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I think that Patrick has given us a very good sense of some of the administrative and legal problems that Brexit raises. Suzanne may have the answer; illegal trade. Suzanne, seriously, an increasingly important part of the world economy or concern about the world economy, is the growing importance of illegal trade. Why not give us a perspective on how you see that fitting into the international economic environment.

Suzanne HAYDEN

Thank you, Jeff. The lens in which I see economic challenges might seem a little bit short-sighted or a little bit narrow as compared to everyone else, because my career has been in law enforcement and prosecuting and investigating organised crime and financial criminals. Along with that has come the opportunity to work on policy issues across the globe, with Africa, Asia, South America. What we have learned is that our similarities in this area of law enforcement are greater than our differences and that really our goals are almost universal. The challenges of course are how to reach those goals.

When I talk about the global effects of illegal trade, I am here to say that it absolutely taints every country. It weaves countries together unwittingly, unwillingly, in alliances that are woven by the efforts of unscrupulous criminals and organised crime groups and preys upon the weaknesses of the infrastructures and legislation. It promotes greed and corruption and ultimately affects the financial systems, reputations and economic stability. With all of the massive amounts of money that are generated through illegal trade, that money has to go somewhere, and it has to go into the financial system and into assets and provide continuity for these organisations.

Just some basic thoughts when I am talking about illegal trade of trafficking and the impact on the economy. There is little hard evidence on the totality of the scale of amounts, because obviously countries, industries, look at a specific thing that is most pressing to them at the time. However, just to look at some of the top revenues producing illegal trades, the amounts are absolutely jaw-dropping. Illegal drugs, 320 billion dollars and we are talking a year. Counterfeiting, 460 billion dollars of various goods. Human trafficking costs 150 billion dollars. Wildlife trafficking, 23 billion dollars. Timber trafficking, 10 billion dollars. Organ trafficking, 1 billion dollars per year. These figures are cold cash, if you will, they do not take into account the human and reputational toll, the death involved.

As I said, for obvious reasons, governments particularly, tend to focus on the thing that is most harmful to them at any given time in terms of trade, whether it is drugs, wildlife, nuclear trafficking, fissile materials, etc. However, criminals are not so discriminating. What we have seen in the world of illegal trafficking is that once there is a pipeline in place, once I can get from country A to country B and the pipeline can maintain below the radar, I can find a criminal group to send various types of products through that pipeline, whether wildlife trafficking, humans, or organs, just to have the pipeline in place with the various organisations.

I mentioned at the outset that one of the things that happens with illegal trade is that it forges partnerships between unwitting countries, whether neighbouring countries or on opposite continents, on opposite sides of the world. The links are forged by organised crime, which we could call a new global enterprise. The criminals have assessed the demand, who wants it and they have assessed the supply, who has it and they devote their enterprise to developing how to operate the enterprise below the radar of law enforcement. The criminals have a supply chain. They create new lines, co-opt old ones and spread enough pay-offs to the vulnerable or the greedy, to ensure that the organisations continue on with this large billion dollar pay-outs. As has always been the case with law enforcement, the bad guys have more money, more tools, more guns and sometimes more influence, sadly, in one state, one country or region, to pour into the issue of illegal trade.



If I have totally depressed you, please have a heart, because I think there is a basic calculus about how to move forward and one thing that I see that is a potential answer. The basic thing that we look to as an aspirational, holistic approach is to enhance private sector engagement, to fine-tune legislation, to increase training for judges, prosecutors and investigators, to understand the drivers for the consumer demand and invest in public awareness. To the extent possible, those countries that find themselves in these sad unwitting partnerships, must really have the conversation, to collaborate, to cooperate and to share information as much as possible. As I said, these are aspirational and we cannot just do one without the others; they march along together. The one thing that I will leave you with is part of the potential solution: public-private partnerships. We now see industries that are stepping up, and they are not just looking at their discrete interests, “this is my product and the thing I am concerned about;” instead they are looking to forge relationships with civil society, NGOs and governments for the greater good, the bigger issue of combatting trade. I believe this is the future answer to combatting illicit trade.

Jeffry FRIEDEN

Thank you, Suzanne. One thing I would point out, which you alluded to briefly, is that illegal trade is not just a problem from the standpoint of the international trading system, but that much of this illegal trade, particularly in drugs, has given rise to a real distaste in a lot of countries for existing governments that do not seem able to control it. If we look at the Philippines or Latin America, or other parts of the world, at least some portion of the populist upsurges we have seen has been in response to the sense that the government cannot control things like drug trafficking. I think it is not just a problem for the international trading system, it is a problem for national governments of many countries in the world. You have only to look at the current presidential campaign in Brazil to see what happens when a country starts to lose control of illegal activities within its borders. Thank you for that.