



to decide which harms are criminalized and which not, to allow corporations to sue the state, etc.

*Environmental crime* is a sort of economic crime that causes huge harm to the environment. It is even more embedded in the political-economic system, as its actors are associated to the most powerful global enterprises as are the fossil fuel corporations. They also control the powerful machinery of the corporate media (and academia) to try to keep the world population in ignorance of the environmental disaster that they are promoting, and thus be able to convince the world population to continue consuming conspicuously. The TCC has proven that it can block fundamental international regimes as the UNFCCC for decades in spite of the huge threat represented by climate change.

### **10.1.13 What could be the perceptions of TOC by the main IR schools of thought?**

*Realists* in dominant countries would resist the loss of power by the states. They could be ready to deal with any perceived security threat to the state by TOC. They may justify manipulated perceptions of threat to interfere in the internal affairs of other countries (e.g.: USA war on drugs in Colombia). However, they have difficulty to understand the sophisticated systems of global financial crime, and therefore how to curb them. Regarding transnational environmental harms, they have difficulty to perceive their long-term and global character. They also have difficulties to deal with multilateral regimes to control such global phenomena, because they don't believe in multilateralism.

*Liberals* would certainly react to the security and economic threat of traditional TOC. The rise of TOC after the cold war encouraged them to promote successfully the conventions

on TOC and on Corruption. They however have more difficulties in curbing the economic abuses of the TNCs because liberal analysts are part of the TCC and support them. This is the reason why the controls on money laundering are so weak, why the secrecy jurisdictions continue to boom in spite of the agreements, why almost none of the bank executives responsible for the 2008 economic crisis have been convicted, why unfair trade agreements continue to be promoted. Regarding the environmental harms, they have been very active in multiplying the regimes, especially after the 1970s, when the public awareness that the environment was in danger began. However, for more that they would like to see the environment protected, they still consider the environment as an “externality” of the “sacred” cause of economic growth. This is the reason why the results of the numerous environmental protection regimes promoted by the liberals until now have had a limited impact.

*Critics*, who do not limit themselves to “solve problems” (Cox, 1981) of the status quo, should propose new solutions. The environmental problem is related to excessive and unregulated production. In turn the production problem is due to finance being out of control. The financial problem is due to financial gain being the sole goal of the neoliberal economic system, well above welfare. The world needs a system in which human and environmental welfare becomes the driving structural power of society. To obtain this, humanity needs a healthy shelter, in the form of a healthy planet earth. It needs to control the “mad money” that facilitates mafia activity, excessive production and financial crises. To do this it needs to control the secrecy of the financial havens where illicit gains are amassed. Because the financial havens are spaces unregulated by the states, we need to establish regulation systems stronger than the present weak or even voluntary regimes. Such systems can be developed by a cosmopolitan governance system that will have authority to regulate and police the gaps between states and the mis-governed spaces. Like

other systems of authority, it needs to be controlled by society through a true democratic system. The modern telecommunications and transportation technologies, that have facilitated so much the globalization of the financial services and the production, can also be useful to globalize direct democracy. The main obstacle may come from the TCC, who has captured power in the world through the financialization of the economy, the deregulation and privatization processes, the revolving doors and the lobbying systems. This fact needs to be exposed by the academia so that a democratic cosmopolitan society can address it. The TCC needs to start thinking in the long term, not just in the short term illicit gains that they have been accustomed to obtain through the “mad money” system. They and their progeny will not be able to live peacefully in a world with a climate out of control, a disrupted ecology, a world divided between a majority of miserable and a minority of billionaires, with the violence that this will entail. Humanity cannot cause the Earth’s geology to shift from the Holocene to the Anthropocene without a clear vision of what the next steps will be.

## ***10.2 Theoretical and policy implications***

The main innovations of this study are the following:

- The essence of organized crime is in the ‘*harm*’ that it causes. The implication is that the degree of criminalization of the phenomenon should be based on the degree of harm that it causes. This will prevent the manipulation of the concept of organized crime by the elites who tend to criminalize what is convenient for them. For example they will criminalize some drugs but not others. They will criminalize tax evasion for the middle class but drastically reduce the taxes to the rich. They

will permit the existence of secrecy jurisdictions while formally condemning them. They will organize yearly international conventions on climate change while preventing any progress for decades.

- TOC should only be related to '*serious, wide-spread and long-lasting*' harms. This permits the exclusion of small crime, for example trafficking of mild drugs like hashish, although it is punished with long prison sentences in some countries. It also facilitates the inclusion of serious harm producers, like dishonest bank or oil executives who cause huge stress to society and the environment but are usually impune.
- The definition of the victims of TOC as '*society and the environment*' is essential because the environment has been largely forgotten as a crime victim until recently, and it is one of the reasons why we have reached the present level of destruction of the Anthropocene and the Sixth Extinction.
- Another innovation is the conclusion that the reason for the success of organized crime is the lack of governance or the bad governance, as is the case with the drug conventions, the border spaces, the high seas, or the failed states. Therefore the solution is not to de-regulate as suggested by neoliberalism, but to regulate the spaces through a cosmopolitan governance system.
- Another innovation is the success of the use of the social constructivist theory of structural power to the study of organized crime. As sensed by Susan Strange decades ago, organized crime is an important power player in the modern IPE, and thus the theory of the structural power fits the purpose of studying it. She also announced that her theory can be "improved by others". The relations between

power actors being very dynamic, especially in the shifting times of the post cold war and the neoliberal revolution, a sense of change and reflexivity has been introduced by the social constructivist version of the theory. Moreover, there is a widespread use of ‘doublespeak’ by the elites in this phase of human history (e.g.: organize the UNFCCC meetings but subsidize the fossil fuel industry, speak of social justice but tolerate tax evasion, speak of peace while selling weapons, praise free markets while building monopolies, etc), which makes reflexivity even more important to try to understand what the fast moving and blurred reality consists of. Thus, ideas, institutions and material capabilities of the four power structures (security, production, finance and welfare) interact with each other and explain the changes of power in the IPE. The thesis proposes a final variation of the structural power pyramid.

- The theoretical framework of the structural power could serve as a unifying theory to develop multidisciplinary studies in organized crime. Until now organized crime has been researched in a dispersed way by different fields of study: criminology, investigative journalism, economy, politics, IPE, international relations, sociology, law, business administration, environmental science, law enforcement. This theoretical framework, with its high adaptability should be able to accommodate the different points of view.
- A very important policy implication is the adoption of the ‘harm’ perspective for the study of organized crime. If crime is considered from the point of view of the harm caused to society and its ‘house’, the earth, justice will be instrumental to build a fairer society, and to prevent the impunity of the perpetrators. With this perspective, the social condition of the agent or his/her mode of operation are not

so important, but mainly the effects count. Considering a 'harm' perspective, the crimes of the powerful will be able to be tried at their face value.

- Coonsidering that most organized crimes are committed by a small rich minority against the poor majority, an important policy implication is that TOC may be inducing a future 'class warfare'.

### ***10.3 Recommendations for future research***

In the 'fluid' and 'risk' society in which humanity lives today, the main threats come from the repeating economic crises caused by a dysfunctional financial system which prevents the proper development of the economy. Thus deeper research into the secretive world of financial crime should be a priority.

A consequence of white collar crime - and a much more serious threat in the long term - is the environmental degradation, and thus a second priority should be to deepen the research in environmental crime, with all the complexities that entails predicting future evolution of a physical system, with its ensuing social consequences. Environmental crime needs to be studied not only from an ecological science point of view, but from an economic point of view, given that the ultimate intention of the criminals is to make a profit.

But the main recommendation is an adequate interdisciplinary theoretical framework for future research in the field of TOC. The subject is too important to develop a fair society in a moment of deep crisis, and it is too complex not to take this direction.

## ***10.4 Limitations of the study***

As seen along the thesis, one of the main limitations of any research on organized crime is the lack of data. As we have seen, TOC is an illegal or at least immoral activity, which will do its best to hide any information in order to protect itself. Only the recent wave of whistleblowing is helping to obtain some more data on TOC.

Moreover, criminals are ready to use direct violence to protect their secrets or to resolve business differences. This will inevitably discourages researchers to engage with them.

Maybe the most intractable limitation to research in organized crime is the implication of the elites in the most profitable parts of TOC. We have seen the constant efforts of these elites to cover up TOC. It is therefore unlikely that these elites will finance any research conducive to make light in the system, especially if we consider the trend of privatization of the academia.

## ***10.5 Conclusions***

In spite of the mainstream belief that TOC consists only of the traditional mafia type, this study, done under a social constructivist version of the theory of structural power, has proved that the most harmful activities are practiced in the financial and environmental fields, and that the main culprits are members of the elites instead of the traditional gangsters described in fiction. The neoliberal revolution has permitted TOC to capture power from the state, which explains the obstacles to fight against it, and also to research on it. TOC has thus become a major threat to the direct, structural and cultural peace and

could even become an important peril for the survival of human species on earth. A cosmopolitan governance system would be instrumental to control the ungoverned spaces where TOC operates.



# 11 Bibliography

Abadinsky, Howard. (2009). *Organized crime. 9th ed.* Belmont, CA: Thomson Wadsworth.

Acemoglu, Daron & Robinson, James (2012): *Why Nations Fail: The Origins of Power, Prosperity, and Poverty.* The Crown Publishing Group.

Action Aid (2013): *Post 2015: business as usual or bending the arc of history?*

Adams & Martens (2015): *Fit for whose purpose? Private funding and corporate influence in the United Nations.* Global Policy Forum.

AFP (2009): *Mafia sank boat with radioactive waste*, 14 September 2009.

Africa Progress Panel (2013): *Equity in Extractives: Stewarding Africa's natural resources for all.*

African Union (1991): *Bamako Convention On The Ban Of The Import Into Africa And The Control Of Transboundary Movement And Management Of Hazardous Wastes Within Africa*

African Union: *African Union Convention on Preventing and Combating Corruption,*

Agamben, Giorgio (1984): *Se la feroce religione del denaro divora il futuro.* La Repubblica.

Agamben, Giorgio (1995): *Homo sacer. Il potere sovrano e la nuda vita,* Torino. Einaudi,

Agamben, Giorgio (2003): *Lo stato di eccezione,* Bollati Boringhieri.

Ahmed, Nafeez (2015): *UN plan to save Earth is "fig leaf" for Big Business: insiders.*

Why the new Sustainable Development agenda is "fundamentally compromised" by corporate interests. Insurge Intelligence.

Ajayi and Ndikumana (2015): *Capital Flight from Africa. Causes, Effects, and Policy Issues*. Oxford.

Akerlof, George & Romer, Paul (1993): *Looting: The Economic Underworld of Bankruptcy for Profit*, Brookings Papers on Economic Activity.

Akkerman, Mark (2016) : *Guerras De Frontera. Los Fabricantes Y Vendedores De Armas Que Se Benefician De La Tragedia De Los Refugiados En Europa*. Delas/TNI

Al Jazeera, *Bin Laden deplores climate change* 29 JANUARY 2010

Albanese & Reichel (2014): *Transnational Organized Crime. An Overview from Six Continents*. Sage.

Albanese, Jay (2010): *Assessing Risk, Harm, and Threat to Target Resources against Organized Crime*. Global Consortium on Security Transformations numb. 10.

Albanese, Jay S. (2007). *Organized Crime in Our Times*. Elsevier Science.

Alden, Liz (2011): *The tragedy of public lands: The fate of the commons under global commercial pressure*. International Land Coalition.

Alex Cobham, Petr Janský, and Markus Meinzer (2015): *The Financial Secrecy Index: Shedding New Light on the Geography of Secrecy*. CGD

Alexander, Bruce (2008). *The Globalization of Addiction: A Study in Poverty of the Spirit*. OUP Oxford.

Allais, Maurice (1999): *La Crise mondiale d'aujourd'hui. Pour de profondes réformes des institutions financières et monétaires*. Éd. Clément Juglar.

Alliance for Lobbying Transparency and Ethics Regulation in the EU (ALTER-EU, 2010): *The Brussels Bubble. The battle to expose corporate lobbying at the heart of the EU*. Creative Commons. [www.alter-eu.org](http://www.alter-eu.org)

Allum and Siebert eds. (2003): *Organised Crime and the Challenge to Democracy*. Taylor & Francis.

Allum, Felia and Gilmour., Stan (Eds.itors) (2012): *Handbook of Transnational Organized Crime*. Routledge. Taylor and Francis.

Allum, Felia and Siebert, Renate eds. (2003): *Organized Crime and the Challenge to Democracy*. Routledge.

Altinay, Hakan (2011): *Global Civics: Responsibilities and Rights in an Interdependent World*. Brookings.

Ambraseys, Nicholas et al. (2011): *Corruption kills*. Nature 153, vol 469.

American Meteorological Society (2016): *State Of The Climate In 2015*.

Amnesty International & Greenpeace (2012): *The Toxic Truth About a company called Trafigura, a ship called the Probo Koala, and the dumping of toxic waste in Côte d'Ivoire*.

Amnesty International (2006): *Arms Without Borders: Why a Globalised Trade Needs Global Controls*.

Amnesty International (2011): *Arms Transfers to the Middle East And North Africa. Lessons for an Effective Arms Trade Treaty*.

Amnesty International (2014): *Injustice Incorporated. Corporate Abuses and the Human Right to Remedy*.

Anabel Hernandez (2010): *Los señores del narco*. Grijalbo

Andreas, Peter & Lupel, Adam, eds. (2011): *Peace Operations and Organized Crime: Enemies or Allies?* Routledge.

Andreas, Peter & Nadelmann, Ethan (2006): *Policing the Globe. Criminalization and Crime Control in International Relations*. Oxford University Press.

Andreas, Peter (2004): *Illicit international political economy: the clandestine side of globalization*, Review of International Political Economy 11:3 August 2004: 641–652

Andreas, Peter (2005): *Criminalizing Consequences of Sanctions: Embargo Busting and Its Legacy*. *International Studies Quarterly* (2005) 49, 335–360.

Andreas, Peter (2008): *Blue Helmets and Black Markets: The Business of Survival in the Siege of Sarajevo*. Cornell University Press.

Andreas, Peter (2011): *Blue Helmets and Black Markets: The Business of Survival in the Siege of Sarajevo*. Cornell University Press.

Andreas, Peter (2011): *Illicit Globalization: Myths, Misconceptions, and Historical Lessons*. *Political Science Quarterly*.

Andreas, Peter (2011): *Sex, Drugs, and Body Counts: The Politics of Numbers in Global Crime and Conflict*. Cornell University Press.

Angus, Ian (2016): *Facing the Anthropocene: Fossil Capitalism and the Crisis of the Earth System*. Monthly Review Press.

Anseeuw, W., L. Alden Wily, L. Cotula, and M. Taylor. (2012).: *Land Rights and the Rush for Land: Findings of the Global Commercial Pressures on Land Research Project*. International Land Coalition, Rome.

Anseeuw, W.; Boche, M.; Breu, T. ; Giger, M.; Lay, J.; Messerli, P. and K. Nolte. et al. (2012): *Transnational Land Deals for Agriculture in the Global South. Analytical Report based on the Land Matrix Database*. CDE/CIRAD/GIGA, Bern/Montpellier/Hamburg.

Anseeuw, Ward et al. (2010): *The Struggle over Land in Africa. Conflicts, Politics & Change*. HSRC Press, South Africa

Appiah, Kwame Anthony (2010). *Cosmopolitanism: Ethics in a World of Strangers*. Norton & Company.

Archibugi & Held (2015): *La Démocratie Cosmopolitique*. Réseau Canopé | «Cahiers philosophiques» 2012/1 n° 128 | pages 9 à 29

Archibugi, Daniele and Held, David (2011): *Cosmopolitan Democracy: Paths and Agents*. Ethics & International Affairs; Winter 2011; 25, 4; ProQuest pg. 433

Archibugi, Daniele et al. ed. (2012): *Global Democracy. Normative and Empirical Perspectives*. Cambridge University Press.

Arendt, Hannah (1963): *Eichmann in Jerusalem: a report on the banality of evil*, Penguin Books.

Ariely, Dan (2012): *The Honest Truth About Dishonesty: How We Lie to Everyone- Especially Ourselves* . Harper Collins. Inc.

Armao, Fabio (2000): *Il sistema mafia. Dall'economia-mondo al dominio locale*, Bollati Boringhieri, 2000

Armao, Fabio (2009): *Power Fragmentation and Crime-Building Processes In Post-Democratic Societies*.

Aronowitz, Alexis (2001):, *Smuggling And Trafficking In Human Beings: The Phenomenon, The Markets That Drive It And The Organisations That Promote It*. United Nations Interregional Crime and Justice Research Institute UNICRI.

Arrhenius, Svante (1896): *On the Influence of Carbonic Acid in the Air upon the Temperature of the Ground*. Philosophical Magazine and Journal of Science. Series 5, Volume 41, April 1896, pages 237-276.

Assange, Julian (2011): *When Google met Wikileaks*. OR Books

Assange, Julian (2015): *The WikiLeaks Files. The World According to US Empire*. Verso.

Association of Fraud Examiners (2014): *Report To The Nations on Occupational Fraud and Abuse. 2014 Global Fraud Study*. <http://www.acfe.com/rtnn/docs/2014-report-to-nations.pdf>

Atkinson, Anthony (2015): *Inequality. What Can Be Done?* Harvard University Press.

Attinà, Fulvio (2003): *Il Sistema Politico Globale*. Laterza.

Auty, Richard (1993): *Sustaining Development in Mineral Economies: The Resource Curse Thesis*.

Badiou, Alain (2008): *The Communist Hypothesis*. New Left Review

Bakan, Joel (2004): *The Corporation. The Pathological Pursuit of Profit and Power*. Free Press

Bakan, Joel (2015): *The Invisible Hand of Law: Private Regulation and the Rule of Law*. Cornell International Law Journal Vol. 48.

Baker Raymond (2010): *Financial Integrity Meets Human Rights*, Huffington Post 8

Baker, Raymond (2005): *Capitalism's Achilles Heel: Dirty Money and How to Renew the Free-Market System*, John Wiley and Sons.

Bales, Kevin (1999): *Disposable People: New Slavery in the Global Economy*. Berkeley. University of California Press.

Bales, Kevin (2005). *Understanding Global Slavery: A Reader*

Ballentine & Nitzschke (2005): *The Political Economy of Civil War and Conflict Transformation*. Berghof Research Center.

Ballentine, Karen (2004):, *Program on Economic Agendas in Civil Wars: Principal Research Findings and Policy Recommendations*, International Peace Academy, Final Report

Banerjee, Neela et al. (2015). *Exxon: The Road Not Taken*. Inside Climate News.

Banerjee, Neela et al. (2015): *Exxon's Own Research Confirmed Fossil Fuels' Role in Global Warming Decades Ago*. InsideClimate News (<http://insideclimatenews.org>)

Banfield, Jessie (2014): *Crime And Conflict. The new challenge for peacebuilding*. International Alert.

Bank of England (1991): *BCCI Sandstorm Report*.

- Barak, Gregg (ed.) (2015): *The Routledge International Handbook of the Crimes of the Powerful*. London: Routledge.
- Bardi, Ugo (2011): *The Limits to Growth Revisited*. Springer
- Bardi, Ugo (2014): *Extracted: How the Quest for Mineral Wealth Is Plundering the Planet*. Chelsea Green Publishing.
- Barnett Rubin (2005): *La prevención de conflictos violentos: tareas y desafíos para Naciones Unidas*, Centro de Investigación para la Paz.
- Barnett, Michael & Duvall, Raymond (2005): *Power in International Politics*. International Organization 59, Winter 2005, pp+ 39–75
- Barrett, Carraro & deMelo (ed.) (2015): *Towards a Workable and Effective Climate Regime*. CEPR
- Batra, Ravi (2007): *The New Golden Age: The Coming Revolution against Political Corruption and Economic Chaos*.
- Bauman and Bordoni (2014): *State of Crisis*. Polity
- Bauman, Zygmunt (2000): *Liquid Modernity*. Polity
- Bayart, Jean-François (1989). *L'Etat en Afrique: La politique du ventre*. Fayard.
- Bayart, Jean-François (2004): *Le crime transnational et la formation de l'État*. Politique africaine n° 93 - mars 2004.
- Bayart, Jean-Francois; Ellis Stephen; Hibou Beatrice (1999): *The Criminalization of the State in Africa*. African Issues.
- Baylis, John; Smith, Steve; Owens, Patricia (2011): *The Globalization of World Politics. Introduction to International Relations*. Oxford University Press.
- Baylis, Smith & Owens (2014): *The Globalization of World Politics. An Introduction to International Relations*. Oxford University Press

- Beare, Margaret (2012): *Encyclopedia of Transnational Crime & Justice*. York University, Toronto, Canada
- Beare, Margaret et al. (1999): *Major Issues Relating to Organized Crime: within the Context of Economic Relationships*, Nathanson Centre for the study of organized crime and corruption 1999. ;
- Beare, Margaret et al. (2000): "*Structures, Strategies, and Tactics of Transnational Criminal Organizations: Critical Issues for Enforcement*", . 2000 Nathanson Centre for the study of organized crime and corruption.
- Beck & Cronin (2006). *Cosmopolitan Vision*. Wiley.
- Beck, Ulrich (1992a): *The Risk Society, Towards a New Modernity*, SAGE.
- Beck, Ulrich (1992b): *From Industrial Society to the Risk Society: Questions of Survival, Social Structure and Ecological Enlightenment*.
- Beck, Ulrich (2005): *Power in the Global Age. A new global political economy*. Polity
- Beck, Ulrich (2010): *Nachrichten aus der weltinnenpolitik*.
- Becker, Gary (1968). *Crime and Punishment: An Economic Approach*. Journal of Political Economy 76 (2): 169–217.
- Beetham, David (2015): *Moving Beyond a Narrow Definition of Corruption*. In Whyte, David (2015): *How Corrupt is Britain?* Pluto
- Beirne, Piers &, South, Nigel: *Issues in Green Criminology: Confronting Harms Against Environments, Humanity and Other Animals*.
- Bello, Walden (2001): *The Global Conjuncture: Characteristics and Challenges*. Focus on Trade, No. 60, March 2001
- Benjamin, Walter (1921): *Kapitalismus als Religion*. In Vol. VI Benjamin Gesammelte Schriften, Rolf Tiedeman & Hermann Schweppenhauser.



- Berdal, Mats & Malone, David (2000): *Greed & Grievance. Economic Agendas in Civil Wars*, Lynne Rienner Publishers, Inc.
- Berger and Luckmann (1991): *The Social Construction of Reality. A Treatise in the Sociology of Knowledge*. Penguin Books
- Bernays, Edward (1923): *Crystallizing Public Opinion*. Liveright.
- Bernays, Edward (1928): *Propaganda*. Liveright.
- Bernays, Edward (1928b): *Manipulating Public Opinion: The Why and The How*. American Journal of Sociology, Volume 33, Issue 6 (May, 1928), 958-971.
- Bernays, Edward (1947): *The Engineering of Consent*. The ANNALS of the American Academy of Political and Social Science. March 1947 250: 113-120.
- Bhaskar, Roy (1982): *Emergence, Explanation, and Emancipation*, in Secord, Paul ed., *Explaining Human Behavior* (Beverly Hills: Sage Publications, 1982), p. 286.
- Bhaskar, Roy (ed.) (2010): *Interdisciplinarity and Climate Change. Transforming knowledge and practice for our global future*. Routledge.
- Black, William (2005): *The Best Way to Rob a Bank Is to Own One. How Corporate Executives and Politicians Looted the S&L Industry*. University of Texas Press Austin.
- Block, Alan & Weaver, Constance (2004): *All Is Clouded by Desire: Global Banking, Money Laundering, and International Organized Crime*. Praeger.
- Block, Alan (2001): *The Organized Criminal Activities of the Bank of Credit and Commerce International: Essays and Documentation*. Crime. Law & Social Change Volume 35, Nos 1-2, pp. 1-176.
- Block, Fred & Somers, Margaret (2014): *The Power of Market Fundamentalism. Karl Polanyi's Critique*. Harvard University Press.

- Blum, Jack (1998): *Financial Havens, Banking Secrecy and Money Laundering*. Double issue 34 and 35 of the Crime Prevention and Criminal Justice Newsletter, Issue 8 of the UNDCP Technical Series.
- Blyth, Mark (2009): *Routledge Handbook of International Political Economy*. Routledge.
- Blyth, Mark (2013): *Austerity. The History of A Dangerous Idea*. Oxford
- Boekhout van Solinge, Tim (2014): *The Illegal Exploitation of Natural Resources*. In Paoli, Letizia (ed., 2014): *The Oxford Handbook Of Organized Crime*. Oxford University Press.
- Boldrin and Levine (2013): *The Case Against Patents*. Journal of Economic Perspectives—Volume 27, Number 1—Winter 2013—Pages 3–22
- Boonstra, W. J. (2016): *Conceptualizing power to study social-ecological interactions*. Ecology and Society 21(1):21. <http://dx.doi.org/10.5751/ES-07966-210121>
- Booth, Ken (2007): *Theory of World Security*. Cambridge
- Boucher, Alix; William J. Durch; Margaret Midyette; Sarah Rose; Jason Terry (2007): *Mapping And Fighting Corruption In War-Torn States*. Report From The Project On Rule Of Law In Post-Conflict Settings. Stimson Centre Report No. 61.
- Bovenkerk, Frank & Levi, Michael (2007): *The Organized Crime Community: Essays in Honor of Alan A. Block*. Springer.
- Bowden, Anna (2010): *The Economic Costs of Maritime Piracy*, One Earth Future Foundation Working Paper December 2010.
- Boyce James, Ndikumana Léonce (2011): *Africa's Odious Debts. How Foreign Loans and Capital Flight Bled a Continent*. Zed Books

- Boyce, James and Ndikumana Léonce (2012): *Capital Flight from Sub-Saharan African Countries: Updated Estimates, 1970 – 2010*. Political Economy Research Institute. University of Massachusetts, Amherst.
- Brandt 21 Forum (2002): *The Brandt Equation. 21st Century Blueprint for the New Global Economy*.
- Brodie Neil; Doole Jenny; Watson Peter (2000): *Stealing History: The Illicit Trade In Cultural Material*. The McDonald Institute for Archaeological Research
- Brodie, Neil &, Renfrew Colin: *Looting And The World's Archaeological Heritage: The Inadequate Response*, Annual Review of Anthropology, October 2005, Vol. 34, Pages 343-361.
- Bronson Diana, Shand Hope, Thoma Jim s and Wetter Kathy-Jo (2011): *Earth Grab. Geopiracy, the New Biomasters and Capturing Climate Genes*. ETC Group.
- Broome, André (2013): *Constructivism in International Political Economy*. In Palan (2013): *Global Political Economy: Contemporary Theories*. Taylor and Francis.
- Brossel, Vincent (2010):, *Investigaciones de alto riesgo: Deforestación y Contaminación*, Reporters without Borders, June 2010
- Brown et al. (eds.) (2014): *International Handbook on Whistleblowing Research*. Edward Elgar.
- Brown, James (2012): *Pirates and Privateers: Managing the Indian Ocean's Private Security Boom*. Lowy Institute For International Policy
- Brown, Wendy (2015): *Undoing the Demos: Neoliberalism's Stealth Revolution*. Zone Books
- Bruinsma, Gerben (ed.) (2015): *Histories of Transnational Crime*. Springer.

- Brulle, Robert (2014): *Institutionalizing delay: foundation funding and the creation of U.S. climate change counter-movement organizations*. *Climatic Change* (2014) 122:681–694
- Brun, Jean-Pierre et al. (2011): *World Bank (Asset Recovery Handbook. A Guide for Practitioners*. StAR.
- Brunovskis Anette & Tyldum Guri: *Crossing Borders. An Empirical Study of Transnational Prostitution and Trafficking in Human Beings*. FAFO, 2004.
- Buddenberg, Doris and William A. Byrd (2006): *Afghanistan's Drug Industry: Structure, Functioning, Dynamics, and Implications for Counter-Narcotics Policy*. UNODC and the World Bank,
- Burghardt, Tom (2013): *Wall Street Banks, Money Laundering and the Drug Trade*. Transcend Media Service.
- Buxton, Julia (2006): *The political economy of narcotics. Production, consumption and global markets*. Zed Books
- Buxton, Nick; Hayes, Ben (2015): *The Secure and the Dispossessed: How the Military and Corporations are Shaping a Climate-Changed World*. Transnational Institute, Pluto Press.
- Buzan & Wæver (2009): *Macrosecuritisation and security constellations: reconsidering scale in securitisation theory*. *Review of International Studies* (2009), 35, 253–276
- Buzan, Barry & Hansen; Lene (2009): *The Evolution Of International Security Studies*. Cambridge.
- Buzan, Barry & Wæver, Ole & de Wilde, Jaap (1998): *Security: A New Framework for Analysis*. Boulder: Lynne Rienner Publishers.

CAAT (2005): *CAAT infiltration: UK Information Commissioner proves BAe link.*

<http://www.labournet.net/other/0507/caat1.html>

Capellan-Perez, Inigo et al. (2014); *More growth? An unfeasible option to overcome critical energy constraints and climate change.* Sustainability Science.

<http://link.springer.com/article/10.1007/s11625-015-0299-3>

Carbon Tracker Initiative (2011): *Unburnable Carbon – Are the world’s financial markets carrying a carbon bubble?*

Carbon Tracker Initiative (2015): *The \$2 trillion stranded assets danger zone: How fossil fuel firms risk destroying investor returns.*

Carisch, Rico: *Illicit Exploitation of Natural Resources*, Freedom from Fear, 2010.

Carneiro, Robert (1970): *A Theory of the Origins of the State.* Science, Vol. 169, pp. 733-738. 21 August 1970.

Carolyn Nordstrom. *Global Outlaws (2007): Crime, Money, and Power in the Contemporary World.* University of California Press.

Carrabine, Eamonn et al. (2009): *“Criminology: A Sociological Introduction”*; New York, Routledge

Carranza, Ruben (2008): *Plunder and Pain: Should Transitional Justice Engage with Corruption and Economic Crimes?* The International Journal of Transitional Justice, Vol. 2, 2008, 310–330.

Carrier Neil, Klantschnig Gernot (2012): *Africa and the war on drugs.* African Arguments.

Carson, Rachel (1962): *Silent Spring.* Crest Books

Carter, Neil (2007): *The Politics of the Environment. Ideas, Activism, Policy. 2nd Edition.* Cambridge.

Cartier-Bresson, Jean (1997): *État, Marchés, Réseaux et Organisations Criminelles Entrepreneuriales*. Presse Universitaires d'Aix-Marseille, Faculté de Droit et de Sciences Politiques; *Comptes et mécomptes de la mondialisation du crime*, Université de Reims.

Cartier-Bresson, Jean (2002) : *Comptes et mécomptes de la mondialisation du crime*. L'Économie politique 3/2002 (no 15), p. 22-37

Cartier-Bresson, Jean (2008). *Economie politique de la corruption et de la gouvernance*. L'Harmattan.

Ceballos, Gerardo et al. (2015): *Accelerated modern human-induced species losses: Entering the sixth mass extinction*. Science Advances 19 Jun 2015: Vol. 1, no. 5, e1400253; DOI: 10.1126/sciadv.1400253.

Center for Public Integrity (2013): *Inside the Global Offshore Money Maze*.

Chaber, Anne-Lise et al. (2010): *The scale of illegal meat importation from Africa to Europe via Paris*, Conservation Letters.

Chambliss, Michalowski and Kramer eds. (2010): *State Crime in the Global Age*. Willan Publishing.

Chambliss, William (1989): *State-organized crime*. The American Society of Criminology, 1988 Presidential Address, Criminology 27

Chatterjee, Pratap (2009): *Halliburton's Army. How a Well-Connected Texas Oil Company Revolutionized the Way America Makes War*. Nation Books.

Chavagneux, Christian (2010): *Economie Politique Internationale*. La Découverte.

Chayes, Sarah (2015). *Thieves of State: Why Corruption Threatens Global Security*. W. W. Norton & Company.

Chomsky, Noam (1991): *Media control: the spectacular achievements of propaganda*. Seven Stories Press.

Chomsky, Noam; Herman, Edward (1988). *Manufacturing Consent: The Political Economy of the Mass Media*. Random House, Inc.

Chossudovsky, Michel (1996), 'The Business of Crime and the Crimes of Business: Globalization and the Criminalization of Economic Activity', *Covert Action Quarterly* No 58 (Fall) pp 24-30.

Chossudovsky, Michel (2003): *The Globalization of Poverty and the New World Order*. Oro

Christian Aid (2008): *Death and taxes: the true toll of tax dodging*

Christian Aid (2009): *False profits: Robbing the poor to keep the rich tax-free.*, •

Christian Aid (2010): *Blowing The Whistle Time's Up For Financial Secrecy*, May 2010.

CIEL (2011): *Climate Change & Human Rights: A Primer*. The Center For International Environmental Law

Climate Works Foundation (2011): *The costs of delay*.

Clingendael Conflict Research Unit (2012): *Crime And Error: Why We Urgently Need A New Approach To Illicit Trafficking In Fragile States*.

Cobham, Alex (2014): *The Impacts of Illicit Financial Flows on Peace and Security in Africa*. Study For Tana High-Level Forum On Security In Africa.

Cobham, Alex et al. (2015): *The Financial Secrecy Index: Shedding New Light on the Geography of Secrecy*. Center for Global Development

Cockayne James & Lupel Adam (2011): *Peace Operations and Organized Crime. Enemies or Allies?* Routledge.

Cockayne, James (2007): *Transnational Organized Crime: Multilateral Responses to a Rising Threat*. IPA.

- Cockayne, James (2008): *Peace Operations and Organised Crime*, Geneva Centre for Security Policy.
- Cockcroft, Laurence (2012): *Global Corruption. Money, Power, and Ethics in the Modern World*. I.B.Tauris.
- Coghlan, Benjamin, et al. (2008): *Mortality in the Democratic Republic of Congo: a nationwide survey*. IRC
- Cohen, Stanley (1996): *Crime and Politics: Spot the Difference*. The British Journal of Sociology, Vol. 47, No. 1 (Mar., 1996), pp. 1-21
- Collier & Hoefler (2000): *Greed and Grievance in Civil War*. World Bank.
- Collier, Paul (1999): *Doing Well out of War*. The World Bank
- Collier, Paul (2006): *Economic Causes of Civil Conflict and their Implications for Policy*. Department of Economics, Oxford University
- Collier, Paul (2007): *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*. Oxford University Press.
- Collier, Paul (2008): *Beyond greed and grievance: feasibility and civil war*. Oxford Economic Papers
- Collier, Paul (2011). *The Plundered Planet: How to Reconcile Prosperity with Nature*. Penguin
- Collier, Paul, (2000): *Rebellion as a Quasi-Criminal Activity*, World Bank.
- Collier, Paul, et al. (2003): *Breaking the Conflict Trap. Civil War and Development Policy*. World Bank & Oxford University Press.
- Collins, Alan ed. (2012). *Contemporary Security Studies*. Oxford University Press.
- Commission Lutundula (2005). *Assemblée Nationale de la RDC. Commission Spéciale Chargée de l'Examen de la Validité des Conventions à Caractère Economique et Financier. Conclues pendant les Guerres de 1996–97 et de 1998*.



Congress of the United States of America (2010): *Act to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes* (Dodd-Frank).

Conway, Erik M.; Oreskes, Naomi (2011). *Merchants of Doubt: How a Handful of Scientists Obscured the Truth on Issues from Tobacco Smoke to Global Warming*. Bloomsbury UK.

Cook, John et al. (2013): *Quantifying the consensus on anthropogenic global warming in the scientific literature*. Environmental Research Letters 8 (2013).

Coronel, Sheila (2012): *Eight Ways to Commit Grand Corruption*. Global Investigative Journalism Network.

Corporate Europe Observatory (2015a): *Lobby Planet Paris: A Guide to Corporate COP 21. Info on key climate criminals. Maps of lobbying hotspots. Section on COP21 sponsors*.

Corporate Europe Observatory (2015b): *TTIP: a box of tricks for corporate climate criminals*.

Costa, Antonio Maria (2008): *Bashing the Banks, Raping the Planet*, October 2008, UNODC

Costanza Robert et al. (2009a): *Beyond GDP: The Need for New Measures of Progress*, The Pardee Papers / No. 4 / January 2009.

Costanza, Robert (1997): *The value of the world’s ecosystem services and natural capital*, Nature |Vol 387 | 15 May 1997.

Costanza, Robert (2009b): *A New Development Model for a 'Full' World Development*, 52(3), (369–376), 2009 Society for International Development 1011-6370/09, [www.sidint.org/development](http://www.sidint.org/development).

Costanza, Robert (2011): *The Solutions Generation*. Al Jazeera English.

Council of Europe (2005): *Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism*,

Council of Europe (2015): *Typologies Report on Laundering the Proceeds of Organised Crime*.

Cox, Robert (1981): *Social Forces, States and World Orders: Beyond International Relations Theory*. Millennium - Journal of International Studies 1981 10: 126

Cox, Robert (1983): *Gramsci, Hegemony and International Relations: An Essay in Method*. Millennium: Journal of International Studies, vol. 12, no. 2, 1983, ps. 162-175.

Cox, Robert (1992): "Take six eggs": *theory, finance, and the real economy in the work of Susan Strange*. In: Cox, Robert (1996): *Approaches to world order*. Cambridge.

Cox, Robert (1995): *Civilizations: Encounters and Transformations*. Studies in Political Economy, 47: 7–31.

Cox, Robert (1996): *Approaches to world order*. Cambridge.

Cox, Robert (2007). *The Covert World*, in *The Political Economy of a Plural World: Critical Reflections on Power, Morals and Civilization* (p. 118). Taylor & Francis.

Cox, Robert (2007). *The Political Economy of a Plural World: Critical Reflections on Power, Morals and Civilization*. Taylor & Francis.

Cox, Robert W. (2006): *Problems of Power and Knowledge in a Changing World Order*, in: Stubbs, Richard y Underhill, Geoffrey R.D., *Political Economy and the Changing Global Order*, Oxford University Press, Oxford, pp.39-50.

- Cramer, Christopher (2002): *Homo Economicus Goes to War: Methodological Individualism, Rational Choice and the Political Economy of War*. World Development.
- Cramer, Christopher (2003): *Does inequality cause conflict?* Journal of International Development; pg. 397.
- Cramer, Christopher (2005): *Inequality and Conflict. A Review of an Age-Old Concern*. United Nations Research Institute for Social Development.
- Crutzen, Paul et al. (2010): *The New World of the Anthropocene*. Environ. Sci. Technol. 2010, 44, 2228–2231
- Curtis, Adam (2002): *The Century of the Self*. BBC Four documentary.
- D’Alisa et al. Eds. (2015): *Degrowth: A Vocabulary for a New Era*. Taylor and Francis.
- Dalby, Katz-Rosene and Paterson (2013): *From environmental to ecological political economy*. In Palan, Ronen (2013): *Global Political Economy: Contemporary Theories*. Taylor and Francis.
- Dalby, Simon (2009): *Security and Environmental Change*. Polity Press, Cambridge.
- Dale Scott, Peter (2003): *Drugs, Oil, and War. The United States in Afghanistan, Colombia, and Indochina*. Rowman & Littlefield Publishers, Inc.
- Dale Scott, Peter (2010): *American War Machine: Deep Politics, the CIA Global Drug Connection, and the Road to Afghanistan*. War and Peace Library.
- Daly, Martin; Wilson, Margo and Vasdev, Shawn. (2001): *Income Inequality and Homicide Rates in Canada and the United States*. Canadian Journal of Criminology 43: pp.219-36
- Davies, William (2014). *The Limits of Neoliberalism: Authority, Sovereignty and the Logic of Competition*. SAGE
- DDPP - Deep Decarbonization Pathways Project (2015): *Pathways to deep decarbonization 2015 report*. SDSN - IDDRI.

- de Brie, Christian (2000) '*Thick as thieves*' Le Monde Diplomatique (April)
- de Goede, Marieke (2009): *Governing Finance in the War on Terror*, in Friman: Crime and the Global Political Economy.
- De Koning, Ruben (2011): *Conflict Minerals In The Democratic Republic Of The Congo. Aligning Trade and Security Interventions*. SIPRI Policy Paper No. 27.
- De Koning, Ruben (2011): *Conflict Minerals In The Democratic Republic Of The Congo. Aligning Trade and Security Interventions*. SIPRI
- De la Cuesta, Jose Luis (2013). *Tratamiento de la delincuencia organizada en España: en particular, tras la reforma penal del 2010*. Revista Criminalidad, enero-abril, Vol. 55 (1), pp. 81-98.
- De Lagasnerie, Geoffroy (2015): *L'Art de la révolte. Snowden, Assange, Manning*. Fayard.
- De Sousa, Sarah-Lea (2010): *Cambios en el poder estructural y países emergentes: el papel de Brasil como actor internacional*. Tesis Doctoral, Departamento de Derecho Internacional Público y Relaciones Internacionales, Universidad Complutense de Madrid.
- De Waal, Alex (2015): *The Real Politics of the Horn of Africa: Money, War and the Business of Power*. Polity Press
- Deaton, Angus (2013): *The Great Escape Health, Wealth, And The Origins Of Inequality*. Princeton University Press
- Del Arenal & Sanahuja, eds (2014): *Teorías de las Relaciones Internacionales*. Tecnos.
- Dell, Melissa; Jones, Benjamin; Olken, Benjamin (2011): *Temperature Shocks and Economic Growth: Evidence from the Last Half Century*, MIT
- Della Porta, Donatella; Vannucci, Alberto (2012). *The Hidden Order of Corruption*. Ashgate.

- Der Derian, James (2009): *Virtuous War. Mapping the militaryindustrial-media-entertainment network*. Second edition. Routledge
- Dershowitz, Suzanne and Paul, James (2012): *Fishermen, Pirates and Naval Squadrons: The Security Council and the Battle over Somalia's Coastal Seas*. Global Policy Forum.
- Dershowitz, Suzanne and Paul, James (2012): *Fishermen, Pirates and Naval Squadrons: The Security Council and the Battle over Somalia's Coastal Seas*. Global Policy Forum.
- DeWaal, Alex (2009): *Mission without end? Peacekeeping in the African political marketplace*. Royal Institute of International Affairs
- Di Muzio, Tim Ed. (2014): *The Capitalist Mode of Power. Critical engagements with the power theory of value*. Routledge.
- Diamond, Jared (1997): *Guns, Germs and Steel: A short history of everybody for the last 13,000 years*.
- Diamond, Jared (2004): *Lessons from Environmental Collapses of Past Societies*. National Council for Science and the Environment.
- DiMuzio and Robbins (2015): *Debt as Power*. Bloomsbury Academic.
- DiMuzio, Tim (2012): *The crisis of petro-market civilization: the past as prologue?* In: Gill, Stephen ed. (2012): *Global Crises and the Crisis of Global Leadership*. Cambridge
- Dobson, Andrew (2007): *Environmental Citizenship: Towards Sustainable Development*. Sustainable Development. Sust. Dev. 15, 276–285 (2007)
- Dobson, Andrew (2007): *Green Political Thought. Fourth Edition*. Routledge.
- Doe, John (2016): *The Revolution Will Be Digitized*. ICIJ.  
<https://panamapapers.icij.org/20160506-john-doe-statement.html>

Donella Meadows; Jorgen Randers; Dennis Meadows (2004): *Limits to Growth. The thirty years update*. Chelsea Green Publishing Company

Dorling, Danny (2008): *Criminal obsessions: Why harm matters more than crime*. Centre for Crime and Justice Studies.

Dorn, Nicholas (2015): *Democracy and Diversity in Financial Market Regulation*. Taylor and Francis.

Doyle, Arthur Conan (1909): *The Crime of the Congo*. London: Hutchinson & Co.

Drahos & Braithwaite (2002): *Information Feudalism. Who owns the Knowledge Economy*. Earthscan

Dranginis, Holly (2015): *Grand Theft Global. Prosecuting the War Crime of Natural Resource Pillage in the Democratic Republic of the Congo*. Enough Project.

Drohan, Madelaine (2010). *Making a Killing: How and Why Corporations Use Armed Force to Do Business*. Random House, Inc.

Dryzek, Norgaard and Schlosberg (2013): *Climate-Challenged Society*. Oxford.

Dryzek, Norgaard and Schlosberg (eds.) (2011): *The Oxford Handbook of Climate Change and Society*. Oxford.

Duffield, Mark (2001): *Global Governance and the New Wars. The Merging of Development and Security*. Zed Books

Duffield, Mark (2002): *War As A Network Enterprise. The New Security Terrain and its Implications*. Cultural Values: The Journal for Cultural Research, Jan-April 2002, 6 (1&2): 153-166.

Duffield, Mark (2007). *Development, Security and Unending War: Governing the World of Peoples*. Wiley.

Dunlap and McCright (2011): *Organized Climate Change Denial*. In Dryzek, Norgaard and Schlosberg (eds.) (2011): *The Oxford Handbook of Climate Change and Society*. Oxford.

Earle, Timothy (1997): *How Chiefs Come to Power. The Political Economy in Prehistory*. Stanford

Easterlin, Richard (2003): *Explaining happiness*. Proceedings of the National Academy of Sciences, USA, 100, 11176–11183.

Eckersley & Christoff (2013): *Globalization and the Environment*. Rowman & Littlefield Publishers.

Eckersley, Robyn (2004): *The Green State. Rethinking Democracy and Sovereignty*. MIT Press

Eckersley, Robyn (2010): ‘Green Theory’ in *International Relations Theories: Discipline and Diversity*. Dunne et al. (eds.). Oxford University Press

Economics of Climate Adaptation Working Group (ECAWG 2010): *Shaping Climate-Resilient Development. A Framework for Decision-Making*.

Edkins & Vaughan-Williams (2009): *Critical Theory of International Relations: A Reader*. Routledge

Edward, Peter & Sumner, Andy (2013): *Income Distribution Changed since 1990?* Center for Global Development.

Edwards, Adam & Gill, Peter eds (2003): *Transnational Organised Crime. Perspectives on global security*

Egmont Group: *Financial Intelligence Units in action. 100 cases from the Egmont Group*. [http://www.ctif-cfi.be/website/images/EN/typo\\_egmont/21-100casesgb.pdf](http://www.ctif-cfi.be/website/images/EN/typo_egmont/21-100casesgb.pdf)

EIA (2012): *World Energy Outlook 2012*

EIA (2015): *Energy and Climate Change*.

Eichstaedt, Peter (2011). *Consuming the Congo: War and Conflict Minerals in the World's Deadliest Place*. Independent Publishers Group.

Eigen, Peter & Eigen-Zucchi, Christian (2003): *Corruption And Global Public Goods*, in Kaul Inge: *Providing Global Public Goods*, UNDP.

EJF, Environmental Justice Foundation (2015): *Thailand's Seafood Slaves. Human Trafficking, Slavery and Murder in Kantang's Fishing Industry*

Elkington, John (1997): *Cannibals with Forks. The Triple Bottom Line of 21st Century Business*. Capstone

Elliott, Jennifer (2013): *An Introduction to Sustainable Development*. Fourth edition. Routledge.

Ellis & Shaw (2015): *Does Organized Crime Exist In Africa?* African Affairs, 114/457, 505–528.

Emmott, Stephen (2013): *Ten Billion*. Vintage Books, Random House

Engdahl, William (2007): *Seeds of Destruction. The Hidden Agenda of Genetic Manipulation*, Global Research, Centre for Research on Globalization.

Environmental Investigation Agency (2008): *Environmental Crime: A threat to our future*, October 2008.

Environmental Justice Foundation: *Lowering The Flag. Ending The Use Of Flags Of Convenience By Pirate Fishing Vessels*,

Equator Principles: *A financial industry benchmark for determining, assessing and managing social & environmental risk in project financing*, [www.equator-principles.com](http://www.equator-principles.com)

Ernst & Young (2009): *European fraud survey 2009 — Is integrity a casualty of the downturn?*

Estulin, Daniel (2007): *The True Story of The Bilderberg Group*. Trineday



Eurodad (2015): *Fifty Shades of Tax Dodging. The EU's role in supporting an unjust global tax system.*

European Commission (2000): *Propuesta de decisión del Consejo por la que se establece un programa de fomento y de intercambios, formación, y cooperación en el ámbito de la prevención de la delincuencia.*

European Parliament (2011): *How does organised crime misuse EU funds?*

European Union, Official Journal (2008): *Council Framework Decision 2008/841/JHA of 24 October 2008 on the fight against organised crime.*

EUROPOL (2001): *Towards a European strategy to prevent organised crime, 2001;*

EUROPOL (2009) *EU Organised Crime Threat Assessment.*

EUROPOL (2009): *Carbon Credit fraud causes more than 5 billion Euros damage for European Taxpayer, 9 December 2009.*

Evans Alex, Jones Bruce, Steven David (2009): *Confronting the Long Crisis of Globalization. Risk, Resilience and International Order.*

Evans and Thomas (2014): *Poverty, development, and hunger.* In Baylis 2014.

Evans, Alex (2010): *Globalization and Scarcity. Multilateralism for a world with limits*

Evans, Rueschemeyer & Skocpol (1985): *Bringing the State Back In.* Cambridge University Press

Fafo/ IPA (2004): *Business and International Crimes. Assessing the Liability of Business Entities for Grave Violations of International Law.,.*

Falk, Richard (2012): *Global climate change, human security and the future of democracy.* In: Gill, Stephen ed. (2012): *Global Crises and the Crisis of Global Leadership.* Cambridge

Falk, Richard (2014): *(Re)-Imagining Humane Global Governance.* Routledge

FAO (2006): *Livestock's Long Shadow. Environmental Issues and Options.*

FAO (2015): *Status of the World's Soil Resources*.

FAO, WFP and IFAD (2012): *The State of Food Insecurity in the World 2012. Economic growth is necessary but not sufficient to accelerate reduction of hunger and malnutrition*. Rome, FAO.

Farah, Douglas; Braun, Stephen (2007). *Merchant of Death: Money, Guns, Planes, and the Man Who Makes War Possible*. Wiley

Farrell, Henry; Finnemore, Martha (2013): *The End of Hypocrisy. American Foreign Policy in the Age of Leaks*. Foreign Affairs November/December 2013.

FATF (2001): *Recomendaciones especiales sobre la financiación del terrorismo*

FATF (2003): *Las Cuarenta Recomendaciones*.

FATF (2005): *Money Laundering & Terrorist Financing Typologies 2004-2005*

FATF (2009a): *Money Laundering through the Football Sector*.

FATF (2009b): *Money Laundering and Terrorist Financing in the Securities Sector*

FATF (2009c); *Vulnerabilities of Casinos and Gaming Sector March*.

FATF (2015): *Financing of the Terrorist Organisation Islamic State in Iraq and the Levant (ISIL)*.

Favarel-Garrigues, Gilles (2002): *La criminalité organisée transnationale: un concept à enterrer?*, Ceri-CNRS.

Favarel-Garrigues, Gilles; Briquet, Jean-Louis (2010). *Organized Crime and States*. Palgrave Macmillan Monographs

Federal Trade Commission: *Cigarette Report for 2006, 2009*.

Feinberg, Joel (1984): *Harm To Others The Moral Limits Of The Criminal Law*. Oxford

Feinstein International Centre (2008): *Preventing Corruption in Humanitarian Assistance*,

Feinstein, Andrew (2011). *The Shadow World: Inside the Global Arms Trade*. Macmillan.

Feinstein, Andrew and Holden, Paul (2014): *Arms Trafficking*. In Paoli, Letizia (ed., 2014): *The Oxford Handbook Of Organized Crime*. Oxford University Press.

Felbab-Brown, Vanda (2009): *Narco-belligerents Across the Globe: Lessons from Colombia for Afghanistan?* (WP). Real Instituto Elcano.

Felbab-Brown, Vanda (2010): *Rules and Regulations in Ungoverned Spaces. Illicit Economies, Criminals, and Belligerents*. in: Clunan, Anne and Trinkhaus, Harold (2010): *Ungoverned Spaces. Alternatives to State Authority in an Era of Softened Sovereignty*. Stanford University Press.

Felbab-Brown, Vanda (2010): *Shooting Up: Counterinsurgency and the War on Drugs*. Brookings Institution Press.

Fernandes and Girard (2011): *Corporations, Climate and the United Nations. How Big Business has Seized Control of Global Climate Negotiations*. Polaris Institute.

Ferraro, Massimiliano (2011): *Toxic Somalia, gli effetti del traffico illegale di rifiuti nel Corno d’Africa – Narcomafie*.

Financial Times (2009): *Fraud in financial services soars 22% percent*, Brooke Masters, 18 October 09

Finckenauer, James: *Problems of definition: What is organized crime?* Trends in Organized Crime. Volume 8, Number 3.

Findley, Michael; Nielson, Daniel and Sharman, Jason (2012): *Global Shell Games: Testing Money Launderers’ and Terrorist Financiers’ Access to Shell Companies*. Centre for Governance and Public Policy. Griffith University.

Findley, Michael; Nielson, Daniel; Sharman, Jason (2014): *Global Shell Games: Experiments in Transnational Relations, Crime, and Terrorism*. Cambridge Studies in International Relations. Cambridge University Press.

Finnemore & Sikkink (1998): *International Norm Dynamics and Political Change*. International Organization, vol. 52, n.º 4, 1998, pp. 887-917.

Fiorentini, Gianluca (ed.) (1997): *The Economics Of Organised Crime*. Center for Economic Policy Research.

Fischer, Dietrich (2010): *Learning from Nature*, in Experiments with Peace, Celebrating Peace on Johan Galtung's 80<sup>th</sup> Birthday (ed. Johansen, Jorgen et al.)

Fleming, Matthew et al. (2000): *The Shadow Economy*, Journal of International Affairs, Spring, 53, no. 2, University in the City of New York.

Forni, Olmo (2010): *Mapping Environmental Crimes*, Freedom From Fear UNICRI, March

Foster, John Bellamy; Magdoff, Fred (2009): *The Great Financial Crisis: Causes and Consequences*.

Fotopoulos, Takis (1998): *Towards an Inclusive Democracy: The Crisis of the Growth Economy and the Need for a New Liberatory Project*. Global Issues.

Franco, Jennifer and Borrás, Saturnino (2013): *Land concentration, land grabbing and people's struggles in Europe*. TNI.

Frankel, Tamar (2012): *The Ponzi Scheme Puzzle: A History and Analysis of Con Artists and Victims*. Oxford University Press.

Freire, Paulo (1970): *Pedagogy Of The Oppressed*. Continuum.

FRIDE (2008): *Documento de posicionamiento: Transparencia y rendición de cuentas en la industria extractiva*.

Friedmann, Harriet: *The Political Economy of Food: a Global Crisis*

Friman, Richard & Andreas, Peter (1999). *The Illicit Global Economy and State Power*. Rowman & Littlefield Publishers.

Friman, Richard (2003): *Caught Up in the Madness? State Power and Transnational Organized Crime in the Work of Susan Strange*. *Alternatives* 28 (2003), 473-489

Friman, Richard (2009): *Crime and Globalization* in *Crime and the Global Political Economy*, Rienner

Frodeman, Thompson-Klein & Mitcham (2010): *The Oxford Handbook of Interdisciplinarity*. Oxford University Press.

G20 (2014): *High-Level Principles on Beneficial Ownership Transparency*

Galtung, Johan (2006): *Meeting Basic Needs: Peace and Development*, in: Felicia A. Huppert, Nick Baylis and Barry Keverne, eds., *The Science of Well-Being*. Oxford: Oxford University Press. ;

Galtung, Johan (2008a): *Peace by Peaceful Means*.

Galtung, Johan (2008b): *The US Economic Crisis: 10 Proposals*,

Gambetta, Diego (1993): *The Sicilian Mafia. The Business of Private Protection*. Harvard University Press.

Gambetta, Diego (2011): *Codes of the Underworld. How Criminals Communicate*. Princeton University Press

Gammon, Earl & Wigan, Duncan (2013): *Libidinal Political Economy. A psychosocial analysis of financial violence*. In Palan, Ronen ed. (2013): *Global Political Economy*. Second Edition.

Garrett, Brandon (2014): *Too Big To Jail. How Prosecutors Compromise with Corporations*. Harvard University Press

Garzón, Juan Carlos (2008): *Mafia & Co. The Criminal Networks in Mexico, Brazil, and Colombia*. Woodrow Wilson International Center for Scholars.

- Gauger Anja, Rabatel-Fernel Mai Pouye, Kulbicki Louise, Short Damien and Higgins Polly (2012): *Ecocide is the missing 5th Crime Against Peace*. Human Rights Consortium, School of Advanced Study, University of London (<http://www.sas.ac.uk/hrc/projects/ecocide-project>)
- George, Susan (2015). *Shadow Sovereigns: How Global Corporations are Seizing Power*. Wiley.
- Georgescu-Roegen, Nicholas (1979): *La décroissance: Entropie - Écologie – Économie*. Éditions Sang de la terre.
- Germain, Randall ed. (2016): *Susan Strange and the Future of Global Political Economy: Power, Control and Transformation*. Taylor and Francis.
- Gertner, Jon (2010): *The Rise and Fall of the GDP*; New York Times, 10 May 2010
- GIATOC (2015): *Development Responses to Organized Crime: new agendas, new opportunities*.
- Gibson-Dunn (2015): *2014 year-end FCPA update*.
- Giddens, Anthony (1987): *The Nation-State and Violence Volume Two of a Contemporary Critique of Historical Materialism*, University of California, Los Angeles.
- Giddens, Anthony (2009): *The Politics Of Climate Change*. Polity
- Gill, Stephen (2008): *Power and Resistance in the New World Order. 2nd Edition*. Palgrave Macmillan
- Gill, Stephen, ed. (1990): *American Hegemony And The Trilateral Commission*. Cambridge
- Gill, Stephen, ed. (2012): *Global Crises and the Crisis of Global Leadership*. Cambridge
- Gillis, Melissa (2012): *Disarmament. A Basic Guide. Third Edition*. United Nations.

Giroux, Henry (2014): *Neoliberalism's War on Higher Education*. Haymarket Books

Gleditsch, Nils Petter (2012): *Cambio medioambiental, seguridad y conflicto*. In: José Sanahuja, Antonio Sanahuja (coord.): *Construcción de la paz, seguridad y desarrollo. Visiones, políticas y actores*. Editorial Complutense.

Glenny, Misha (2008): *Misha, McMafia, Crime without frontiers*.

Global Commission on Drug Policy (2011): *Report of The Global Commission On Drug Policy*.

Global Commission on Drug Policy (2014): *Taking Control: Pathways To Drug Policies That Work*.

Global Financial Integrity (2008): *Global Integrity Report: 2008*

Global Financial Integrity (2011): *Illicit Financial Flows from Developing Countries over the Decade Ending 2009*.

Global Financial Integrity (2013): *Illicit Financial Flows and the Problem of Net Resource Transfers from Africa: 1980-2009*

Global Initiative against Organized Crime (2015a): *New Frontiers or Old Boundaries? Reconsidering approaches to the Security and Development Nexus in the Context of Responses to Organized Crime, Conflict and Insurgency*.

Global Initiative against Transnational Organized Crime (2014): *Improving Development Responses to Organized Crime*.

Global Initiative against Transnational Organized Crime (2014): *Organized Crime in Southern Africa*.

Global Initiative against Transnational Organized Crime (2015b): *Organized Crime: A Cross-Cutting Threat to Sustainable Development. Measuring and Monitoring Transnational Organized Crime within the framework of Sustainable Development for the Post-2015 Development Agenda: Goals, Targets and Indicators*

Global Initiative against Transnational Organized Crime (2015c): *Reinforcing Multilateral Approaches to Transnational Organized Crime by Strengthening Local Ownership and Accountability. Input to the High Level Independent Panel on Peace Operations.*

Global Initiative Against Transnational Organized Crime (2015d): *Results-Based Approaches to Organised Crime and Development: Input into the Post-2015 Development Agenda.*

Global Initiative Against Transnational Organized Crime (GIATOC) and WWF (2015): *Tightening the Net: Toward a Global Legal Framework on Transnational Organized Environmental Crime*

Global Peace Index: *Peace, Wealth and Human Potential, 2010.*

Global Witness (2006): *The Sinews of War. Eliminating the trade in conflict Resources.*

Global Witness (2009), *How an African dictator's playboy son went on a multi-million dollar shopping spree in the U.S., The Secret Life of a Shopaholic*

Global Witness (2009): *Faced with a gun, what can you do? war and the militarisation of mining in eastern Congo*

Global Witness (2009): *Undue Diligence. How banks do business with corrupt regimes.*

Global Witness (2010a): *Return Of The Blood Diamond The Deadly Race To Control Zimbabwe's New-Found Diamond Wealth;*

Global Witness (2010b): *Simply Criminal: Targeting Rogue Business in Violent Conflict*

Global Witness (2011): *Congo's minerals trade in the balance. Opportunities and obstacles to demilitarisation.*

Global Witness (2014a): *Deadly Environment. The Rise In Killings Of Environmental And Land Defenders.*



Global Witness (2014b): *Drillers In The Mist: How Secret Payments And A Climate Of Violence Helped SOCO International Open Africa's Oldest National Park To Oil.*

Global Witness (2015a): *Banks and Dirty Money. How the Financial System Enables State Looting at a Devastating Human Cost.*

Global Witness (2015b): *How To Lose \$4 Billion. Credibility Test For The Global Transparency Standard As Shadowy Companies Gain Billions In Oil And Mining Deals.*

Global Witness (June 2007): *Hot Chocolate. How Cocoa Fuelled The Conflict In Côte D'ivoire.*

Global Witness, Tax Justice Network, Christian Aid, and Global Financial Integrity et al. (2009): *The links between tax evasion and corruption: how the G20 should tackle illicit financial flows.*

Glynn, Patrick et al. (1997): *The Globalization of Corruption.* Institute for International Economics

Gobierno De La República Argentina (2009): *Ética, Transparencia y Lucha contra la Corrupción en la Administración Pública. Manual Para El Ejercicio De La Función Pública*

Goldman, Grifo and Rogerson (2014): *Assessing Corporate Influence on Climate Change Dialogue.* In: *Advances in Natural and Technological Hazards Research.*

Gomez & Korine (2008): *Entrepreneurs and Democracy. A Political Theory of Corporate Governance.* Cambridge.

Gootenberg, Paul (1999): *Cocaine, Global Histories.* Routledge.

GOPAC (Global Organization of Parliamentarians against Corruption) (2013): *Prosecuting Grand Corruption as an International Crime. Discussion Paper.*

Gosling, Justin (2014): *Environmental Crime.* Global Initiative against Transnational Organized Crime

Graeber, David (2011): *Debt. The First 5,000 Years*. Melvillehouse

GRAIN (2008): *Seized! The 2008 land grab for food and financial security*.

Gramsci, Antonio (2011). *Lettere dal carcere*. Edizioni Delirium.

Green, Penny & Ward, Tony (2004): *State Crime. Governments, Violence and Corruption*. Pluto Press

Greenberg, Theodore: *Stolen Asset Recovery (StAR) Initiative: Challenges, Opportunities, and Action Plan*, World Bank/ StAR, 2009.

Greenpeace (2010): *The destructive practices of Spain's fishing armada*.

Greenpeace (2012): *Getting Rid of Harmful Subsidies*.  
<http://www.greenpeace.org/international/Global/international/publications/RioPlus20/Harmful-Subsidies.pdf>

Greenpeace (2015): *Academics-for-hire agree not to disclose fossil fuel funding*  
[\(http://energydesk.greenpeace.org/2015/12/08/exposed-academics-for-hire/\)](http://energydesk.greenpeace.org/2015/12/08/exposed-academics-for-hire/)

Greenpeace (2016): *TTIP Leaks*. <http://www.ttip-leaks.org>

Greenpeace España (2009): *Destrucción a toda Costa*.

Greenpeace Italy (2010): *The toxic ships. The Italian hub, the Mediterranean area and Africa*.

Greenpeace UK: *Have a break?*  
[http://www.youtube.com/watch?v=VaJjPRwExO8&feature=player\\_embedded](http://www.youtube.com/watch?v=VaJjPRwExO8&feature=player_embedded)

Griffiths, et al. (2009). *Fifty Key Thinkers in International Relations*. Taylor and Francis.

Griffiths, Martin (2001): *Fifty Key Thinkers In International Relations*, Routledge.

Grillo, Ioan (2011): *El Narco: Inside Mexico's criminal insurgency*. Bloomsbury Press.

GSI, Global Subsidies Initiative (2014): *The Impact of Fossil-Fuel Subsidies on Renewable Electricity Generation*.

- Guidolin, Massimo & La Ferrara, Eliana: *Diamonds Are Forever, Wars Are Not. Is Conflict Bad for Private Firms?* Federal Reserve Bank of St. Louis Research Division, January 2005.
- Gunewardena, Nandini & Schuller, Mark (eds.) (2008): *Capitalizing on Catastrophe. Neoliberal Strategies in Disaster Reconstruction*. Altamira Press.
- Gurr, Ted-Robert (1970): *Why Men Rebel*. Princeton
- Gutierrez, Gustavo (1975): *Teologia de la Liberacion. Perspectivas*. Ediciones Sigueme. Salamanca. Septima Edicion.
- Guzzini, Stefano (1993): *Structural power: the limits of neorealist power analysis*. International Organization 47, 3.
- Guzzini, Stefano (2015): *A dual history of 'securitisation'*. In André Barrinha and Maria Raquel Freire, eds, *Segurança, Liberdade e Política: Pensar a Escola de Copenhaga em Português*, Lisboa: Imprensa de Ciências Sociais.
- Haken, Jeremy (2011): *Transnational Crime In The Developing World*. GFI.
- Halimi, Serge (2004): *Le grand bond en arriere. Comment l'ordre liberal s'est impose au monde*. Fayard.
- Hansen, James (2009): *Storms of My Grandchildren: The Truth about the Coming Climate Catastrophe and Our Last Chance to Save Humanity*. Bloomsbury USA.
- Hansen, James et al. (2013): *Assessing "Dangerous Climate Change": Required Reduction of Carbon Emissions to Protect Young People, Future Generations and Nature*. PLOS ONE. 8(12)
- Hansen, James et al. (2016): *Ice melt, sea level rise and superstorms: evidence from paleoclimate data, climate modeling, and modern observations that 2 °C global warming could be dangerous*. Atmos. Chem. Phys., 16, 3761–3812.

- Hansen-Shino, Kjetil (2012): *Implementing the illicit financial flows agenda: Perspectives from developing countries*. U4 BRIEF, CMI.
- Hari, Johann (2015): *Chasing the Scream: The First and Last Days of the War on Drugs*. Bloomsbury
- Hartwig, Mervyn Ed. (2007): *Dictionary of Critical Realism*. Routledge. Taylor and Francis.
- Harvey, David (2003): *The New Imperialism*. Oxford University Press.
- Harvey, David (2006). *A Brief History of Neoliberalism*. Oxford University Press.
- Harvey, David (2010). *The Enigma of Capital*. Profile Books UK.
- Hasenclever, Mayer and Rittberger (1997): *Theories of international regimes*. Cambridge University Press.
- Hauck, Pierre & Peterke, Sven (2010): *Organized crime and gang violence in national and international law*. International Review of the Red Cross. Volume 92 Number 878 June 2010.
- Heede, Richard (2014): *Tracing anthropogenic carbon dioxide and methane emissions to fossil fuel and cement producers, 1854–2010*. Climatic Change (2014) 122:229–241.
- Held and Roger (2013): *Global Governance at Risk*. Polity
- Held, David & McGrew, Anthony (1999): *Globalization Theory*. Polity
- Held, David (2010): *Cosmopolitanism. Ideals and Realities*. Polity
- Held, David (2011): *From the American Century to cosmopolitan order*. Open Democracy.
- Held, David; McGrew, Anthony; Goldblatt, David y Perraton, Jonathan (1999), *Global Transformations – Politics, Economics and Culture*, Polity Press, Cambridge
- Helliwell, Layard and Sachs (2015): *World Happiness Report 2015*.

Hellman Joel, & Jones Geraint;, Kaufmann Daniel (2000 a): *Seize the State, Seize the Day. State Capture, Corruption, and Influence in Transition*, World Bank Institute, September 2000.

Hellman Joel; Jones Geraint; Kaufmann Daniel; Schankerman Mark (2000 b): *Measuring Governance, Corruption, and State Capture. How Firms and Bureaucrats Shape the Business Environment in Transition Economies*, Policy Research Working Paper, The World Bank Institute.

Hellman, Joel & Kaufmann, Daniel (2001): *Confronting the Challenge of State Capture in Transition Economies*. IMF

Hennings, Anna (2016): *Assembling resistance against large-scale land deals: Challenges for conflict transformation in Bougainville, Papua New Guinea*. ASEAS – Austrian Journal of South-East Asian Studies, 9(1), 33-52.

Henrik Ibsen (1882): *An Enemy Of The People*. Webster's Thesaurus Edition

Henriksson, Emma (2007): *Corruption in the Arms Trade — Undermining African Democracy*, International Peace Bureau.

Henry James (2012): *The Price of Offshore Revisited. New Estimates for “Missing” Global Private Wealth, Income, Inequality, And Lost Taxes*. Tax Justice Network.

Herivel, Tara & Wright Paul, eds (2007): *Prison Profiteers. Who Makes Money from Mass Incarceration*. The New Press

Herrmann, Ulrike (2014): *TTIP Transatlantic Trade And Investment Partnership. Free Trade Project Of The Powerful*. Rosa Luxemburg Stiftung.

Hiatt, Steven (2007). *A Game As Old As Empire: The Secret World of Economic Hit Men and the Web of Global Corruption*. Berrett-Koehler Publishers.

- Hickel, Jason (2014): *Aid in Reverse: How Poor Countries Develop Rich Countries*, in *The Donors' Dilemma: Emergence, Convergence, and the Future of Aid*, Andrew Sumner, ed. Global Policy
- Hickel, Jason (2015): *It will take 100 years for the world's poorest people to earn \$1.25 a day*. The Guardian.
- Higgings, Polly (2010): *Eradicating Ecocide: Exposing the Corporate and Political Practices Destroying the Planet and Proposing the Laws Needed to Eradicate Ecocide*.
- Hillyard et al. (2004): *Beyond Criminology. Taking Harm Seriously*. Pluto
- Hillyard, Paddy & Tombs, Steve (2007): *From 'crime' to social harm?* Crime Law Soc Change (2007) 48:9–25.
- Hirschfeld, Katherine (2015): *Gangster States: Organized Crime, Kleptocracy and Political Collapse*. Palgrave Macmillan.
- Hirshleifer, Jack (2001): *The Dark Side of the Force: Economic Foundations of Conflict Theory*. University of California, Los Angeles.
- Hmielowski, Jay et al. (2013): *An attack on science? Media use, trust in scientists, and perceptions of global warming*. Public Understanding of Science.
- Hochschild, Adam (1998). *King Leopold's Ghost: a story of greed, terror, and heroism in colonial Africa*. Pan Macmillan.
- Hoekstra & Chapagain (2008): *Globalization of Water. Sharing the Planet's Freshwater Resources*. Blackwell
- Hoekstra, Arjen (2013). *The Water Footprint of Modern Consumer Society*. Taylor and Francis.
- Hollingshead, Ann (2010a): *Privately Held, Non-Resident Deposits in Secrecy Jurisdictions*, March 2010, Global Financial Integrity;

Hollingshead, Ann (2010b): *The Implied Tax Revenue Loss From Trade Mispricing*, February 2010, Global Financial Integrity.

Hollis & Smith (1990): *Explaining and Understanding International Relations*. Clarendon Press.

Holtom, Paul et al. (2009): *Trends in international arms transfers*. SIPRI.

Hong, Lu (2008): *China's Death Penalty: Reforms On Capital Punishment*, EAI Background Brief No. 412.

Hope for Children Organization Australia (2014): *Global Slavery Index 2014*.

Howell, Simon (2010): *Force of Habit: the Mystical Foundations of the Narcotic. A thesis submitted in fulfilment of the requirements of the degree of Doctor Of Philosophy of Rhodes University*. Grahamstown, South Africa.

HRW (2009): *Ten Ways Drug Policy Affects Human Rights*

HRW (2010): *Unkept Promise: Failure to End Military Business Activity in Indonesia*, January 2010.

Hudson, Michael (2012): *The Bubble and Beyond. Fictitious Capital, Debt Deflation and Global Crisis*. Islet Verlag.

Hudson, Michael (2015). *Killing the Host: How Financial Parasites and Debt Bondage Destroy the Global Economy*. CounterPunch.

Human Rights Watch (2005): *The Curse of Gold in DRC*.

Human Rights Watch (2016): *Occupation, Inc. How Settlement Businesses Contribute to Israel's Violations of Palestinian Rights*.

Husson, Michel (2012) : *Le capitalisme en dix leçons*. La Decouverte.

Ibn Khaldun (1377): *مقدمة ابن خلدون. Prolegomena*.

ICIJ (2013): *Secrecy for Sale: Secret Files Expose Offshore's Global Impact*.

ICIJ (2014): *Luxembourg Leaks: Global Companies' Secrets Exposed*.

ICIJ (2015): *Swiss Leaks: Murky Cash Sheltered By Bank Secrecy*.

ICIJ (2016): *The Panama Papers. Politicians, Criminals and the Rogue Industry that Hides their Cash*. <https://panamapapers.icij.org/>

IEA (2015): *Energy and Climate Change. World Energy Outlook Special Briefing for COP21*.

IFPRI (2012): *Global Hunger Index 2011. The Challenge of Hunger: Taming Price Spikes and Excessive Food Price Volatility*.

ILO (1930): *Convention concerning Forced or Compulsory Labour*.

ILO (1948): *Convention concerning Freedom of Association and Protection of the Right to Organise*

ILO (1949): *Convention concerning the Application of the Principles of the Right to Organise and to Bargain Collectively*.

ILO (2009): *The cost of coercion. Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work*

ILO (2010): *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up*.

ILO (2014): *Protocol of 2014 to the Forced Labour Convention, 1930*.

IMF (2007): *Guide on Resource Revenue Transparency*.

IMF (2007): *Guide on Resource Revenue Transparency*.

IMF (2007): *Manual on Fiscal Transparency*.

IMF (2014): *Fiscal Policy And Income Inequality*.

IMF (2015): *Causes and Consequences of Income Inequality: A Global Perspective*.

InfluenceMap (2015a): *Big Oil and the Obstruction of the Climate Regulations*.

InfluenceMap (2015b): *Is the Volkswagen scandal the tip of the iceberg? Climate policy engagement and the automotive sector*.



Institute for Economics and Peace (2010): *Peace, Wealth and Human Potential*. 2010 Discussion Paper

Intermón Oxfam-FRIDE (2008): *Documento de posicionamiento: Transparencia y rendición de cuentas en la industria extractiva*, octubre 2008.

International Alert (2009): *The Role Of The Exploitation Of Natural Resources In Fuelling And Prolonging Crises In The Eastern DRC*.

International Campaign to Abolish Nuclear Weapons (ICAN) (2012): *Don't Bank on the Bomb. A Global Report on the Financing of Nuclear Weapons Producers*.

International Peace Academy (2007): *Transnational Organized Crime: Multilateral Responses to a Rising Threat*.

International Peace Bureau: *Arms Trade: How It Works, How It Undermines Development, Getting It Under Control*.

IPCC (2012): *Fifth Assessment Report*.

IPCC (2013): *Summary for Policymakers*. In: *Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth assessment Report of the Intergovernmental Panel on Climate Change*. Cambridge University Press,

IPCC (2014): *Climate Change 2013. The Physical Science Basis. Working Group I Contribution to the Fifth Assessment Report*. Cambridge

IPCC (2014): *Climate Change 2014 Synthesis Report*

IPI (2009): *Transnational Organized Crime, Blue Papers, Task Forces on Strengthening Multilateral Security Capacity*.

IPS, Institute for Policy Studies (2015): *Money To Burn How CEO Pay Is Accelerating Climate Change*.

IWG (2008): *Sovereign Wealth Funds. Generally Accepted Principles and Practices. "Santiago Principles"*.

Jackson, Susan (2010): *SIPRI top 100 arms-producing companies in 2008*, April 2010.

Jacobsson, Marie (2015): *Second report on the protection of the environment in relation to armed conflicts*. International Law Commission, Sixty-seventh session.

Jarvis, Christopher (1999): *The Rise and Fall of the Pyramid Schemes in Albania*, IMF Working Paper 99/98 (International Monetary Fund: Washington).

Jensen, David et al. (2012): *Greening the Blue Helmets: Environment, Natural Resources and UN Peacekeeping Operations*. UNEP.

Jiménez, Daniel (2016): *Razones de Mercado-Estado y Economía Política del Crimen*. Sortuz. Oñati Journal of Emergent Socio-legal Studies. Volume 8, Issue 1 (2016), pp. 51-70. ISSN 1988-0847.

John de Souza, Sarah Lea (2013): *Cambios En El Poder Estructural y Países Emergentes. El Papel De Brasil Como Actor Internacional*. Ministerio das Relacoes Exteriores do Brasil.

Jorath, Christine (2009): *Crime, War, and Global Trafficking: Designing International Cooperation*. Cambridge University Press.

Joly, Eva (2000) : *Notre affaire à tous*, Paris, Les arènes.

Joly, Eva (2009) : *Des héros ordinaires*, Les arènes

Jones, Gareth A. and Rodgers, Dennis (2011): *The World Bank's World Development Report 2011 on conflict, security and development: a critique through five vignettes*. Journal of international development, 23 (7). pp. 980-995. DOI: 10.1002/jid.1826.

Jones, Owen (2014): *The Establishment and How They Get Away With It*. Penguin.

Jones, Tim (2010): *The great hunger lottery. How banking speculation causes food crises*, World Development Movement July 2010.

Jubilee Debt Campaign (2015): *The new debt trap. How the response to the last global financial crisis has laid the ground for the next*.

- Judt, Tony (2010). *Ill Fares the Land*. Penguin.
- Justice Africa (2014): *Defence Procurement, Corruption and Illicit Financial Flows*.  
TANA High-Level Forum on Security in Africa
- Kaag and Zoomers eds. (2014): *The global land grab: beyond the hype*. Zed Books
- Kaldor, Mary (2012). *New and Old Wars: Organised Violence in a Global Era, 3<sup>rd</sup> Ed.*  
Wiley.
- Kaldor, Mary (2013): *The new war in Europe?* Open Democracy  
(<http://www.opendemocracy.net/print/71622>) (viewed 18 March 2013)
- Kaldor, Mary et al. (ed. 2007): *Oil Wars*. Pluto Press
- Kaldor, Turkmani and Bojicic (2015): *Countering the war economy in Syria. Evidence from three local areas*. LSE
- Kangaspunta, Kristiina, Haen-Marshall Ineke (2009): *Eco-Crime and Justice, Essays on Environmental Crime*, UNICRI.
- Kant, Immanuel (1795): *Toward Perpetual Peace*.
- Kapur Ajay (2006): *Equity Strategy. Revisiting Plutonomy: The Rich Getting Richer*, Citigroup.
- Kar & Spanjers (2014): *Illicit Financial Flows from Developing Countries: 2003-2012*.  
GFI
- Kar & Spanjers (2015): *Illicit Financial Flows from Developing Countries: 2004-2013*.  
GFI
- Kar, Dev & Cartwright-Smith, Devon (2008): *Illicit Financial Flows from Developing Countries: 2002-2006*, Global Financial Integrity.
- Kar, Dev & LeBlanc, Brian (2013): *Illicit Financial Flows from Developing Countries: 2002-2011*. Global Financial Integrity.

Kar, Dev and Freitas, Sarah (2012): *Illicit Financial Flows from Developing Countries: 2001-2010*. Global Financial Integrity

Kaufmann Daniel and Vicente Pedro (2005): *Legal Corruption*

Kaufmann, Daniel: *Corruption, Governance and Security: Challenges for the Rich Countries and the World*, World Bank Institute.

Kaul, Inge (2005): *Blending External And Domestic Policy Demands: The Rise Of The Intermediary State*; in *The New Public Finance: Responding to Global Challenges*, Inge Kaul and Pedro Conceição, Editors, Office of Development Studies, UN Development Programme (UNDP), Published by Oxford University Press

Keen, David (2012): *Useful Enemies: When Waging Wars Is More Important Than Winning Them*. Yale University Press.

Kelsey, Jane (2014): *Memorandum on Leaked TISA Financial Services Text*. Wikileaks

Kemp, Walter; Shaw, Mark; Boutellis, Arthur (2013): *The Elephant in the Room: How Can Peace Operations Deal with Organized Crime?* International Peace Institute.

Kendzior, Sarah (2006): *Inventing Akromiya: The Role of Uzbek Propagandists in the Andijon Massacre*. Heldref Publications.

Kennard, Matthew (2015): *The Racket: A Rogue Reporter vs. the Masters of the Universe*. Zed Books

Kenny Charles: *Construction, Corruption, and Developing Countries*, World Bank Research Papers, 2007.

Kerviel, Jérôme (2010) : *L'Engrenage ; Mémoires d'un trader*. Flammarion.

Kilchling, Michael (2014): *Finance-Oriented Strategies of Organized Crime Control*.

In Paoli, Letizia (2014): *The Oxford Handbook Of Organized Crime*. Oxford University Press.

Kimmage Daniel (2009): *Russia: selective capitalism and kleptocracy in Undermining Democracy: 21st Century Authoritarians*, Freedom House, June 2009.

Klare, Michael (2001). *Resource Wars: The New Landscape of Global Conflict*. Metropolitan Books.

Klare, Michael (2012): *The Race for What's Left: The Global Scramble for the World's Last Resources*. Macmillan.

Klare, Michael (2015): *Why the Paris Climate Summit Will Be a Peace Conference. Averting a World of Failed States and Resource Wars*. TomDispatch.

Klein, Naomi (2010). *The Shock Doctrine: The Rise of Disaster Capitalism*. Picador.

Klein, Naomi (2014): *This Changes Everything: Capitalism vs. the Climate*. Simon & Schuster.

Kolbert, Elizabeth (2014): *The Sixth Extinction: An Unnatural History*. Henry Holt & Company.

Korsell, Lars: *Cultural Heritage Crime – the Nordic Dimension*, Swedish National Council for Crime Prevention 2006.

Korten, David (2001): *When Corporations Rule the World*. Kumarian Press.

Korten, David (2006): *The Great Turning. From Empire to Earth Community*. Berrett-Koehler Publishers, Inc.

Krasna, Joshua (1996): *Narcotics and the National Security of Producer States*. Journal of Conflict Studies, Vol 16, No 1 (1996) Vol. XVI No. 1,

Kratochwil, Friedrich (1089): *Rules, Norms, and Decisions. On the conditions of practical and legal reasoning in international relations and domestic affairs*. Cambridge University Press.

Krause, Keith; Williams, Michael (2007). *Critical Security Studies: Concepts and Cases*. Taylor & Francis.

- Krauss, Clifford (2015): *More Oil Companies Could Join Exxon Mobil as Focus of Climate Investigations*. NYT, Nov. 6, 2015
- Kretzmann, Steve & Reisch, Nikki (2007): *A Climate of War, The war in Iraq and global warming*. Oil Change International.
- Krippner, Greta (2011): *Capitalizing on Crisis. The Political Origins of the Rise of Finance*. Harvard University Press.
- Kuziemko, Ilyana & Werker, Eric (2006): *How Much is a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations*, Journal of Political Economy, Harvard University.
- Labrousse, Alan & Laniel, Laurent (2001): *The World Geopolitics of Drugs, 1998/1999*. Observatoire Geopolitique des Drouges, Paris, France. Springer.
- Lallemand, Alain (2002): *The Field Marshall*. The Centre for Public Integrity, 15 November 2002.
- Lasswell, Harold (2001): *What psychiatrists and political scientists can learn from one another*. Psychiatry; Fall 2001; 64, 3; ProQuest Research Library pg. 184
- Lawson, Sam et al. (2010): *Illegal Logging and Related Trade Indicators of the Global Response*, Chatham House 2010
- Lawton, Thomas C.; Rosenau, James; Verdun, Amy C. (2000), *Strange Power – Shaping the parameters of international relations and international political economy*, Ashgate, Burlington.
- Le Billon, Philippe (2000): *The Political Economy of War: What Relief Agencies Need to Know*.
- Le Billon, Philippe (2001a): *Fuelling War: Natural Resources and Armed Conflicts* (Adelphi Papers). ;

- Le Billon, Philippe (2001b): *The political ecology of war: natural resources and armed conflicts*, Political Geography 20;
- Le Billon, Philippe (2005): *Overcoming corruption in the wake of conflict*, in Transparency International Global Corruption Report 2005.
- Le Billon, Philippe (2012): *Wars of Plunder: Conflicts, Profits and the Politics of Resources*. Columbia University Press.
- Le Billon, Philippe ed. (2005): *The Geopolitics of Resource Wars. Resource Dependence, Governance and Violence*. Frank Cass.
- Le Goff, Jacques (1981): *La Bourse et la Vie*. Hachette Littératures.
- Lea, John (2001): *Presentation to 2001 Annual Conference of the German Criminological Association*.
- Lea, John (2002): *Crime and Modernity*. Sage
- Lea, John (2007a): *Crime, War and Security: from the criminalisation of war to the militarisation of crime control*.
- Lea, John (2007b): *War, Crime and the International Criminal Court*
- Leander, Anna (2001): *Dependency today—finance, firms, mafias and the state: a review of Susan Strange's work from a developing country perspective*. Third World Quarterly, Vol 22, No 1, pp 115–128, 2001.
- Lenin, Vladimir (1916). *Imperialism: The Highest Stage of Capitalism*. Penguin UK.
- Lenton, Tim (2016): *Earth System Science: A Very Short Introduction*. OUP Oxford.
- Lenzen et al. (2012): *International trade drives biodiversity threats in developing nations*. Nature, 486(7401), 109-12. Retrieved from <http://search.proquest.com/docview/1020697410?accountid=14609>
- Levi, Michael & Bovenkerk, Frank (2007): *The Organized Crime Community: Essays in Honour of Alan A. Block* (Studies of Organized Crime).

- Levi, Michael & Reuter, Peter (2006): *Money Laundering*, University of Chicago.
- Levi, Michael (2002): *Money Laundering and its Regulation*. Annals of the American Academy of Political and Social Sciences 582, no. 1
- Levi, Michael (2012): *States, Frauds, and the Threat of Transnational Organized Crime*. Journal of International Affairs; Fall/Winter; 66, 1;
- Levi, Michael (2014a): *Money Laundering*. In Paoli, Letizia (ed., 2014): *The Oxford Handbook Of Organized Crime*. Oxford University Press.
- Levi, Michael (2014b): *Organized Fraud*. In Paoli, Letizia (ed., 2014): *The Oxford Handbook Of Organized Crime*. Oxford University Press.
- Levin, Carl, et al. (2012): *U.S. Vulnerabilities to Money Laundering, Drugs, and Terrorist Financing: HSBC Case History*. Majority And Minority Staff Report Permanent Subcommittee On Investigations. United States Senate.
- Leysens, Anthony (2008): *The Critical Theory of Robert W. Cox. Fugitive or Guru?* Palgrave Macmillan.
- Ling (2015): *Globalizing globalization: a worldist intervention*. In Palan (2013): *Global Political Economy: Contemporary Theories*. Taylor and Francis.
- Linklater, Andrew (2007): *Critical Theory and World Politics: Citizenship, Sovereignty and Humanity*. Routledge
- Linklater, Andrew (2011): *The Problem of Harm in World Politics. Theoretical Investigations*. Cambridge.
- Lippmann, Walter (1922): *Public Opinion*. Transactions Publishers
- Lo Bianco, Giuseppe & Rizza, Sandra (2012). *Petrolio e sangue: Chi ha ucciso Enrico Mattei*. Chiare Lettere.
- Locke, Rachel (2012): *Organized Crime, Conflict, and Fragility: A New Approach*. New York: International Peace Institute, July 2012.



- Loewenstein, Antony (2015): *Disaster Capitalism. Making a Killing out of Catastrophe*. Verso Books.
- Lopez, Alan et al. (2006): *Global and regional burden of disease and risk factors, 2001: systematic analysis of population health data*, The Lancet 2006; 367: 1747–57.
- Lujala Päivi et al. (2012): *High-Value Natural Resources and Post-Conflict Peacebuilding*. Earthscan. Taylor and Francis.
- Lunde, Leiv & Taylor, Mark (2003): *Commerce or Crime? Regulating Economies of Conflict*. Fafo 2003.
- Lupsha, Peter (1991): *Drug lords and narco-corruption: The players change but the game continues*. Crime, Law and Social Change. July 1991, Volume 16, Issue 1, pp 41-58.
- Luttwak, Edward (1998): *Turbo-Capitalism: Winners and Losers in the Global Economy*
- Lynas, Mark (2007): *Six Degrees. Our Future on a Hotter Planet*. Harper Collins.
- Lynas, Mark (2011). *The God Species: Saving the Planet in the Age of Humans*. National Geographic Society.
- MacCoun & Reuter (2001): *Drug War Heresies. Learning from Other Vices, Times, and Places*. Cambridge University Press
- Macginty, Roger & Williams, Andrew (2009). *Conflict and Development*. London: Routledge.
- Madsen, Frank G. (2009). *Transnational Organized Crime (Global Institutions)*. Taylor & Francis.
- Magdoff & Foster (2011): *What Every Environmentalist Needs to Know About Capitalism*. NYU Press.
- Malthus, Thomas-Robert (1798): *An Essay on the Principle of Population*.

- Manwaring, Max (2007): *A Contemporary Challenge To State Sovereignty: Gangs And Other Illicit Transnational Criminal Organizations In Central America, El Salvador, Mexico, Jamaica, And Brazil*, December 2007, <http://www.strategicstudiesinstitute.army.mil/>
- Manwaring, Max (2009): *A “New” Dynamic In The Western Hemisphere Security Environment: The Mexican Zetas And Other Private Armies*. Strategic Studies Institute.;
- Marriage, Zoë (2010): Congo’s economy and global security; in Padayachee, Vishnu (2010). *The Political Economy of Africa*. T & F Books UK.
- Marshall, Andrew (2013): *What’s Yours Is Mine. New Actors and New Approaches to Asset Recovery in Global Corruption Cases*. Center for Global Development.
- Marshall, Monty & Cole, Benjamin (2014): *Global Report 2014. Conflict, Governance, and State Fragility*. Centre for Systemic Peace & Centre for Global Policy.
- Marten, Kimberly (2012). *Warlords: Strong-arm Brokers in Weak States*. Cornell University Press.
- Martin, Hans-Peter Schumann, Harald. (1997): *The Global Trap: Globalization and the Assault on Democracy and Prosperity*.
- Martinez-Alier, Joan (2002): *The environmentalism of the poor: a study of ecological conflicts and valuation*. Edward Elgar.
- Marx, Karl (1852): *The Eighteenth Brumaire of Louis Napoleon*.
- Matthews, Rick & Kauzlarich, David (2007): *State crimes and state harms: a tale of two definitional frameworks*, *Crime Law Soc Change* 48:43–55.
- Mattli and Woods eds. (2009): *The Politics of Global Regulation*. Princeton University Press
- Maurer, Bill (2010): *From anti-Money Laundering to . . . What? Formal Sovereignty and Feudalism in Offshore Financial Services*; in: Clunan, Anne and Trinkhaus, Harold

(2010): *Ungoverned Spaces. Alternatives to State Authority in an Era of Softened Sovereignty*. Stanford University Press

Mauro, Paolo (1997): *Why Worry About Corruption?* Economic Studies. IMF.

Maxwell, Daniel et al. (2008): *Preventing Corruption in Humanitarian Assistance*, Transparency International.

May, Christopher (1996), 'Strange fruit: Susan Strange's theory of structural power in the international political economy', *Global Society* 10 (1996).

May, Christopher (2000): *A Global Political Economy of Intellectual Property Rights. The new enclosures?* Routledge

May, Christopher (2002): *An Annotated Bibliography of Susan Strange's Academic Publications 1949-1999*. IPEG Papers in Global Political Economy.

Mayer, Carpes, Knoblich eds. (2014): *The Global Politics of Science and Technology Vol. 1. Concepts from International Relations and Other Disciplines*. Springer.

Mayer, Jane (2016): *Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right*. Doubleday.

Mbembe, Achille (2006): *Nécropolitique*. *Raisons politiques*. 21: 29-60.

McAllister, William (2002): *Drug Diplomacy in the Twentieth Century an international history*. Routledge.

McBride, Alessi and Sergie (2015): *Understanding the Libor Scandal*. CFR

McCarthy, Dennis (2011). *An Economic History of Organized Crime: A National and Transnational Approach*. T & F Books UK.

McCarthy, Killian (2015): *The economics of ISIS A case of theft or money laundering?* *Freedom From Fear Magazine* (UNICRI)

McChesney, Robert (2013). *Digital Disconnect: How Capitalism is Turning the Internet Against Democracy*. The New Press.

McCoy, Alfred (1972): *The Politics of Heroin in Southeast Asia*

McCoy, Alfred (1991): *The Politics of Heroin: CIA Complicity in the Global Drug Trade*, New York: Lawrence Hill Books.

McCoy, Alfred (2004): *The Stimulus of Prohibition: A Critical History of the Global Narcotics Trade*, in Steinberg, Michael: *Dangerous Harvest: Drug Plants and the Transformation of Indigenous Landscapes*, Oxford University Press.

McFate, Sean (2014). *The Modern Mercenary: Private Armies and What They Mean for World Order*. Oxford University Press.

McIntyre, Robert (2015): *Offshore Shell Games. The Use of Offshore Tax Havens by Fortune 500 Companies*. Citizens for Tax Justice.

McKibben, Bill (2010): *Eaarth. Making a Life on a Tough New Planet*. Henry Holt and Company.

McMillan, John & Zoido, Pablo (2004): *How to Subvert Democracy: Montesinos in Peru*. *Journal of Economic Perspectives* 18 (4), Fall 2004, 69-92.

McMurtry, John (1999): *The Cancer Stage of Capitalism*. Pluto Press

McNeill, J (2000): *Something New Under the Sun. An Environmental History of the Twentieth Century World*. W.W. Norton.

Melamed and Samman (2013): *Equity, Inequality And Human Development In A Post-2015 Framework*. UNDP, Human Development Report Office Research Paper, February

Mendelson, Sarah (2005): *Barracks and Brothels. Peacekeepers and Human Trafficking in the Balkans*. Center for Strategic and International Studies.

Menkhaus, Ken et al.: *Beyond Piracy Next Steps to Stabilize Somalia*, Enough!, May 2009.

Meslmani, Yousef, ed. (2010): *Climate Change. Initial National Communication of the Syrian Arab Republic to UNFCCC*. Ministry of state for Environment Affairs (MSEA),

Michael, Gabriel (2014): *Who's Afraid of Wikileaks? Missed Opportunities in Political Science Research*. Review of Policy Research

Michaels, David (2008): *Doubt is their Product. How industry's assault on science threatens your health*. Oxford.

Michalowski & Kramer (2006): *State-Corporate Crime: Wrongdoing at the Intersection of Business and Government*. Rutgers University Press

Milanovic, Branko (2010). *The Haves and the Have-Nots: A Brief and Idiosyncratic History of Global Inequality*.

Milanovic, Branko (2012): *Global inequality recalculated and updated: the effect of new PPP estimates on global inequality and 2005 estimates*, Journal on Economic Inequality, n. 10, 2012, pp. 1-18.

Milanovic, Branko (2013): *Global Income Inequality in Numbers: in History and Now*. Global Policy

Milanovic, Branko (2016): *Global Inequality. A New Approach for the Age of Globalization*. The Belknap Press Of Harvard University Press

Millennium Ecosystem Assessment (2005). *Ecosystems and Human Well-Being. Synthesis*.

Miller, David (2015): *Neoliberalism, Politics and Institutional Corruption: Against the 'Institutional Malaise' Hypothesis*. In Whyte, David (2015): *How Corrupt is Britain?* Pluto

Mills, Wright (1956): *The Power Elite*. Oxford University Press (2000).

Minton, John (2006): *The Minton Report on Trafigura*. <http://image.guardian.co.uk/sys-files/Guardian/documents/2009/10/16/mintonreport.pdf>

Miraglia, Ochoa and Briscoe (2012): *Transnational organised crime and fragile states*. International Center for the Prevention of Crime and the Clingendael Institute. A thematic paper supporting the OECD DAC INCAF project 'Global Factors Influencing the Risk of Conflict and Fragility'.

Mirowski & Plehwe eds. (2009): *The Road from Mont Pèlerin. The Making of the Neoliberal Thought Collective*. Harvard University Press.

Mirowski, Philip (2014): *Never Let A Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*. Verso.

Mittelman James (2007): *Globalization: An Ascendant Paradigm? In Whither Globalization?* Taylor & Francis.

Monbiot, George (2005): *Forget the UN. The US occupation regime helped itself to \$8.8 bn of mostly Iraqi money in just 14 months*, The Guardian, 8 February 2005.

Monbiot, George (2007). *Heat: How We Can Stop the Planet Burning*. Penguin Books Ltd.

Monbiot, George (2013): *The Self-Hating State*. The Guardian.

Monbiot, George (2016a): *Neoliberalism – the ideology at the root of all our problems*. The Guardian (15 April 2016).

Monbiot, George (2016b). *How Did We Get Into This Mess? Politics, Equality, Nature*. Verso.

Moneyval (2015): *Holy See Progress report and written analysis by the Secretariat of Core Recommendations*.

Moore, Mick (2012): *The Practical Political Economy of Illicit Flows*. In Reuter, Peter (2012).

Morgenson, Gretchen; Rosner, Joshua (2011). *Reckless Endangerment: How Outsized Ambition, Greed, and Corruption Led to Economic Armageddon*. St. Martin's Griffin.

- Morin, François (2015): *L'hydre Mondiale. L'oligopole bancaire*. Lux Editeur.
- Motesharrei, Rivas & Kalnay (2014): *Human and Nature Dynamics (HANDY): Modeling Inequality and Use of Resources in the Collapse or Sustainability of Societies*. NASA
- Mouffe, Chantal (2005): *On the Political*. Routledge
- MRAG/DFID (2005): *Review of Impacts of Illegal, Unreported and Unregulated Fishing on Developing Countries FINAL REPORT*
- Murphy, Craig (2012): “*The Westfailure System*” *Fifteen Years On: Global Problems, What Makes Them Difficult to Solve, and the Role of IPE*. British International Studies Association and International Studies Association Joint International Conference, Edinburgh.
- Murtaugh, Paul & Schlax, Michael (2008): *Reproduction and the carbon legacies of individuals*. *Global Environmental Change* 19 (2009) 14–20.
- Muth, Karl (2013): *Unum Species Furti: Cressey to Madoff*. Global Policy.
- Muttitt, Greg (2011). *Fuel on the Fire*. Random House UK.
- Mytelka, Lynn K. (2000): *Knowledge and Structural Power in International Political Economy*”, in: Rosenau, Lawton, Verdun (ed.), *Strange Power – Shaping the parameters of international relations and international political economy*, Ashgate, Burlington
- Naim, Moises (2005): *Illicit: How Smugglers, Traffickers and Copycats are Hijacking the Global Economy*.
- Naim, Moises (2011): *The Drug Trade: The Politicization Of Criminals And The Criminalization Of Politicians*. Global Commission on Drug Policies.
- Naím, Moises (2012): *Mafia States. Organized Crime Takes Office*. Foreign Affairs.

Naim, Moises (2013): *The End Of Power. From Boardrooms To Battlefields And Churches To States. Why Being In Charge Isn't What It Used To Be*. Basic Books.

Naim, Moises (2009): *The Devil's Excrement. Can oil-rich countries avoid the resource curse?* Foreign Policy

Napoleoni, Loretta (2008). *Rogue Economics*. Seven Stories Press.

Napoleoni, Loretta (2016): *Merchants of Men: How Jihadists and ISIS Turned Kidnapping and Refugee Trafficking into a Multi-Billion Dollar Business*. Seven Stories Press.

National Institute of Justice USA (2010): *Connecting International Organized Crime Research to Policy and Practice*.

National Intelligence Council (2012): *Global Trends 2030: Alternative Worlds*.

Naylor, Thomas (1999): *Follow-the-Money Methods in Crime Control Policy*, Nathanson Centre for the Study of Organized Crime and Corruption.

Naylor, Thomas (2002): *Wages of Crime: Black Markets, Illegal Finance and the Underworld Economy*

Naylor, Thomas (2008). *Patriots and Profiteers. Economic Warfare, Embargo Busting, and State-sponsored Crime*. McGill-Queens University Press.

Ndikumana, Léonce et al. (2008): *New Estimates of Capital Flight from Sub-Saharan African Countries: Linkages with External Borrowing and Policy Options*. Political Economy Research Institute.

NEF (2010): *Fish dependence. The increasing reliance of the EU on fish from elsewhere*.

Nellemann, Christian (2012): *Green Carbon, Black Trade: Illegal Logging, Tax Fraud and Laundering in the Worlds Tropical Forests*. A Rapid Response Assessment. United Nations Environment Programme, GRIDArendal. [www.grida.no](http://www.grida.no)



Nellemann, Christian ed. (2014): *The Environmental Crime Crisis – Threats to Sustainable Development from Illegal Exploitation and Trade in Wildlife and Forest Resources*. UNEP Rapid Response Assessment. United Nations Environment Programme and GRID-Arendal, Nairobi and Arendal, [www.grida.no](http://www.grida.no)

Nellemann, Christian et al. (eds). (2010): *Dead Planet, Living Planet – Biodiversity and Ecosystem Restoration for Sustainable Development. A Rapid Response Assessment*. United Nations Environment Programme, GRID-Arendal. [www.grida.no](http://www.grida.no)

New Economic Foundation (2009): *Happy Planet Index 2.0*

New Economic Foundation (2010): *Fish dependence. The increasing reliance of the EU on fish from elsewhere*.

New Haven Declaration On Human Rights and Financial Integrity

New Rules for Global Finance (2013): *Global Financial Governance And Impact Report*

Nieto García, Alejandro (2007): *El desgobierno de lo público*, Ariel.

Nitzan and Bichler (2009): *Capital as Power. A study of order and creorder*. Routledge.

Nordstrom, Carolyn (2004): *Shadows of War: Violence, Power, and International Profiteering in the Twenty-First Century*. Berkeley: University of California Press.

Nurse, Angus (2014): *Critical Perspectives on Green Criminology*. An Edited Collection from the Internet Journal of Criminology. ISSN 2045-6743

Nutt, David et al. (2007): *Development of a rational scale to assess the harm of drugs of potential misuse*, Lancet 2007; 369: 1047–53

Nuzzi, Gianluigi (2015): *Merchants in the Temple: Inside Pope Francis's Secret Battle Against Corruption in the Vatican*.

Nye, Joseph (2004): *Soft Power. The Means to Success in World Politics*. Publicaffairs. New York.

Obokata, Tom (2010): *Transnational Organised Crime in International Law*. Hart Publishing.

OECD (1997a): *Convention on Combating Bribery of Foreign Officials in International Business Transactions*;

OECD (1997b): *DAC Recommendations on Anti-Corruption Proposals for Aid-Funded Procurement*

OECD (2002): *Measuring the Non-Observed Economy. A Handbook*.

OECD (2003): *Synthesis Of Lessons Learned Of Donor Practices In Fighting Corruption*, DAC Network on Governance, July 2003. ;

OECD (2004): *Institutional strategies for political coherence in development*.

OECD (2008): *The Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008)*.

OECD (2009a): *Development co-Operation report 2009*, OECD DAC

OECD (2009b): *Peace and Security: Drug Trafficking, Piracy and Money Laundering - The International Dimension of Organised Crime*, 12th Meeting of the Africa Partnership Forum, Rome.

OECD (2009c): *Working Group on Bribery. Report 2009*.

OECD (2010): *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administration*.

OECD (2011a): *Convention On Combating Bribery Of Foreign Public Officials In International Business Transactions and Related Documents*.

OECD (2011b): *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*.

OECD (2011c): *How's life? Measuring well-being*.

OECD (2011d): *Guidelines for Multinational Enterprises*;

OECD (2012a), *International Drivers of Corruption: A Tool for Analysis*, OECD Publishing. <http://dx.doi.org/10.1787/9789264167513-en>

OECD (2012b): *Automatic Exchange of Information. What It Is, How It Works, Benefits, What Remains To Be Done.*

OECD (2012c): *Illegal Trade in Environmentally Sensitive Goods*

OECD (2013a): *Addressing Base Erosion and Profit Shifting*. OECD Publishing.

OECD (2013b): *Guidelines for the Measurement of Subjective Well-being*

OECD (2013c): *Measuring OECD Responses to Illicit Financial Flows from Developing Countries.*

OECD (2013d): *Measuring OECD Responses to Illicit Financial Flows from Developing Countries*

OECD (2015a): *OECD Companion to the Inventory of Support Measures for Fossil Fuels 2015*, OECD Publishing, Paris.

OECD (2015b): *States of Fragility 2015: Meeting Post-2015 Ambitions*. OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264227699-en>

Oilchange International (2014): *The fossil fuel bailout: G20 subsidies for oil, gas and coal exploration.*

Olson, Mancur (1993): *Dictatorship, Democracy and Development*. American Political Science Review Vol. 87, No. 3 September 1993

Olson, Mancur (2000): *Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships*. Basic Books.

Oreskes, Naomi; Conway, Erik (2011). *Merchants of Doubt: How a Handful of Scientists Obscured the Truth on Issues from Tobacco Smoke to Global Warming*. Bloomsbury UK.

Organization of American States (1996): *Convención Interamericana Contra La Corrupción*.

Ostry, Loungani & Furceri (2016): *Neoliberalism: Oversold?* IMF

Overbeek & van Apeldoorn (2012): *Neoliberalism in Crisis*. Palgrave.

Overbeek, Henk (2013): *Transnational historical materialism: 'neo-Gramscian' theories of class formation and world order*. In Palan (2013): *Global Political Economy: Contemporary Theories*. Taylor and Francis.

Oxfam (2009): *Dying for action Decision time for an urgent, effective Arms Trade Treaty*, Briefing Note 7 October 2009

Oxfam (2014): *Even it up. Time To End Extreme Inequality*.

Oxfam (2015a): *Extreme Carbon Inequality. Why the Paris climate deal must put the poorest, lowest emitting and most vulnerable people first*.

Oxfam (2015b): *Wealth: Having It All And Wanting More*. Oxfam Issue Briefing.

Oxfam (2016a): *An Economy for The 1%. How privilege and power in the economy drive extreme inequality and how this can be stopped*.

Oxfam (2016b): *Broken at the Top. How America's dysfunctional tax system costs billions in corporate tax dodging*.

Özden Melik (2009): *Les Transferts Transfrontaliers De Déchets Toxiques Et Leur Impact Sur Les Droits Humains*, CETIM, 2009.

Palan, Ronen (1999): *Susan Strange 1923–1998: a great international relations theorist*. *Review of International Political Economy* 6:2 Summer 1999: 121–132.

Palan, Ronen (2003): *The Offshore World. Sovereign Markets, Virtual Places, and Nomad Millionaires*. Cornell Paperbacks.

Palan, Ronen (2009): *Crime, Sovereignty, and the Offshore World*, in *Crime and the Global Political Economy* edited by H. Richard Friman.

Palan, Ronen and Petersen, Hannah (2015): *International Political Economy: Conceptual Affinities and Substantive Differences with Security Studies*. In Bourbeau, Philip: *Security Dialogue Across Disciplines*, Cambridge: Cambridge University Press

Palan, Ronen ed. (2013): *Global Political Economy*. Second Edition. Routledge.

Palan, Ronen et al. (2010): *Tax Havens. How Globalization Really Works*. Cornell.

Paley, Dawn (2014): *Drug War Capitalism*. AK Press.

Paoli, Greenfield & Reuter (2009): *The World Heroin Market. Can Supply Be Cut?* Oxford

Paoli, Letizia (2003): *Mafia Brotherhoods Organized Crime, Italian Style*. Oxford University Press.

Paoli, Letizia ed. (2014): *The Oxford Handbook Of Organized Crime*. Oxford University Press.

Pareto, Vilfredo (1906): *Manual of Political Economy*.

Partnoy, Frank (2009): *Infectious Greed. How Deceit And Risk Corrupted The Financial Markets*. PublicAffairs

Passas, Nikos (2000): *Global Anomie, Dysnomie, and Economic Crime*. Social Justice

Pearce, Fred (2012). *The Landgrabbers*. Random House UK.

Pereira-Goncalves, Marilyne et al (2012): *Justice for Forests. Improving Criminal Justice Efforts to Combat Illegal Logging*. World Bank Study.

Perkins, John (2004): *Confessions of an Economic Hitman*. Berrett-Koehler Publishers

Persson Anna, Rothstein Bo, Teorell Jan (2012): *Why Anticorruption Reforms Fail - Systemic Corruption as a Collective Action Problem*. Governance: An International Journal of Policy, Administration, and Institutions.

Phelps Bondaroff, Teale N., Reitano, Tuesday and van der Werf, Wietse (2015): *The Illegal Fishing and Organized Crime Nexus: Illegal Fishing as Transnational*

*Organized Crime*. The Global Initiative against Transnational Organized Crime and The Black Fish.

Picarelli, John (2009): *Enabling Norms and Human Trafficking*. in Friman: Crime and the Global Political Economy.

Pickett, Kate (2011): *The Spirit Level: Why Greater Equality Makes Societies Stronger*. Penguin.

Pignatelli, Fernando (2002): *La Corte Penal Internacional*, en Derecho Internacional Humanitario, Cruz Roja Española

Piketty, Thomas (2004): *L'Economie des Inegalites*. La Decouverte

Piketty, Thomas (2014): *Capital In The Twenty-First Century*. The Belknap Press of Harvard University Press

Platt, Stephen (2015). *Criminal Capital: How the Finance Industry Facilitates Crime*. Palgrave Macmillan.

Plehwe, Dieter et al. eds. (2006): *Neoliberal Hegemony. A Global Critique*. Routledge.

Pogge, Thomas (2002): *World Poverty and Human Rights. Cosmopolitan Responsibilities and Reforms*. Polity

Polanyi, Karl (1944): *The Great Transformation: The Political and Economic Origins of Our Time*. Ed. Beacon 2001.

Pontell & Geis eds. (2007): *International Handbook of White-Collar and Corporate Crime*. Springer

Pope Francis (2014): *Fraternity, The Foundation And Pathway To Peace. Message Of His Holiness Francis For The Celebration Of The World Day Of Peace 1 January 2014*. Holly See.

Pope Francis (2015a): *Addresses the UN General Assembly*

Pope Francis (2015b): *Encyclical Letter Laudato Si' Of The Holy Father Francis On Care For Our Common Home*. The Vatican.

Posner, Gerald (2015): *God's Bankers: A History of Money and Power at the Vatican*. Simon and Schuster.

Potter, Gary (2009): *What is Green Criminology*. Sociology Review  
<http://www.greencriminology.org/monthly/WhatIsGreenCriminology.pdf>

PricewaterhouseCoopers (2016): *Global Economic Crime Survey*.

Proctor, Robert (2011): *The history of the discovery of the cigarette-lung cancer link: evidentiary traditions, corporate denial, global toll*. Tobacco Control.

Proctor, Robert ed. (2008): *Agnology. The Making and Unmaking of Ignorance*. Stanford University Press.

Provost & Kennard (2015): *The obscure legal system that lets corporations sue countries*. The Guardian/ Centre for Investigative Journalism.

Prüss-Ustün, Wolf, Corvalán, Bos and Neira (2016): *Preventing Disease through Healthy Environments. A global assessment of the burden of disease from environmental risks*. WHO.

Publish What you Fund (2012): *Aid Transparency Index 2012*.

Purdy, Jedediah (2015): *After Nature: A Politics for the Anthropocene*. Harvard University Press.

Queloz Nicolas (1999) : *A-t-on encore raison de distinguer criminalités économique et organisée ?* Les Cahiers de la sécurité Intérieure.

Queloz, Nicolas (2001a) : *Criminalité économique et criminalité organisée*, L'Economie Politique n° 15 ;

Queloz, Nicolas (2001b) : *Les criminalités transnationales et la responsabilité des sociétés et entreprises*, CETIM, 2001.

Ramsay, Adam (2015): *Climate deniers agree their key messages for journalists (with a journalist in the room)*. Opendemocracy UK (<https://www.opendemocracy.net/uk/adam-ramsay/climate-skeptics-agree-their-key-messages-for-journalists-with-journalist-in-room>)

Ramsbotham, Alexander & Wennmann, Achim (2014): *Legitimacy and peace processes. From coercion to consent*. Conciliation Resources.

Ramsbotham, Oliver (2005): *The analysis of protracted social conflict: a tribute to Edward Azar*. *Review of International Studies* (2005), 31, 109–126

Ramsbotham, Oliver (2010): *Transforming Violent Conflict. Radical disagreement, dialogue and survival*. Routledge.

Ramsbotham, Woodhouse and Miall (2011): *Contemporary Conflict Resolution, 3rd Edition*. Polity.

Rand, Ayn (1961): *The Virtue of Selfishness. A New Concept of Egoism*. Signet.

Ransom, David (2009): *People First Economics*. New Internationalist.

Rapoport, Anatol (1992): *Peace, an Idea Whose Time has Come*.

Reed, Quentin (2009): *Squeezing a Balloon? Challenging the nexus between organised crime and corruption*. U4 ISSUE 2009:7

Reid, Rebecca (2015): *Prostitution: The hidden cost of Greece's economic crisis*. *The Telegraph* (13 November 2015).

Reiman, Jeffrey & Leighton, Paul (2015): *The Rich Get Richer and the Poor Get Prison: Ideology, Class, and Criminal Justice*. Taylor and Francis.

Renner, Michael (2002): *The Anatomy of Resource Wars*, Worldwatch Institute

Reno, William (2011). *Warfare in Independent Africa*. Cambridge University Press.

Reuter, Peter. (2012): *Draining Development? Controlling Flows of Illicit Funds from Developing Countries*. World Bank.



- Richmond, Oliver (2008): *Peace in International Relations*, Routledge
- Richmond, Oliver (2015): *Security cosmopolitanism or 'securitopia': an ontological trap and a half-hearted response to structural war?* *Critical Studies on Security*, 3:2, 182-189, DOI: 10.1080/21624887.2015.1065119
- Rifkin, Jeremy (2011): *The Third Industrial Revolution: How Lateral Power Is Transforming Energy, the Economy, and the World*. Palgrave MacMillan.
- Rifkin, Jeremy (2014). *The Zero Marginal Cost Society: The Internet of Things, the Collaborative Commons, and the Eclipse of Capitalism*. St. Martin's Press.
- Rights & Accountability in Development (2012): *Asset laundering and AIM: Congo, corporate misconduct and the market value of human rights*
- Risse, Thomas (2007): *Social Constructivism Meets Globalization*, in: Held, David y McGrew, Anthony, *Globalization Theory – Approaches and Controversies*, Polity Press, Cambridge.
- Ristow, Bill (2010): *Cash for Coverage: Bribery of Journalists Around the World*. Center for International Media Assistance.
- Roberts, David (2009): *Social harm and crime at a global level*. Centre for Crime and Justice Studies (CCJS) at King's College London.
- Robinson, William & Harris, Jerry (2000): *Towards a Global Ruling Class: Globalization and the Transnational Capitalist Class*. *Science and Society*; Spring 2000; 64, 1
- Rockström et al. (2009): *Planetary boundaries: exploring the safe operating space for humanity*. *Ecology and Society* 14(2): 32.  
<http://www.ecologyandsociety.org/vol14/iss2/art32/>
- Rodrik, Dani (2010): *The Muddled Case for Trade Agreements*. Project Syndicate.

- Rogers, Paul (2007): *Global Security and the War on Terror: Elite Power and the Illusion of Control*, Routledge.
- Rogers, Paul (2013): *A decade's war: legacy and lesson*. Open Democracy.
- Roos, Jérôme (2013): *The Making of the Indebted State. Debt, Discipline and Democracy under the Neoliberal Condition*. EUI
- Roth, Mitchel (2010): *Global Organized Crime A Reference Handbook*. ABC-CLIO, LLC.
- Rothstein Bo, Holmberg Sören (2011): *Correlates Of Corruption*. The Quality of Government Institute, University of Gothenburg, Sweden.
- RSF (2009a): *Journaliste Environnementaliste, Un Combat Périlleux*.
- RSF (2009b): *The dangers for journalists who expose environmental issues*, September 2009.
- RSF (2010a): *Enemies of the Internet - Countries under surveillance*.
- RSF (2010b): *Organized crime – Muscling in on the Media*.
- RSF (2016): *Media: when oligarchs go shopping*.
- Rubin, Joe: *Guinea Bissau. A Narco State in Africa*, PBS 19 June 2009, [http://www.pbs.org/frontlineworld/blog/2009/06/guinea\\_bissau\\_a.html](http://www.pbs.org/frontlineworld/blog/2009/06/guinea_bissau_a.html)
- Ruggiero, Vincenzo & South, Nigel (2010a): *Critical Criminology and Crimes against the Environment*.
- Ruggiero, Vincenzo & South, Nigel (2010b): *Green Criminology and Dirty Collar Crime*. Crit Crim (2010) 18:245–250. Springer.
- Ruggiero, Vincenzo & South, Nigel (2013): *Toxic State–Corporate Crimes, Neoliberalism and Green Criminology: The Hazards and Legacies of the Oil, Chemical and Mineral Industries*. UK. [www.crimejusticejournal.com](http://www.crimejusticejournal.com) IJCJ 2013 2(2): 12-26. ISSN 2202–8005.

Ruggiero, Vincenzo (1996): *Organized and Corporate Crime in Europe*. , Aldershot, England: Dartmouth.

Ruggiero, Vincenzo (1997): *Trafficking in Human Beings: Slaves in Contemporary Europe*', International Journal of the Sociology of Law 25(3): 231-44.

Ruggiero, Vincenzo (2006): *Understanding political violence. A Criminological Analysis*. Open University Press

Ruggiero, Vincenzo (2010a): *Dirty Collar crime in Naples*, March 2010, F3, UNICRI.

Ruggiero, Vincenzo (2010b): *Privatizing International Conflict: War as corporate crime*. In: Chambliss, Michalowski and Kramer eds. (2010): *State Crime in the Global Age*. Willan Publishing.

Ruggiero, Vincenzo (2013). *The Crimes of the Economy: A Criminological Analysis of Economic Thought*. Taylor and Francis.

Ruggiero, Vincenzo (2015). *Power and Crime*. Taylor and Francis.

Ruggiero, Vincenzo and Gounev, Philip ed, (2012): *Corruption and Organized Crime in Europe Illegal partnerships*. Routledge.

Ruiz, Daniel (2011): *Drugs, Destabilisation and UN policy in Guinea-Bissau: The Role of Investigative journalism*. In Mair & Keeble eds. (2011): *Investigative Journalism: Dead Or Alive?*. Abramis Academic Publishing.

Sachs, Jeffrey (2015): *The Age Of Sustainable Development*. Columbia University Press

Sachs, Wolfgang (2007): *Fair Future: Resource Conflicts, Security and Global Justice*, Zed Books.

Salinger, Lawrence ed. (2005): *Encyclopedia of White-Collar & Corporate Crime*. Sage

Sanahuja, José Antonio & Schünemann, Julia (2007): *El nexa seguridad-desarrollo: entre la Construcción de la paz y la securitización de la ayuda*. In: Sanahuja: *Construcción de la Paz, Seguridad y Desarrollo*. Ed. Complutense.

- Sanahuja, José Antonio (2008a): *¿Un mundo unipolar, multipolar o apolar? El poder estructural y las transformaciones de la sociedad internacional contemporánea*, in VV AA, Cursos de Derecho Internacional de Vitoria-Gasteiz 2007, Bilbao, Servicio Editorial de la Universidad del País Vasco, ISBN 978-84-9860-3, pp. 297-384
- Sanahuja, José Antonio (2008b): *El desplome del dólar y la crisis de las finanzas globales: cambio estructural en el sistema internacional*, in: Mesa Peinado, Manuela (coordinadora), Escenarios de crisis: fracturas y pugnas en el sistema internacional – Anuario 2008-2009, Ceipaz, Icaria, Madrid, pp.79-98.
- Sanahuja, José Antonio (2009): *Desequilibrios globales. El impacto de la crisis en los países en desarrollo*, in: Manuela Mesa (Coord.), Crisis y cambio en el sistema internacional. Anuario CEIPAZ 2009- 2010, Madrid, Centro de Educación e Investigación para la Paz (CEIPAZ)/Icaria
- Sanahuja, Jose Antonio (2013): *La Pobreza y La Desigualdad Como Potenciadores Del Riesgo De Conflictos Violentos*, in Cuadernos De Estrategia. Instituto Español De Estudios Estratégicos 159. Los Potenciadores Del Riesgo.
- Sanahuja, José Antonio (2014): *De los Objetivos del Milenio al desarrollo sostenible: Naciones Unidas y las metas globales post-2015*. Anuario Ceipaz 2014-2015.
- Sanahuja, José-Antonio & Schünemann, Julia (2012): *El nexa seguridad-desarrollo: entre la construcción de la paz y la securitización de la ayuda*. Instituto Complutense de Estudios Internacionales
- Sanchez de la Sierra, Raul (2014): *Defining the state: Armed groups' monopolies of violence and emergence of state-like behavior in Eastern Congo*. Harvard University.
- Sarkozy & Merkel (2010): *Lettre conjointe à Stephen Harper*.
- Sassen, Saskia (2007): *A Sociology of Globalization*. Columbia University.

- Savedoff, William (2009): *When the Culture of Disbursement Meets the Culture of Corruption*
- Saviano, Roberto (2006): *Gomorrah*. Mondadori
- Saviano, Roberto (2015): *Zero Zero Zero*. Penguin Books Ltd.
- Sayer, Andrew (2014): *Why we can't afford the rich*. Policy Press.
- Schechter, Danny (2010). *The Crime Of Our Time: Why Wall Street Is Not Too Big To Jail*. RedWheelWeiser.
- Scheper-Hughes, Nancy (2000): *The Global Traffic in Human Organs*, Current Anthropology Volume 41, Number 2, April 2000.
- Scherrer, Amandine (2009): *G8 against Transnational Organized Crime*. Ashgate
- Scherrer, Amandine et al. (2009) : *La stratégie de l'Union européenne contre la criminalité organisée : entre lacunes et inquiétudes*. Cultures & Conflits, Numéro 74.
- Schneider, Friedrich (2002): *Ocultándose en las Sombras. El crecimiento de la economía subterránea*. Temas de Economía, FMI,
- Schnurr & Swatuk eds. (2012): *Natural Resources and Social Conflict. Towards Critical Environmental Security*. Palgrave Macmillan
- Schönenberg, Regine ed. (2013): *Transnational Organized Crime. Analyses of a Global Challenge to Democracy*. Heinrich-Böll-Stiftung.
- Schouten, P. (2009): *Robert Cox on World Orders, Historical Change, and the Purpose of Theory in International Relations*', Theory Talks, <http://www.theorytalks.org/2010/03/theory-talk-37.html> (12-03-2010).
- Schouten, Peer & Mayer, Maximilian (2011): *Energy Security and Climate Change under Conditions of the Anthropocene*, Published in: *Energy Security in the Era of Climate Change – The Asia-Pacific Experience*, Palgrave McMillan.

- Schouten, Peer (2013): *Brewing Security? Heineken In The Eastern DRC*. School Of Global Studies & School Of Business (University Of Gothenburg)
- Sen, Amartya (1981): *Poverty and Famines. An Essay on Entitlement and Deprivation*. Clarendon Press Oxford
- Serrano, Mónica (2007): *Narcotráfico y gobernabilidad en México*. Pensamiento iberoamericano, ISSN 0212-0208.
- Shafey, Omar et al. (2009): *The Tobacco Atlas Third Edition*, American Cancer Society.
- Sharman, Jason (2012): *Chasing kleptocrats' loot: Narrowing the effectiveness gap*. U4 Anti-corruption resource centre.
- Sharples, Natali et al (2014): *Honest Accounts? The true story of Africa's billion dollar losses*. Health Workers for all and all for Health Workers.
- Shaw, Mark & Kemp, Walter (2012): *Spotting the Spoilers: A Guide to Analyzing Organized Crime in Fragile States*, New York: International Peace Institute,
- Shaw, Mark (2011): *Know Your Enemy: An Overview of Organized Crime Threat Assessments*. International Peace Institute.
- Shaw, Mark (2015): *Drug trafficking in Guinea-Bissau, 1998–2014: the evolution of an elite protection network*. The Journal of Modern African Studies, 53, pp 339-364. doi:10.1017/S0022278X15000361.
- Shaxson, Christensen & Mathiason (2012): *Inequality. You don't know the half of it. Or why inequality is worse than we thought*. TJN
- Shaxson, Nicholas & Christensen John (2013): *The Finance Curse. How oversized financial centres attack democracies and corrupt economies*. Tax Justice Network.
- Shaxson, Nicholas (2011): *Treasure Islands*. The Bodley Head
- Shelley, Louise (1995): *Transnational Organized Crime: An Imminent Threat to the Nation-State*, Journal of International Affairs, Vol. 48, 1995.

Shelley, Louise (1998), *Crime and Corruption in the Digital Age*, Journal of International Affairs vol. 51 no.2 pp 605-620.

Shelley, Louise (2014): *Dirty Entanglements: Corruption, Crime, and Terrorism*. Cambridge University Press.

Siegel, Dina & Nelen, Hans (editors, 2008): *Organized Crime: Culture, Markets and Policies*. Springer.

Simpson, Sally & Weisburd, David (eds., 2009): *The Criminology of White-Collar Crime*. Springer

Skaperdas, Stergios (2001): *The political economy of organized crime: providing protection when the state does not*, Springer-Verlag Department of Economics, University of California, Irvine, Irvine, CA 92697, U.S.A

Skidelsky, Robert; Skidelsky, Edward (2012). *How Much is Enough? Money and the Good Life*. Random House Inc Clients.

Skinner, E. Benjamin (2008). *A Crime So Monstrous*. Simon & Schuster, Inc.

Slijper, Frank (2013): *Guns, Debt and Corruption: Military spending and the EU crisis*. TNI

Smeulders, Alette and Haveman, Roelof (2008): *Supranational Criminology: Towards A Criminology Of International Crimes*, Intersentia.

Smith, Michael (2010): *Banks Financing Mexico Gangs Admitted in Wells Fargo Deal*, Bloomberg 29 June 2010.

Smith–Spark, Laura & Djau, Umaro (2013): *Ex-African navy chief accused in U.S. Cocaine Smuggling Bust*. CNN.

Smolin, David (2005): *Child Laundering: How the Intercountry Adoption System Legitimizes and Incentivizes the Practices of Buying, Trafficking, Kidnapping, and Stealing Children*. Cumberland Law School, Samford University.

Snow, Charles (1961): *The Two Cultures and the Scientific Revolution. The Rede Lecture 1959*. Cambridge University Press.

SOCA (2010): *The United Kingdom Threat Assessment Of Organised Crime 2009/10*.

Sogge, David (2008): *La debilidad del Estado: Mirar a través de otros cristales*, FRIDE.

Soil Association (2010): *A rock and a hard place. Peak phosphorus and the threat to our food security*.

Solomon, Erika et al. (2015): *Isis Inc: how oil fuels the jihadi terrorists*. Financial Times, October 14, 2015

Sosa-Nunez & Atkins (2016): *Environment, Climate Change and International Relations*. E-International Relations

South & Brisman (2013): *Routledge International Handbook of Green Criminology*. Taylor and Francis.

Special Inspector General For Iraq Reconstruction (2013): *Learning from Iraq. A Final Report*.

Standing, André (2007): *Corruption and the extractive industries in Africa. Can combatting corruption cure the resource curse?* Institute for Security Studies.

Standing, André (2010): *Transnational Organized Crime and the Palermo Convention: A Reality Check*, New York: International Peace Institute.

StAR (2009): *Stolen Asset Recovery. Politically Exposed Persons. A Policy Paper on Strengthening Preventive Measures*. Theodore S. Greenberg; World Bank & UNODC

StAR (2011): *Barriers to Asset Recovery*. Stephenson, Kevin et al.; World Bank & UNODC.

Stedman-Jones, Daniel (2012): *Hayek, Friedman, and the Birth of Neoliberal Politics*. Princeton University Press.



Sterling, Claire (1994): *Thieves' World: The Threat of the New Global Network of Organized Crime*.

Stern, Nicholas (2006): *The Economics of Climate Change. The Stern Review*. UK Cabinet Office - HM Treasury

Stewart, James (2012): *Corporate War Crimes: Prosecuting the Pillage of Natural Resources*. Open Society Foundation

Stiglitz Joseph; Sen Amartya; Fitoussi Jean-Paul (2006): *Report by the Commission on the Measurement of Economic Performance and Social Progress* ([www.stiglitz-sen-fitoussi.fr](http://www.stiglitz-sen-fitoussi.fr)).

Stiglitz, Joseph (2012). *The Price of Inequality: How Today's Divided Society Endangers Our Future*. Norton.

Strange, Susan (1970): *International Economics And International Relations A Case Of Mutual Neglect*. *International Affairs*, Vol. 46, No. 2(Apr., 1970), pp. 304-315.

Strange, Susan (1988): *States and Markets*. Second Edition (1994). Continuum.

Strange, Susan (1994): 'Wake up, Krasner! The world has changed', *Review of International Political Economy*

Strange, Susan (1995a): *The defective state. (What Future for the State?)*. *Daedalus*. American Academy of Arts and Sciences. v124, n2, p55.

Strange, Susan (1995b): *Political economy and international relations*, in Booth, Ken and Smith, Steve (eds.), *International Relations Theory Today*, Cambridge, Polity Press, p. 172.

Strange, Susan (1996): *The retreat of the State: The Diffusion of Power in the World Economy*

Strange, Susan (1997): *Casino Capitalism*.

Strange, Susan (1998a): *Mad Money: When Markets Outgrow Governments*. Michigan.

- Strange, Susan (1998b): *What Theory? The Theory in Mad Money*. University of Warwick, CSGR Working Paper No. 18/98.
- Strange, Susan (1999): *The Westfailure System*. *Review of International Studies* (1999), 25, 345–354
- Strazzari, Francesco (2008): 'L'Œuvre au noir: The Shadow Economy of Kosovo's Independence', *International Peacekeeping*, Vol.15, No.2, 2008, pp.155–70.
- Strickland, Eliza et al. (2007): *Casualties Of Katrina. Gulf Coast Reconstruction Two Years After The Hurricane*, CorpWatch.
- Suhrke, Astri & Wimpelmann Chaudhary, Torunn (2007): *Conflict And Development*
- Sullivan, Drew (2010): *Libel Tourism: Silencing the Press Through Transnational Legal Threats*. A Report to the Center for International Media Assistance.
- Sutherland, Edwin (1983): *White Collar Crime*. Yale University.
- Swanson, David (2010): *War Is A Lie*.
- Swanson, David (2011). *The Military Industrial Complex At 50*.
- Swanson, Diane (2003): *Campaign AACSB: Are Business Schools Complicit in Corporate Corruption?* *Journal of Individual Employment Rights*, 10 (2), 151-165.
- Sweeney, Paul (2015): *Tackling tax evasion, avoidance and tax havens*. ETUI
- Synodus Episcoporum (2009): *II Coetus Specialis Pro Africa*.
- Tax Justice Network (2005): *Tax Us If You Can*.
- Tax Justice Network (2007): *Closing the Floodgates. Collecting tax to pay for development*.
- Tax Justice Network (2012): *Revealed: global super-rich has at least \$21 trillion hidden in secret tax havens*.
- Tax Justice Network Germany (2013): *Taxes and human rights*.

The Financial Crisis Inquiry Commission (2011): *The Financial Crisis Inquiry Report. Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United States.*

The Fund For Peace (2006): *The Effect Of The Kimberley Process On Governance, Corruption, & Internal Conflict.*

The Rules (2013): *Global Wealth Inequality - What you never knew you never knew.*  
[www.therules.org](http://www.therules.org).

The Sentry (2015): *Country Briefs: Democratic Republic of Congo.*

Thompson, Janice (1994): *Mercenaries, pirates, and sovereigns: State-building and extraterritorial violence in early modern Europe.* Princeton University Press.

Tilly, Charles (1985): *War Making and State Making as Organized Crime*; in *Bringing the State Back In* edited by Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University Press).

Tilly, Charles (1998). *Durable Inequality.* University of California Press.

TNI (2012): *TNI annual report 2012: ideas in movement.*

TNI (2013): *The COP19 Guide to Corporate Lobbying. Climate crooks and the Polish government's partners in crime.*

TNI (2015a): *Public services under attack. TTIP, CETA, and the secretive collusion between business lobbyists and trade negotiators*

TNI (2015b): *State of Power 2015. An annual anthology on global power and resistance*

Tomasello, Michael (2009): *Why We Cooperate.* The MIT Press

Tomasello, Michael (2014): *A Natural History of Human Thinking.* Harvard University Press.

Tomasello, Michael et al. (2012): *Two Key Steps in the Evolution of Human Cooperation*. The Interdependence Hypothesis. *Current Anthropology* Volume 53, Number 6, December 2012 673

Tombs & Whyte (2002): *Unmasking The Crimes Of The Powerful*. *Critical Criminology* **11**: 217–236, 2002. © 2003 Kluwer Law International.

Tombs & Whyte (2015). *The Corporate Criminal: Why Corporations Must Be Abolished*. Taylor and Francis.

Tonkiss, Fran (2006): *Contemporary Economic Sociology Globalisation, production, inequality*. Routledge.

Tooze, Roger (2000a): *Ideology, Knowledge and Power in IR and IPE, in Strange Power*. In Lawton et al. 2000)

Tooze, Roger (2000b): *Susan Strange, Academic International Relations and the Study of International Political Economy*. *New Political Economy*, vol. 5, n° 2, July 2000.

Toussaint, Eric (2006): *Banque mondiale : Le Coup d'Etat permanent. L'Agenda caché du Consensus de Washington*. CADTM

Toussaint, Eric (2010): *Un coup d'oeil dans le rétroviseur. L'idéologie néolibérale des origines jusqu'à aujourd'hui*. Editions du Cerisier.

Transnational Crime and Corruption Centre (2001): *Transnational Crime and Peacekeeping: Comparative Perspectives*.

Transparency International & International Council on Human Rights (2009): *Corruption and Human Rights: Making the Connection*.

Transparency International (2003): *Global Corruption Report 2003: Access to Information*

Transparency International (2004a): *Global Corruption Report 2004: Political Corruption*

Transparency International (2004b): *Plundering politicians and bribing multinationals undermine economic development, 2004.* ;

Transparency International (2005): *Global Corruption Report 2005. Corruption in Construction and Post-Conflict Reconstruction.*

Transparency International (2006): *Global Corruption Report 2006: Corruption And Health*

Transparency International (2007a): *Addressing corruption and building integrity in defence establishments, Working Paper 2.*

Transparency International (2007b): *Global Corruption Report Global Corruption Report 2007: Corruption And Judicial Systems*

Transparency International (2008): *Global Corruption Report 2008: Corruption In The Water Sector*

Transparency International (2009a): *Global Corruption Report 2009: Corruption in the Private Sector*

Transparency International (2009b): *The Anti-Corruption Plain Language Guide.*

Transparency International (2010): *The Anti-Corruption Catalyst: Realising the MDGs by 2015.*

Transparency International (2011a): *Annual Report 2010*

Transparency International (2011b): *Bribe Payers Index 2011.*

Transparency International (2011c): *Global Corruption Report 2011: Corruption and Climate Change*

Transparency International (2011d): *Progress Report on Enforcement of the OECD Convention.*

Transparency International (2012): *Defense Companies Anti-Corruption Index 2012.*

Transparency International (2013a): *Corruption & Peacekeeping Strengthening Peacekeeping and the United Nations.*

Transparency International (2013b): *Global Corruption Report 2013: Education*

Transparency International (2015a): *Curbing Illicit Financial Flows To Unlock A Sustainable Future.*

Transparency International (2015b): *Just for Show? Reviewing G20 promises on beneficial ownership*

Transparency International (2015c): *People and Corruption: Africa Survey 2015*

Transparency International (2016): *Paradise lost. Ending the UK's role as a safe haven for corrupt individuals, their allies and assets.*

Transparency International UK (2011): *Cabs For Hire? Fixing The Revolving Door Between Government And Business.*

Trusted Criminals (2010): *White Collar Crime in Contemporary Society.* Fourth Edition. Wadsworth.

Tye, Larry (2002): *The Father of Spin: Edward L. Bernays and The Birth of Public Relations.* MacMillan.

U4 (2009): *Confronting corruption in humanitarian aid: Perspectives and options.*

UK Parliament (2006): *Colonial Genocide And The Congo,* Early Day Motion 2251, 24.05.2006.

Ullman, Harlan et al (1996): *Shock and Awe. Achieving Rapid Dominance.* The National Defense University

UN (1989): *International Convention against the Recruitment, Use, Financing and Training of Mercenaries*

UN (1992a): *Convention On Biological Diversity.*

UN (1992b): *United Nations Framework Convention On Climate Change.*

UN (1998): *Kyoto Protocol To The United Nations Framework Convention On Climate Change.*

UN (2003a): *Convención de las Naciones Unidas contra la Corrupción, General Assembly.*

UN (2003b): *Human Security Now, Report of the Commission on Human Security.*

UN (2004): *Un mundo más seguro: la responsabilidad que compartimos, Informe del Grupo de alto nivel sobre las amenazas, los desafíos y el cambio del Secretario General de la ONU.*

UN (2012): *Resilient people, resilient planet: a future worth choosing.*

UN (2015a): *Addis Ababa Action Agenda of the Third International Conference on Financing for Development.*

UN (2015b): *The Millennium Development Goals Report 2015.*

UN ECOSOC (2013): *Resolution on combating transnational organized crime and its possible links to illicit trafficking in precious metals.*

UN GA (2008): *Making the Law Work for Everyone. Report of the Commission on Legal Empowerment of the Poor.*

UN GA (2009): *Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System*

UN GA (2014a): *International Guidelines for Crime Prevention and Criminal Justice Responses with Respect to Trafficking in Cultural Property and Other Related Offences. A/RES/69/196.*

UN GA (2014b): *Report of the Open Working Group of the General Assembly on Sustainable Development Goals. (A/68/970).*

UN GA (2015): *The right to privacy in the digital age*. Human Rights Council Twenty-eighth session. Agenda item 3.

UN Global Compact (2013): *Corporate Sustainability in The World Economy*

UN Human Rights Council (2011): *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*. A/HRC/17/31.

UN Human Rights Council (2014): *Report of the Special Rapporteur on the right to food, Olivier De Schutter. Final report: The transformative potential of the right to food*.

UN Human Rights Council (2015): *Report of the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression*.

UN Population Division (2015): *World Population Prospects 2015 Revision. Key findings and advance tables*.

UN Security Council (2004): *Reports Of The Group Of Experts Submitted Through The Security Council Committee Established Pursuant To Resolution 1533 Concerning The Democratic Republic Of The Congo*.

UN Security Council (2010): *Statement by the President of the Security Council, S/PRST/2010/4, 24 February 2010*.

UN Security Council (2011): *Letter dated 15 November 2010 from the Chair of the Security Council Committee established pursuant to resolution 1533 (2004) concerning the Democratic Republic of the Congo addressed to the President of the Security Council*.

UN Security Council (2011): *Report of the Secretary-General on the protection of Somali natural resources and waters (S/2011/661)*



UN Security Council (2013): *Final report of the Group of Experts on the Democratic Republic of the Congo, prepared in pursuance of paragraph 5 of Security Council resolution 2078 (2012).*

UN SG (2015): *The future of United Nations peace operations: implementation of the recommendations of the High-level Independent Panel on Peace Operations.*

UN SG High-level Panel on Global Sustainability (2012): *Resilient people, Resilient planet. A Future Worth Choosing.*

UN Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises (2011): *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*

UNCTAD (2008): *Informe Sobre Las Inversiones En El Mundo.*

UNCTAD, FAO, IFAD, World Bank (2010): *Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources.*

UN-DESA (2010): *World Economic and Social Survey 2010. Retooling Global Development.*

UNDP (1995): *Human Development Report 1994.* ;

UNDP (2002): *Human Development Report 2002. Deepening democracy in a fragmented world.*

UNDP (2003): *Human Development Report 2002. Deepening democracy in a fragmented world.*

UNDP (2009): *Human Development Report 2007/2008. Fighting climate change: human solidarity in a divided world.* 2009. ;

UNDP (2011): *Human Development Report 2011. Sustainability and Equity: A Better Future for All*

UNDP (2015): *Human Development Report 2015. Work for Human Development*

UNEP (2009a): *From Conflict to Peacebuilding. The Role of Natural Resources and the Environment.* ;

UNEP (2009b): *Protecting the Environment during Armed Conflict- An Inventory and Analysis of International Law.*

UNEP (2011a): *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication - A Synthesis for Policy Makers.*

UNEP (2011b): *Year Book 2010, New Science And Developments In Our Changing Environment*

UNEP (2012). *Inclusive Wealth Report 2012. Measuring progress toward sustainability.* Cambridge: Cambridge University Press.

UNEP (2015a): *Climate Change and Human Rights.*

UNEP (2015b): *Green Energy Choices: The Benefits, Risks and Trade-Offs of Low-Carbon Technologies for Electricity Production*

UNEP—INTERPOL (2016): *The Rise Of Environmental Crime. A Growing Threat To Natural Resources, Peace, Development And Security. Rapid Response Assessment.*

UNEP-MONUSCO-OSESG (2015): *Experts' background report on illegal exploitation and trade in natural resources benefitting organized criminal groups and recommendations on MONUSCO's role in fostering stability and peace in eastern DR Congo.* Final report.

UNESCO (1970): *Convención sobre las medidas que deben adoptarse para prohibir e impedir la importación, la exportación y la transferencia de propiedad ilícitas de bienes culturales.*

UNESCO (2008): *Global Education Digest 2007: Comparing Education Statistics Across the World*

UNFCCC (2015): *Adoption Of The Paris Agreement*.

UNGIFT (2008): *Human Trafficking: An Overview*.

UNHCHR (2011): *Guiding Principles on Business and Human Rights*.

UNISDR (2015): *The Human Cost Of Weather Related Disasters 1995-2015*.

United Nations Global Compact: *The Ten Principles*  
(<http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>).

United States Department of State Bureau for International Narcotics and Law Enforcement Affairs (2011): *International Narcotics Control Strategy Report 2010*.

UNODC (2000): *United Nations Convention Against Transnational Organized Crime And The Protocols Thereto (UNTOC)*

UNODC (2003): *United Nations Convention Against Corruption (UNCAC)*

UNODC (2005): *Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime;*

UNODC (2008a): *Crime and its impact on the Balkans and affected countries*.

UNODC (2008b): *Drug Trafficking As A Security Threat In West Africa*, November 2008.

UNODC (2009a): *Addiction, Crime And Insurgency. The transnational threat of Afghan opium*

UNODC (2009b): *Transnational Trafficking And The Rule Of Law In West Africa: A Threat Assessment*.

UNODC (2009c): *World Drug Report 2009*.

UNODC (2010a): *Corruption In Afghanistan, Bribery as reported by the victims*, January 2010.

UNODC (2010b): *Crime and instability: Case studies of transnational threats*. Trends in Organized Crime (2010) 13:231–239.

UNODC (2010c): *The Globalization of Crime. A Transnational Organized Crime Threat Assessment*.

UNODC (2011a): *Estimating illicit financial flows resulting from drug trafficking and other transnational organized crimes*. Research Report

UNODC (2011b): *Organized Crime and Instability in Central Africa. A Threat Assessment*.

UNODC (2011c): *The Transatlantic Cocaine Market Research Paper*

UNODC (2011d): *Transnational Organized Crime In The Fishing Industry. Focus on: Trafficking in Persons, Smuggling of Migrants, Illicit Drugs Trafficking*

UNODC (2011e): *World Drug Report 2011*.

UNODC (2012a): *Digest Of Organized Crime Cases: A compilation of cases with commentaries and lessons learned*.

UNODC (2012b): *Transnational Organized Crime in West Africa: A Threat Assessment*

UNODC (2012c): *Wildlife and Forest Crime Analytic Toolkit*. International Consortium on Combating Wildlife Crime

UNODC (2012d): *World Drug Report 2012*.

UNODC (2013a): *Business, Corruption And Crime In The Western Balkans: The impact of bribery and other crime on private enterprise*.

UNODC (2013b): *Transnational Organized Crime in Eastern Africa: A Threat Assessment*.

UNODC (2013c): *Transnational Organized Crime in West Africa: A Threat Assessment*

UNODC (2014): *Global Report on Trafficking in Persons 2014*.

UNODC (2015a): *World Drug Report 2015*.

UNODC (2015b): *International Classification Of Crime For Statistical Purposes (ICCS)*. Version 1.0

UPI (2009): *Pirates guided by Spies in the UK*.

USA Congress (2011): *Transforming Wartime Contracting. Controlling costs, reducing risks. Final report to Congress. Findings and recommendations for legislative and policy changes. Commission On Wartime Contracting In Iraq And Afghanistan. A bipartisan congressional commission*.

USA President (2011): *Strategy To Combat Transnational Organized Crime*.

USA Senate (2012): *U.S. Vulnerabilities to Money Laundering, Drugs, and Terrorist Financing: HSBC Case History*. Permanent Subcommittee On Investigations. Committee on Homeland Security and Governmental Affairs

USAID (2015): *Organized Crime, Conflict and Fragility. Assessing Relationships through a Review of USAID Programs*.

Utas, Mats ed. (2012). *African Conflicts and Informal Power: Big Men and Networks*. Zed Books.

Van der Does, Emile et al. (2011): *The Puppet Masters. How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It*. The World Bank, UNODC.

Van Der Pijl, Kees (1998): *Transnational Classes and International Relations*. Routledge

Van Der Pijl, Kees (2009): *A Survey of Global Political Economy. Version 2.1*. Centre for Global Political Economy - University of Sussex

Van Duyne, Petrus (1997), 'Organized Crime, corruption and power', *Crime Law and Social Change* 26: pp 201-238.

Van Duyne, Petrus (2014): *Greed: the deadly sin as red thread*. In van Duyne et al. (eds.) (2014): *Corruption, greed and crime-money. Sleaze and shady economy in Europe and beyond*. Wolf Legal Publishers.

Van Duyne, Petrus ed. (2013): *Corruption, greed and crime-money. Sleaze and shady economy in Europe and beyond*. 14<sup>th</sup> Cross Border Crime Colloquium. Wolf Legal Publishers

Van Duyne, Petrus ed. (2014): *The relativity of wrongdoing: Corruption, organised crime, fraud and money laundering in perspective*. Fifteenth Crossborder Crime Colloquium. Wolf Legal Publishers

Van Schendel; Willem & Abraham, Itty (2005): *Illicit Flows and Criminal Things: States, Borders, and the Other Side of Globalization*. Indiana University Press.

Varese, Federico (2011): *Mafias on the Move: How Organized Crime Conquers New Territories*. Princeton University Press.

Varoufakis, Yanis (2011): *The Global Minotaur: America, the True Origins of the Financial Crisis and the Future of the World Economy*. Zed Books Ltd.

Varoufakis, Yanis et al. (2011): *Modern Political Economics. Making sense of the post-2008 world*. Routledge.

Via Campesina (2007): *Declaration of the Forum for Food Sovereignty, Nyéléni 2007*

Vigueras, Juan (2008): *Los piratas estaban en la City de Londres*, Tax Justice Network.

Vitousek et al. (1997): *Human domination of Earth's ecosystems*. Science; Jul 25, 1997; 277, 5325

Vogl, Frank (2012). *Waging War on Corruption: Inside the Movement Fighting the Abuse of Power*. Rowman & Littlefield.

Von Lampe, Klaus (2002): *Is there honour among crooks? The importance of trust in criminal relations*. American Society of Criminology.

- Von Lampe, Klaus (2003): *The Use of Models in the Study of Organized Crime*, European Consortium for Political Research (ECPR).
- Von Lampe, Klaus (2004): *Measuring Organized Crime. A Critique of Current Approaches*. Wolf.
- Von Lampe, Klaus (2005): *Beg, Steal or Borrow. The Study of Organized Crime and the Infusion of Concepts and Theories from Other Disciplines*, American Society of Criminology (ASC)
- Von Lampe, Klaus (2006): *The Interdisciplinary Dimensions of the Study of Organized Crime*, Trends in Organized Crime.
- Von Lampe, Klaus (2015): *Organized Crime: Analyzing Illegal Activities, Criminal Structures, and Extra-legal Governance*. SAGE Publications.
- Vorrath & Beisheim (2015): *Organised Crime in the “2030 Agenda for Sustainable Development”*. *Indicators and Measurements for International and National Implementation*. SWP
- Vorrath, Judith (2014): *From War to Illicit Economies. Organized Crime and State-building in Liberia and Sierra Leone*. SWP Research Paper
- WACD (2014): *Not Just in transit. Drugs, the State and Society in West Africa*.
- Wainwright, Tom (2016): *Narconomics: How To Run a Drug Cartel*. Ebury Publishing.
- Walker, John (1998): *Modelling Global Money Laundering Flows - some findings*.
- Walklate, Sandra & McGarry, Ross eds. (2015): *Criminology and War: Transgressing the Borders*. Taylor and Francis.
- Wallace-Brown, Garrett & Held, David (2010): *The Cosmopolitanism Reader*. Polity
- Wallerstein, Immanuel (2004): *World Systems Analysis, an Introduction*, Duke University Press.

- Walters, Reece (2006): *Crime, bio-agriculture and the exploitation of hunger*, British journal of criminology 2006 46, 26-45
- Watt, Peter; Zepeda, Roberto (2012): *Drug War Mexico: Politics, Neoliberalism and Violence in the New Narcoeconomy*. Zed Books.
- Webb, Gary (1998): *Dark Alliance. The CIA, the Contras, and the Crack Cocaine Explosion*. Seven Stories Press, New York
- Weber, Max (1919): *Politik als Beruf*.
- Weerts, Audrey (2013): *Ressources Naturelles Au Kivu: Vers L'institutionnalisation Du Pillage ?* in : *L'afrique Des Grands Lacs 2012-2013*, ed. Reyntjens, Filip.
- Weiss, Thomas (2013): *Global Governance: Why? What? Whither?* Wiley.
- Welzer, Harald (2012): *Climate Wars. Why people will be killed in the twenty-first century*. Polity
- Wendt, Alexander (1987): *The Agent-Structure Problem in International Relations Theory*. International Organization, Vol. 41, No. 3. (Summer, 1987), pp. 335-370.
- Wendt, Alexander (1992): *Anarchy is what States Make of it: The Social Construction of Power Politics*. International Organization, Vol. 46, No. 2. (Spring, 1992), pp. 391-425.
- Wendt, Alexander (1999): *Social Theory of International Politics*. Cambridge Studies in International Relations.
- Wendt, Alexander (2003): *Why a World State is Inevitable*. European Journal of International Relations. SAGE Publications and ECPR-European Consortium for Political Research, Vol. 9(4): 491–542
- Wendt, Alexander (2015): *Quantum Mind and Social Science. Unifying Physical and Social Ontology*. Cambridge.



- West and Schultz. (2015): *Learning for resilience in the European Court of Human Rights: adjudication as an adaptive governance practice*. Ecology and Society 20(1): 31. <http://dx.doi.org/10.5751/ES-07190-200131>
- Westerkamp, Meike; Feil, Moira & Tänzler, Dennis (2010): *Sustainable Prevention of Resource Conflicts: Case Study and Scenarios on Copper and Cobalt in the Democratic Republic of Congo. Section report from the study on behalf of the German Federal Environmental Agency* (research project FKZ 370819 102)
- White, Rob (2008): *Crimes Against Nature. Environmental criminology and ecological justice*. Willan.
- White, Rob (2011). *Transnational Environmental Crime: Toward an Eco-Global Criminology*. Taylor & Francis.
- White, Rob (2013): *Environmental Harm. An eco-justice perspective*. Policy Press.
- White, Rob ed. (2010): *Global Environmental Harm. Criminological Perspectives*. Willan
- White, Rob ed. (2010); *Environmental Crime: A Reader*. Willan Publishing
- WHO (2003a): *Convención Marco para el Control del Tabaco*.
- WHO (2003b): *Substandard and counterfeit medicines*, Fact sheet N°275, WHO (2008): *Counterfeit drugs kill*.
- WHO (2003c): *Substandard and counterfeit medicines*. Fact sheet N°275.
- WHO (2009): *Report On The Global Tobacco Epidemic*.
- Whyte, Dave (2007): *The Crimes Of Neo-Liberal Rule In Occupied Iraq*, The British Journal of Criminology. London: Mar 2007. Vol. 47, Iss. 2.
- Whyte, David (2009): *Crimes of the Powerful. A Reader*. McGraw Hill.

- Whyte, David (2010): *The neo-liberal state of exception in occupied Iraq*. In: Chambliss, Michalowski and Kramer eds. (2010): *State Crime in the Global Age*. Willan Publishing.
- Wiegratz, Jörg (2015): *The New Normal: Moral Economies in the Age of Fraud*. In Whyte, David (2015): *How Corrupt is Britain?* Pluto
- Wight, Colin (2006): *Agents, Structures and International Relations. Politics as Ontology*. Cambridge
- WikiLeaks (2010a): *BBC High Court defence against Trafigura libel suit*, March 12, 2010
- Wikileaks (2010b): *Collateral Murder*. <http://www.collateralmurder.com>
- WikiLeaks (2014): *Trade in Services Agreement (TISA) Financial Services Annex*.
- Wilkinson, Richard & Pickett, K. (2009): *The Spirit Level: Why More Equal Societies Almost Always Do Better*. Allen Lane, 2009.
- Williams, Christopher (1996): *An environmental victimology*. *Social Justice* 23.4 (Winter 1996): 1640.
- Williams, Mark (2015): *The Anthropocen Biosphere*. *The Anthropocene Review*. 2015, Vol. 2(3) 196–219.
- Williams, Phil & Savona, Ernesto (2005): *The United Nations and Transnational Organized Crime*. Taylor and Francis.
- Willson, Lavrov, Keller, Maier and Ryle (2012): *Human Corpses are Prize in Global Drive for Profits*, ICIJ
- Winch, Peter (1958): *The Idea Of A Social Science and its Relation to Philosophy*. Routledge
- Windfuhr Michael: *Food Sovereignty. Towards democracy in localized food systems*. FIAN-International. 2005.

- Winer Jonathan (2002), *Illicit Finance and Global Conflict*, Fafo.
- Winer Jonathan (2003): *Globalizing Transparency: Implementing a Financial Sector White List*, Fafo AIS Policy Brief, May 2003.
- Winkelmann, Ricarda et al (2015): *Combustion of available fossil fuel resources sufficient to eliminate the Antarctic Ice Sheet*. Science Advances 11 Sep 2015; Vol. 1, no. 8, e1500589; DOI: 10.1126/sciadv.1500589.
- Wolin, Sheldon (2008). *Democracy Incorporated: Managed Democracy and the Specter of Inverted Totalitarianism*. Princeton University Press.
- Woodhouse and Ganho (2011): *Is Water the Hidden Agenda of Agricultural Land Acquisition in sub-Saharan Africa?* University of Manchester
- Woodward, David (2015): *Incrementum ad Absurdum: Global Growth, Inequality and Poverty Eradication in a Carbon-Constrained World*. World Economic Review 4: 43-62,
- World Bank & FAO (2009): *The Sunken Billions. The Economic Justification For Fisheries Reform*.
- World Bank (2007): *Plan de Aplicación para Intensificar la Labor del Grupo del Banco Mundial con Respecto al Buen Gobierno y la Lucha Contra la Corrupción, Políticas de Operaciones y Servicios a los Países*.
- World Bank (2009a): *Informe sobre el desarrollo mundial 2009. Una nueva geografía económica*.
- World Bank (2009b): *World Development Report 2009. A new economic geography*.
- World Bank (2010a): *Informe Sobre el Desarrollo Mundial 2010, Desarrollo y Cambio Climático*.
- World Bank (2010b): *Politically Exposed Persons. Preventive Measures For The Banking Sector*

World Bank (2010c): *The Global Report of the Economics of Adaptation to Climate Change Study*.

World Bank (2012): *Turn Down the Heat: Why a 4°C Warmer World Must be Avoided*.

World Bank, UNODC (2007): *Stolen Asset Recovery (StAR) Initiative: Challenges, Opportunities, and Action Plan*.

World Bank, UNODC (2010): *Fact Sheet on Stolen Asset Recovery*.

World Development Movement (2010): *The great hunger lottery: How banking speculation causes food crises*.

World Economic Forum (2010): *Everybody's Business: Strengthening International Cooperation in a More Interdependent World*.

World Economic Forum (2014): *Outlook on the Global Agenda 2014*

World Peoples' Conference On Climate Change And The Rights Of Mother Earth (2010): *People's Agreement*. Cochabamba, Bolivia

Wright & Nyberg (2015): *Climate Change, Capitalism, and Corporations: Processes of Creative Self-Destruction (Business, Value Creation, and Society)*. Cambridge University Press.

Wright, Alan (2006): *Organised crime*, Willan Publishing.

WWF & ZSL (2015): *Living Blue Planet Report. Species, habitats and human well-being*.

WWF (2008): *Living Planet Report 2008*.

Yale University, Columbia University, World Economic Forum, Joint Research Centre of the European Commission (2010): *Environmental Performance Index*.

Young & Delmas (2009): *Governance for the Environment. New Perspectives*. Cambridge.

Young, Iris (2004): *Five Faces of Oppression*; in *Oppression, Privilege, & Resistance* edited by Heldke, Lisa and O'Connor, Peg. McGraw Hill

Young, Iris Marion (2006): *Responsibility And Global Justice: A Social Connection Model*. *Social Philosophy and Policy*, 23, pp 102-130. doi:10.1017/S0265052506060043.

Zalasiewicz, Williams, Steffen and Crutzen (2010): *The New World of the Anthropocene*. *Environmental Science & Technology*, 2010, 44 (7), pp 2228–2231.

Zaum, Dominik; Cheng, Christine (2011). *Corruption and Peacebuilding* (Cass Series on Peacekeeping). Taylor & Francis.

Ziegler, Jean (2011) : *Destruction massive : Géopolitique de la faim*, Seuil.

Zierler, David (2011). *The Invention of Ecocide: Agent Orange, Vietnam, and the Scientists Who Changed the Way We Think About the Environment*. University of Georgia Press.

Zizek, Slavoj (2009): *First As Tragedy, Then As Farce*. Verso.

Zucman & Johannesen (2012): *The End Of Bank Secrecy? An Evaluation Of The G20 Tax Haven Crackdown*. Paris School of Economics

Zucman, Gabriel (2015): *The Hidden Wealth of Nations: The Scourge of Tax Havens*. University of Chicago Press.