

# International Dialogues to Fight Illicit Economies

## SUMMARY REPORT

The illicit economy, whether in the form of human trafficking, arms smuggling, counterfeiting, money laundering, cybercrime, or illegal wildlife trade, is a force stealing stability from communities, causing corruption, impacting national security, and destabilizing the lives of so many around the globe. As nefarious actors continue to evolve and expand the interconnected web of illicit economies, it is clear that not one government, international body, or private institution can combat this threat to peace, and economic prosperity with a siloed approach. Only through collective efforts with the public and private sectors together with civil society will we have a chance to effectively implement global solutions to combat the interconnected illicit economies.

In the six-part “International Dialogues To Fight Illicit Economies” series spanning from March 2020 to July 2021, **Meridian International Center** convened a cross-section of experts, decision-makers and influencers from governments, multinational institutions, the foreign diplomatic corps, the private sector, the think tank community, and civil society to discuss and partner on viable multi-sectoral solutions to combat corruption and illicit trade. PMI Impact served as the funding sponsor. Each thematic session featured diverse keynote speakers who discussed the impact of the converging illicit economies on global communities.

- 1. Tackling Corruption to Strengthen Development and Security:** Corruption results from and fuels illegal economies and facilitates transnational criminal activity. *March 2020*
- 2. Addressing Environmental Crime to Enhance International and Regional Security:** Illegal exploitation of natural resources, as well as illegal smuggling of endangered species, have a negative impact on our planet and the future of biodiversity. *January 2021*
- 3. Fighting Organized Crime Networks to Strengthen Stability and Security:** Transnational organized crime and belligerent actors use the illicit economies as a means of financing violence and to cause instability. *February 2021*
- 4. Countering Illicit Trade and Financial Flows:** Illicit trade and financial flows pose a significant security threat to the international community and undermine the licit global marketplace. *April 2021*
- 5. Ending Exploitation: Perspectives on Combating Human Trafficking:** Perspectives on Combating Human Trafficking: Illicit economies fuel violence and instability, resulting in human displacement and criminal networks preying on people's desperation for development and security opportunities. *May 2021*
- 6. Cybercrime: The Next Frontier of Transnational Organized Crime:** The Next Frontier of Transnational Organized Crime: Cybercrime continues to be a persistent and borderless threat affecting citizens, government institutions, civil society, and businesses around the globe. *June 2021*

Following each session, key takeaways emerged from panelists' presentations as well as comments made in group discussions.

## Key Recommendations

### 1 Break Down Silos to Improve Cross-Sector Coordination

Governments, multilateral institutions, non-governmental organizations (NGOs), international financial institutions, and the private sector must partner together to identify and address the root causes of corruption. This includes the need to **establish regular information sharing networks, secure commitments from law enforcement, mobilize resources to build capacity, leverage political will, and create mentorship opportunities**. Participants throughout the process emphasized the importance of breaking down silos to combat the convergences of illicit activities through a holistic approach. Effective global solutions to combat corruption and illicit economies will require public and private sector collaboration, as well as civil society partnerships.

### 2 Invest in the Latest Innovative Technologies

Nefarious actors not only perpetrate cyber crimes for direct financial gain, but they also leverage emerging technologies to facilitate and accelerate a wide range of criminal activities. Cyber-enabled crimes that endanger human health and safety include disruptive attacks on infrastructure, schools and hospitals, the sales of counterfeit and substandard PPE, online sex trafficking, and the sale of illegal drugs over the internet. **Advanced technologies improve cross-sector coordination** and aid in the development of innovative anti-corruption tools. Anti-corruption tools with capabilities ranging from monitoring and disrupting wildlife markets online to expanding financial digital tracking and tracing and data analytics, should all be used to identify convergences.

### 3 Address Socio-Economic Issues that Breed Corruption

Corruption and organized crime emerge from underlying social, political, and economic issues, which are most often prevalent in communities with high poverty rates and limited government support. Governments must improve support for basic services and security for citizens to combat the rise of organized crime groups in local communities. Throughout the series, participants pointed to the **link between violence, migration, illegal narcotics, and human trafficking as organized criminal networks prey on vulnerable populations fleeing life-threatening situations**. Through cross-sector public-private partnerships, all can collaborate to **fund development initiatives** that address poverty and prevalent socioeconomic disparities to counter the support offered by organized criminal and terrorist organizations.

### 4 Strengthen Global Legal Frameworks

Governments around the world must rethink and commit to improving the rule of law in order to eradicate illicit activities on a local and global scale. On the international front, regulatory frameworks must be improved to address injustices such as environmental crimes, which frequently result in light penalties even for large-scale violations. One illicit economy operating often leads to a whole network of intertwined and interconnected illicit activities. Furthermore, to combat this law enforcement must follow minor criminal activities to uncover larger operations. Local governments must work to **improve the effectiveness of their judicial systems**, while also ensuring that law enforcement is both free of corruption and suitably equipped to apprehend bad actors.

### 5 Enhance Awareness and Education at All Levels

Illicit economies are not a developing world problem; they are a global problem that governments and individual citizens must prioritize to advance the UN Sustainable Development Goals and empower communities. While there are conventions and commissions in place to combat human trafficking, cybercrime, corruption, organized crime, extortion, and other issues, the behavioral, micro-level problem remains at the heart of the issue. **Without changing individual attitudes towards, and responses to, illicit economies, little progress will be made**. NGOs, governments and the private sector should work together to engage local communities in **public awareness campaigns** to personalize and tailor this outreach to each local region. This will enable citizens to better understand how purchasing a counterfeit item, facilitating poaching, or offering a bribe impacts their local community and the world.