

Thank you, Excellencies, delegates

The Kyoto Declaration commits its signatories to “develop and implement effective measures to address the economic dimension of crime and deprive criminals and criminal organizations of any illicit gains.” Frankly speaking, we are a long way from that goal, but we do have a growing range of tools at our disposal and growing public recognition of the problem. But as the GI-TOC report on the Global Illicit Economy, launched at the Crime Congress in Kyoto demonstrated – there has been a constant and remarkable growth and diversification in organized crime, including its economic dimension, since the UNTOC was adopted in the year 2000.

To effectively address the economic dimension of crime, the UN, governments and all of us must recognize the links between organized crime and corruption. As UNODC ED Ghada Waly said at a recent G20 meeting, ‘The nexus is obvious, and you cannot address one without tackling the other.’

In practice, this is what one leading NGO has reported from their country, which is an emerging hub for cocaine trafficking in its region:

*“Drug traffickers support politicians on the understanding that if they win, they will leave the traffickers alone. Politicians also need a way to launder their money, so links with organized crime are useful.”*

These organized and corrupt relationships have devastating impacts. Their illicit gains undermine the rule of law, democracy and regulations; degrade the environment; undermine public safety and security, and life chances; and contribute to the breakdown of service delivery and the economy. This happens at the national level, but also at the international level, where the economic dimension of crime is allowed to thrive through an increasingly globalized economy and ongoing secrecy, tax havens and loopholes that still exist within the global financial system – as evidenced once again by the Pandora Papers.

But it is not just criminals, banks, and corrupt officials and politicians that are to blame. The role that the wider private sector plays to facilitate and collude with organized crime and corruption can be seen in how legal and other professional service providers are employed or engaged by criminal groups; and how ‘legitimate’ companies are used or established by organized criminal groups to infiltrate the licit economy. Globalization and technological development have helped ensure that this now takes place on a transnational

scale, and the COVID pandemic has provided further opportunities for this to happen.

On paper at least, the need to tackle the economic dimension of crime is accepted by governments and the international system, including through the Kyoto Declaration and the almost universal adoption of the UNTOC and UNCAC. The range of other international organizations, frameworks, agreements and action plans dealing with it is immense – and some of them specifically focussed on the economic dimension of crime like the FATF. We have and will hear from representatives of these organizations today.

All efforts, however, are hampered by criminal and corrupt behaviours, what at the GI-TOC we call ‘organized corruption’ which ensure that loopholes are maintained, prosecutions are not pursued, offences are overlooked, money is moved, officials are paid off, threats to power in the form of journalists and activists are silenced, and meaningful evaluation and enforcement of international measures are not prioritized by states.

According to John Githongo, a leading international expert on corruption:

*“There has been an assumption that if you pass a law and create an institution, then you solve the problem. But ... the same bunch of crooks can work around these bumps in the road.”*

The UN System continues to produce countless resolutions, statements and initiatives on organized crime and corruption in the Vienna bodies, at the Security Council and in the General Assembly without an overarching mechanism to coordinate or bring them all together, or a strategic vision to tackle the organized corruption at the heart of the problem. And the economic dimension of crime is one of the key issues that is overlooked by this disjointed system, which lets illicit finance and the systems and networks that enable it, off the hook.

All of these responses we have heard about today do have an impact on the economic dimension of crime, in different ways and to varying extents, but the approach as a whole is weaker than the sum of its parts. The international community needs to be honest with itself that it is not good enough, and it is too easy to engage in organized crime and corrupt activities. The CCPCJ cannot be satisfied with this state of affairs, and must start serious work towards giving the criminals and the corrupt more than just ‘bumps in the road’ to navigate on their way to the bank.