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MULTIDIMENSIONAL SECURITY AT THE BORDERS

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Logistics Chains and Illicit Markets Part 1

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Logistics Chains and Illicit Markets



It is essential to understand that, although it involves illicit activities, criminal action is motivated by the search for profit and pleasure, just like any other economic activity. Criminals act based on cost perception, where lower risk and lower transaction costs, including acquisition of weapons, information, transportation and inventory, result in greater profitability. Therefore, reducing risks and costs encourages continued participation in criminal activity.

Logistics Chains and Illicit Markets



This demand for illegal products tends to create a continuous supply, involving the acquisition, production, transportation and sale of these products. The higher the profit margin, the more resilient operators are in assuming high transaction costs. The regulation of these markets, competition and the formation of monopolies are influenced by the ability of criminals to cooperate, eliminate competitors and, above all, reduce the risk of imprisonment, often resorting to illicit protection, information and corruption services both at the state and private context.

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The contemporary illicit economy is a complex economic structure formed by the interaction between different markets, including drugs, weapons, tobacco, electronics and others. Economist Gary Becker, winner of the Nobel Prize in Economics in 1992, highlighted the importance of this criminal economic structure.

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The United Nations Convention against Transnational Organized Crime defined transnationality as a **crime committed in more than one State, with substantial preparation in another State, with the establishment of a criminal group in another State or with substantial effects in another State**. This characteristic of transnationality is essential for the operation of current illicit markets, due to economic globalization, which has drastically reduced the costs and logistical risks of criminal operations.

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Logistics is a fundamental part of the operation of illicit markets, requiring the use of the operational concept of "economically motivated crimes", which includes all activities related to the production and marketing of illegal products, as well as the provision of illegal support services. These services may include information, protection, communication and financial services.

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Therefore, the success or failure of an illicit market, especially those involving commodities, affects other illicit markets, changing the shared costs of operation, such as routes, storage and corruption. Furthermore, the financial viability of an illicit market can influence the development of illicit financial services, which can be used by other criminal groups and corrupt agents.



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