

Evaluating Walker's Money Laundering Model in Iranian Drug Economy

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Abstract:

The amount of money obtained from illicit drug trafficking and other criminal acts in the global economy is highly growing so that its annual volume is more than United States' GNP. The injection of this money or a part of it into any country can question the effectivity of its policies. Hence, it is necessary for all governments to adopt and implement relevant laws in order to fight against money laundering made by organized crime groups. However, there should be an estimation of the amount of money considered by money launderers for each country based on its own conditions and then take appropriate measures via identifying factors affect on money launderers' efforts. On this basis, John Walker's money laundering model so-called "Australian Model" is described and then some of its shortcomings are explored.

Afterwards, money laundering in Iranian economic conditions is reviewed by using Walker's hypothesis as well as drug trafficking in the region.

Keywords: drug economy; money laundering indices; Walker's model; money laundering.

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This article is also contemplating privatization and liberating policies in the conditions that informal economy acts under the support of criminal organizations.

Keywords: illicit drug economy; stabilizing; macro-economy; informal financial market; criminal groups; criminal financial supply.