

International crime and Shadow
economy

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What Is International Crime?

- The term "international crime" does not have one, simple, universal meaning. In most cases, however, an international crime refers to atrocities committed on an international level, such as genocide, war crimes, crimes of aggression, and human trafficking. International criminal law is extremely complex, as is prosecution of defendants charged with an international crime. International law in general is a complex web of international treaties with specialized courts formed to adjudicate legal issues that arise in international law. Until the 1990s, individuals charged with an international crime were either tried under the laws of a particular nation or tried in courts formed for a specific purpose, such as the Nuremberg war crimes trials.



International Criminal Court



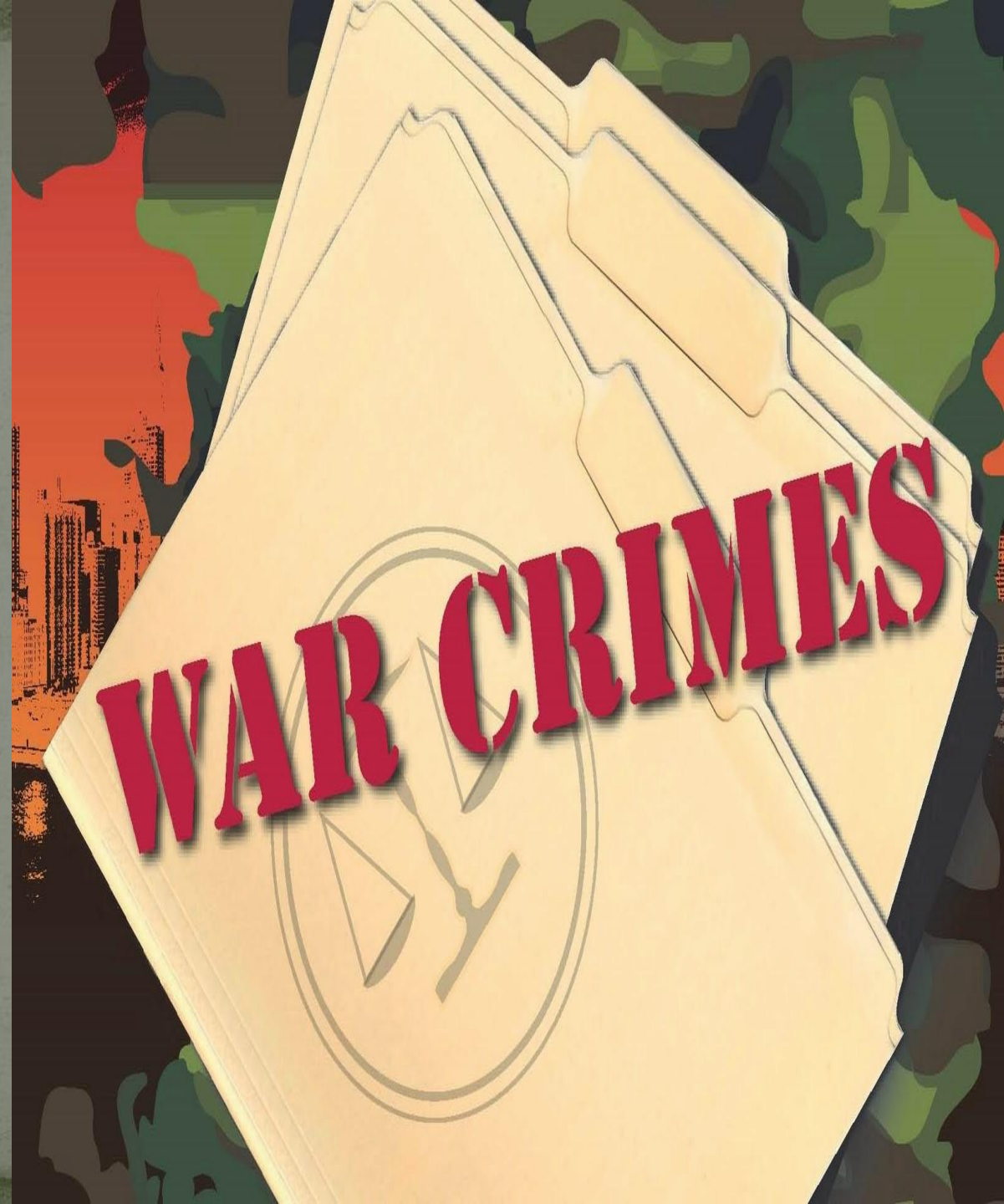


Genocides.



Genocide is an international crime that involves the intentional and systematic destruction of a specific ethnic, racial, or religious group. The most famous example of the crime of genocide in recent history involves Adolf Hitler's actions during the 1940s. Although the definition of exactly what constitutes genocide may vary among scholars, all agree that genocide is an international issue and, therefore, should be considered an international crime.

- War crimes are crimes that are committed during a time of war and are specific to treatment of prisoners or citizens of an occupied territory. There are a number of international treaties that set forth the conduct expected by soldiers during the occupation of enemy territory, as well as how prisoners are to be treated. In general, prisoners or citizens of an occupied territory are to be treated humanely, despite that fact that they are prisoners.



Nanking - 1937





STOP

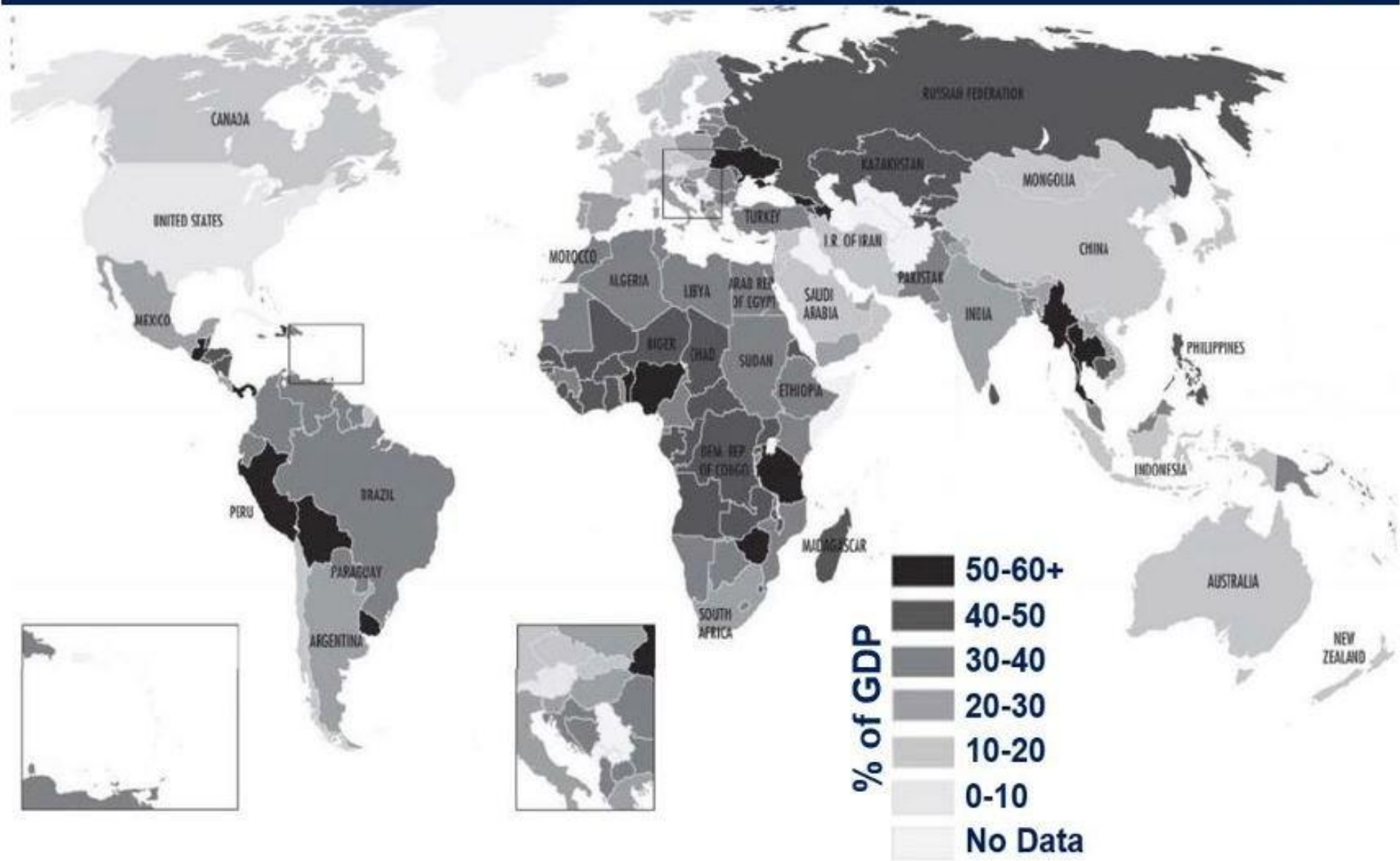
HUMAN
TRAFFICKING

- Human trafficking is another international crime that involves abducting individuals from their home country and transporting them across international borders for profit. In some cases, human trafficking involves the abduction of women who are then sold into the sex trade. Human trafficking may also involve the abduction of individuals for sale into the slave trade.

Shadow economy

- The **shadow economy** refers to all work activity and business transaction that occur 'below the radar' – economic activity that is undeclared and for which taxes that should be paid are not. Also known as the informal sector, the black economy, the underground economy, or the gray economy, the shadow economy includes criminal activities such as drug dealing and smuggling, as well as legal jobs, such as gardening, working in construction, or selling products to car drivers at traffic lights. This part of the economy also includes situations where individuals are forced to work as slaves with no pay, or where work is carried out in exchange for things other than money.

Shadow Economy



Formalizing the shadow economy

Reducing tax evasion – using illegal methods to avoid having to pay taxes – and bringing the shadow economy and informal employment into the formal economy is a top priority for most governments. However, the informal sector is extremely difficult to measure and monitor. Given how hard it is to measure the underground economy, statistical work on what causes it and how to address it is especially challenging. Informal economic activity is problematic for a number of reasons. One of the purposes of lawmakers and government is to provide rules and regulations that players in the economy have to comply with. When it comes to the shadow economy, however, those legal institutions are ignored and bypassed – when contracts are broken there is no legal recourse to enforce them, economic relationships may deteriorate into violent confrontations, and it can become virtually impossible for businesses to grow because if they do, they come to the attention of the authorities.

Shadow Economy by Country

Uganda	94%	Paraguay	64%	Albania	43%
Guatemala	74%	Colombia	64%	Thailand	43%
Honduras	73%	Mexico	54%	Panama	40%
Peru	69%	Palestine	52%	Brazil	37%
El Salvador	65%	Dom' Rep'	51%	Uruguay	33%

Shadow Economy Employment Relative to All Non-Agricultural Employment

Shadow economy – a global phenomenon

The shadow economy represents an important part of the economies of every country in the world – it represents an especially large proportion of GDP in the developing nations. In the rich countries, it accounts for between 10% and 25% of total income, while in some emerging economies, such as Uganda, it represents 94% of GDP. Economists say that the informal sector provides vital economic opportunities for the poorest people in developing countries. It has been growing steadily across the world since the 1960s – dipping slightly after the late 1990s, and then expanding again after the global financial crisis of 2007/8. The shadow economy includes both victims, such as children forced to work in sweat shops for \$1 per day, and people who deliberately chose to evade taxes, such as the individual who paints your house and insists on being paid in cash.

Shadow Economy



Shadow economy in communist countries

- People who support socialism or communism typically blame advanced capitalism for the shadow economy. The accusation is naive and short-sighted. In the old Soviet Union and its satellite nations of Eastern Europe, as well as in Cuba and North Korea today – all communist economies – the shadow economy, known as the black market, is/was a huge and key part of the economy. The underground economy of East Germany, when it was a communist state, was significantly larger than that of West Germany, a free-market democracy. The same difference exists between North Korea and South Korea.

Thank you for listening carefully,
to my colleagues