



TARAKKIYAT TADQIQOTLARI | ИССЛЕДОВАНИЯ РАЗВИТИЯ DEVELOPMENT STUDIES

ИЛМИЙ-АМАЛИЙ АНЖУМАНЛАР | НАУЧНО-ПРАКТИЧЕСКИЕ КОНФЕРЕНЦИИ
SCIENTIFIC AND PRACTICAL CONFERENCES

Volume II, Issue-22, (October) 2024

Journal homepage: <https://inashr.uz/index.php/rid>

MUSAEV Djamaliddin Kamalovich
*Associate Professor of the Department
of Special Legal disciplines
of the Customs Institute*

DRUG TRAFFICKING AS A BRANCH OF THE SHADOW ECONOMY

In modern conditions, the illegal production and distribution of drugs has become a significant sector of the criminal sphere of the shadow economy, as evidenced by the dynamics of the production and distribution of various types of drugs on a global scale, as well as the drug business in the world economy, estimated by experts at 8% of the total volume of world trade [1].

The main factors that determine the development of the drug business, in fact, coincide with the determinants that determine the development of the shadow economy in all its manifestations, but it should be taken into account that the drug business represents an illegal and unlawful criminal sphere of economic activity for the production and distribution of drugs on a transnational scale.

According to the UN classification, all international crimes are divided into 17 groups. The main difference between this classification is due to the fact that all types of criminal activities identified by UN experts, when committed, violate the laws of more than one country, thus these crimes are transnational in nature.

- money laundering;
- terrorism;
- theft of works of art and cultural objects;
- theft of intellectual property;
- illegal arms trade;
- aircraft hijacking;
- maritime piracy;
- seizure of ground vehicles;
- insurance fraud;
- computer crime;
- environmental crime;
- human trafficking;
- trade in human organs;
- false bankruptcy;
- penetration into legal business;
- corruption and bribery of public and party leaders, officials, elected officials, as well as

illegal drug trafficking.

Drug trafficking is associated with at least five of the listed types of transnational crimes. These are money laundering, arms trafficking, terrorism, infiltration of legitimate businesses, corruption and bribery of officials.

Money laundering is a necessary condition for the existence of the drug business from the point of view of the expanded reproduction of core products - drugs - and the generation of income on an ever-expanding scale. Ample opportunities for this are provided by the modern structure of the world economic system and the principles of liberalization and globalization that define it.

Currently, in all offshore centers you can find three main types of organizations convenient for money laundering:

- international trading companies;
- offshore companies with a banking license;
- trust companies.

The advantages of such organizations from the point of view of legalizing income from the production and sale of drugs are as follows [2]:

- registration takes a minimum of time;
- creating and maintaining a business requires relatively small financial investments;
- these organizations are practically free to choose the rules for maintaining records and reporting, the necessary reporting that is required to be provided is also minimal;
- have real limited liability;
- high degree of anonymity;
- have complete freedom of action within the framework of their business activities.

The use of this channel for legalizing proceeds from criminal activities in the drug business provides “entrepreneurs” in this field of activity with almost complete impunity.

Recently, the use of an electronic payment system has become equally widespread for the purpose of money laundering; in similar ways, not only large quantities are paid, but also the purchase of single doses of narcotic drugs, ensuring absolute anonymity of both the seller and the buyer.

Thus, a distinctive feature of the modern drug business can be considered the use of high technology, including at the stage of production of narcotic raw materials. For example, in Afghanistan, there has recently been a significant increase in the yield of plants containing narcotic substances:

- up to 56 kg of opium and 154 kg of hashish per hectare;
- in Morocco, the yield of marijuana is three to four times lower, which suggests the possibility of using high technologies from the field of genetic engineering.

The most significant characteristics of the modern drug business include the following parameters:

- transformation of the industry into a highly profitable high-tech industrial business with well-established and controlled distribution channels for products (narcotic drugs) and an extensive system of legalization of criminal proceeds;
- growing volumes of reinvestment of proceeds from the sale of drugs into their expanded production; high rates of product renewal;
- high standards of product quality, confirmed by unique “trademarks”;
- strengthening the connection of the drug business with such types of transnational crimes as money laundering, arms trafficking, terrorism, penetration into legal businesses, corruption and bribery of officials;
- large-scale use of modern information and communication technologies, especially at the stage of distribution and sales of products and settlements;
- high technical equipment of all operations for the production, protection and transportation of drugs.

In the drug production sector, the phenomenon of mergers and acquisitions is also observed; most drug manufacturers organize their production according to the type of vertically integrated holding-type structures, using the economic benefits of the sectoral and territorial division of labor.

Structurally, the drug business covers all stages, including scientific research into the production of a new type of product, production, marketing, logistics, investment, trade, and financing of related industries.

Receiving huge incomes, representatives of the drug business have the opportunity to expand the scope of their activities throughout the world, but at the same time, the organization of the drug business maintains a clear division of functional responsibilities for the production, storage, transportation and sale of drugs, which indicates a high level of cooperation and integration.

Analysis of the organization of drug production, including in Afghanistan, allows us to assert the existing specialization of spheres and technological stages of production, based on the principles of social division of labor and secured by corresponding executive functions.

The results of global drug production suggest that in the process of operating, enterprises in this industry use, not without success, the entire arsenal of modern management and marketing practices. In most cases, drug production management corresponds to the management level of a modern company with a developed management and marketing system with branding elements.

If we consider the management of drug production as the management of a separate company, then we can identify all the most significant areas of functional activity of the management of this enterprise:

- project management (current and future; local, regional and global);
- scientific, production, investment, transport, etc.);
- management of tasks on the solution of which the achievement of project goals depends;
- resource management (material, labor, financial);
- relationship management (suppliers, buyers, carriers, all related parties ensuring the continuous process of drug production);
- quality and efficiency management (product quality control, efficient use of resources, ensuring high final results of the enterprise);
- information management (an important area of management in modern conditions, associated with the need to obtain all the necessary information about the activities of the external environment of the enterprise, risks, new products, activities of competitors, bringing the necessary information to the right people, etc.);
- management of people (not only the employees of the enterprise, but also the management of consumer behavior - involving an additional number of consumers of the enterprise's products, the desire to make them adherents of this product using marketing tools);
- change management (a drug production enterprise must respond flexibly to external changes, adopt and implement best practices and innovations, including the development of new types of drugs). From the point of view of the behavior of an individual drug business enterprise on the market (in the industry - in the understanding of M. Porter), it should be noted that it has significant market power in relation to consumers.

Unlike markets for normal goods, where consumers can exert significant market pressure on a firm by reducing demand for its product, drug users are completely dependent on the firm.

In this case, their economic behavior is not regulated by the price of the product, but is determined by the growing "usefulness" for them of this "good" - the drug.

This is where, in our opinion, the fundamental difference between the drug market and other commodity markets is expressed. In the drug market, due to the stated reason for the almost absolute power of the seller, there cannot be a coordinated action of economic entities, which makes the equilibrium state of the market possible.

In this regard, the statement of a number of authors according to which the drug market, like any other market, tends to a state of equilibrium between supply and demand seems unjustified [3].

The drug seller has the opportunity to constantly increase the supply of a product while simultaneously increasing the price of this product, since the drug user is ready to buy this product due to his high dependence on prices dictated by the seller. A drug addicted consumer will search for a product and purchase it at any price set by the seller. Severe prohibition measures increase the costs of drug production, but these are covered by the increasing retail price that consumers are willing to pay.

REFERENCES

1. Ivanov V.P. Afghan drug hub. – P. 117.
2. Lilly P. Dirty deals. The secret truth about the world practice of money laundering, international crime and terrorism. – Rn/D.: Phoenix, 2005. – P. 162-163.
3. Timofeev L.M. Shadow economic systems of modern Russia: theory – analysis – models. – P. 194.