

The International Nature of Corruption Requires the Global North to Step Up Enforcement Mechanisms

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On April 20, 2020, the New Internationalist posted an article entitled: [Who's The Thief?](#), which discusses how tax havens in the “Global North” enable the systematic looting of the “Global South.” The push of this article is that despite their reputations for having a strong rule of law, nations such as Switzerland, the United States, and the United Kingdom, serve as the enablers and instigators of global corruption, such as fraud and money laundering. They do this by (1) extracting wealth from the “corrupt” nations in which they do business (often in the global south) by siphoning off profits; and (2) avoiding or evading paying taxes on this wealth by moving it across international borders.

[This article](#) estimates that roughly \$1 trillion flow through this dirty system annually, which is “roughly 10 times the volume of development assistance flowing in the other direction.” At the same time, “[v]ery little of that illicit wealth returns to its source, with much of it being used to buy real estate and luxury assets in the Global North.” Essentially, we live in a world where large scale corrupt practices are “permeating every aspect of the global political economy” transcends national borders. The Panama Papers were just the tip of the iceberg.

Global problems require global solutions. Therefore the “Global North” must recognize their role in promoting and facilitating the corruption in the “Global South” and take measures to dismantle this system of corruption. The U.S. has begun to take such steps. Statutes such as the [FCPA](#) reach beyond conduct in the United States to get at corruption facilitated by U.S. companies or through U.S. instrumentalities around the world.

Similarly, given the inherently transnational scope of large-scale corruption, [whistleblowers are more crucial than ever to destabilizing this system](#). Whistleblowers are uniquely able to use inside knowledge to track flows across borders and [provide information](#) that domestic law enforcement might not otherwise have the tools to uncover. As of September 2014, under the whistleblower protection provisions of the FCPA and Dodd-Frank Act, over 1,000 whistleblowers from 82 countries filed claims in the United States, and international whistleblowers obtained over \$30 million in awards for providing information resulting in successful prosecutions.

More northern countries [need to pass such incentive programs for whistleblowers](#), regardless of their location and create legal regimes like the FCPA to target cross-border corruption.

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