

Organised and corporate crime

During the Cold War, mainly between the capitalistic United States of America (USA) and the communistic Union of Soviet Socialist Republics (USSR), organised crime was framed as something external to the USA and the idea of mafia dominated organised crime took root.

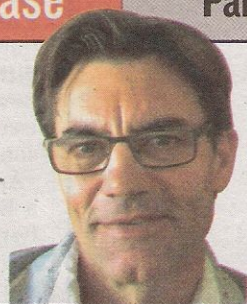
As far back as the 1960's President Nixon claimed that the only way to combat organised crime was to destroy it. However, increased law enforcement and other regulations caused shortages of supply and increased the price of drugs exponentially, making it extremely profitable due to the increased risk and the shortage of supply.

Due to Nixon's intervention, the demand for drugs increased, especially in the USA. Simultaneously, the socio-economic contribution of drugs by means of employment and income also increased (still today) to alleviate poverty in South American countries. Drug control measures such as litigation and law enforcement were "solutions" to fight drugs as mainly a moral and ethical problem. Anti-drug strategies were not connected to the socio-economic roots of the problem.

It became extremely profitable and attractive to produce, process, smuggle and sell drugs, especially to the world's biggest economy. The USA demonstrated an unlimited demand for drugs such as marijuana, cocaine and more recently, chemically produced drugs. The use of specific drugs became a status symbol of the upper class of Wall Street stockbrokers. The denigrate status of drug users as low class outsiders of formal society, e.g. criminals, changed to an upper class yuppie status symbol.

However, anti-drugs strategies remained unchanged and ineffective. In the grey world between illegal organised crime and the legalised corporate world, e.g. lawyers and greedy Wall Street stockbrokers (watch the DVD *The Wolf of Wall Street*) as "protectors" of the drug industry, enormous profits from drug money are being "washed" in shares and paper or ghost companies. With the assistance of some unscrupulous lawyers and bankers, drug money ended up as deposits in international and local banks, before it is invested in a variety of legal businesses. Money generated from drugs and other forms of organised crime such as sex trading is being invested in Multi-National Corporations (MNCs), due to their huge profit and market growth potential. Organised crime is inseparable from the involvement of MNCs.

The grey upper and under world of MNCs have grown exponentially since abandoning of the Bretton Woods money market principles. Other reasons for the growth of MNCs include deregulation of the monetary system and corporate oversight, inadequate corporate checks and balances and enforcement by financial regulators. the



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end of the Cold War, and fragmentation of the USSR.

The largest 100 MNCs have more money and influence than most developing and even some developed countries. Such enormous financial capacity provides leverage for MNCs to bribe cabinet ministers and members of parliament.

MNCs do have huge demand and capacity to initiate and finance large capital-intensive projects. The bigger the project, the bigger the opportunity for bribes, the bigger the scale of the bribes and the more tempting it is for recipients to accept bribes. For example, in the Lesotho Highlands Water Project a number of MNCs bribed the project officer in charge of the mega tender that provides South Africa with about eighty percent of its water, namely the Katse Dam.

MNCs are already challenging the power of governments and their power and ability to bribe will increase in parallel with their enormous and increasing profits. For example, the corruption and back door dealings of countries such as South Africa and Russia with the International Federation of Association Football Federation (FIFA) to host the Soccer World Cup.

In the vast globalised market of MNCs, the huge difficulties in cross-country litigation and the absence of international enforceable oversight mechanisms, the financial and political influence of MNCs will increase as unchecked abusive behaviour. This situation will continue unless societies demand increased transparency and disclosure from their dealings and initiate civil action such as international networking governance, e.g. open dialogues on social media and blogs to establish public oversight mechanisms to place tabs on the activities of these super powers that control national governments.

Although extremely controversial, the dealings of Julian Assange of WikiLeaks and Edward Snowden have initiated international transparency about governments at a scale never seen before. International networking and transparency is a global trend that does have the potential to put tabs on the dealings of MNCs.

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