

The Silk Road, Bitcoins and the global prohibition regime on the international trade in illicit drugs: Can this storm be weathered?

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Abstract

The global prohibition regime on the international trade in illicit drugs is a relatively recent phenomenon, which finds its origins in the nineteenth and twentieth century. It is a part of the bigger system of international norms and regulations arising from the American hegemony.

Historically, one could hardly find any effort resembling the modern prohibition regime on the trade in illicit drugs around the historical *Silk Road* that traversed much of the ancient known world and connected civilizations through trade.

Merchants from across the world travelled safely, for the most part, on this road and took part in a globalized trade, which was unprecedented. Centuries later, a new Silk Road was allegedly created by 29 year-old Ross William Ulbricht, the self-styled Dread Pirate Roberts.

Introduction

Research Question: Why has the rise of the Silk Road challenged law enforcement efforts against the international trade in illicit drugs?

The Silk Road relevant to this discussion is a web page that cannot be accessed through routine means. This illicit drugs black market is placed within the "dark-web", in a deeper layer of the Internet than normal URLs used by majority of the web-surfing population.

During its two-and-a-half year run, the "E-bay of illicit drugs" facilitated more than \$1 billion in transactions, according to the FBI. Utilizing the crypto-currency Bitcoin, it protected all financial transactions from the watchful eye of the anti-money laundering checks and balances.

Rather ironically it also utilized Tor; Internet browser software created by the US government that can grant access to the aforementioned deep layer of the worldwide web.

The Silk Road's core operational manifest:

(1) Tor Browser for encrypted access to Dark Web + (2) Bitcoin as a currency that leaves no trail + (3) Shipping techniques for law enforcement aversion

This paper seeks to explain why The Silk Road has been such an enormous challenge to law enforcement.



Methodology

This paper attempts to place a hot-button issue (the silk road) within the theoretical framework established by scholars of International Relations and Transnational Crime.

During preliminary research, there were certain difficulties with the lack of scholarly and peer-reviewed research on this topic due to how recent the developments on this topic took place. To face this problem, a larger wealth of sources within IR scholarship of Transnational and Organized Crime was used. The goal of taking this approach was to produce a paper that is well-grounded in theory while addressing an important issue.

Also, as a comparative tool and to portray the cultural elements of the response to Silk Road, I have used the rather unorthodox method of surveying attitudes within the twittersphere. Utilizing the software Topsy, I compared public attitude towards The Silk Road and the Mexican drug cartel Los Zetas. This was attempted while mindful of the drawbacks of the method.

Outlining the Argument

Antisovereignty and the Dark web

Expanding on Palan's antisovereignty thesis, the Dark Web can be regarded as a space of antisovereignty. Far from jurisdictional powers of law enforcement, Organized Crime is likely to explore this space more and more.

Nomadic Capitalism and Criminal Business

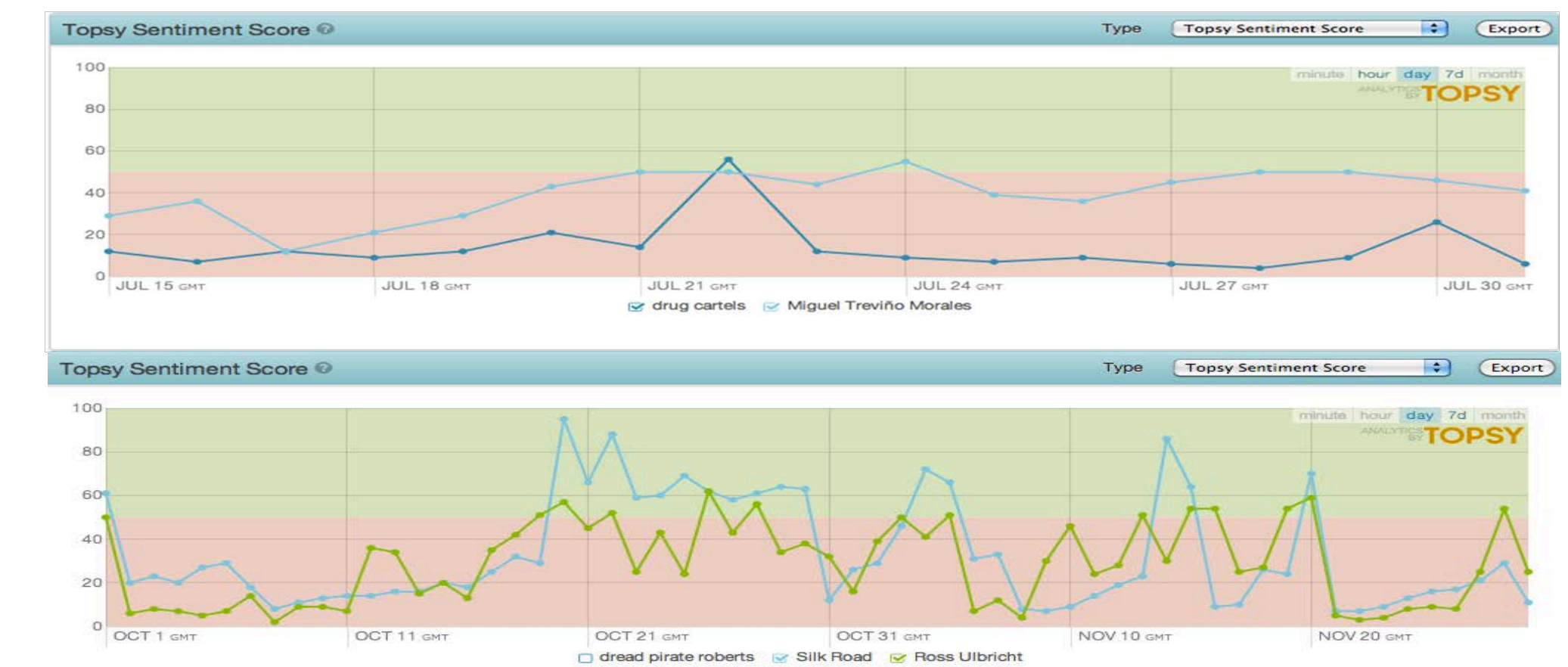
The traditional approach has been to "Follow the money!" The Silk Road's reliance on Bitcoin renders that approach useless. Also, criminal business motivated solely by profit has been quick to move its finances and focal point of interest nomadically and transnationally to generate higher returns. These criteria have provided strong challenges for law enforcement, operationally and legislatively.

Difficulty of demand focused efforts in the case of Silk Road

Naylor and other scholars have argued adamantly that efforts in limiting the supply of illicit drugs is doomed to fail. In the face of the forces of market, demand focused approaches also fail due to Silk Road's technological competence.

Global Regime of prohibition of international trade in illicit drugs

The system of laws acting as the infrastructure to this *global regime* is wildly inadequate to deal with cybercrime and transnational trade in illicit drugs that utilizes groundbreaking technology



Graph 1: Sentiment score 40 days before the capture of Ross Ulbricht and Miguel Morales

Conclusions

- I have argued that even though law enforcement agencies such as the FBI may prefer to write off the Silk Road as just another cybercrime offshoot they have effectively dealt with, there are potentials within this latest move in transnational crime that greatly challenges law enforcement, legislators and the global prohibition regime on the international trade in illicit drugs.
- I have argued that the Silk Road's unique characteristics prevents effective demand-focused efforts thus enticing law enforcement to commit to tested-and-failed methods. I have also pointed to the ways in which the Silk Road challenges this regime legally and culturally.
- Hence, I believe that whether or not the Silk Road will put up a fight, it has started a trend that is bigger than Mr. Ulbricht. The future of a presence of an online black market for drugs and the viability of Bitcoin as it tries to find its place within the doubtful financial system are going to depend on the near-future developments in this subject.**



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