

# TRANSNATIONAL ORGANIZED CRIME. AN (INTER)NATIONAL SECURITY PERSPECTIVE

**Ionel STOICA**

Ministry of National Defense, Bucharest, Romania

*For the past two decades organized crime has become a transnational phenomenon, and its impact is still far from being fully known and understood by common people. Its forms of manifestation, whether explicit, or subtle, are permanently evolving and adapting. As a result, its interference with the activities from the legal area makes it difficult to identify and counteract. After a long period of time when it was more a peripheral phenomenon, current transnational organized crime tends to become a major danger to the political, social and economic stability of the states. Through its nature and goals, as well as through the complexity of its forms of manifestation, transnational organized crime represents a major challenge for the state and non-state organizations that deal with national and international security*

*This paper focuses on the phenomenon starting from some of the most influent theories in international relations, presents the current features of transnational organized criminal groups and analyzes the causes and the favoring factors of the phenomenon, as well as the impact of the phenomenon upon national and international security at political, economic-financial and military level. The approach is an interdisciplinary one and also covers the nexus between transnational organized crime and international terrorism.*

**Key words:** *organized crime, international relations theories, criminal organizations, terrorism.*

## 1. DEFINITIONS

The rapid developments and turbulences during the last two decades have determined a continued redefinition of the notion of transnational organized crime [1]. Thus, at present, there is no universal accepted definition regarding this phenomenon.

The conceptual framework built around the notion of transnational organized crime is influenced by two main variables: the space within which the phenomenon occurs and the required time for its analysis. In this context these two variables gain sense if they are understood either

as an assemble of conditions and historical, socio-political, economic and technological developments (in the case of space), or as a set of specific ideas, concepts and perceptions (in the case of time). In this respect it is worth noting that definitions themselves evolve continuously but their contents is influenced by the theoretical approaches to the phenomenon they describe.

Moreover, the variability of the definitions referring to this phenomenon is pretty much rendered by the discipline itself, the level of analysis and the methodology for research. The particularities of different geographical spaces, the

political and economic interests (not always convergent) of states, as well as the differences in approach specific to different theories in international relations further hinder reaching a consent regarding what transnational organized crime represents, even for a delineated period of time.

But the lack of the consent regarding what transnational organized crime represents does not prevent researchers from reaching an agreement regarding some features of the phenomenon, considered intrinsic to its transnational character [2]:

a. perpetrators - they are persons or organized groups crossing national borders (physically or virtually - by using advanced technologies in informatics and communications) while developing their activities;

b. the object of the organized crime - is represented by: "illicit goods (manufactured or from the services field); licit goods stealth or those that make the object of smuggling outside the country; the licit goods purchased from a country by violating the restrictions regarding their export; the licit goods imported from a country by violating restrictions regarding import or international embargo" [2];

c. the subject of the organized crime - consists of foreigners engaging in illegal acts on the territory of other state;

d. the motive of organized crime - consists in gaining profit from illicit activities. The involvement in illicit activities presupposes exposure to risks incurred by national legislation constraints. That does not mean that transnational organized crime organizations avoid high risk states. If the latter offer attractive and

lucrative markets, then they will become targets for transnational organized groups, that will engage in illicit activities, trying to limit or to minimize their risks, but continuing to operate, mainly, from states where the jurisdiction presents diminished risks for them ;

e. the digital signals - refer to the sending of the electronic messages aiming at attacking or destroying the informatics systems or robbing the financial institutions.

According to the operational definition emerging from all of the above, transnational organized crime has three distinct features which distinguish it from its early national manifestations: a) it operates at regional or global level; b) it has created extended trans-border connections; c) it has the capacity to challenge national and international authorities.

## **2. CONCEPTUAL PERSPECTIVES**

As previously stated, the approach to the phenomenon of transnational organized crime suffers from the impact of different trends in dominating international relations theory, namely Realism, Liberalism, Marxism and Social Constructivism.

From the perspective of Political Realism, each member of the human society has the obligation to obey the fundamental values of the community. As such, the state is authorized to intervene (violent means included) in order to keep social order under its control. State institutions have the function to preserve the dominant legal system to the benefit of the whole society.

From a Clausewitzian perspective, organized crime represents, in its core, a continuation of economic activities using illicit means (transnational organized crime groups combine legal working methods with illegal ones- the use of violence, corruption, intimidation, blackmail).

This theory proposes, as the only one solution to eradicate the phenomenon, strong measures against those who engage in such kind of antisocial deeds. That should represent, in fact, clear signals to individuals who are part of a given social organization that the state is strong enough and determined to take the measures that it considers necessary to discourage those that, otherwise, would intent to challenge state authority, be them persons or organized groups.

Liberalism emphasizes human freedom and views society as a harmonious and unitary mechanism, in which citizens share a common set of values specific to their community. Within this general framework, criminals are defined as persons with a deviant behavior.

The theoreticians of Liberalism recognize that globalization, in general, and trade liberalization, in particular, have contributed to extending transnational organized crime. However, they argue that this represents a secondary effect which cannot shadow the benefits of free trade and globalization.

According to this theory, there are two solutions to the issue: either the criminals give up (on their own will or under the pressure of the society in which they live) their behavior and become alike other members of the society, or they exclude themselves

from the society and will bear the consequences of their behavior. The adepts of Liberalism argue that the phenomenon can be fought through cooperation among states and by creating strong international institutions with attributions in this field.

The Marxist theory explains the phenomenon of transnational organized crime as the continuous effort on behalf of capital owners to maximize their own profit and, implicitly, as a result of their rapacity or lack of interest, to limit the access to well-being for other social classes. The latter, once marginalized, do not have any alternative to survive. For the researchers belonging to this thinking trend in international relations, the solution consists in adjusting the ratio between work and capital as far as goods and services on the world market are concerned, in favor of work.

Social Constructivism approaches crime as an ensemble of elements whose origin is at the crossroad between the social process sphere and the concrete reality. Constructivist researchers argue that reality is a social construct, and the manner in which people act or react in society has a significant impact upon people's behavior.

The researchers belonging to this school of thought argue that the phenomenon is a consequence of the current social organization, of the way in which society's members perceive themselves in relation to the institutions defining the state, as well as of some individual psychological features. Regarding the things from the perspective of Alexander Wendt, we may say that organized crime is strongly shaped by the ideas and the interests prevailing in society.

From the perspective of this school of thought, the solution should be sought in the direction of rethinking and redefining the social processes that currently regulate people's behavior in society.

Each of the above mentioned theories has its own limits in explaining the phenomenon. The Realist theory ignores that in every society there are "social misfits" for the treatment of which special means are necessary. Nonetheless, almost all contemporary societies are not prepared or in tune to invest in this direction since such effort is considered too costly and, therefore, ineffective. Liberalism admits the hypothesis mentioned above, but also considers that this is a natural fact, and the citizens themselves are the only responsible for their acts, taking into consideration that state institutions should have only a limited (or minimal) involvement in regulating a given society's activities. In its turn, the Marxist theory cannot explain why only some individuals from the exploited social categories engage in criminal acts, and others do not. Social Constructivism, beyond its merits in uncovering the limits of the other schools of thought and apart from its contributions to elaborating a theory on the challenges that societies face nowadays, is not so coherent in formulating solutions to the problems under discussion. It can be said that the research programs proposed by Social Constructivism is suggestive and ad yet less conclusive in identifying concrete solutions.

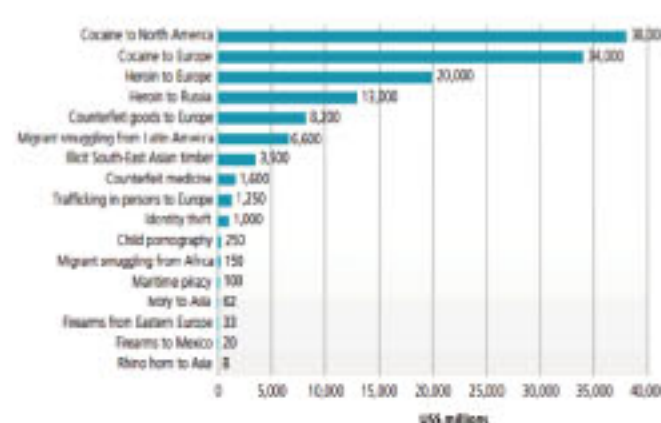
Regardless of the perspective from which the phenomenon of transnational organized crime is approached, it suffers from a partial

analysis and, implicitly, from an insufficient understanding. That is also underlined by the numerous concerns linked to drug, human and arms trafficking activities, illegal immigration or other illegal activities, as well as by the ignorance or, simply, exclusion from the definition of the phenomenon of other illegal activities carried out by legal actors or in which these actors have an important involvement. Thus, the crimes carried out by transnational corporations (especially those which operate in the field of tobacco, oil, chemical products or international finance) or those carried out by some state institutions (such as intelligence services), including those of democratic states, are excluded. The causes of this approach lie in the politico-diplomatic relations generally accepted by states, but also in "the existential symbiosis between state and the non-state criminal groups" [3]. Thus, the limitative and somehow subjective character of the current research in the field can be better explained, even though the objective character which scientific research claims should rise above these practices that, many times, have a temporary character and are not necessary anchored in the social needs of the citizens which they are supposed to serve.

Essentially, transnational organized crime is defined by illegal activities orientated towards profit that cross national borders. Not all organized crime forms are transnational, but, currently, there is a range of activities in this sphere that are carried out on transnational bases, some of them even at a global scale. At the same time, there are premises for extending the criminal activities

beyond the national borders, firstly, because of the differences in the character of the demand and supply of the illegal goods and services.

A non-exhaustive list of the criminal activities includes: drugs trafficking, persons' trafficking, persons' smuggling, arms', ammunitions and other forbidden substances trafficking, fake goods trafficking, maritime piracy and cyberspace crime. The most important activities of the transnational organized crime, by the profit they generate, are presented in **Figure 1**.



**Fig. no. 1.** The main activities of the transnational organized crime; Source: UN Office for Drugs and Crime, 2010.

### 3. CAUSES AND FACILITATING FACTORS FOR TRANSNATIONAL ORGANIZED CRIME

Transnational organized crime has deep roots in humankind history. The phenomenon is a consequence both of some causes spread in all the regions on globe and of some specific premises that are linked to social, political and regional developments. The following are some of the most important causes:

- the disparities in the socio-economic conditions. The high level of global poverty and increasing economic and social inequalities, within the last several decades, have stimulated the phenomenon. From the market's perspective, organized

crime represents an answer to poverty and inequality. Therefore, it is characteristic not only of poor states or communities, but also of developed ones that are characterized by a high level of social inequality and by social and economic discrimination;

- the demand for goods and illicit services. Increasing wealth and excessive consumption in developed countries have created new opportunities for spending spare time, associated with an increase in the demand of goods and illicit services. Sometimes, criminal groups become involved in the development of some projects of local interest [4], as a way to prove that they are more reliable and more effective than state institutions;

- the demographic boom in developing countries - has led to the marginalization and social and economic exclusion of an increasing part of the population in those countries, all of which is overlaid over the social and economic difficulties that those societies are facing. In the absence of the opportunities, that category of population is the most vulnerable to the actions of organized crime groups that have developed their capacity to intervene where state institutions do not involve themselves or are not engaged enough;

- differences among the legislative and juridical systems of the states. A range of transnational crimes are caused, or at least stimulated, by the existence of some differences between the national legislations regarding the fiscal regime for some goods [4]. The smuggling of different goods would not be possible - at least not at the current level - if big differences among states would not

exist in goods' taxation. In addition, the commercial barrier unilaterally imposed by developed states facilitates illicit and smuggling activities. The harmonization of different states' legislation can reduce the level of transnational organized crime;

- globalization. Globalization represents a cause and facilitating factor for transnational organized crime. The liberalization of markets and the free movement of capital flows and, to some extent, of people have created new stimuli for the criminal groups interested in raising their profit. The modus operandi of current criminal organizations follows the logic of market; they succeed in avoiding national boundaries and quickly adapt to the current global economic environment, in which states exercise a more limited control over national business than in the past. Currently, the illicit criminal activities are mixed with licit business [4], an aspect which makes the activities associated with combating organized crime even more difficult, both in terms of distinguishing the legal aspects from the illegal ones, as well as in terms of their effectiveness, as decision-making factors at local and central level are involved in legal/illegal activities.

In the context of globalization, organized crime expands, both geographically (the spatial level), and numerically (the number of the countries affected, the number of groups that operate and the fields of illegal activities). The revolutions in communications and transports - the main vectors of globalization - have facilitated these developments, leading at the same time to the improvement of criminal groups' methods of actions.

On the other hand, some processes associated with globalization diminish the facilitating causes of organized crime. The liberalization of markets, for instance, has diminished the possibility for criminal groups to interfere with the capital flows;

Last but not the least, organized crime is a consequence of attitudes and practices promoted by persons that do not integrate socially or that do not care about the consequences of disobeying social norms.

Transnational organized crime would not have reached the current development level without the support of some favorable factors. Some relatively recent developments at international level have facilitated the intensification of transnational organized crime activities:

a) the geopolitical events occurred for the last 22 years.

The strategies of transnational organized crime groups are closely linked to regional and global geopolitical developments. A range of events with regional and global impact (the Cold War ending, the Soviet Union disintegration, the civil war in the former Yugoslavia, the emergence of new commercial blocks and newly industrialized states), that occurred within the last two decades, have stimulated the activities of transnational organized crime [5]. Terrorist organizations, such as Islamic State in Iraq and Levant, (ISIL), is gaining substantial resources from production and trading oil and natural gases, by imposing taxes on the commercial activities in the territories it controls, drugs trafficking, protection taxes, funds extortions, kidnappings for ransom, bank robberies, terrains

and properties confiscations etc. According to a study realized by IHS Inc. at the end of 2015, ISIL gained between 75 and 80 million euro, monthly, from illegal activities [6].

This plague prospers in the context of political turbulence and economic uncertainties, and the last 20 years do not lack this kind of developments at all. The dissolution of the Soviet Union has encouraged, to a large extent, the expansion of transnational organized crime. In the context of collapse of the communist regimes, the criminal groups have established links in all former socialist states from Eastern Europe. Currently, the Russian organized crime operates without restrictions within the entire ex-Soviet space, being engaged in drug trafficking, illegal migration, and money laundering or illegal arms' trade. Often, the links between Russian organized crime groups and those from other ex-Soviet states is established through the former Soviet nomenclature.

Transnational organized crime has also proliferated as a result of local conditions and developments. In the ex-Soviet space and in the former satellite-states of the Soviet Union, for instance, the continuation and the spreading of the phenomenon were facilitated by the following evolutions:

- the elimination of the interdependence between states belonging to the former socialist block has permitted the extending of the space for action for the new illegal groups, which involved themselves in identifying new markets for goods manufactured in these states. Much of these states represent key elements in the movement and production

of drugs because they are fragile states that present lesser risks to the transnational organized crime's groups than it is the case of stronger states. States caught up in these illegal activities can be perceived as victims of circumstances since they are not the final destinations for these activities. As Kleiman said, "the United States is central to Mexico's drug problem, whereas Mexico is incidental to that of the United States [7]";

- developing opaque privatization processes. The economic liberalization has weakened state authority in Eastern Europe, partially as a result of unfair privatization processes;

- lack of strong political institutions and the increasing and consistent interference of capital owners in political decisions with a view to quick enrichment, illegal ways included.

The political, economic and social transformations in the '90s have led to reframing former structures of authority, to domestic disorder, to strengthening popular resistance to the control exercised by new state authorities, to the revival of ethnic antagonism, as well as to the collapse of the juridical and security systems, often subordinated to or cooperating with the organized crime in the new political context [8]. The power vacuum and the previous experience of organized crime, as well as the rapid deterioration of the living standard of the population have constituted important premises for reviving and extending organized crime groups' activities. At present, the overlaying of legal activities with those illegal in the majority of the new market economies is intrinsic to the new situation;

b) the increasing role of non-state actors. As a consequence of economic deregulation and globalization of world politics, especially after 1989, the non-state actors have gained a more prominent role in world politics. Sometimes, these non-state actors have succeeded in obviating the control and authority of the states. Against this background, an increasing number of groups and organizations became involved in trans-border activities, such as drugs, arms or persons trafficking;

c) the convergent evolutions in the fields of new technologies and in that of the liberalization of illegal flows of goods and services have created a range of opportunities for transnational organized crime. As already stated, the sphere of activities developed by transnational organized crime groups has extended and diversified, as a result of the peaceful coexistence between geographically dispersed criminal groups and the interdependence between national governments and criminal organizations [3].

The same elements that have facilitated the intensification of the business - economic liberalization, globalization, elimination of customs barriers, and development of new technologies - are now exploited by organized crime groups. They have taken advantage of the new context even more than the legal organizations that obey the regulations of the states in which they operate and, hence, make higher profits than the latter. Organized crime networks can currently use the free market advantages and the opening of state borders for their own advantage as a result of being encouraged by

officials' corruption, and by launching threats and intimidations,

d) intensification of international migration. Immigrants that did not integrate in their host societies may find themselves in what Manuel Castells calls "areas of social exclusion" [9]. In Western Europe, for instance, a large part of the Muslim immigrants is marginalized and alienated. Even those who are the second and third generation living in these countries face discriminations on the labor market or in the educational systems. For them, engaging in the informal economy and in criminal activities represents an alternative - many times the only one possibility to survive.

#### 4. TRANSNATIONAL CRIMINAL ORGANIZATIONS

The bulk of studies regarding transnational organized crime presents criminal organizations as the core element (a considerable smaller number of studies focus on the illicit market) of organized crime. A special interest is related to the way in which these entities are organized and function.

The UN Convention on transnational organized crime defines organized crime group as "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 ... in order to obtain, directly, or indirectly, a financial or other material benefit"[10].

According to the UN Convention [10], a serious crime is transnational if:

(a) it is perpetrated in more than a state;

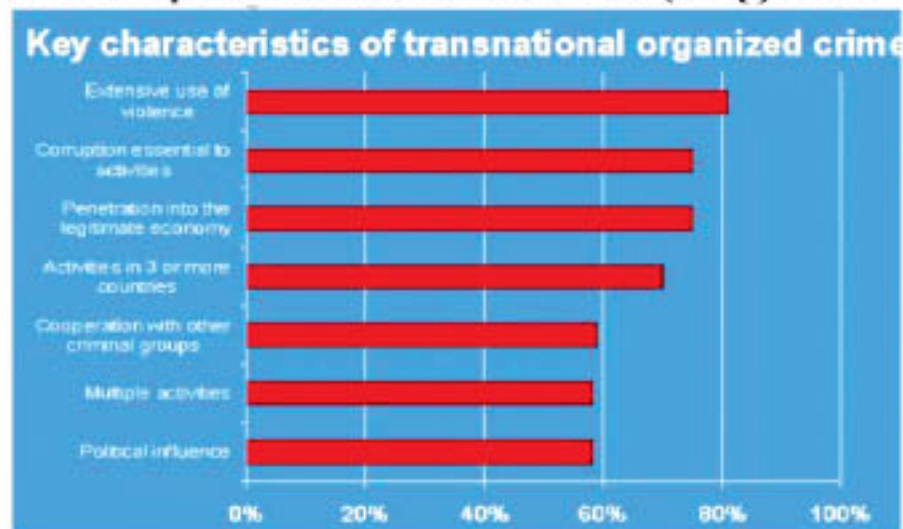
(b) it is perpetrated in a state, but a substantial part of its preparation, planning, direction and control occur in another state;

(c) it is perpetrated in a state, but it involves a criminal group that engages in criminal activities in more than a state, or

(d) it is perpetrated in a state, but it has substantial effects in another state.

We may notice that the UN definition regarding the organized criminal group does not encompass those entities whose main aim is not gaining financial or material benefits, as it is the case of terrorist or insurgent groups. By referring to the financial or material benefits it was just intended the exclusion of the political or social motivated groups.

The UN experts consider that transnational organized crime activities are characterized by: the extensive use of violence; corruption, penetrating the legal economy; carrying out activities in three or more states; cooperation among criminal groups; an extended area of activities and the political influence (**Figure 2**).



**Fig. no. 2.** Features of the transnational organized crime groups' activities; Source: UN Office on Drugs and Crime, 2006.

In an attempt to characterize the behavior of transnational organized crime groups and organizations, Kees Zijlstra mentions that they are [11]:

a. orientated towards committing infractions;

b. structured either hierarchically, or on the bases of personal relationships and able to consolidate that structure through strict sanctions;

c. ready to use violence, intimidation and corruption in order to gain profits and control over the territories and markets;

d. forced to laundry their illicit gains either by extending their area of activity or by penetrating the legal national economy;

e. able to extend in new activities, beyond the national boundaries;

f. more and more interested in cooperating with other transnational organized crime groups;

g. able to infiltrate governmental institutions, including custom services, police, judiciary organs and even national parliaments;

h. in a permanent quest for legal covering.

## 5. THE IMPACT OF ORGANIZED CRIME ON (INTER)NATIONAL SECURITY

Although it has only recently been included on the international agenda, transnational organized crime has quickly become a priority on states' agenda. The UN Convention on transnational organized crime has been in place since 2003. In 2004, the UN Committee has identified transnational organized crime as one of those "six groups of threats that the humankind must be concerned currently and in the next decades" [12], and in February 2010, the UN Security Council underlined the threat raised by transnational organized crime in certain cases for the international security in different regions of the world and

suggested to the General Secretary of the organization to consider these threats as a factor in the strategies for preventing conflicts, conflict resolution, assessment and integration of missions.

Indeed, through the extension and depth of its involvement, organized crime threatens a range of state interests. Thus, *“the physical violence and the intimidation of the population the illicit way of gaining wealth undermine the political, economic, social and cultural wellbeing of the state; attack the legislative and executive systems power... The organized crime creates a parallel economy that instead led to the loss of the public trust in the state’s institutions and the latter’s capacity to ensure equity in society.”* [1]

In such conditions, one should not wonder that criminal violence is the first reason of concern for people, according to a survey conducted in 2005 by Human Security Centre in 11 countries.

What distinguishes organized crime from other security threats is that it anchors in corruption and systematic violence in order to gain high profits, often laundered through their reinvestment in the legal economy [13].

Quantifying the impact of organized crime upon society is desirable and yet very difficult to accurately measure due to the fact that the specific activities of organized crime develop clandestinely. Most often, this impact is estimated on the basis of some statistical data like how many persons die annually because of drugs consumption, or how many persons were trafficked, sexually exploited or were the object

of forced work along a certain period of time, or how legal trade is affected by competition from counterfeit or fake goods.

The literature in the field reveals a range of opinions regarding the level of the threat represented by transnational organized crime. Some researchers reduce its impact at a potential risk; others, more recently, consider it a challenge for national security (even an issue of hard security, through its nexus - sometimes proved, other times only inferred - with international terrorism, violent conflicts or traffic of nuclear materials). The variety of the viewpoints and approaches to the phenomenon at the international level reveals the necessity for specialists in international relations to reach explicative theories able to adapt themselves to the emergence of transnational organized crime as a major threat - perhaps the biggest - raised to the whole world in the 1990 decade and after that [3], as the first step in an effective approach to the phenomenon.

Beyond the nuances, a thing is certain: organized crime affects the way in which institutions and democratic processes function. In the case of states without powerful institutions, the threat is straightforward, while for powerful states, it creates the premises of some vulnerability. But in both cases, transnational organized crime threatens: good governance, state institution, legal markets, economic development and people’s life.

Regardless of the point of view that we share as far as the level of the threat coming from this flagellum is concerned, we have to admit that,

given the current globalization wave, transnational organized crime has become more than ever an increasing threat (both hard and soft) for national and international security. The negative effects of organized crime propagate themselves in all society spheres, as follows:

a) in the political field:

- it affects state sovereignty by “creating parallel routes of goods distribution, aiming at violating national frontiers” [5]. Susan Strange argues that the current international system suffers crucial transformations that lead to an excess of power in world politics in favor of the non-state actors that have the tendency to govern the world [3]. As Strange argues, against this background, states lose their power (which is to be understood in terms of the distribution of capabilities) in favor of markets, sometimes illegal ones. Strange also points out that criminal groups challenge the power and the sovereignty of the states. The result is a kind of “existential symbiosis between the state and the non-state criminal groups” [5] and governments get accustomed with the eroding of the political framework, accepting the cohabitation with criminal groups. Thus, organized crime transforms itself, in the writer’s opinion, from an amount of illegal criminal economic activities in semi-legal enterprises with different covers, frequently supported by governmental or local officials. In other words, between organized crime, legal business and state authorities mutual relationships are established.

According to the 2015 U.S. National Security Strategy, rapid pace of change provided new possibilities

for individuals and governments to get involved into illegal activities that “creates shared vulnerabilities, as interconnected systems and sectors are susceptible to the threat of transnational crime” [14];

- it intervenes in the democratic process, fueling the idea that the political life is governed rather by money than rules and principles; sometimes, organized criminal groups seek to replace genuine political representation providing their own candidates and electors [15]. Criminal organizations can take part (illegally) in the development of the political process penetrating the executive and legislative structures by corruption and blackmail, weakening thus their legitimacy. The final effect can be the destruction of political institutions and of the governing system;

- organized crime can bring serious prejudices to the affected societies when it interferes with the values and norms that contribute to citizens’ understanding of political activity. By distorting the line that cuts off the legal sphere from the illegal one, organized crime changes the perceptions and the understanding of the public opinion, generating alternative loyalties to state institution, with negative effects upon the overall way society functions [5];

- it has an impact on political institution functions through the influence it can exercise on the executive, legislative and juridical decision making-factors. Its influence upon these fundamental links of the states provide criminal organized groups two important advantages: on the one hand, these tend to create their own system outside state justice,

and on the other hand it tries to use state infrastructure and institutions for their own benefits;

- the criminal groups can resort to manipulating the electoral process, providing their own candidates, to whom they provide large amounts of money and compromising information on their political enemies. Even when they support the candidate required by the public, they make it in exchange of the help given by that candidate furthermore (after he is elected). The economic power of criminal organized groups, that gradually becomes also political power, extends so much that they can sometimes subordinate the political parties or can create their own political parties [16] in order to obtain an increased degree of influence over the political decisions in a state. When the result of the political elections is uncertain, as it happened in many countries in the last years, even the control exercised over a small party can be effective in the play of the political alliances and can have profound social consequences over citizens' life;

- when they get involved in mass-media, organized criminal groups can manipulate and even instigate the populations (by selecting the disseminated information flow), hijacking its attention from the real problems in society;

- criminal groups can use intimidation and blackmail in order to eliminate those that oppose to the promotion of the illegitimate interests (be they state officials, union leaders, etc.);

- when it infiltrates state institutions, organized crime can block the implementation of public policies, by intimidation, corruption and blackmail.

b) in the social field it generates high costs with the treatment of those depending on drugs consumption, with the social reintegration of those who have been the object of human being traffic [17]. The costs also include economic productivity loss of such individuals.

c) in the economic and financial fields:

- criminal organizations penetrate state authorities and, implicitly, the legal business. Concerning this aspect, two distinct points of view have taken shape. The first point of view, which we can consider optimistic, argues that, in spite of this risk that is frequently invoked in the specific literature, there is not enough proof regarding criminal groups' infiltration scale. For this reason, the supporters of this opinion consider that the risk represents an exaggeration. The other point of view, that we may name it pessimistic, considers that the lack of sufficient proof should not constitute an argument in the sense of reducing the threat level, because a range of transnational crime can be carried out without a significant level of penetration or corruption of state structures. The obviolation of the law is often more facile to realize than corruption of governments. Moreover, a range of services provided by the legal firms can be used by criminals without these companies being aware of that;

- it generates additional costs for the economic activity, because of the use of violence and eroding the legitimacy of the political regime. The costs required to solve the conflicting interests between the criminal groups and legitimate state institutions hinder the penetration

and maintenance of legitimate participants to economic life on the market. In these circumstances, the investments in the capital are discouraged and create the premise for the massive outflows of the capital from the affected country;

- it generates disturbances in the financial system of the affected countries. The existence of the off-shore banking system, for instance, has eroded not only the capacity of the states to resist to the speculative attacks against their national currencies, but it also facilitated the money laundering operations. The financial stock markets, that are more and more internationalized, make it more difficult to track the so-called "hot money", being permanently in search of speculative investments. This risk is more acute in the new economies in transition, where new financial markets have developed, but where the regulating bodies cannot keep the pace with these changes. The result of these effects consists in less impersonal distribution processes, more inequitable and of structural dysfunctions in economy, with negative effects upon citizens' life and the stability of the domestic political system;

- it discourages free participation of the citizens and of the companies on the market as business entities, distorting market functioning, and may endanger firms' investments and citizens' personal economies;

- it undermines the role of the state, by seriously impacting its effectiveness [18]. Under the pressure of organized crime, the stability and predictability provided naturally by the state disappear. As such, capital owners will tend to

invest their money on the short term, seeking the immediate profit, with an impact on the long term economic development. A weakened state that is vulnerable as far as the guarantee of contracts execution is concerned provides organized crime new opportunities to fill a more extended economic and social space and directs economy, and society, in general, towards personalized structures, to the detriment of public interest. The flexibility and the dynamism of the new transnational organized crime groups provide them a comparative advantage towards the bureaucratic and complex state structures in their fight for economic and political control in society;

- the illegal character of organized crime activities leads usually to less productive investments in economy [19]. The known cases reveal that the extension of organized crime often occurs by acquisitions in the real estate field and by exercising a degree of control over banks and financial companies. The productive investments realized by criminal groups, when they exist, are made in order to launder money and not to generate economic growth or long term social and economic benefits. These investments are directed towards markets that generate a small added value. The strong and consistent demand on behalf of organized crime contributes to an increase in the prices of real estate goods, with further negative consequences on citizens' life and public policies;

- the criminal organizations threaten, firstly, the financial sector of the state, to the extent that they promote the financial institutions

that operate without qualm and thus erode the functions of legitimate state institutions through complex mechanisms of money laundering, that finally can undermine citizens' trust in these institutions. At the same time, the volatility of the capital, as a result of the latter being in the hands of criminal groups, destabilizes banks and financial markets and that may lead to profound economic and social crises.

The combined effects of organized crime in the economic field are inflation, inequitable distribution of income, obviating of free markets and economic regulations [20]. All these have as a result a short term approach of investments, which is counter-productive from the perspective of the economic-social development of a society.

Organized crime has the capacity to provoke major economic disequilibria and long periods of economic recession, seriously affecting international competitiveness in the current increasing globalized framework. In countries with economies strongly dependent on the productive system of a criminal nature, any attempt to eradicate it and to come back to a market led by the efficiency principle risks to provoke economic recession and strong social reactions. That makes it more difficult to combat criminal organizations, especially because the last ones have seldom an explicit antisocial and antidemocratic program.

d) in the military field.

The involvement of criminal organizations in military conflicts, especially in areas where the control over territory and institutions is weak, makes transnational organized crime

an issue of hard security. Organized crime influences the intensity, the dynamics and the duration of armed conflicts, by providing armaments and ammunitions to the combatants. The Kosovo conflict, for instance, has been prolonged due to the fact that Western Europe Kosovo diaspora financed the guerrillas of the Kosovo Army for Liberation. Similarly, the Iraqi insurgency has been fueled for a long time with armaments from the neighboring countries (including with stealth cars that were further transformed into vehicle-born improvised explosive devices). Also, a large part of the African conflicts are fueled with arms from different countries, interested less in the consequences of these conflicts upon the countries affected and more in gaining consistent profits from selling these arms.

The possibility of terrorist groups to get access to the WMD materials through global drug trafficking routes represent a threat that cannot be neglected nowadays, as it is highlighted in the May 2015 issue of Dabiq, the English language ISIL periodical, that suggest the possibility of ISIL to move such materials into the U.S. via Libya, Nigeria, South America and Mexico [21].

## **6. CONNECTIONS BETWEEN ORGANIZED CRIME AND TERRORISM**

In the last years, the threat coming from organized crime has also been increased by the connections, some of them proved, others only presumed, between organized criminal groups and terrorist organizations. These ideas are based on several convergent

elements existent between the two categories of groups:

- terrorist organizations carry out some activities which are specific to criminal groups, in order to finance their terrorist activities [22]. Moreover, terrorist organizations have inspired themselves from the working methods of criminal groups. Thus, the terrorists in Iraq, or the Talibans in Afghanistan or Pakistan, gain large amounts of money from kidnappings, money swindling or drugs trafficking - activities specific to organized crime. It is worth mentioning that, currently, frauds of any kind, together with drugs and persons trafficking, represent an industry in which extremism adepts in Western Europe are more and more involved;

- organized crime groups use tactics specific to terrorist organizations (violence) in order to shape the environment in which they operate, to make it more productive for their own goals;

- the existence of some hybrid groups (an example is the Columbian Revolutionary Army Forces - an insurgent organization that operates in Columbia and carries out extended operations of drugs cultivation, production and trafficking).

However, despite these clear similarities, there is a range of important differences between the two kinds of groups that make their long term cooperation unlikely:

- organized crime has an economic motivation. As such, it focuses its activities on gaining material advantages. In this respect, criminal groups seek to weaken, but not to destroy state institutions.

- on the other hand, terrorism has a political motivation. Terrorist organizations seek to destroy states or to radically change the political regime in a country.

- criminal groups want to remain in the shadow, while terrorists seek to be as visible as possible.

Currently, a radicalized trend can be noticed among the traffickers operating in Western states against the background of an increasing social polarization at international level, marginalization of immigrants from this geographic space and increasing feelings of frustration, as a result of the current inequitable redistribution of resources around the globe. If concretized, the phenomenon will have the effect of strengthening the actionable capacity of terrorist groups.

## **7. CONCLUSIONS**

Through the dimensions that it has gained, organized crime has become a transnational phenomenon and a threat to global security. The challenge raised by organized crime, latent for a long time, tends to become a major danger for the political, social and economic stability of states. The current stage of organized crime has evolved in parallel with and has been facilitated by new frameworks in which international trade has been carried out, as well as by the revolutions in communications and transportation. The extended access of new technologies, the diminishing barriers in human mobility and financial resources allow criminal groups to challenge states' stability and undermine the democracy in many areas of the globe, especially in the weak states and where pluralist regimes are not consolidated.

Given the transnational nature of this phenomenon, states are constrained to forge international cooperation relations in order to provide an effective response to this flagellum. The effectiveness of countering measures depends essentially on two aspects: the understanding of the phenomenon and the integration of national responses within an effective international strategy.

Currently, two different patterns of analysis of transnational organized crime have taken shape: one focuses on the criminal groups operating in different fields of human activity. The studies corresponding to this pattern approach the way in which illegal activities develop and the entities involved in these activities. The other pattern of analysis focuses on the illicit markets. None of these two approaches do reflect the problem in its complexity because they do not grasp all the interactions between the relevant elements.

Up to the moment, the first approach benefited from an increased attention on behalf of researchers. However, this approach is not an effective one because it is rather reactive than pro-active. The annihilation of the current organized crime groups does not eliminate the risk for other groups to replace the current ones, as long as there is a demand for illicit goods. As a UN report on the issue has showed [12], the majority of the goods and illicit services flows are firstly the result of market forces and less the result of the activity of criminal groups. When the states refuse goods and services for which there is a strong and constant demand from a part of their population, there will always

be persons or even groups, organized more or less hierarchically, that will try to provide those goods and services. From the perspective of the criminal groups, organized crime represents the most common opportunity of making businesses, a choice from many possibilities, that permits gaining a large profit in a short time. Illicit markets function because their clients are not morally injured by the effects of their gestures. Therefore, the strategies of annihilating organized criminal groups have to be joined by interventionist measures concerning the illicit goods markets in order to effectively counter the issue.

Combating transnational organized crime has to be regarded as an extended project that should be linked to global governance. An argument in this sense is the fact that, regardless of whether they are generated by the demand side (that is by the markets) or by the supply (that is by criminal groups), transnational organized flows are, mainly, transcontinental (the majority of these flows are initiated on one continent and commercializing on other continent, after the transit of a third continent). In these conditions, what occurs in one region of the globe produces effects in others region, sometimes situated a large distances. As such, only an intervention of a similar scale as the issue is – namely a global one - can produce the desired effects.

The effectiveness of the current combating measures of the flagellum has been affected also by the speed with which a range of processes have occurred at the global level. More often than not, the speed of these processes exceeded the reaction and intervention capacity of states

and international institutions in the regulation of these processes. Sometimes, there is not even the will on behalf of powerful states to exercise control over international institutions.

As many other challenges at international level, transnational organized crime will presumably lead to effective actions at international level only when its threat will reach a level considered unacceptable by powerful states. At least two arguments support this idea: 1) only these states possess the needed capabilities (material, financial and human resource, level of training/expertise); 2) only in these societies sufficient social pressure can appear so that, under its impact, the current nexus existing between state level decision-making factors and capital owners (regardless the way this capital has been obtained) - could be uncovered.

A complete eradication of this flagellum is hardly expectable, but the diminishing of its current extension - by a more active and more effective involvement, both of states and international organizations - is a feasible goal.

## REFERENCES

- [1] Petru, Albu, (Romanian for Organised crime in transition time, a major threat to the international security), Ministry of Interior and Public Administration Publishing House.
- [2] Phil, Williams, Vlassis, Dimitri (2001) *Combating Transnational Crime: Concepts, Activities and Responses*, 1st ed. Routledge.
- [3] Susane, Strange (2002) (Romanian for *The Retreat of the State: The Diffusion of Power in the World Economy*), Publishing House Trei, Bucharest.
- [4] Yuliya, Zabyelina, *Transnational organized crime in international relations*, [www.cejiss.org/.../Zabyelina-Transnational\\_Organized\\_Crime.pdf](http://www.cejiss.org/.../Zabyelina-Transnational_Organized_Crime.pdf), last retrieved 14th February 2016.
- [5] Fernando, Reinares; Carlos, Resa, *Transnational organized crime as an increasing threat to the national security of democratic regimes: assessing political impacts and evaluating state responses*, 1999, <http://www.nato.int/acad/fellow/97-99/reinares.pdf>, last retrieved 10th January 2016.
- [6] <http://press.ihs.com/press-release/aerospace-defense-security/islamic-state-monthly-revenue-totals-80-million-ihs-says>, last retrieved 20th September 2016.
- [7] Kleiman, M. (2011), *Surgical strikes in the drugs*, in *Foreign Affairs*, 90 (5).
- [8] Joseph Jr. D., Douglass, *Organized crime in Russia: who's taking whom to the cleaners?*, in „*Conservative Review*”, No. 6, p. 23-7, 1995.
- [9] Manuel, Castells, *The Network Society: a Cross-Cultural Prospective*, Cheltenham, UK, 2004.
- [10] [http://www.unodc.org/documents/middleeastandnorthafrica/organised-crime/UNITED\\_NATIONS\\_CONVENTION\\_AGAINST\\_TRANSNATIONAL\\_ORGANIZED\\_CRIME\\_AND\\_THE\\_PROTOCOLS\\_THERETO.pdf](http://www.unodc.org/documents/middleeastandnorthafrica/organised-crime/UNITED_NATIONS_CONVENTION_AGAINST_TRANSNATIONAL_ORGANIZED_CRIME_AND_THE_PROTOCOLS_THERETO.pdf), last retrieved 20th September 2016.
- [11] *Transnational organized crime - an increasing threat to global market*, Report presented in front of the Economic Committee of the North Atlantic Gathering 8 April 1998, last retrieved 16th March 2016.
- [12] United Nations Office on Drugs and Crime, *The globalization of crime, A transnational organized crime threat assessment*, Vienna, 2010, [https://www.unodc.org/documents/data-and-analysis/tocta/TOCTA\\_Report\\_2010\\_low\\_res.pdf](https://www.unodc.org/documents/data-and-analysis/tocta/TOCTA_Report_2010_low_res.pdf), last retrieved 18th March 2016.
- [13] Alan, Collins, *Contemporary Security Studies*, Oxford University Press, London, 2006.
- [14] United States. White House. *National Security Strategy*, February 2015.
- [15] M. Kaplan (1989). *Aspectos sociopolíticos del narcotráfico*, Mexico City: Instituto Nacional de Ciencias Penales, cited by Fernando Reinares, Carlos Resa in *Transnational organized crime as an increasing threat to the national security of democratic regimes: assessing political impacts and evaluating state responses*, 1999, <http://www.nato.int/acad/fellow/97-99/reinares.pdf>, last retrieved 10th January 2016.

[16] Eliécer (1987), *Lehder... el hombre*. Bogotá: Plaza y Janés, cited by de Fernando Reinares, Carlos Resa in *Transnational organized crime as an increasing threat to the national security of democratic regimes: assessing political impacts and evaluating state responses*, 1999, <http://www.nato.int/acad/fellow/97-99/reinares.pdf>, last retrieved 10th January 2016.

[17] United Nations Drug Control Programme, *Economic and social consequences of drug abuse and illicit trafficking*, Vienna: United Nations Drug Control Programme, 1996.

[18] S., Borner, A., Brunetti, B., Weder (1995) *Political credibility and economic development*, London: Macmillan.

[19] F.E., Thoumi (1995) *Political economy and illegal drugs in Colombia*, Boulder: Lynne Rienner.

[20] Wharton Econometrics, *The Income of organized crime*, in United States Government. President's Commission on organized crime. *The impact: organized crime*, Washington: Government Printing Office, 1986.

[21] <http://www.telegraph.co.uk/news/worldnews/islamic-state/11625425/John-Cantlie-claims-infinitely-greater-threat-of-nuclear-attack-on-US.html>, last retrieved 20th September 2016.

[22] Phil, Williams, *Strategy for a new world: Combating terrorism and transnational organized crime*, in John Baylis and Steve Smith, "Globalization of world politics", Oxford University Press, London, 2005.