

Internationalisation of organised crime

The integration of economies through trade (globalisation), the growth of global financial networks (stock exchanges and international banks), technology (internet) and faster means of travel (air) and communication are enabling transnational organised crime.

Examples include trade in drugs (heroin is the most lucrative), wildlife (rhino horn), human organs (medical fraud), women and children, as well as money laundering, cyber-crime (Nigerian 419 fraud and dark web) and terrorism. The end of the Cold War, the reunification of East and West Germany, and the fragmentation of the United States of the Soviet Republic (USSR) played a significant role in the spread of organised crime to and from former Russian states that became independent and integrated in the European and global economy. Examples include Bulgaria, Kazakhstan and Turkmenistan.

The USA as the most influential state politically and economically, liberalised international financial markets (Robinson) and did not create effective mechanisms in its place for regulating these markets. Excessive and ineffective regulation of drugs by the USA's enforcement agencies, the country's corporate businesses, banks and politicians played the biggest role in the spread of organised crime internationally (Woodiwiss).

Williams stated that the globalisation of international financial networks "has facilitated the emergence of what is, in effect, a single global market for both licit (legal) and illicit (illegal) commodities". Robinson said Transnational Criminal Organisations (TCOs) realised what many politicians do not, that it is only about one thing in the economic world, namely wealth creation. To achieve this, "the underworld (illegal) needs the upperworld (legal). The huge money made in the production and selling of drugs is of such mega proportions that it must be "legalised" in order to enter the "formal economy". Such money is legalised through the buying of property and creating "paper" or "ghost companies" for money laundering. Some emerging and offshore economies become "safe havens" for laundering the money of organised syndicates. Examples include Mexico, Aruba and the Cayman Islands.



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The mafia is in the protection business

Once a state is perceived as "penetrated", organised criminal groups deliberately attempt to undermine the functioning of the state.

TCOs operate outside the formal and legal rules of states. They bypass state policies and do not have public accountability and citizen oversight mechanisms that slow them down and put limitations on their operations. Organised crime becomes an institutionalised culture with its own values. Examples include routine deception, violence and ruthlessness.

Organised criminal groups eliminate rivals and legal businesses by means of violence. Their purpose is to establish monopolies in target areas or markets that increase their profit margins excessively.

Often, the most important reason for the existence of organised criminal groups is to provide protection (security) to legal and illegal businesses that operate in their areas of domination. Such protection comes at a price and is similar to paying a landlord a monthly rent for renting his/her property. With conclusive evidence (Gambetta, Scheider & Dominik, as well as Glenny) it is concluded that some organised criminal groups and specific the Italian and Sicilian Mafia is in the protection business. This is also the case in some down town areas of Johannesburg.

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