

THE GLOBAL ASPECT OF THE UNDERGROUND ECONOMY

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Globalization is the historical process of the worldwide integration of the national economies, through social relations and economic transactions, which unites countries, banks, financial institutions etc. Through globalization people of different citizenship, language, religion and cultural are involved in solving together various global issues, like the fight against terrorism.

On the other hand globalization is accompanied by the worldwide spreading of criminal network, which proved to be more flexible than that of the formal economy of the countries. But the obligation of these democratic states, together with the international community is to reply to the challenge of the organized crime, in order to reduce or even eliminate this phenomenon, because criminal organizations menace the national suzerainty and the authority of the states.

The activity of the organized crime penetrates everywhere that it can gain a profit, and because of the monopole position in the areas, it can raise the prices and thus the earnings. Nowadays criminal network are more flexible (micro organizations) to assure their secret character in order to face the police and judicial attacks.

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On behalf on an obvious social and economic progress, we assist to a new phase of development in the mankind history, characterized by the process of spreading international relationship, of economical, political and social-cultural nature. Thus, worldwide, the bases of a network are founded, a network which is meant to include all the communities, even if they are at a distance of thousands kilometers, uniting countries, banks, financial institutions etc. The phenomenon of globalizing the relationship between people and communities, caused and still creates, major controversies among economical analysts, sociologists, and historians.

Most people consider globalization as a progress fact on behalf of social development, a new revolution in the continuous preoccupation of man to benefit of the advantages of welfare, democracy and social safeness. Others are strongly against globalization, claiming that this process represents a real threat for the civilization, a new form of colonialism or totalitarianism. Many consider globalization of human relationship, as the Americanization; maybe this is the reason why more frequent ample anti-globalization demonstrations take place, especially organized during certain international meetings, without the participants' real or not belief that they can oppose this phenomenon, which is becoming more and more obvious.

We consider the globalization as the historical process of the worldwide integration of the social relations and of the transactions, which increases the interdependence of relations all over the world. The economical globalization which maybe the most important component of the process, is the result of the innovations and of the technological progress, and it refers to the integration of the national economies, due to the growth of commercial and financial flow.

Surely we are facing events, unimaginable ages ago, namely breaking some political, economical, ethnical or cultural barriers and historical agreements between nations that seemed to be enemies forever. Never had so many people of different citizenship, language, religion and cultural been involved in solving together various global issues, irrespective of their connection to the saving of economical resources and finding some others, fighting against terrorism, protecting the environment, eradicating the undergrowth in some regions of the globe and so on. The inhabitants of the planet realized that they could not eliminate certain dangers, acting only from the inside of some small communities. Air and water belong to everyone, and cannot be isolated by potential polluting attacks of a single community, although the others are struggling to maintain them clean. Terrorism cannot be eradicated by some nations whilst others are supporting it. It is also unimaginable that there are nations living in freedom and welfare, whilst there are

areas where children are starving. Globalization can be the solution of all these problems, as well as of some others too. Life will prove justice.

Globalization is accompanied by the worldwide spreading of criminal network, with all its aspects: illegal trading with drugs, trafficking in human beings, weapon traffic etc. With the spreading of the criminal network influence we are present at their prosperity, which involves reinvesting the exceeding profits, usually in the speculative currency trading. Such investments are affordable by the new technologies which allow a speed without any previous situations of the money movement¹⁵⁹.

On behalf of the great geo-political, economical and social transformation which international communities are facing nowadays, criminal network gained new sectors, spreading its influence and domain of activity to a high level, a reason of worry for most of the national economies, especially for those in transition process, due to the vulnerability of the law enforcement, and the fragility of the democratic institutions. Criminal network proved to be more flexible, than that of the formal economy, the countries from Central and East Europe being concluding in this way. In the early 90's when the views of the politicians on privatization, liberalization of trade and encouragement of the foreign investment were hardly clear, the criminal networks had already established, dividing themselves the territories, taking the resources, and especially to take to hold of both economical and political power.

Analyzing the situation of Romania, we realize that before 1989 our country was not included in the international criminal network, and in our country there were practically no criminal organizations. We observe that in less than a decade we have become full-righted member in the worldwide criminal system. From a country where drugs didn't penetrate¹⁶⁰, Romania became firstly a transit region on two of the major routes of transport towards Central Europe¹⁶¹, and after hand it became a drug consuming country. We can also state that all the forms of organized crime known in the world has developed here, from human trafficking to blackmail, smuggling, high fiscal evasions and other illegal activities.

Surely those who oppose globalization can use this example as an argument against the spreading of the international relations, unless they consider objectively the fact that during the socialism, the efficiency of the state control on the organized crime phenomenon, was made by political and economical isolation of the country, depriving the citizens of their elementary democratically rights, limiting movement of the capital and people, especially eliminating the conditions of freedom and development. It is the obligation of the democratic state to reply to the challenge of organized crime, and together with the international community to eradicate this phenomenon.

The international criminal organization are extremely dangerous because they menace the national suzerainty and the authority of the states, the democratic values and public institutions, the national economies, the process of democratization in the ex-totalitarian countries. These organizations are flexible, sophisticated, and easily-adaptable and they act according to the multinational companies strategies, continually extending their allies and agreements in order to obtain larger access to know-how, to the new technologies, to the modern technical means assuring them a much better protection against the authorities. A larger space for the organized crime automatically means huge profits and higher possibilities to blackmail the kindness of the clerks, hiding the illegal products and laundry of the incomes. The allies between criminal organizations are made quickly without contracts, warranties and written agreements, and the tough fight on the black market leads to the founding of great international structures with well defined areas of influence. The spreading of organized crime to a global scale made the national authorities to study, to cooperate in order to react efficiently to this. Both organized crime and its globalization became study object for scientists from economic, legal, and social fields, as well as headlines that captivate people's attention.

Reality assures that criminal activities spread all the barriers, all the markets, but also subdued the local economic activities, on behalf of the logical competition law and the need of the global economy. Such activities accompany the legal international economy and they reach the entire global market. Money, drugs, weapons, human beings, works of art etc cross the borders due to lack of the controls or the kindness of the controllers. The reward for the controllers increases the costs of the criminal activities, bearded by the customers. Drugs are obviously more expensive if the access in a country is more difficult. Usually the criminal network affords to raise the price because of the monopole situation in the areas where it acts.

The existence of borders becomes an advantage for the criminal network members, their pursue being very difficult because of a police and legal cooperation based on archaic principles and without efficient legal and technical means. To assure the insertion in the legal economy the criminal organization daily converts

according to the new criteria of economical organization. They limit their structure to a tough core, purely criminal, reserved to the members from the top of the hierarchy whom the other participants have more relaxed relations with, than before. Just like the companies from the legal field, the criminal organizations also eliminate the fields that are not useful for the concise object of activity. A copy of the management of these companies the more dynamic criminal organizations have already assured their adjustment to the legal or criminal global markets.

The criminal society is very different from that usual image, the activity of the organized crime penetrating everywhere that it can gain a profit, balancing between legal and illegal, lawful and unlawful, honest and criminal diversifying the activities, reorganizing in a very flexible mode. The modern criminal network are not as rigid as the Sicilian Mafia, the North American Cosa Nostra, or the Columbian Cali and Medellin coalition; they are flexible as Russian Mafia or Neapolitan Comorra, less centralized, but having important features in order to face the police and judicial attacks, as well as to make profit of the new opportunities of economical and financial globalization¹⁶².

As for the Russian Mafia, we have to mention that it is made of many groups, set on flexible structures, and variable to the outside, but very united inside. The estimation of Russian Minister for Internal Affairs about the number of active members is of 160,000, grouped in about 12,000 of micro-organizations controlled by 13 persons. The same tendency of proliferation of micro-organizations can be found in Columbia, too, after the decrease of the influence of the Cali and Medellin coalition, nowadays in this country there are 2,000 and 3,000 of such groups. The advantage of the micro-organizations is that they can preserve the necessary links for their coordination, but in the same time they can also shape their productive structures and they defend more efficiently their secret character. We can also notice that the criminal organizations speculate the advantages of the fiscal and bank paradises, where there is no legal obligation to register the economical activities made and report of income source. On the whole, these are micro-countries with a generous fiscal policy and a tolerant system of laws.

Being continuously filled with money obtained by the most various types of organized crime these „ports” are settled at outskirts of the truly industrialized countries of North America, Europe and Asia. Nowadays off shore banks advertise on the internet and in British newspapers as the highly appreciated „The Economist”.

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