A person wearing a dark hoodie is sitting at a desk in a dimly lit room. They are looking at a computer monitor which displays some data or code. The room has a window with curtains in the background. The overall atmosphere is mysterious and tech-oriented.

Unveiling the

# *Black Market*

By Kjersti Sørberg | January 2024  
PS 620: Transnational Crime and Corruption

# Purpose Statement

This presentation aims to shed light on the complex and often hidden world of the black market. By examining its operational methods, exploring the diverse commodities it offers, and analyzing specific examples, we will gain a deeper understanding of this illicit economy's scope, impact, and the societal challenges it poses.

# Introduction

## What is the black market?

The black market, also known as the underground economy or shadow economy, refers to a system of exchange that operates outside of government regulations and often involves illegal goods or services.

### Motivation

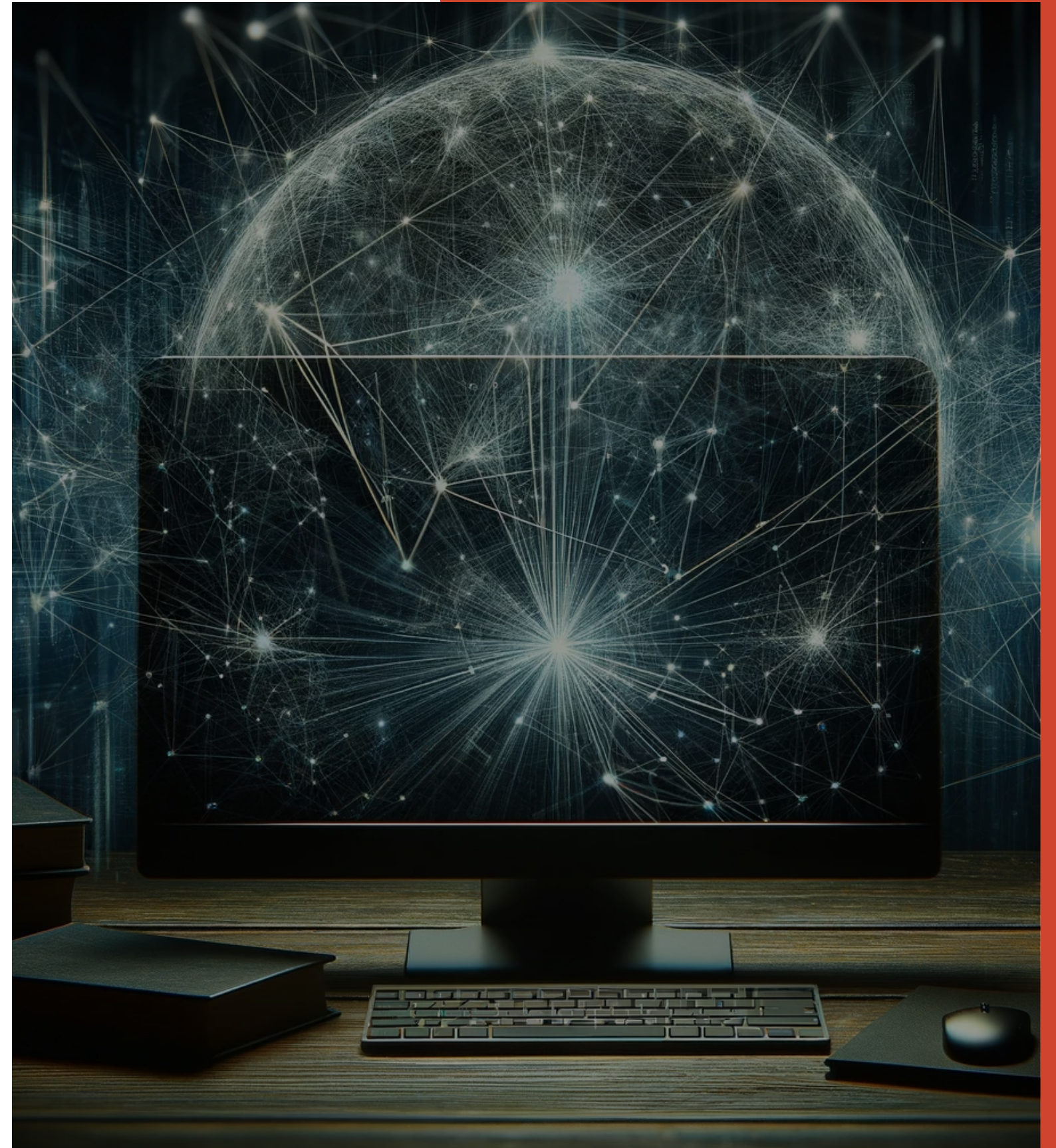


The black market's allure stems from a complex mix of profit-seeking, escaping regulations, accessing forbidden goods, and social pressures, even while participants face substantial legal and societal risks.

### Risk



Due to the inherently illegal nature of many black market activities, participants face significant risks, including legal penalties, violence, and fraud.





# Black Market Operations

The black market adapts to its changing environments through diverse channels. Each channel offers unique advantages and risks, shaping the landscape of black market operations and posing distinct challenges for law enforcement.

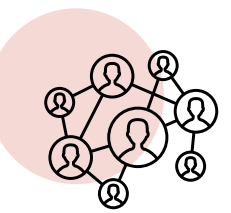
## Dark Web

Black market operations can operate in online marketplaces on the dark web, often utilizing encrypted messaging apps for anonymity.



## Networks

The black market is often linked to organized crime and violence, as criminal gangs and networks compete for control of lucrative illegal activities.



## Physical Locations

Physical locations, like shops and street vendors, are also used for black market operations.



# Illegal Goods

WHAT GOODS ARE SOLD?

*"The black market was a way of getting around government controls. It was a way of enabling the free market to work. It was a way of opening up, enabling people."*

— Milton Friedman

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**NARCOTICS**



**WILDLIFE / ENDANGERED SPECIES**



**WEAPONS**



**HUMAN TRAFFICKING**



**ORGANS TRAFFICKING**



**COUNTERFEIT PRODUCTS**

# Legal Goods Traded Illegally



ANTIQUITIES



DATA



COLLECTIBLES



PHARMACEUTICALS / MEDICAL SUPPLIES



FINANCIAL SERVICES

It's important to remember that this list is not exhaustive, and the black market constantly adapts and evolves, offering new and unexpected commodities. This complexity underscores the challenges in tackling this underground economy and protecting individuals and societies from its harmful impacts.



DIGITAL GOODS



STERIODS / PEDS



# Case Study 1

## Human Trafficking

### WHAT IS IT?

"The recruitment, transportation, transfer, harboring or receipt of persons, by means of threat or force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation." - UNODC

### WHO IS VULNERABLE?

Anyone can be vulnerable to human trafficking, regardless of age, gender, race, nationality, or socioeconomic status. However, certain groups are at higher risk, such as:

- People living in poverty
- People with disabilities
- Victims of domestic violence or other forms of abuse
- Children and young people
- Migrants and refugees

### IMPACT / CHALLENGES

Human trafficking leaves devastating physical and psychological scars on victims, while its hidden nature and evolving tactics create immense challenges for prevention and support. Combating human trafficking is hampered by its hidden nature, evolving tactics, and lack of awareness, while fragmented efforts and unaddressed root causes further complicate the fight.

### STATISTICS

A total of 2,027 persons were referred to U.S. attorneys for human trafficking offenses in 2021, a 49% increase from the 1,360 persons referred in 2011.



**24.9M**  
victims of forced labor



**4.8M**  
trafficked for forced  
sexual exploitation

156,330

INDIVIDUAL CASES

189

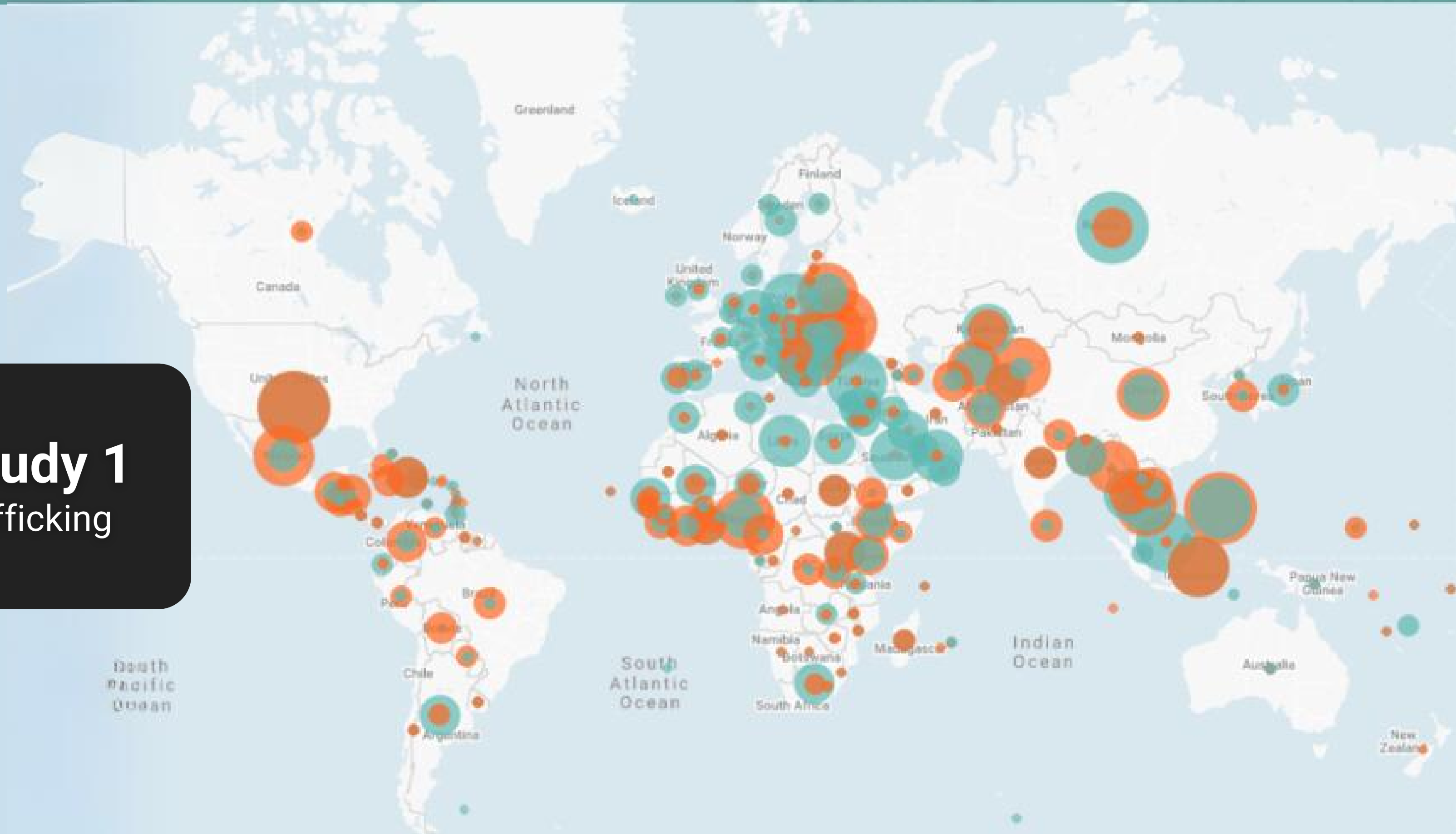
COUNTRIES OF EXPLOITATION

187

NATIONALITIES

# Case Study 1

## Human Trafficking

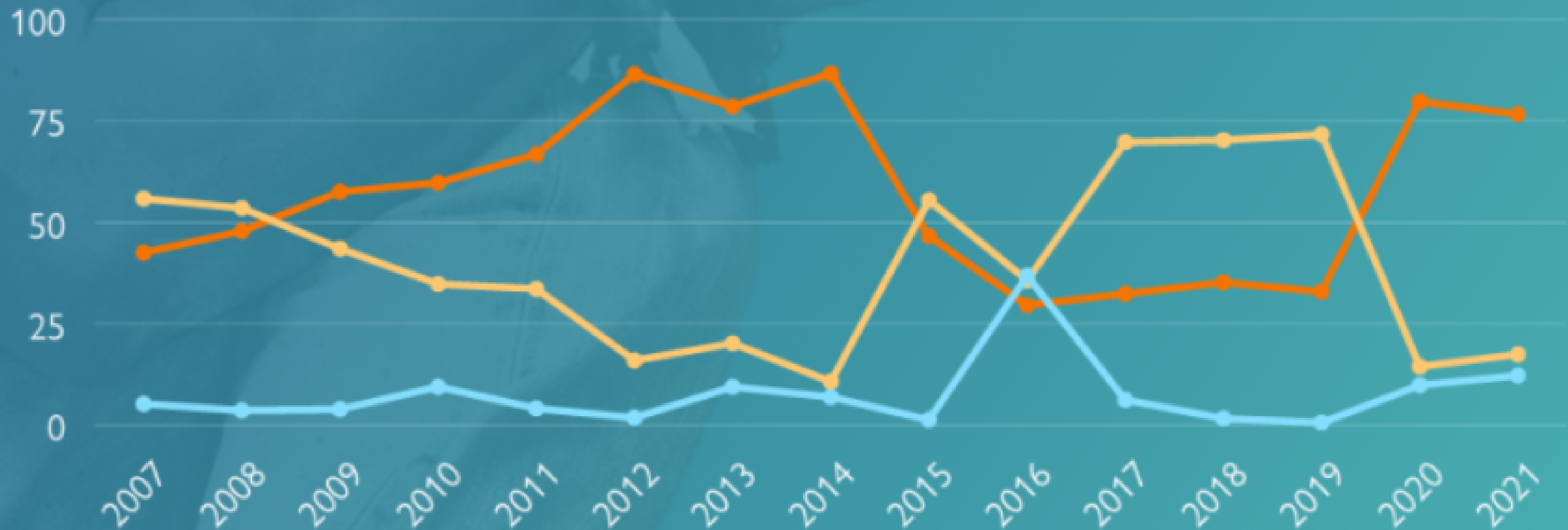






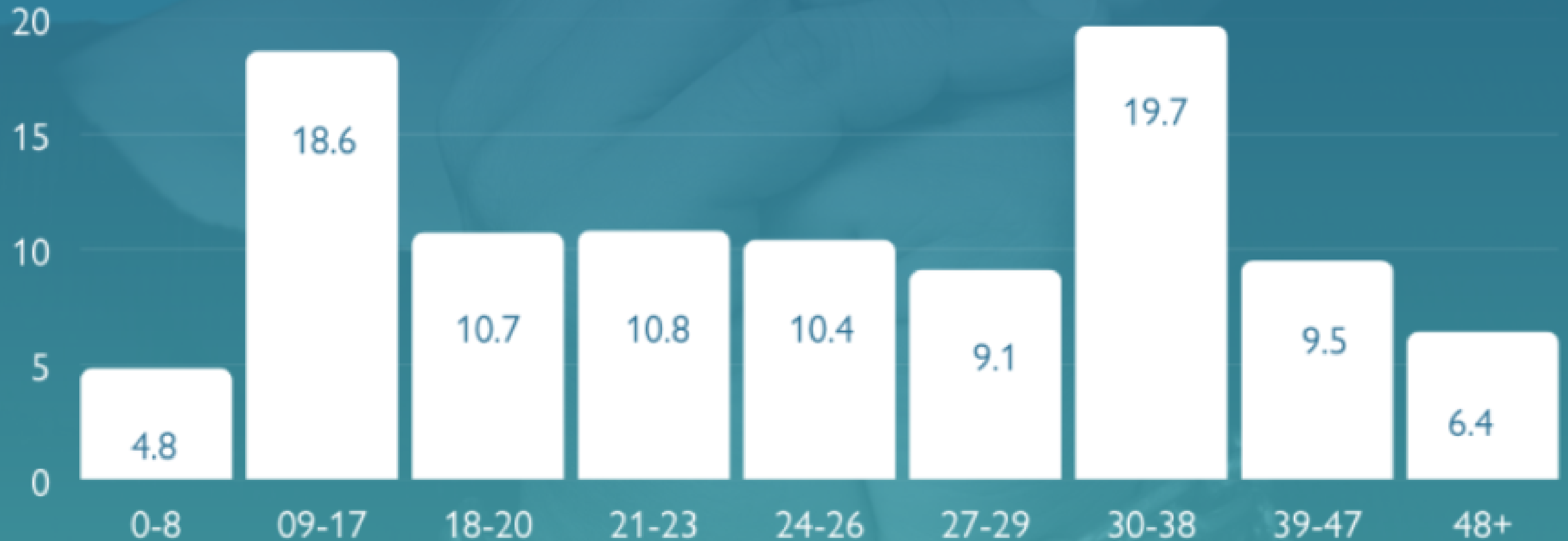
# EXPLOITATION TYPES AMONG IDENTIFIED VICTIMS OF TRAFFICKING, 2007-2021 (%)

■ Forced labour   ■ Sexual exploitation   ■ Other types of exploitation





## AGE OF DETECTED VICTIMS, 2007-2021 (%)

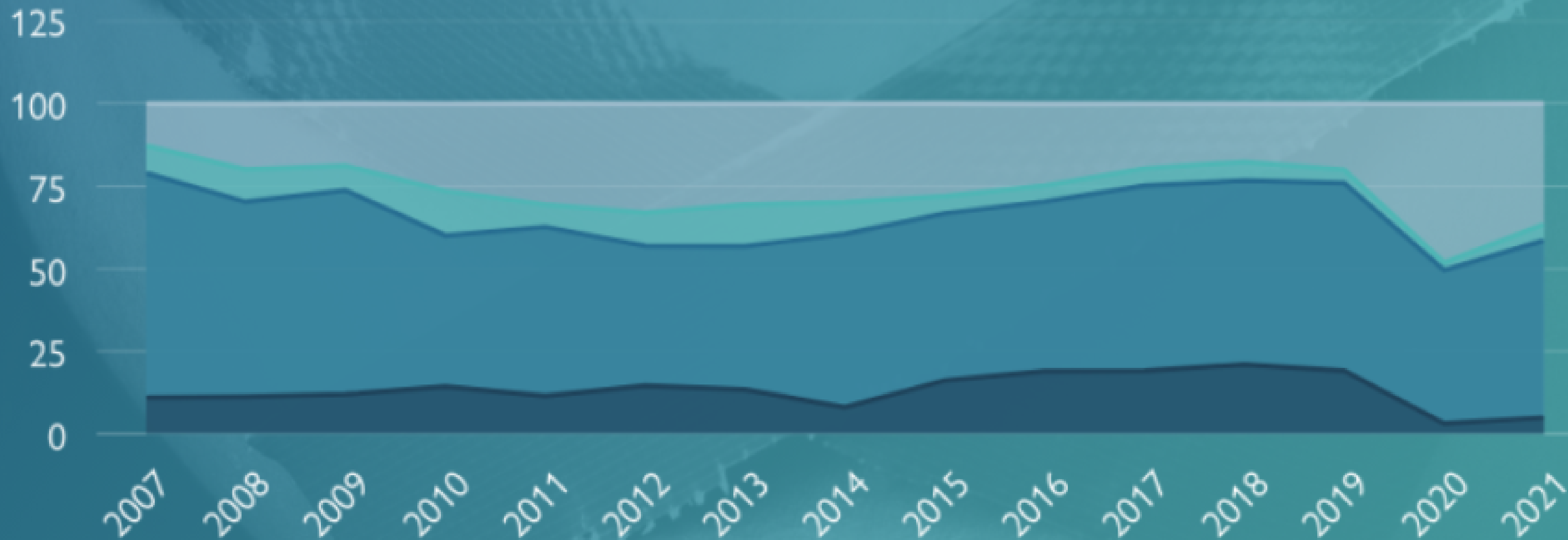


Source: CTDC, 2023.



# GENDER AND AGE PROFILE OF DETECTED VICTIMS, 2007-2021 (%)

■ Girls ■ Women ■ Boys ■ Men



Source: CTDC, 2023.

# Case Study 2

## Ivory Trade

### WHAT IS IT?

The ivory trade on the black market thrives on the illegal poaching and trafficking of elephant tusks for their ivory. This highly valuable material fuels a multi-billion dollar industry that pushes elephant populations towards extinction.

### IMPACT / CHALLENGES

The ivory trade significantly contributes to the decline of elephant populations, leading to ecological imbalance and loss of biodiversity. It also poses challenges in enforcement and regulation, as illegal trading networks are often linked to corruption and violence, complicating conservation efforts and regional stability.

### ADDITIONAL INFORMATION

After precipitous declines in raw ivory prices from late 2014 to mid-2017, as ivory demand moved away from investment back to consumer items, there has been a surprising resurgence of wholesale price in China, from approximately US\$750/kilogram in early 2017 to almost double that in late 2020.

### STATISTICS

Poaching has pushed one African elephant species, the forest elephant, to the brink of extinction, with only 35,000 individuals remaining.

**\$23B**  
Global ivory trade estimated worth



**20,000**  
Elephants killed each year



# The Ivory Trade in Numbers

Selected facts and figures on the global ivory trade

On average one African elephant is killed by poachers every **25 minutes**.

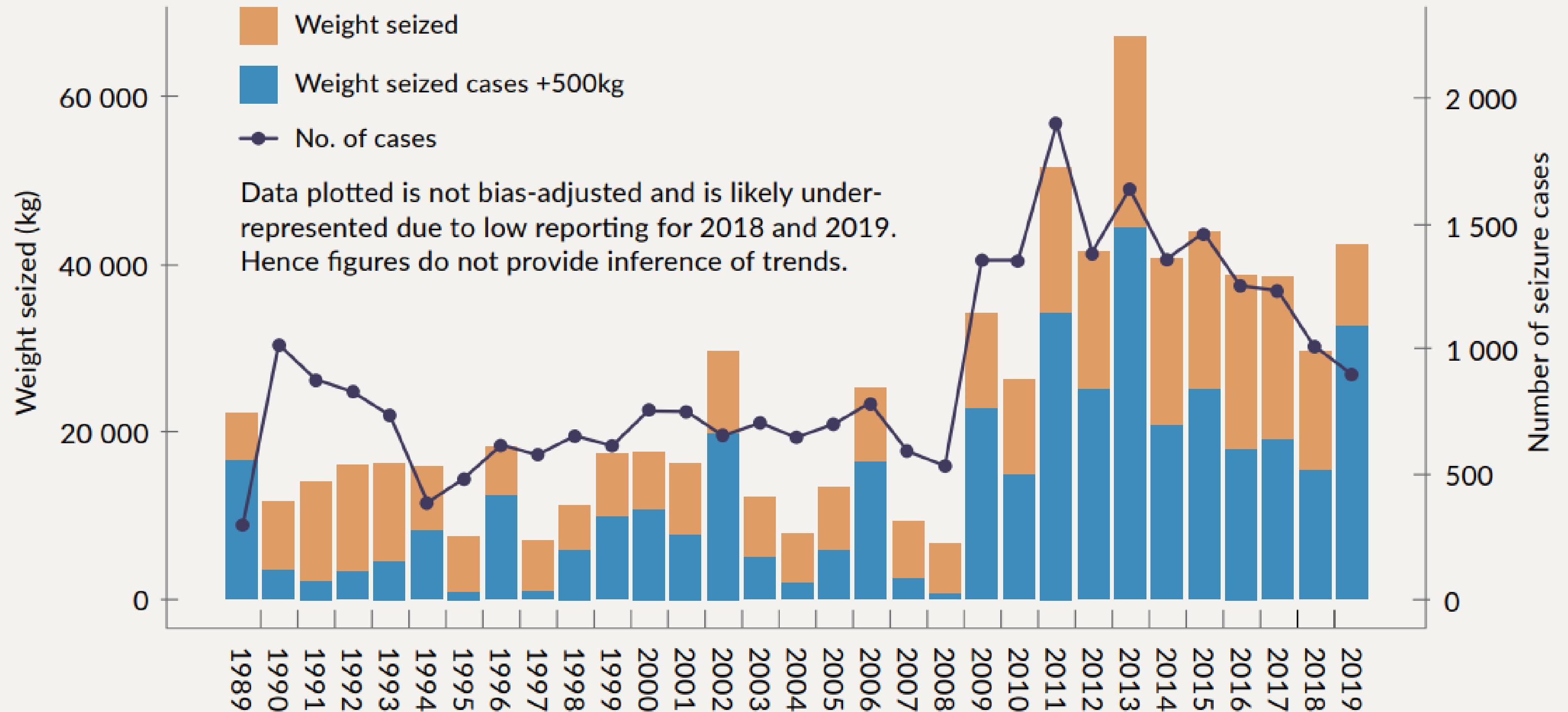
The overall African elephant population plummeted by more than **20%** between 2006 and 2015, falling to an estimated **415,000**.

Between 1979 and 1989, **half** of all Africa's elephants were lost to the ivory trade

The international trade in illegal ivory is estimated to be worth **£17bn** each year.

In the four years up to 2014 the wholesale price of raw ivory in China tripled, reaching **\$2,100 per kilo**.

# Number of Ivory Seizure Cases and Estimated Weight of Ivory By Year, 1989-2019

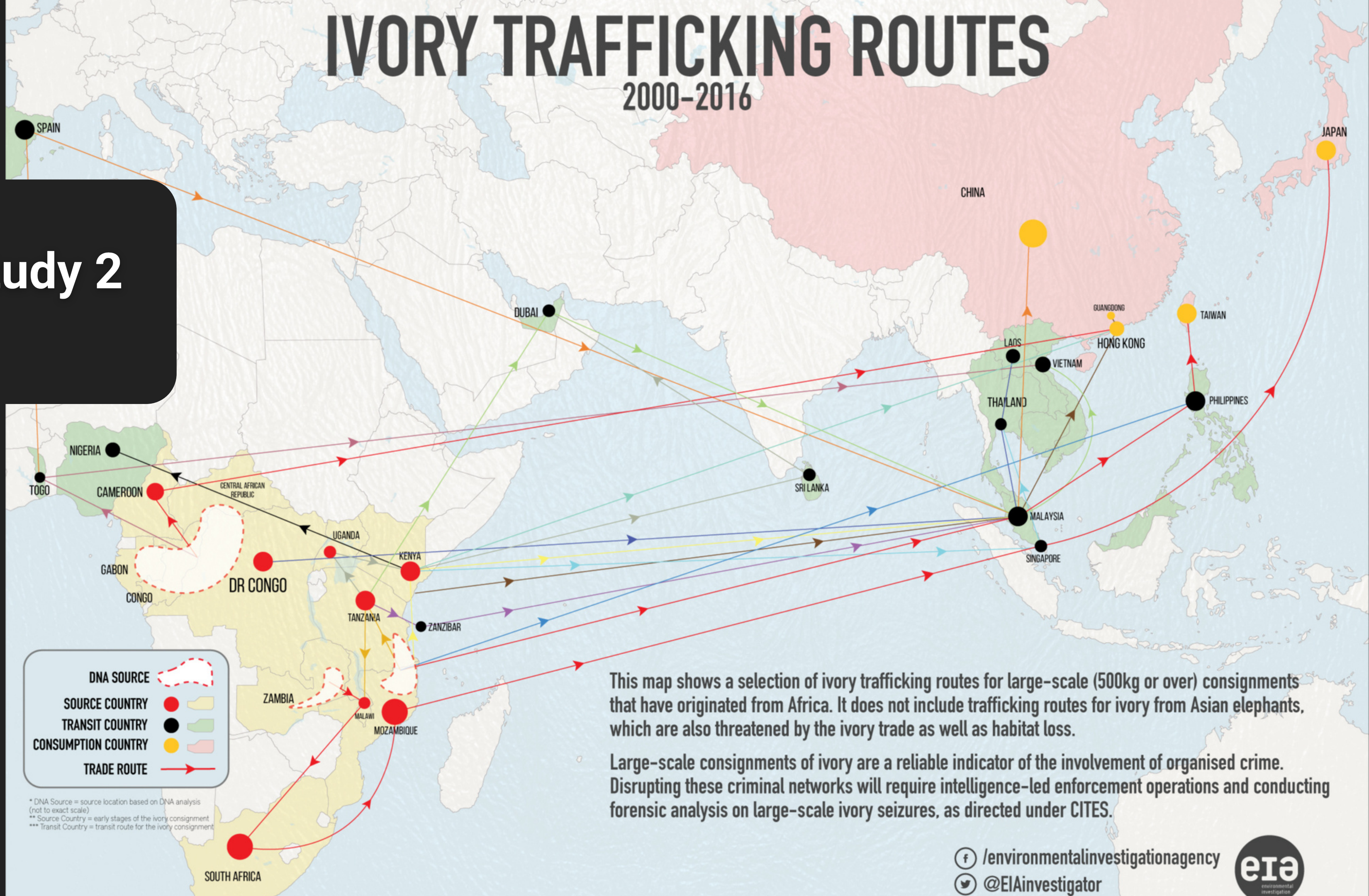


# IVORY TRAFFICKING ROUTES

2000-2016

## Case Study 2

### Ivory Trade



This map shows a selection of ivory trafficking routes for large-scale (500kg or over) consignments that have originated from Africa. It does not include trafficking routes for ivory from Asian elephants, which are also threatened by the ivory trade as well as habitat loss.

Large-scale consignments of ivory are a reliable indicator of the involvement of organised crime. Disrupting these criminal networks will require intelligence-led enforcement operations and conducting forensic analysis on large-scale ivory seizures, as directed under CITES.

\* DNA Source = source location based on DNA analysis (not to exact scale)  
 \*\* Source Country = early stages of the ivory consignment  
 \*\*\* Transit Country = transit route for the ivory consignment



# Case Study 3

## Organ Trafficking

### WHAT IS IT?

“The term organ trafficking is commonly used to refer to a range of criminal activities, including illegal organ harvesting from a living or dead individual and the illegal sale and transplantation of human organs. While some experts include forms of enslavement or coercion to obtain an organ donation in the definition, U.S. government sources typically describe such crimes as trafficking in persons for the purpose of organ removal.” *Congressional Research Service, R46996*

### IMPACT / CHALLENGES

Victims of organ trafficking are often drawn from the fringes of society: individuals struggling with poverty, homelessness, or undocumented status. These vulnerabilities make them prime targets for traffickers, who employ an arsenal of tactics to secure their organs.

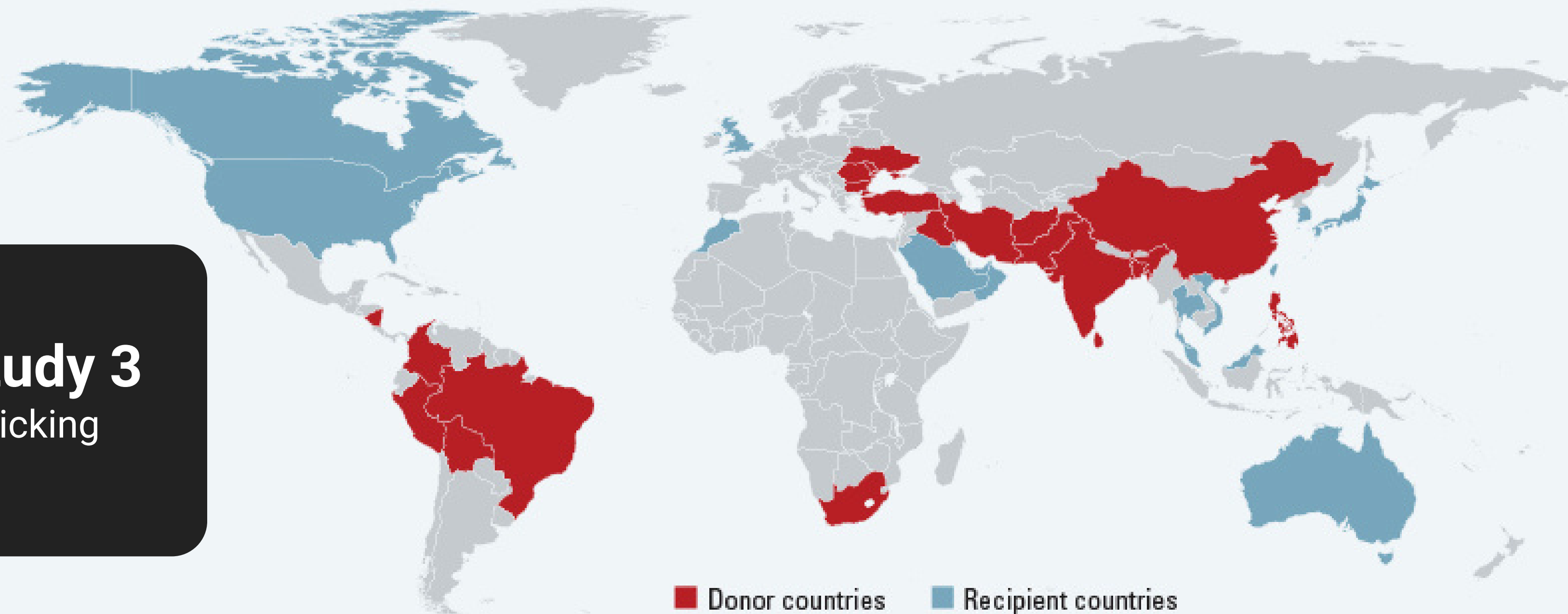
***“Organ trafficking, like labor and sexual slavery-based human trafficking, is an international crime and requires deep insights into transnational dynamics.”***

*The Eradication of Organ Trafficking: A Case for Partnerships and Protocols in AML Environments*



## Case Study 3

### Organ Trafficking



On a global level, it is estimated that up to **5-10%** of kidney transplants performed annually are the result of trafficking.

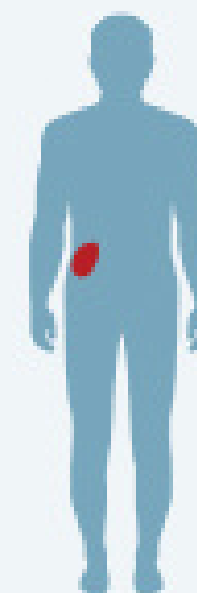
That's **3,400-6,800** kidneys per year (still possibly an underestimate).

Highly lucrative business: recipients usually pay between **\$70,000-160,000** for an organ.



#### Typical donor

Age: 28.9  
Gender: Male  
Annual income: \$480



#### Typical recipient

Age: 48.1  
Gender: Male  
Annual income: \$53,000

# Global Impact of the Black Market



## Exploitation and Vulnerability of Individuals

The black market preys on vulnerabilities, creating a cycle of exploitation and endangering individuals by exposing them to forced labor, violence, and harmful substances, while its very existence raises ethical concerns about exploitation, unfair competition, and the erosion of legal systems.



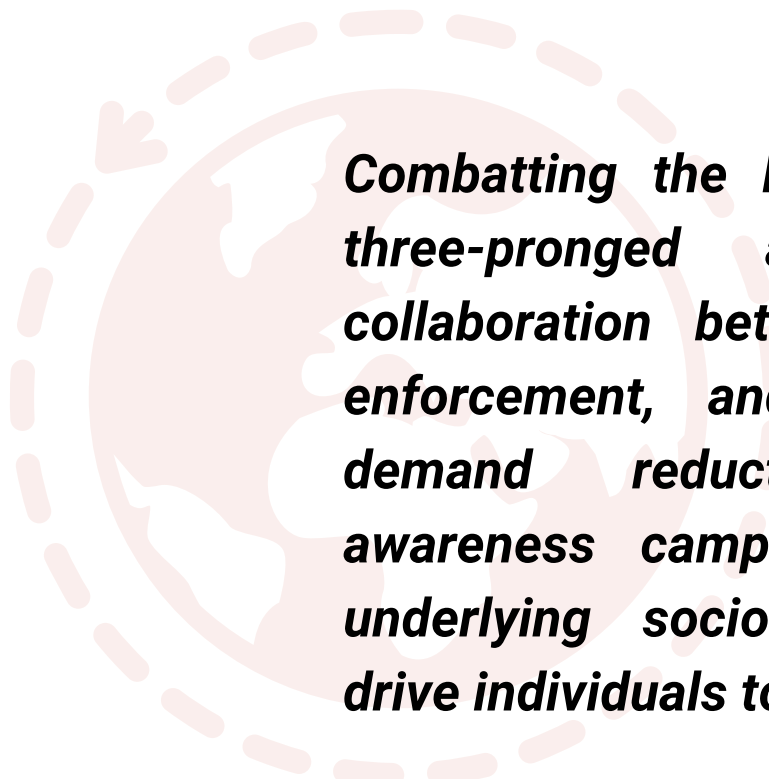
## Social and Environmental Consequences

Black market activities pose multi-faceted risks, including exacerbating crime and social disruption, compromising public health through unregulated products, and fueling environmental damage through resource exploitation.



## Widespread Economic Disruption

The black market drains economies, cripples businesses, and empowers criminals, jeopardizing public well-being and financial stability.



***Combatting the black market requires a three-pronged approach: international collaboration between governments, law enforcement, and NGOs, coupled with demand reduction through public awareness campaigns and tackling the underlying socio-economic factors that drive individuals toward illegal activities.***

# Combating the Black Market

A comprehensive and multi-pronged approach, taking into account the specific context and nature of the black market activities, is crucial for long-term success. Continuous adaptation and evolution of strategies are necessary to stay ahead of the ever-evolving tactics of illegal actors.

## What can the U.S. do?

- Strengthen law enforcement and intelligence
- Address root causes
- Reform legal frameworks
- Public awareness and education
- International cooperation

## What can the international community do?

- Strengthen international legal frameworks
- Build capacity in developing countries
- Disrupt global financial networks
- Address global supply chains
- Build public awareness and enhance education



# Key Takeaways

**1**

The black market is a complex and multifaceted phenomenon, offering a wide range of illegal commodities through intricate networks.

**2**

The availability and value of specific black market items can vary greatly depending on factors like regional demand, enforcement efforts, and production cost.

**3**

The black market poses significant ethical, economic, and social challenges, necessitating continuous collaboration and innovative strategies to combat its harmful effects.

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