

## **Editorial: The Ascent of Green Crime: Exploring the nexus between the net zero transition and organized crime**

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**“The energy sector both holds the key to human prosperity and averting the worst effects of climate change.” (Adkins, 2022).**

This editorial highlights a fundamental gap in the existing literature base whereby the climate crisis is largely missing from journals covering all aspects of finance - including those that cover financial crime (for a wider discussion, see Stern, 2021). Specifically, in relation to financial crime and clean energy, there is no known research on net-zero emissions goals and the proceeds of crime. Although Williams (2013), highlights that carbon trading schemes (whereby companies and countries look to offset emissions), are vulnerable to money laundering practices due to the similarities of such schemes with traditional financial markets, the authors of this editorial widen the argument to encompass the potential of organized crime groups to profit from proposed incentives and policies to support decarbonisation. For example, proposed policies in the United Kingdom (UK) to encourage deployment of low-carbon heating systems such as the ‘home upgrades grant,’ ‘social housing decarbonisation fund’ and ‘clean heat grant’. In 2022, as the world seeks to rapidly decarbonise and wean itself off fossil fuels, the authors recognise the immense potential benefits for economic enterprise, new business models, solutions, and innovations. However, as will be shown in this brief discussion piece, the legitimate industries, which are linked to future-proofing the world from climate change and thus improving the wellbeing of all societies at the international level, risk being undermined by organized crime groups.

In 2021, in her editorial for this journal, Young addressed the links between organized crime and the upper world and highlighted that objectives which are inherently linked to global plans to improve society’s wellbeing at the international level (for example, the manufacture of ventilators during the Pandemic), can easily cross into the territory of the morally corrupt values of political gains – and in the worst cases, cross the boundary from the licit to the illicit (JFC, 2021). The observation that utilitarian actions on behalf of governments are vulnerable to organized crime, is equally applicable to the energy sector. Indeed, as shown by López-Vallejo and Fuerte-Celis in north-eastern Mexico, the economic activities of poly-criminal groups are expanding to encompass fossil fuel projects (Latin American Perspectives, 2021). While energy production remains the primary driver of greenhouse gas emissions, the local example above can be viewed as a representative case study for all economies which invest in the energy sector (be it fossil fuels or clean energy) and attract both legitimate and criminal entrepreneurs. The authors purport that the clean energy industry, which revolves around decarbonisation and the reduction of fossil fuels, is also open to criminal manipulation and has the potential to generate vast proceeds of crime.

Due to the “newness” of this area of research, there are no known figures on the proceeds of crime generated by the clean energy industry. However, there are figures on the amount of funding available for countries to achieve decarbonisation goals. The Members of the Glasgow Finance Alliance for Net Zero, have a resourcing budget of \$130 trillion available for achieving the goal of 55% decarbonisation by 2030 (GFANZ, 2021; UNEP,

2021). Ergo, as with any pot of money that incentivises countries to achieve policy-driven goals - be it combating drug trafficking or climate change – there will be a wealth of contractors, businesses and entrepreneurial individuals who are savvy and opportunistic in their pursuit of a cut of \$130 trillion. Indeed, the legitimate industries which pivot around the goal of net-zero emissions, for example, heat pump producers (environmentally friendly heating systems), are part of the wider manufacturing sector – a sector which will benefit from the resources made available to create heat pumps at the rate needed to meet the UK goal of 600,000 heat pump rollouts per annum, to achieve net-zero emissions by 2050 (HM Government, 2020). The manufacturing sector has long been acknowledged as a legitimate sector which is open to manipulation and destabilisation by organized crime groups (Ganau and Rodríguez-Pose, 2017). With the Vice President of the European Commission (2015) making such statements as: “energy efficiency investments in Europe makes good economic sense”, the authors pointedly highlight that such investments would undoubtedly be reflected in the manufacturing of goods designed to enable decarbonisation. It can therefore be assumed that would be vulnerable to organized crime shocks from those groups looking to profit from clean energy schemes. Additionally, at the national level, the UK Government has allocated £12 billion for decarbonisation efforts. Thus, it may be observed that the sheer amounts of money involved in combating climate change means that there is an undeniable potential for organized crime groups to undermine a resilient and affordable energy supply and therefore threaten the UK’s achievement of ‘net-zero’ goals.

This short editorial has highlighted the need for concentrated research on how to achieve climate goals, which are robust and immune to the threats presented by organized financial crime. Going forward, the authors strongly recommend that to enable the efficient and resilient transition from a carbonised to carbon-free global society - supporting human, ecosystem, and planetary health – there are key points which must be addressed. Specifically, the authors strongly advocate that climate change policy makers and those working to combat financial crime, identify steps to ensure the proposed decarbonisation policies and government contracts are implemented with thorough and robust transparency frameworks in place, to avoid criminal manipulation. Additionally, knowing the risks presented by poly-criminal organized crime groups in securing large public sector contracts, what are the procurement practices in place to allow for the identification and verification of prospective contractors who will work on the manufacture and installation of green technologies?

Ultimately, in the global pursuit of clean energy and climate innovation, all Nation States are under increasing pressures to meet policy driven targets (for example, those dictated by the United Nations Sustainable Development Goals). The achievement of such goals requires the availability and dispersal of immense resources especially regarding government contracting; these are processes which must be transparent, minimise the waste of the taxpayer’s money and design out the criminal misuse of public sector funds, if the “war against climate change” is to avoid becoming the unmitigated disaster which is the supposed “war on drugs”.

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