

## **TRANSNATIONAL CRIMINAL NETWORKS AND INTERNATIONAL SECURITY**

**Melvyn Levitsky\***

The last decade of the twentieth century witnessed a profound transformation in the nature and conduct of international affairs. While the preceding forty-five year period of the Cold War was filled with tension and uncertainty stemming from ideological and geopolitical competition between the United States and Soviet Union and their allies, the relative balance of power between the two camps and the unwillingness of the superpowers to allow confrontation to escalate to all out war brought a modicum of stability to the international arena. The demise of the Soviet Union and its sphere of control—a goal sought eagerly by the Western powers—did not usher in the promised “New World Order” of international cooperation, democracy and good governance. Rather, the difficult transitional period in the former Soviet bloc, a series of internal and cross border disputes, a plethora of failed and failing states, and the reluctance of the remaining superpower to engage actively in the shaping of post-Cold War events contributed to disorder and instability in many areas of the world.

At the same time, increasing globalization of the world economy showed itself to have two faces. On the one hand, goods, services, people and ideas were able to move more freely across national boundaries, bringing new opportunities for trade, cultural contacts and enhanced quality of international life. On the other, new illegal elements that emerged in the post-Cold War world and already established criminal organizations—and, as we have seen, terrorist groups as well—were able to take advantage of these trends more quickly and effectively than governments. Just as businesses modernized and internationalized to improve their positions so did transnational criminal organizations. This article assesses the effect

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\* M.A., State University of Iowa; B.A., University of Michigan. Professor of Public Administration and International Relations, Distinguished Fellow of the Global Affairs Institute, Maxwell School of Citizenship and Public Administration at Syracuse University. During his 35-year career as a U.S. diplomat, Ambassador Levitsky was Ambassador to Brazil from 1994-98 and before that held such senior positions as Assistant Secretary of State for International Narcotics Matters, Executive Secretary of the State Department, Ambassador to Bulgaria, Deputy Director of the Voice of America, and Deputy Assistant Secretary of State for Human Rights. Ambassador Levitsky also served as Director of the State Department's Office of UN Political Affairs and as Officer-in-Charge of U.S.-Soviet Bilateral Relations. Earlier in his career he was political officer at the U.S. Embassy in Moscow and a Consul at U.S. Consulates in Belem, Brazil and Frankfurt, Germany.

transnational organized crime networks have had on international security.

### I. SURVEY OF TRANSNATIONAL CRIME

A brief survey of transnational crime reveals a rich, powerful and complex network of illegal enterprise.

#### A. *Drug Trafficking*

While a number of chemically produced illegal drugs (for example, amphetamines, methamphetamines) are trafficked, the most powerful illegal drug trafficking organizations are based on the "farmed" drug crops—coca/cocaine and opium/heroin. These crops originate in remote areas generally out of government control in the countries of the Andes in South America (Bolivia, Peru and most prominently Colombia) for coca and in the Golden Triangle of Burma, Thailand and Laos and the Golden Crescent of Afghanistan and Pakistan for opium. The production and marketing cycles for these products resemble those of a legal industry like cereals or tobacco: the primary products of coca leaf and opium gum are processed into cocaine and heroin in small "laboratories" and mini-factories in countries of origination and others along the way to markets. (See figure 1 for a sketch of the cocaine business cycle). These illegal enterprises also have distribution branches to get products to areas of consumption—generally in developed countries—middle men, street retailers, financial networks to launder and distribute profits, and security arms to protect the enterprise from intervention by other criminal organizations and governmental authorities. Principal transit routes to major markets are cocaine and heroin—from Colombia via Mexico, the Caribbean and Europe to the United States; heroin—from the Golden Crescent via Iran, Turkey and the Balkan countries to Europe; from the Golden Triangle via Hong Kong and other ports to various points of entry in Canada and the Western United States.

Estimates by the United States, the United Nations (UN), and international financial institutions conclude that this illegal industry generates from 300 to 500 billion dollars per year in illicit income. The UN estimates that there are 185 million customers for illegal drugs worldwide equal to 4.3% of the world's population age 15 and above.<sup>1</sup>

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1. U.N. OFFICE OF DRUG CONTROL AND CRIME PREVENTION (hereinafter ODCCP), *Global Illicit Drug Trends 2002*, at 213, ISBN 92-1-148150-3, U.N. Sales No. E.02.XI.9 (2002), available at <http://www.undcp.org> (last visited Mar. 4, 2003) (reporting a wealth of information concerning drug abuse, production, and trafficking worldwide).

In the United States alone some 16 million regular users (at least once a month) spend over 160 billion dollars a year on illegal drugs and create annual economic and social costs to the country of over 100 billion dollars.<sup>2</sup>

### B. *Human Smuggling and Trafficking*

These criminal enterprises move people illegally across national borders. Human smuggling rings bring illegal immigrants into developed countries for purposes of employment in legal industries. Examples are Chinese smuggled by "snakehead" organizations into the U.S. and Europe, illegal Mexican workers trafficked across U.S. borders, and Middle Easterners and East Europeans smuggled into Western Europe. Typically, immigrants enter into a contractual relationship with the smugglers and are charged upwards of fifteen thousand dollars to be transported to these markets. Income is generated from fees charged both at origination and destination points. If the contract fee is to be paid later, a condition of bondage often results as immigrants become permanently indentured to the agents of the smuggling ring at the destination point or to enterprises that arrange to have them employed.

The second type of human trafficking is the acquisition and transportation of women and children from their countries to other countries for purposes of prostitution and slavery. Principal points of origination are Russia and the former Soviet Union, Southeastern Europe, Asia (particularly Thailand and the Philippines) and South America with principal destination points in the U.S., Canada, Europe and some countries in East Asia with advanced economies. In such cases those to be trafficked, or their families in the cases of children, are often deceived or coerced by trafficking organizations and are handled as a commodity to be sold or "rented" in the market country.

The extent of this criminal endeavor is difficult to estimate. The UN Office of Drug Control and Crime Prevention (ODCCP) believes that 200 million people may be in countries other than their own as a result of trafficking, with some 100,000 in the U.S., 50,000 in Japan and

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2. U.S. OFFICE OF NATIONAL DRUG CONTROL POLICY (hereinafter ONDCP), *Illegal Drugs Drain \$160 Billion A Year from American Economy: Drug Czar Details 'Direct Threat' to U.S. Economic Security*, Jan. 23, 2002, available at <http://www.whitehousedrugpolicy.gov> (last visited Mar. 4, 2003); see also OFFICE OF NATIONAL DRUG CONTROL POLICY ANNUAL REPORT, *The President's National Drug Control Strategy 2003*, available at <http://www.whitehousedrugpolicy.org> (last visited Mar. 4, 2003).

200,000 in Europe working as prostitutes.<sup>3</sup> A U.S. Government report says up to four million people are trafficked annually and that up to 50,000 women and children are smuggled across U.S. borders each year.<sup>4</sup> Illicit income generated through human trafficking is in the tens of billions of dollars. The UN International Crime Research Institute (UNICRI) estimates that transnational criminal organizations earn approximately seven billion dollars per year from trafficking in women and children alone.<sup>5</sup> A woman or child sold into prostitution can earn up to \$150,000 annually for a crime boss.

Human trafficking organizations use many of the same routes and methods employed by drug trafficking organizations—trucks, ships/containers, aircraft, and foot trails. Once weak points in transportation, border and customs systems are established and solidified, the type of product trafficked—human, natural or manufactured—matters little except to the extent that it can be concealed. What is critical is the ability to exploit weak points in border and port control systems and to corrupt and compromise those officials and institutions formally charged with preventing their entry. Here, low wages and lack of civic attachment combine with fear of retaliatory violence to weaken the barriers to transnational crime.

### C. *Illegal Small Arms Trafficking*

Often connected with other types of crime, especially drug trafficking, this enterprise originates in the legal production of small arms but then extracts arms from legal channels to sell them to a host of criminal and rebel groups. The UN estimates that there are 500 million of these weapons spread throughout the world with only about half of them in the hands of governmental authorities.<sup>6</sup> The organization also blames illegally smuggled weapons for 500 thousand deaths a year, and claims that illegal small arms were a significant element in 46 of 49

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3. See Barbara Crossette, *U.N. Warns that Trafficking in Human Beings is Growing*, N.Y. TIMES, June 25, 2000, §1at 10; Pino Arlacchi, *Opening Statement to the International Seminar on Trafficking in Human Beings, Brasilia, Brazil*, (Nov. 28-29, 2000), available at <http://www.unodc.org/odccp/speech> (last visited Feb. 28, 2003).

4. U.S. DEPARTMENT OF STATE, *Trafficking in Persons Report*, (June 5, 2002), available at <http://www.state.gov/g/tip/rls/tiprpt/2002/10653.htm> (last visited Feb. 27, 2003).

5. ODCCP, *Trafficking in Persons: the New Protocol*, available at [http://www.odccp.org/odccp/trafficking\\_protocol\\_background.html](http://www.odccp.org/odccp/trafficking_protocol_background.html) (last visited Feb. 27, 2003).

6. Dafna Linzer, *U.N. Officials to Consider Illegal Trade of Small Arms Plan to Halt Illegal Arms Trafficking*, ASSOC. PRESS, July 9, 2001, available at <http://www.iansa.org> (last visited Feb. 28, 2003).

major conflicts in the 1990s.<sup>7</sup> A significant contributor to the trafficking of small arms was the breakup of the Soviet Union and the breakdown of public order and institutions in Russia and the former Soviet republics. The disorderly transition in this area of the world unleashed a flood of weapons from military and police organizations. Fueled by increased demand from areas of conflict like former Yugoslavia, Afghanistan and Africa the small arms trafficking industry has grown into a multi billion-dollar business.

#### *D. Other Major Transnational Crime*

Rounding out this picture of the world of transnational organized crime is a host of other “industries”:

Contraband in stolen items especially automobiles, generates ten to fifteen billion dollars annually. (One billion dollars worth of stolen cars is taken out of the U.S. annually.)<sup>8</sup>

Illegal duplication, piracy and distribution of films, software, computer disks, etc. (Loss to the U.S. alone is thought to be approximately \$20 billion per year.)<sup>9</sup>

Production of fraudulent credit cards generates almost one billion dollars annually. Added to this are fraudulent transnational financial schemes such as advanced fee fraud (e.g. the Nigerian “prince” who needs an overseas bank account) counterfeit currency, the sale of false identity documents, passports and visas, illegal electronic transfers of money. The Association of Certified Fraud Examiners believes yearly losses to the United States from these schemes to be upwards of \$200 billion.<sup>10</sup>

#### *E. The Bottom Line*

U.S. and UN sources gauge the proceeds of transnational organized crime at between 1 and 1.5 trillion dollars per year, exceeding the gross domestic product of all but a handful of highly developed countries. Of these proceeds, the International Monetary Fund estimates that approximately \$700 billion is laundered through the international financial system. If one adds tax evasion (not considered a crime in

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7. *Report of the U.N. Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects*, U.N. Doc.A/CCNF.192/15 (2001), available at <http://disarmament.un.org> (last visited Mar. 7, 2003).

8. *The International Crime Threat to U.S. Strategy*, in U.S. International Crime Control Strategy, (June 1998), available at <http://www.fas.org/irp/offdocs/iccs/iccsii.html> (last visited Feb. 28, 2003).

9. *Id.*

10. *Id.*

many countries) the IMF believes that laundered money constitutes between two and five percent of the world economy.<sup>11</sup> In 1997, one expert estimated that five trillion dollars were parked in offshore financial for purposes of tax evasion and money laundering.<sup>12</sup>

## II. PATTERNS AND TRENDS

From this snapshot of world crime we can extract some general patterns and trends which undermine legal authority and weaken international security.

Much illegal activity, particularly in drugs and human trafficking, originates in the poorer, less developed areas of the world and moves across borders to rich, developed country markets. For this to take place, criminal organizations take advantage of and promote the frailties of governing systems in developing countries in order to make their headquarters and sources of supply more secure from intervention. Their ease of operation is directly related to the weakness of the criminal justice system. Trafficking networks in the developing nations both thrive on instability and feed it. (Here it should be noted, however, that the United States, hardly a developing country, might also be considered to be the world's largest "exporter" of illegal goods, if one considers contraband such as arms, cigarettes, pornographic material and stolen cars.)<sup>13</sup>

In many countries criminal organizations have assumed a significant political role. They bribe, "buy" and threaten politicians, legislators, judges and journalists to protect themselves and their activities. This insertion of crime into political life has been particularly highlighted in places like Colombia and its Andean neighbors, Nigeria, parts of Pakistan and Thailand, the former Soviet Republics, and more in the Balkan countries. (One might well add the poorer areas of southern Italy and Sicily, or even the inner cities of a number of industrialized countries, where

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11. *Financial Action Task Force on Money Laundering*, available at <http://www.oecd.org> (last visited Mar. 3, 2003).

12. *International Organized Crime: The Larger Issues: Hearing Before the House Comm. on Int'l Relations*, 105th Cong. (1997) (statement of Jack A. Blum, Esq.)

13. Peter Andreas, *Transnational Crime and Economic Globalization*, in *TRANSNATIONAL ORGANIZED CRIME AND INTERNATIONAL SECURITY: BUSINESS AS USUAL?* (Mats Berdal & Monica Serrano eds., 2002).

criminal organizations have for years protected themselves with political influence gained through graft and violence.) Because the shipment of illicit products, particularly illegal drugs, to the lucrative markets of wealthy countries generate such huge profit and income, trafficking networks are often able to outspend and out maneuver the government agencies arrayed against them in production and transit areas situated along transportation routes. When the willingness of these networks to employ threats and violence is added, the result is a trail of compromised officials, parliamentarians, judges and governmental institutions as well as overwhelmed and outpaced national economies.

Unlike traditional, hierarchically organized criminal organizations like the Italian and American mafias, modern transnational crime has decentralized and diversified its activities, flattened and networked its operations and regularly engaged in "transactional alliances," for one-time-only deals.<sup>14</sup> Colombian drug trafficking organizations serve as an example. Once organized into two large cartels in the cities of Medellin and Cali, they transformed themselves into smaller cells of activity when Colombian and U.S. authorities worked effectively against them in the early nineties. Ironically, breaking up the cartels often made these "smurfed" organizations more efficient by forcing them into flatter, loosely linked groups difficult to identify and attack. Colombian traffickers who previously ran a field to street system peppered with trusted members of their own organizations, now have arrangements with a variety of Mexican, Caribbean and other nationality criminal organizations to move their drugs out of Colombia across U.S. borders and onto the streets of American cities and towns.

Similarly, criminal organizations have shown themselves to be highly adaptable to new ways of doing business. With no formal laws, rules, regulations or ethical principles to hinder their operations, international crime groups have

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14. See Phil Williams, *Crime, Illicit Markets and Money Laundering*, in MANAGING GLOBAL ISSUES: LESSONS LEARNED, 106-50 (P.J. Simmons & Chantal de Jonge Oudraat, eds., 2001) (providing a more complete description of these new methods of organization by international crime).

been able to take advantage of modern technology even more quickly than transnational business groupings and much more effectively than governments operating under the constraints of domestic and international law and treaty structures. The use of the Internet, combined with off-the-shelf encryption techniques, and especially the ability to communicate by one-time-use-only cellular phones to protect their deal-making and communications, has allowed the modern, networked international crime organizations to widen further the advantage they hold over governmental and multilateral institutions. They do not need legislatively-passed budgets, authorizations, competitive bidding, and requisitions to work the new technology into their operations.

The entry of Russian criminal groups into the international crime arena in the past decade has also complicated the work of law enforcement immensely. Crime existed in the Soviet Union during the Communist period, although the controlled press rarely reported on its activities. Many gangs were populated by members who had served prison sentences in the Soviet gulag. The breakup of the Soviet Union and the opening of its borders, coupled with the reduced influence and power of the KGB and civil police functions, not only energized criminal activity but allowed criminal gangs to travel, emigrate and establish activities and links in Europe, the U.S. and Canada and Israel. Crime also became a significant factor in Russian economic and political life. One study, estimated that during the privatization process, organized crime in Russia was able to gain control of 60% of the banking system.<sup>15</sup> The Russian Ministry of the Interior has put the number of criminal organizations at 9,000 with total membership of over 100,000 and with some twenty branches of these groups operating abroad. One State Department official used as an example of this internationalization of Russian crime, the case of a Russian national with Israeli citizenship living in Greece who arranged illegal arms shipments to groups in Sierra Leone and laundered his

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15. *Russian Organized Crime* (Center for Strategic and International Studies, Washington, D.C.), 1997, available at <http://www.csis.org> (last visited Feb. 27, 2003).

money in Panama.<sup>16</sup>

### III. TRANSNATIONAL CRIME AND INTERNATIONAL SECURITY

Few would question the benefits that globalization and expanding modern technology have brought to the countries and peoples of the world. Fewer still regret the demise of the Soviet Union and its system of government in Europe, with all the repression of human initiative that system imposed on its subjects. It is, however, worth noting that the unintended consequence of these two developments has been an increase in the opportunities for international criminal groups to expand their activities, connect with each other and nullify the efforts of governments to fight them. Consequently, because of the way they operate, they pose a growing threat to international stability and security. Transnational organized crime by its nature attacks democracy and good governance by compromising and weakening public institutions. Its corruption of public officials makes government less responsive to societal needs and undermines public support for legitimate governments, thereby creating an atmosphere of cynicism and diminishing civic spirit.

Criminal activities also distort national economies through the influx of large amounts of money generated by illegal enterprise. These funds are not productive in the sense of large scale generation of employment. They hinder long-term economic development since "easy money" attracts disadvantaged segments of the community (e.g. coca growers in the Andes, street drug peddlers, and hired killers and runners in urban areas) and moves them away from legitimate jobs that help build the economy.

As noted, the emergence of crime as a significant factor in former communist countries has fed instability and hindered their transition to more representative political and economic systems, thereby slowing their integration into the world political economy. The diminished capability of the border forces and internal security arms of former communist governments opened the possibility for the penetration of outside groups and the establishment of new routes and transit points for the smuggling of drugs, weapons, nuclear, radiological and biological materials from and through these areas.

Transnational crime organizations also play a role in weakening international security via their links and support to rebel and

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16. See U.S. Deputy Assistant Secretary of State Wendy Chamberlin, Address at the EU-U.S. Conference on Strategies to Combat Transnational Organized Crime, Jan. 23, 2001, transcript available at <http://www.state.gov> (last visited Feb. 27, 2003).

international terror groups. Virtually all the weapons used by insurgent ethnic groups in East and West Africa were acquired illegally, and have been the primary instruments of the killing of hundreds of thousands of people in conflicts in that area. The FARC and ELN guerillas and the paramilitary groups who control nearly half of Colombia finance a major part of their insurgent actions by protecting and taxing the illegal drug trade and dealing in drugs themselves. The income generated by drugs and other criminal activities has brought about a situation in which these insurgent groups are better equipped, armed, and paid than government forces. Drugs, human trafficking and other smuggling along the Balkan Route from Southwest Asia to Western Europe have financed the activities of rebel groups in Iran, Turkey, Macedonia, Kosovo, Albania and Yugoslavia. Income from the opium and heroin trade and other contraband strengthens warlords in Afghanistan, Pakistan and Burma, helping them keep the areas from which they operate outside the control of governmental authorities.

Recently, much has been made of "narco-terrorism." Television advertisements linking the purchase of drugs with terrorist acts have been both criticized and satirized. Aside from this controversy, however, it is clear that there is a linkage between these two types of crime. Drugs are a source of funding for terrorist groups with presence in places like Afghanistan, Lebanon, Colombia, and the triborder area of Brazil, Argentina and Paraguay. In late 2002 Hong Kong police apprehended three men based in South Asia for attempting to trade hashish and heroin for anti-aircraft missiles they planned to sell to the Al Qaida terrorist network.<sup>17</sup> While this case has yet to come to trial (the U.S. has requested extradition of the three), it exemplifies the natural connection, both in terms of proximity and common cause, between the drug trade and terrorism. While the image of fighting both "wars" together can be exaggerated, there is little doubt that any attempt to dry up sources of terrorist funding will need to devote significant attention to the link to narcotics income.

#### IV. INTERNATIONAL RESPONSES

To combat transnational crime the international community has developed an array of instruments and institutions. In the twentieth century illegal drugs became the first focus of this effort. The 1961 and 1972 international drug control conventions sought to define and

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17. *Drugs-for-Arms Deal Thwarted, Ashcroft Says*, N.Y. TIMES, Nov. 6, 2002, available at <http://www.nytimes.com/2002/11/06/international/06WIRE-ASHC.html> (last visited March 24, 2003).

regulate illegal drugs and set standards for signatories. They were followed by a comprehensive 1988 international anti-trafficking convention that went beyond regulation to place specific obligations on signatory states to work together in areas of law enforcement, legal and judicial cooperation, crop control and demand reduction. A structure within the United Nations has been developed over the past fifty years to implement treaty obligations: an International Narcotics Control Board composed of experts in the field to oversee the treaties, a Commission on Narcotic Drugs to amend and amplify the treaties and draft new instruments and resolutions for UN General Assembly consideration, and an executive agency, the UN Drug Control Program (UNDCP), funded with voluntary contributions, to deliver assistance programs for the reduction of supply and demand for drugs in developing countries.

In the nineties, this drug control structure was supplemented and expanded to include broader international crime. The UNDCP became part of a larger Office of Drug Control and Crime Prevention (ODCCP). A research branch, the UN International Crime Research Institute, was established to provide analysis of trends and developments in world crime to supplement case-related information made available to police organizations by INTERPOL. At the same time an International Crime Convention was drafted, ratified by the requisite number of states and came into effect in December 2000. The Convention draws on many of the provisions of the 1988 anti-trafficking convention (police and judicial cooperation, extradition, witness protection, money laundering, mutual legal assistance, conspiracy legislation), and expands state obligations to broader areas of international crime. The Convention also contains supplementary protocols designed to improve international efforts against illegal migration, human trafficking and small arms smuggling.

Multilateral and bilateral programs have also been strengthened. A Financial Action Task Force (FATF), originally composed of some twenty industrialized countries, was established in the eighties to assess country performance and encourage banking reforms dealing with money laundering. Its focus has been expanded to smaller countries, particularly those considered to be tax havens, whose banking systems could be used to launder the proceeds of crime, and its members have helped the governments concerned with banking reform. Concurrently the European Union began to develop its own institutions (EUROPOL, a counterpart of INTERPOL, and the European Monitoring Commission on Drugs and Crime) to coordinate the anti-crime efforts of member states. A G-8 Experts Working Group on Organized Crime has focused

on human trafficking, migrant smuggling and illegal arms. The Organization of American States has also increased the programs and funding of its anti-drug unit, CICAD, which became more active in developing model legislation and monitoring methods for its members. A new regional group for law enforcement has recently been created by a number of nations in the Caucasus and Central Asia with funding from the United States and the World Bank.

A host of other activities has been developed on bilateral bases. The U.S. Government helped establish regional law enforcement academies in Budapest, Bangkok and Gabon to supplement bilateral programs for law enforcement training, legal assistance, banking reform and drug crop control in dozens of countries. Similar programs are funded by the United Kingdom, Italy, Germany and France. These countries and others have added law enforcement officials to the diplomatic staffs of their Embassies in order to coordinate international police activities among themselves and with host countries. The United States has increasingly involved its intelligence agencies in the production and dissemination of information on drugs and crime and concluded a number of bilateral treaties to assist in joint investigations as well as criminal prosecutions.

One way of assessing the concern of governments about organized crime's effect on security is to look at funding levels for anti-crime efforts at the national and international levels. In the United States the budget for international narcotics control programs administered by the Department of State was at an annual level of about \$150 million in the early 1990s. In the latter part of the decade international crime programs were added to the portfolio of the administering bureau in the Department and funding was increased significantly. In 2003, the budget request for these activities was over \$900 million dollars.<sup>18</sup> While most of this is destined for counter narcotics programs in South America, the fifty million dollars requested for other anti-crime technical assistance programs is almost ten times the amount expended for such programs ten years before. UN anti-drug and crime assistance programs based on member states voluntary contributions and administered by ODCCP have almost doubled in the past ten years, reaching nearly \$200 million in 2002-03.<sup>19</sup>

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18. See also U.S. Department of State, *Bureau for International Narcotics and Law Enforcement Affairs*, available at <http://www.state.gov> (last visited Feb. 27, 2003).

19. See also ODCCP, available at <http://www.unodc.org> (last visited on Feb. 27, 2003).

## V. CONCLUSIONS

International efforts to combat transnational crime have expanded considerably in the past twenty years. The impetus for these efforts comes from a realization that no one state has the means to combat the phenomenon on its own and within its own borders. Further, a sense of shared interest in combating crime has gradually developed between countries used by criminal organizations as the principle bases and origination points for the products of crime and those that serve as major destination points for those products. This realization has overcome much of the false division between producer and transit countries in the world's developing areas and the major markets in the industrialized nations. Supply and demand are increasingly being viewed as a continuum in terms of joint action. This new attitude has increased the number and quality of economic and technical assistance and training programs. In addition, major developed nations have attempted to coordinate their programs more fully, make greater use of the United Nations and regional organizations and to create broader alliances among national law enforcement, border and customs and diplomatic agencies. In order to defeat criminal networks, nation authorities are developing networks of their own.

Major questions remain, however, as to how successful these efforts can be. As noted in this article, transnational criminal organizations have considerable advantages over the governments and international institutions attempting to counter them. As non-state actors they can devise their own rules and modes of operation. They are able to move their loci quickly and with little damage to their activities. They can take advantage of the lack of priority accorded crime fighting and indeed, the complicity of members of the political class and law enforcement organs in a number of countries, particularly in the developing world. And, even with the recent development of international conventions and regimes to deal with crime, the lack of a set of enforceable international legal standards and common principles for intergovernmental cooperation, allows them to operate quite freely, often with near impunity.

It might be argued that crime will always be a part of national and international life because it is based on activities proscribed by societies but engaged in by significant elements in those societies. In this view programs to combat drugs and crime can only serve to limit the damage to society of these activities to acceptable proportions. Of course, the same might be said of many other "wars" governments wage against phenomena considered by their citizens to be destructive of national values and goals. In any case the fact is that criminal organizations

have shown themselves to be flexible, resilient and powerful. They will continue to flourish alongside failed and failing states, fragile institutions, corrupt officials, and weak civil societies. While economic and social development bolstered by programs of international assistance in the most vulnerable places of the world will help governments cope with transnational organized crime's subversion of state authority and public welfare, the degree of success attained will depend on whether the international community can marshal the political will, patience and persistence to carry on a long, difficult struggle against a determined foe.

Figure 1

### COCAINE CYCLE

- 1) Primary Cultivation – Leaves picked & dried
- 2) Primary Processing  
Leaves ⇒ add chemicals ⇒ paste ⇒ add chemicals ⇒ base
- 3) Final Production – laboratories  
Base ⇒ chemicals ⇒ drying ⇒ raw cocaine ⇒ packaging (500-1,000 lbs. of leaves ⇒ 5 lbs of paste ⇒ 2 lbs of cocaine) (Typical lab processes 1,000 lbs of paste per week)
- 4) Export – transportation to consuming countries' markets
- 5) Distribution – Wholesale dealers – middlemen – street pushers
- 6) Profit-taking – money returned/laundered, electronically transferred
- 7) Funds invested/reinvested in illegal and legal businesses. Used to finance cultivation/production, protection of the enterprise

Source: Melvyn Levitsky, 2003