

# Moisés Naím explains the darker side of global trade

Gregory Doyle, Apr 19 2010

Thanks to the efforts of Hasty and Sis Johnson P'11, St. Andrew's students enjoyed an insightful conversation with Dr. Moisés Naím, the editor-in-chief of *Foreign Policy* magazine. Dr. Naím is an expert in international politics and economics, and writes about the challenges and risks of globalization. His "Missing Links" column in *Foreign Policy* explores the side effects of a world with increased international trade. He served as Venezuela's minister of trade and industry in the early 1990's, and was professor and dean at IESA, a business school and research center in Venezuela. Dr. Naím is a member of the board of directors the National Endowment for Democracy, Population Action International, the International Crisis Group and of the World Economic Forum's International Media Council. He served as an executive director at the World Bank and directed policy studies on economic reforms at the Carnegie Endowment for International Peace.

In his talk with students, Dr. Naím shared a brief clip of the documentary film, *Illicit*, highlighting the political and social realities of the illegal trade in narcotics, endangered species, counterfeit goods, and money laundering. Despite spending billions of dollars to deal with the problems, governments across the world have had little success at eradicating black market commerce. It is estimated that 10% of the world's trade is illicit. In some countries, that percentage is far higher, especially where governments are weakened by armed conflict and criminal networks enjoy considerable power. Traffickers in contraband often have better cooperation between their various global factions than the government agencies chasing them.

Naím pointed out that the crime itself is not new, but the magnitude, reach, and potential growth of these illicit enterprises are greater than the world has ever known previously. The increase in communication across the world, particularly with the rise of wireless phone networks and the Internet have emboldened and enhanced the criminal networks. The criminals move quickly and adapt to adversity, unlike the bureaucratic entities seeking to stop the activity.

In particular, governments suffer from one or more of three "blind spots" in their evaluation of the problem. First, they perceive the threat as nothing new, failing to account for the transformative speed and scale that have arisen. Second, they rationalize that crime is merely part of civilization, ignoring that in many parts of the world, the crime has supplanted the civilization itself. Third, they label the crime as "deviant" when, in some cases, it is becoming a "norm." In particular, Naím pointed out the debatable prioritization of copyright infringement and software pirating over crimes with much more tangible harm to human lives such as human or drug trafficking.

Naím answered several direct questions from the students, exploring the role of regulation in creating a black market and encouraging societal ambivalence, how to address demand, treating the symptoms of illicit trade rather than the causes, and the role of the Internet in global trade.