

Draft syllabus PUBP763.001 Illicit Trade
Spring 2013
Monday 7:20-10:00P.M.
ALRFH Rm. TBA
School of Public Policy, George Mason University
Professor Louise Shelley

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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.

Text:

- 1) 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 8TH**. 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 FEB 18th.**

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 12TH: 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:

January 28 Week 1 Introduction to the Course

February 4 Week 2 Illicit Trade in Historical Perspective? Why the Growth of Illicit Trade?

Read: 1) Itty Abraham and Willem van Schendel, *Illicit Flows and Criminal Things*, Chapter 1 Spaces of Engagement, pp. 38-62

- 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>
- 4) Karras, Smuggling, pp. 1-18

February 11 Week 3 Illicit Financial Flows and their Impact on Development

- 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
 - 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).
- Global Financial Integrity
- 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

Comment [LS1]: See report on China, see next one

February 18 Week 4 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
 - 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
 - 5) See website of Global Witness <http://www.globalwitness.org/>
 - 6) United Nations Office on Drugs and Crime (UNODC) Drug Report 2010.
www.unodc.org/documents/...2010/World_Drug_Report_2010_lo-res.pdf, pp. 231-245

Comment [LS2]: Update this section

Feb. 25 Week 5 Illicit Arms Trade and Nuclear Smuggling
Naim 38-64
Efrat—
Shelley

Comment [LS3]: Add on arms trade and bout

March 4 Week 6 Illicit Trade in Natural Resources

- Read:**
- 1) Naím, Illicit, pp.157-74.
 - 2) Add OECD **report**.
 - 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
 - 8) Look at website of Traffic <http://www.traffic.org>

Comment [LS4]: Add material from OECD, add videos

March 11 Spring Break

March 18 Week 7 Trade in Humans, Illegal **Migration**

- Read:**
- 1) Naím, Illicit, pp.86-108
 - 2) add TIP report 2012 pp.
 - 3) Shelley, Human Trafficking - Chapters 3-4, pp. 83-114 (e-reserve)
 - 4) TVPA Act—pp.388-393 2012 TIP Report (relevant organizations and documents) add on labor migration policy

Comment [LS5]: Add new material

March 25 and April 1 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)
Add from stori and De Grauwe book (reuter or other chapter?)
Chapter from Illicit Trade and the Global economy

Comment [LS6]: Add new material

- 5) United Nations Office on Drugs and Crime (UNODC) Drug Report 2010.
[www.unodc.org/documents/...2010/World Drug Report 2010 lo-res.pdf](http://www.unodc.org/documents/...2010/World_Drug_Report_2010_lo-res.pdf), pp. 11-27
- 6) Edwina A. Thompson Trust is the Coin of the Realm, Lessons from the Money Men in Afghanistan, pp.217-238.

April 8 Week 10 MIDTERM EXAM

April 15 Week 11 Intellectual Property Crime, Counterfeiting and Diversion

- Read:**
- 1) Naím, Illicit, pp. 109-130
 - 2) Gregory Treverton et.al. Film Piracy, Organized Crime and Terrorism, Rand Publication, 2009 (e-reserves)
 - 3) Efrat, Governing Guns and Preventing Plunder, 263-6
 - 4) My article
 - 5) Phake—selected pages

Comment [LS7]: read some case files

April 22 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)
 - 3) Efrat pp. 115-71---choose pages
 - 4) R. Fisman and S.-J. Weo, "The Smuggling of Art, and the Art of Smuggling," Uncovering the Illicit Trade in Cultural Property and Antiques," American Economic Journal: Applied Economics 1 (July) 2009, pp.82-96.
 - 5) Simon Mackenzie, **Regulating the Market in Illicit Antiquities No. 239, Australian Institute of Criminology, September 2002,**

Comment [LS8]: Choose pages

April 29 and May 6 Weeks 13 and 14 Responding to Illicit Trade—conventions, criminal sanctions, monitoring supply chains

- Read:**
- 1) Naím, Illicit, pp.175-281
 - 2) Global Witness, Undue Diligence: How Banks do Business with Corrupt Regimes pp.110-23.
http://www.globalwitness.org/sites/default/files/pdfs/undue_diligence_lowres_0.pdf
 - 3) Efrat
 - 4) See sanctions and Library of Congress studies
 - 5) Monitoring supply chains
 - 6) Conventions

Comment [LS9]: Choose pages

May 13 Final Paper Due ?? date

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

SPP Policy on Plagiarism

The profession of scholarship and the intellectual life of a university as well as the field of public policy inquiry depend fundamentally on a foundation of trust. Thus any act of plagiarism strikes at the heart of the meaning of the university and the purpose of the School of Public Policy. It constitutes a serious breach of professional ethics and it is unacceptable. Plagiarism is the use of another's words or ideas presented as one's own. It includes, among other things, the use of specific words, ideas, or frameworks that are the product of another's work. Honesty and thoroughness in citing sources is essential to professional accountability and personal responsibility. Appropriate citation is necessary so that arguments, evidence, and claims can be critically examined. Plagiarism is wrong because of the injustice it does to the person whose ideas are stolen. But it is also wrong because it constitutes lying to one's professional colleagues. From a prudential perspective, it is shortsighted and self-defeating, and it can ruin a professional career.

The faculty of the School of Public Policy takes plagiarism seriously and has adopted a zero tolerance policy. Any plagiarized assignment will receive an automatic grade of "F." This may lead to failure for the course, resulting in dismissal from the University. This dismissal will be noted on the student's transcript. For foreign students who are on a university-sponsored visa (eg. F-1, J-1 or J-2), dismissal also results in the revocation of their visa. The SPP policy on plagiarism is supplementary to the George Mason University Honor Code; it is not intended to replace it or substitute for it.