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**Economics as a Public Science, Part I: The
Economist's Ethos and Modes of Persuasion**

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Louise I. Shelley, *Dark Commerce. How a New Illicit Economy Is Threatening Our Future*

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Clotilde Champeyrache*

Louise Shelley is not a newcomer to the field of criminality: a historian at George Mason University, she is also the founder and director of the Terrorism, Transnational Crime and Corruption Center and the author of previous books on illegal traffics such as *Human Trafficking: A Global Perspective* (2010) and *Dirty Entanglements: Corruption, Crime, and Terrorism* (2014).

In this new book, Louise I. Shelley aims at providing a comprehensive look at the world of illicit trade. Accordingly, she adopts a multidisciplinary approach encompassing social sciences, business and economics, history, international relations, and—in a more original way—science and public health, environmental studies, and cybercrime. The wide range of the approach shows in the number and the diversity of references. The book is based on interviews with practitioners and field-work travels. One could even get the impression that each chapter could, in itself, be turned into a book.

The subject of concern is criminal trade. Its estimated annual revenue is supposed to be around 1.6 and 2.2 trillion dollars, which accounts for around 1.5% of global GDP. It represents an economic field wider than illegal trade, which relates to criminal acts (for instance drugs, human, and arms trafficking). According to Shelley, illicit trade also relates to various forms of trade that are less clearly harmful and legally defined. The illegal nature of these forms of trade is often not transparent and, as a consequence, it gives birth to “grey areas of commerce” (7) that are closely linked to corruptive processes but are clearly not “enforcement priorities”, meaning by that term that the control over those illicit activities is not high on the political agenda.

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The facts are clear and can be summed up in three major features: the growth of this illicit trade is exponential; it benefits from cyber technology (computers and social media); its impact on the planet and human health is both irreversible and harmful. These facts are clearly established thanks to scientific analyses that measure data such as extinction of species, decline of bird, and animal populations, destruction of forests and other habitats, degradation of public health.

The aim of the book is to draw attention to the “dark sides of the globalized digital economy” (3). Most interestingly, as explained in chapter 1, illicit trade is not a new phenomenon. It dates back to the Ancient world—smuggling, counterfeiting, or piracy being among humanity’s first businesses—and has also seen states involved in illegitimate behaviors and corruption. Nowadays the problem is the impact which the criminal use of new technologies has upon the range, pervasiveness and dangerousness of illicit trade. Shelley coins the term “computer-facilitated crime” to refer to the increased scale of illicit trade. Many novelties are introduced due to computers and social media. For instance, internet and encrypted software spread impersonal and anonymized trade, allowing for vast profits in relatively short periods of time, in both the legal and the illegal economy. It is also sustained by new currencies such as anonymized cryptocurrencies. Illicit trade also refers to new commodities: tangible goods such as drugs, human beings, antiquities, rhinoceros horns and so on are still traded, but trade in the cyberspace promotes also intangible commodities. Indeed, malware, botnet and ransomware are new illicit commodities based on algorithms. Frauds also prosper on virtual products, namely identity, password, and money theft. Consumers and organizations directly suffer financially from embezzlement of bank accounts, theft of computer data and violation of intellectual property rights.

One of the most interesting aspects in Louise I. Shelley’s *Dark Commerce* is to put illicit trade in a wider context thanks to highly-documented and varied field examples. Thanks to this multidisciplinary and global approach, the author avoids the simplistic argument based exclusively on a cost-benefit analysis, an approach now dominating, after the work of Gary Becker, the economic analysis of crime. The costs and irreversibility of illicit trade have to be assessed in the long run. Furthermore some costs are not financial but rather political. Thus, illicit trade cannot be understood merely through the behavior of individuals confronted to the alternative “break a law / abide by law”. The frontier is, indeed, now blurred and the institutional dimension of crime cannot be left untold.

The focus of the introduction on recent technology and its dreadful impact on the spreading of illicit trade may leave unnoticed another fundamental lesson from Shelley’s case studies. As stressed in chapter 8, technology is a driver rather than the real cause of the exponential

growth of dark commerce. Technology is a tool in the hands of many actors in a specific context where illicit trade has become more and more tolerated, even from an opportunistic point of view. As a consequence, it becomes highly unrealistic to consider the upperworld and the underworld as two watertight spheres of activities. The blurring of the frontier already appears in the distinction established by Louise I. Shelley between illegal and illicit trade. A further step is taken when the role of the state in the process is taken into account, showing some dubious links between (some) state actors and underground activities. North Korea and its state involvement in environmental and computer crime, or weapon and drug trafficking, gives a good example of how a state can also take political advantage of illicit trade (210 sq). The official use of illicit trade by North Korea does not only stem from greed and profit-seeking strategies; it also aims at undermining rival states, such as the United States, thanks to the illegal control of nuclear weapons and the diffusion of harmful synthetic drugs for the American civil population.

Even though some states benefit from illicit trade, others suffer from it. Shelley's assessment is that, all in all, the role of states is declining—dark commerce can contribute to the unmaking of states—while that of non-state actors—criminals, terrorists insurgents—is on the rise. For instance, terrorist groups in states plagued by civil wars—Syria is a perfect example of the phenomenon—resort to illicit trade (in antiquities, embargoed oil, environmental resources, weapons, human beings or drugs) in order to fund their activities. Once again, this fact is replaced in a more global context: there is a continuum between conflicts, illicit trade, and global human consumption of illicitly sourced resources. Therefore, because they are entangled, problems must be tackled together. The same holds for environmental crime, climate change and population displacement: in the absence of viable legal economic opportunities, displaced people will in turn develop further illicit trade. It is even more the case if, as is perfectly exemplified with rhinoceros horn trafficking, actors in charge of abiding by law do not perceive such rules as legitimate. Criminal tacit rules (such as the authorization to poach) then become, for some people, rules of conduct.

Another particularly interesting point in Shelley's book is the role of legitimate actors as facilitators in illicit commerce. Individuals and corporations sustain illicit trade. Sometimes they do so unwillingly: many citizens buy illicit goods on online marketplaces without even knowing that they enrich criminal organizations. In other cases, companies and individuals willingly and openly support illicit businesses, taking advantage from them. It explains phenomena such as the glorification of the criminal world in culture: narco-corridos in Latin America, but also the films generated by the powerful and well-financed entertainment industries. Once more, the entanglement be-

tween criminal and legitimate interests is worrisome. It contributes to the unmaking of state legitimacy and to the blurring of the frontier between what is legal and illegal.

Perspectives are bleak, to say the least. And the conclusion of the book does not leave much room for hope. To be effective, the fight against organized crime urgently requires an all-encompassing endeavor from all actors, at both the individual and the collective levels. In particular, states must strive to regain forces and legitimacy in establishing what is forbidden or not. International law and controlling devices must be implemented. Financial and corporate worlds are singled out for their complacency with illicit persons and activities. Unfortunately, past evidence shows that, although the effort is highly needed, the establishment of more supervising rules is more a wishful thinking than a realistic perspective.

In brief, Shelley's *Dark Commerce* is worth reading for its worrying but extremely realistic and fact-based account of contemporary organized crime businesses. Some could argue that the extreme wealth of references is paradoxically a weakness of the book: indeed, Louise I. Shelley's work is empirical and lacks theoretical background. Nevertheless, it is necessary to start from the ground in order to, later, build a convincing theory of (organized) crime. It is also worth reading for the acuteness of the analysis of the intrinsic weaknesses of states, societies and individuals in front of the various new criminal threats.

Economists in particular should pay specific attention to the admonitions contained throughout the book. Crime economics, already a minor branch of the discipline, is dominated by the Beckerian approach. Often insulated from field work and empirical data, the Beckerian models reduce criminal activities to merely profit-oriented rational behaviors. Rhinoceros horns trafficking, North Korea's involvement in criminal businesses, implications of terrorists in trafficking, and other examples show that there is more to crime, than such simplistic assumptions. Collective behaviors are at stake, too, and profit—though a motivation—is not the only driver for crime. Institutional dynamics and power struggles have to be taken into account in order to work out an economic analysis of crime able to give a clear understanding of the illicit economy and, consequently, appropriate operational tools for public policy. Louise I. Shelley's work contributes to building an alternative, institutional approach to crime economics.

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