Contents

Series Foreword vii
Contributors ix

1 Introduction 1
Cláudia Costa Storti and Paul De Grauwe

2 Purity, Price, and Production: Are Drug Markets Different? 7
Peter Reuter and Jonathan P. Caulkins

3 The Hidden Financial Flows of Organized Crime: A Literature Review and Some Preliminary Empirical Results 31
Friedrich Schneider

4 Gotcha! A Profile of Smuggling in International Trade 49
Helge Berger and Volker Nitsch

5 Dark Side of Trade in Iran: Evidence from a Structural Equation Model 73
Mohammad Reza Farzanegan

6 Modeling the Cocaine and Heroin Markets in the Era of Globalization and Drug Reduction Policies 119
Cláudia Costa Storti and Paul De Grauwe

7 The Impact of Globalization on the UK Market for Illicit Drugs: Evidence from Interviews with Convicted Drug Traffickers 159
Kevin Marsh, Laura Wilson, and Rachel Kenehan
8 Khat, and the Informal Globalization of a Psychoactive Commodity 179
Axel Klein

9 Organized Crime and Foreign Direct Investment: The Italian Case 203
Vittorio Daniele and Ugo Marani

10 The War on Illegal Drugs in Producer and Consumer Countries: A Simple Analytical Framework 229
Daniel Mejía and Pascual Restrepo

Index 257