

The flip side of legitimate markets: an empirical analysis of transnational drug trafficking

Transnational drug trafficking involves the movement of illegal commodities across countries. It has been demonstrated that it requires trade networks that have a lot in common with legitimate markets. However, countries that benefit from the drug trade rarely occupy key positions in the global economy. This presentation offers an empirical analysis of transnational drug trafficking. Based on data collected by the United Nations Office on Drugs and Crime from 1998 to 2007, separate networks of exchanges between countries were built for cocaine, heroin and marijuana. Those networks are compared to legal trades, namely chocolate and coffee. Several differences are found. The density of drug trafficking networks is lower than their legitimate counterparts. More importantly, key players of the global economy are less involved in the drug trade while many peripheral countries play important roles. A larger proportion of drug exchanges are directed towards countries located at the core of the global economy. In many ways, transnational drug trafficking forms markets turned upside down.