

**ITRN 701-005, PUBP710-003 Illicit Trade**  
**Spring 2011**  
**Thursday 7:20-10:00P.M.**  
**ALRFH Rm. TBD**  
**School of Public Policy, George Mason University**  
**Professor Louise Shelley**  
**Professor Kim Thachuk**

Office Hours: Louise Shelley Rm 712: Thursday 5:00- 6:00 and by appointment  
Kim Thachuk Rm.713: By appointment only during the following times:  
February and April –Wednesday 5:00-6:00  
March and May – Tuesday 5:00-6:00

e-mails: [lshelley@gmu.edu](mailto:lshelley@gmu.edu) Office: 703-993-9749  
[kthachuk@yahoo.com](mailto:kthachuk@yahoo.com) Office: 703-993-7626

Graduate Assistant: Andrew Guth email: guthandy@gmail.com

**Course Description:**

Most discussions of international trade focus only on licit trade, ignoring the ever more important component of trade which is illicit. Illicit trade, as this course will show, is not always distinct but often converges with licit trade. The class examines the rise of the phenomenon, the role of conflicts in illicit trade and the actors who facilitate this trade and the policies that are needed to address it.

**Texts:**

- 1) Willem van Schendel and Itty Abraham, *Illicit Flows and Criminal Things: States, Borders, and the Other Side of Globalization* Bloomington and Indianapolis, Indiana University Press, 2005
- 2) Moisés Naím, *Illicit How Smugglers, Traffickers and Copycats are Hijacking the Global Economy*, New York: Doubleday, 2005

**Course Requirements:**

**Reading**

A significant amount of reading is required for the course. Students who fall behind will have a difficult time catching up. Students are expected to do the assigned reading in advance of the class. The class will presume knowledge of the readings assigned for that week. Students are expected to keep up with news on transnational crime that is reported in newspapers and on-line sources and to discuss recent developments in class each week. There are links provided. If these do not work, type the title of the work in Google. Please read the newspapers regularly to keep up with recent developments on illicit trade. The password for e-reserves is “illegal”.

### **Attendance**

Students will be expected to attend the whole class. Attendance will be taken. Your grade will be reduced for unexplained and unexcused absences. Please inform us if you will be absent from a class.

### **Exams**

There will be a **MID-TERM EXAM ON APRIL 14<sup>TH</sup>**. It will combine short identifications and long essays. The exam will draw on the readings, class lectures, and discussions.

Class Project 20%: Written and Oral Presentations. Presentations will be chosen by the student in coordination with the instructor. **CLASS PRESENTATIONS BEGIN MARCH 3rd.**

The class presentations should map the route of an illicit commodity or multiple commodities through a particular area. We want to explain the route of the commodity, its transition over time and those who facilitate the illicit trade. A 2-3 page double spaced concise analysis should accompany the powerpoint that will make the illicit trade understandable to those who are not specialists in the illegal side of the global economy. A bibliography should be attached. Possible examples might be: Smuggling in the Tri-border area of Latin America, drug smuggling in Pakistan and Afghanistan, the Balkan smuggling route and what is smuggled along it.

### **TERM PAPER DUE MAY 12<sup>TH</sup>: length 20-25 pages, standard reference format**

The topic will be chosen after consultation with the instructor. It can use insights that are obtained from the oral presentation. It should discuss a topic related to illicit trade and should develop a bibliography of diverse sources. Examples of suitable topics are: illicit trade in antiquities, illicit trade in CFCs or illicit trade in counterfeit cds. You can choose to focus on a particular area of illicit activity, a region of the world where this trade goes or a strategy or set of strategies that can be used to address the problem.

### **Grading:**

Students will be graded according to the following criteria:

**Class attendance and participation 20%**

**Class Project 20%**

**Mid-Term Exam 25%**

**Term Paper 35%**

### **Plagiarism:**

Plagiarism is representing or submitting someone else's language or ideas as your own. Plagiarism is strictly prohibited by the University and will lead to disciplinary action. You must write your own papers. Identify, with quotation marks and footnotes, direct quotations from others. Identify, with footnotes or attribution in the text of your writing, ideas of others that you have paraphrased.

## **Weekly Schedule:**

### **February 3 Week 1 Introduction to the Course**

### **February 10 Week 2 Why the Growth of Illicit Trade?**

- Read:** 1) Itty Abraham and Willem van Schendel, Introduction, *Illicit Flows and Criminal Things*, pp.1-37.  
2) Naím, *Illicit*, pp. 1-37.  
3) World Economic Forum: *Global Risks 2011*, pp. 22-25, 36-39  
<http://riskreport.weforum.org/global-risks-2011.pdf>

### **February 17 Week 3 The Facilitators of Illicit Trade (criminals, banks, corrupt officials, corporations, countries)**

- Read:** 1) Global Witness, *Undue Diligence How Banks do Business with Corrupt Regimes* March 2009, pp. 3-39, 105-110  
[http://www.globalwitness.org/sites/default/files/pdfs/undue\\_diligence\\_lowres\\_0.pdf](http://www.globalwitness.org/sites/default/files/pdfs/undue_diligence_lowres_0.pdf)  
2) Liana Sun Wyler and Dick.K, Nanto, “North Korea Crime-for-Profit Activities” August 25, 2008, Summary, pp.1-4. <http://www.fas.org/sgp/crs/row/RL33885.pdf>  
3) Carolyn Nordstrom, ch. 15 “The Cultures of Cops”, *Global Outlaws: Crime, Money and Power in the Contemporary World* Berkeley: University of California Press, 2007, pp. 149-55 (e-reserves).  
4) Global Financial Integrity Report 2011, “Illicit Financial Flows from Developing Countries: 2000-2009, pp. vii-1, 9-32,  
[http://www.gfip.org/storage/gfip/documents/reports/IFF2010/gfi\\_iff\\_update\\_report-web.pdf](http://www.gfip.org/storage/gfip/documents/reports/IFF2010/gfi_iff_update_report-web.pdf)

### **February 24 Week 4 Borderlands and Crossroads: Their Role in Illicit Trade**

- Read:** 1) Abraham and van Schendel, ch. 1 (van Schendel) , pp.38-68, ch. 2 (Wong), 69-100

### **March 3 Week 5 Illicit Trade and Conflict Regions**

#### **PRESENTATIONS BEGIN THIS WEEK**

- Read:** 1) Vanda Felbab-Brown, ch. 11:“From Sanctuaries to Protostates.” *Denial of Sanctuary: understanding terrorist safe havens*” edited by Michael A. Innes; Westport, Conn: Praeger Security International, 2007, pp.152-66 (see e-reserves)  
2) William Reno, “Illicit Commerce in Peripheral States” in *Crime and the global political economy* ed. By H. Richard Friman Boulder:Lynne Rienner, 2009, pp.67-84 (e-reserves)  
3) Global Witness , *Undue Diligence: How Banks do Business with Corrupt Regimes*, March 2009, pp.68-82 (Citibank, Fortis and Liberia’s logs of war)  
[http://www.globalwitness.org/sites/default/files/pdfs/undue\\_diligence\\_lowres\\_0.pdf](http://www.globalwitness.org/sites/default/files/pdfs/undue_diligence_lowres_0.pdf)  
4) Global Witness, *Faced with A Gun What can you do?* , pp.1-14, 25-37.  
[http://www.globalwitness.org/sites/default/files/pdfs/report\\_en\\_final\\_0.pdf](http://www.globalwitness.org/sites/default/files/pdfs/report_en_final_0.pdf)  
5) See website of Global Witness <http://www.globalwitness.org/>  
6) United Nations Office on Drugs and Crime (UNODC) *Drug Report 2010*.  
[http://www.unodc.org/documents/wdr/WDR\\_2010/World\\_Drug\\_Report\\_2010\\_lo-res.pdf](http://www.unodc.org/documents/wdr/WDR_2010/World_Drug_Report_2010_lo-res.pdf), pp. 231-245

### **March 10 Week 6 Illicit Trade in Natural Resources**

- Read:**
- 1) Naím, Illicit, pp.157-74.
  - 2) Van Schendel and Abraham, ch.6 (Smillie), pp.177-200.
  - 3) Pervaze A. Sheikh, “Illegal Logging: Background and Issues”, June 9, 2008, Congressional Research Services,  
<http://ncseonline.org/NLE/CRSreports/08July/RL33932.pdf>
  - 4) Liana Sun Wyler and Pervaze A. Sheikh, International Illegal Trade in Wildlife: Threats and U.S. Policy,” 2008. pp.1-40 (concentrate on the first half and look at policy suggestions) <http://fpc.state.gov/documents/organization/110404.pdf>
  - 5) GTZ, “Corruption in the Forestry Sector and Illegal Logging”,  
<http://www2.gtz.de/dokumente/bib/gtz2009-0238en-policy-briefs-corruption.pdf>
  - 6) Carolyn Nordstrom, Ch.11 “Diamonds and Fish” in Global Outlaws: Crime, Money and Power in the Contemporary World Berkeley: University of California Press, 2007, pp.105-113 (e-reserves)
  - 7) Global Witness and Environmental Investigation Agency, “Investigation into the Global Trade in Malagasy Precious woods: Rosewood, Ebony and Pallsander,” October 2010, pp.4-6 and 10. [http://www.financialtaskforce.org/wp-content/uploads/2010/10/Illegal\\_Timber\\_Report\\_261010.pdf](http://www.financialtaskforce.org/wp-content/uploads/2010/10/Illegal_Timber_Report_261010.pdf)
  - 8) Look at website of Traffic <http://www.traffic.org>

### **March 17 Spring Break**

### **March 24 Week 7 Trade in Humans, Illegal Migration**

- Read:**
- 1) Naím, Illicit, pp.86-108
  - 2) Abraham, ch.5 (Kyle and Siracusa), 153-176
  - 3) Shelley, Human Trafficking - Chapters 3-4, pp. 83-114 (e-reserve)

### **March 31 and April 7 Weeks 8 and 9 Drugs**

- Read:**
- 1) Naím, Illicit, pp.65-86.
  - 2) Abraham, ch. 4, pp.128-152
  - 3) Paul Gootenberg, Ch. 6 Birth of the Narcos, in Andean Cocaine: The Making of a Global Drug Chapel Hill:University of North Carolina Press, pp.245-289 (E-reserves)
  - 4) Stephen E. Flynn, ch.7 “The Global Drug Trade vs. The Nation State: Why the Thugs Keep Winning” in Beyond Sovereignty: Issues for a Global Agenda ed. Mary Cusimano Love Belmont:Calif:Thomson/Wadsworth, 2007, pp.161-185. (e-reserves)
  - 5) United Nations Office on Drugs and Crime (UNODC) Drug Report 2010.  
[http://www.unodc.org/documents/wdr/WDR\\_2010/World\\_Drug\\_Report\\_2010\\_lo-res.pdf](http://www.unodc.org/documents/wdr/WDR_2010/World_Drug_Report_2010_lo-res.pdf), pp. 11-27

### **April 14 Week 10 MIDTERM EXAM**

### **April 21 Week 11 Intellectual Property Crime and Counterfeiting**

- Read:**
- 1) Naím, Illicit, pp. 109-130
  - 2) Gregory Treverton et.al. Film Piracy, Organized Crime and Terrorism, Rand Publication, 2009 (e-reserves)

**April 28 Week 12 The Illicit Trade in Arts and Antiquities,**

- Read:** 1) Neil Brodie, ch.6 "The Western Market in Iraqi Antiquities," in *Antiquities under Siege: Cultural Heritage Protection after the Iraq War* ed Lawrence Rothfeld, Lanham, Md: AltaMira Press, 2008, pp.63-73. (e-reserves)
- 2) Matthew Bogdanos with William Patrick, *Thieves of Baghdad* New York: Bloomsbury, 2005, pp.243-264 (e-reserves)

**May 5 and May 10 Weeks 13 and 14 Responding to Illicit Trade**

- Read:** 1) Naím, *Illicit*, pp.175-281
- 2) Global Witness, *Undue Diligence: How Banks Banks do Business with Corrupt Regimes* pp.110-23.  
[http://www.globalwitness.org/sites/default/files/pdfs/undue\\_diligence\\_lowres\\_0.pdf](http://www.globalwitness.org/sites/default/files/pdfs/undue_diligence_lowres_0.pdf)

**May 12 Final Paper Due**

**Academic Accommodation for a Disability**

If you are a student with a disability and you need academic accommodations, please see me and contact the Disability Resource Center (DRC) at 703-993-2474. All academic accommodations must be arranged through the DRC