

**ORGANIZED CRIME: THE COMPARATIVE ANALYSIS OF HUMAN
TRAFFICKING AND MONEY LAUNDERING (CASE STUDY:
MALAYSIA-PHILIPPINES 2018-2022)**

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ABSTRACT

The issue of organized crime, particularly human trafficking and money laundering has become a significant concern in both Malaysia and the Philippines. These crimes are driven by a variety of factors, including economic disparities, political instability, and the demand for cheap labour and illicit financial transactions. The purpose of this study is to explore the nature of organized crime, specifically human trafficking and money laundering, in Malaysia and the Philippines. The objectives of the study are (1) identify the factors influencing the prevalence of organized crime in both countries, (2) to determine the effects of human trafficking and money laundering on their societies, and (3) to analyse the actions taken by the governments of Malaysia and the Philippines to mitigate these crimes. Nevertheless, the concept used in this research is the National Security. By applying a comparative analysis, the study will delve into the socio-economic conditions, political environments, and legal frameworks that contribute to the persistence of such crimes. A qualitative research approach is employed, utilizing secondary data from reliable sources, including reports, articles, and government documents. The findings of this study will provide valuable insights into the impact of human trafficking and money laundering on the stability and security of both countries. It will also examine the effectiveness of the measures implemented by the governments of Malaysia and the Philippines, such as law enforcement efforts, legal reforms, and regional cooperation, in combating these crimes. Despite progress, organized crime continues to undermine the rule of law and human rights in both nations. The study aims to highlight the challenges in addressing these issues and suggest recommendations for enhancing national and international cooperation in tackling organized crime. Understanding these dynamics is crucial for fostering greater stability and security in the region.

Keywords: Philippines, Human Trafficking, Money Laundry, Malaysia, Organized Crime

1.0 INTRODUCTION

Crimes occur globally, regardless of whether a country is developed or developing. The term "crime" typically refers to actions or omissions prohibited by law and subject to government punishment. These crimes often involve harming individuals or damaging property, including communal assets, which can impact national security (Cross, 2023). Consequently, many countries have enacted laws defining various crimes to enhance their legal systems and protect human rights. There are numerous types of crimes worldwide. Organized crime is distinct from

other criminal activities because it involves deliberate collaboration among individuals to conduct illicit activities like human trafficking or money laundering (Baigaziev, 2024). Unlike spontaneous, individual illegal acts, organized crime focuses on intentional, coordinated behaviors aimed at profit and power.

Human trafficking, a heinous crime linked to organized crime groups, involves exploiting people for profit. This exploitation can take many forms, including forced marriages, domestic servitude, prostitution, entertainment, and hospitality sectors. Victims may also be subjected to forced labor without pay or have their organs harvested under coercion. Money laundering involves concealing the origins of illegally obtained money, making it appear legitimate. Criminals use this tactic to use their funds without attracting attention. The money laundering process typically involves three steps: placement, layering, and integration, though these steps may be repeated or combined (Team, 2023). Organized crime has surged in Southeast Asia recently, posing a significant threat to regional security. Criminal groups in Southeast Asia often target isolated areas with weak rule of law. Human trafficking and money laundering in countries like Malaysia and the Philippines are severe issues affecting vulnerable groups such as refugees, internally displaced persons, and those in conflict zones.

Both Malaysia and the Philippines face challenges with money laundering and human trafficking, which are part of organized crime. These issues are not only international but also internal. While both countries have legal frameworks to address these crimes, their specific legal actions and contexts differ. This research highlights the importance of legal frameworks and enforcement in addressing human trafficking and money laundering in Malaysia and the Philippines. The comparative analysis examines the effectiveness of these frameworks, including relevant legislation, law enforcement agencies, and cooperation mechanisms. It aims to identify weaknesses, contradictions, and challenges in implementing anti-trafficking and anti-money laundering (AML) laws (Khouny & Drissi, 2024). The research also aims to compare human trafficking and money laundering related to organized crime in Malaysia and the Philippines. The objectives are to understand these crimes better and learn how to mitigate them. By exploring the roots of these issues, the research will help both countries comprehend the scope of human trafficking and money laundering more deeply. It involves determining the prevalence of trafficking networks, the number of victims, and the financial gains from these crimes. The study will investigate the different forms of trafficking, such as forced labor and sexual exploitation, and the affected industries, including the sex industry, construction, and agriculture. This research aims to provide a clear understanding of human trafficking and money laundering in both countries.

2.0 RESEARCH METHODOLOGY

This research study employs qualitative methods to delve into the intricacies of organized crime, specifically human trafficking and money laundering, in Malaysia and the Philippines. The study primarily relies on secondary data, which encompasses both online and printed sources. These sources include a diverse array of published materials such as articles, scientific books, and publicly available reports. The secondary data collected is invaluable, providing a comprehensive foundation for the research. The utilization of electronic resources plays a crucial role in gathering pertinent data for the study. These resources are instrumental in identifying the factors that influence organized crime in Malaysia and the Philippines, assessing

the impact of human trafficking and money laundering in these countries, and analyzing the governmental measures implemented to combat these crimes. By leveraging reliable websites and articles, researchers can access the latest information and insights relevant to the study.

Among the electronic resources, e-journals and research papers are particularly significant. For instance, the article "Human Trafficking: A Review" published in the International Journal of Scientific Research in Computer Science, Engineering and Information Technology (Kaur & S, 2022) provides valuable insights into the nature and scope of human trafficking. Similarly, the research paper "The Puzzle of ASEAN Instruments to Combat Human Trafficking" by Smerchuar & Madhyamapurush (2020) offers a detailed analysis of regional efforts to address human trafficking. These resources, accessible through platforms like Scispace and Google Scholar, are essential for obtaining credible and up-to-date information.

The qualitative approach of this study allows for a nuanced understanding of organized crime in Malaysia and the Philippines. By examining secondary data, the research aims to uncover the underlying factors driving these crimes, evaluate their effects on society, and scrutinize the effectiveness of legal frameworks and enforcement strategies. This comprehensive analysis will contribute to a deeper understanding of human trafficking and money laundering, facilitating the development of more effective measures to mitigate these crimes. The qualitative methods employed in this research, coupled with the extensive use of secondary data from electronic and printed sources, provide a robust foundation for exploring organized crime in Malaysia and the Philippines. The insights gained from this study will be instrumental in enhancing legal frameworks, improving enforcement strategies, and ultimately protecting vulnerable populations from the scourge of human trafficking and money laundering.

3.0 LITERATURE REVIEW

The literature review for this research study is organized around three main themes: the rate of organized crime in Southeast Asia, human trafficking, and money laundering.

Theme 1: Organized Crime Rate in Southeast Asia

The first theme, focusing on the organized crime rate in Southeast Asia, is supported by seven articles. These include "Trafficking of Women and Children in Southeast Asia - Exploited Not Educated" by Flamm (2003), "Piracy in Southeast Asia: Real Menace or Red Herring?" by Eklof (2005), "Organized Crime in Asia: A Review of Problems and Progress" by Ganapathy and Broadhurst (2008), "Organized Crime in Asia" in Cambridge University Press eBooks by Lee (2010), "How the Ethnic Fragmentation and Class Division of Cities Contributes to Human Trafficking and Complex Criminal Activity in Southeast Asia" by Dach (2016), "The Puzzle of ASEAN Instruments to Combat Human Trafficking" by Smerchuar & Madhyamapurush (2020), and "Prevention and Eradication of Transnational Organized Crime in Southeast Asia" by Soewondo & Kadarudin (2022).

The prevalence of human trafficking, piracy, and the activities of criminal groups such as triads and yakuza significantly impact the organized crime rate in Southeast Asia. These elements contribute to the complex web of organized crime in the region. According to Flamm (2003), Southeast Asia is a hotspot for human trafficking, with approximately 225,000 victims of cross-border trafficking each year, primarily women and children. Historically, the trade of

contraband, especially drugs, has been linked to trafficking, but in the past decade, this trade has expanded to include human trafficking. Many victims, often from low-income households, are deceived by promises of better lives and end up trapped in a cycle of exploitation and abuse. This trade generates higher income than the drug trade, reaching billions per year.

Eklof (2005) discusses armed robbery and piracy as significant organized crimes affecting the maritime sector. The article highlights the growing concern over piracy incidents in Southeast Asia, particularly around Indonesia's coasts. Since 1984, there has been a notable increase in piracy, with a significant rise since 2000. Effective counter-piracy measures require international collaboration, intelligence sharing, and comprehensive strategies tailored to different types of attacks.

Ganapathy and Broadhurst (2008) emphasize the role of regional cooperation, particularly through ASEAN, in addressing transnational organized crime. Recent initiatives aim to confront the evolving nature of organized crime, with efforts to bolster mutual legal aid. However, while cooperation is improving, it has not yet reached the level of cross-border institutional frameworks seen in Europe. Additionally, the cultural diversity of Southeast Asia, the relative laxity of law enforcement in some states, and the absence of standardized tactics for addressing black markets present significant challenges in combating organized crime in the region. Despite these obstacles, ASEAN has played a crucial role in fighting organized crime through the establishment of mutual assistance agreements and legal standards.

According to Lee (2010) in "Organized Crime in Asia" from Cambridge University Press eBooks, triads originated in China and have since spread to major Southeast Asian nations, including Indonesia, Malaysia, Singapore, Hong Kong, and Taiwan. Similarly, the Boryokudan, a criminal organization from Japan, has also extended its influence across Southeast Asia. Both the triads and Boryokudan are well-known criminal groups that engage in organized crime for financial gain and dominance. Initially, triads were formed to meet community needs by offering protection and services that were either unavailable or difficult to obtain from the government. However, as social structures changed, these groups often found themselves marginalized or saw their social standing decline. To defend themselves and their clients, they resorted to violence and intimidation, leading them to participate in illicit activities.

Dach (2016) in "How the Ethnic Fragmentation and Class Division of Cities Contributes to Human Trafficking and Complex Criminal Activity in Southeast Asia" highlights several factors that significantly impact the organized crime rate in the region. Economic globalization, ethnic dispersion, and the presence of established criminal organizations create a favorable environment for transnational criminal activities. Economic globalization, in particular, has increased opportunities for organized crime, especially in drug and human trafficking, with an estimated 600,000 people trafficked annually in the region. The diverse social and ethnic divides can also promote human trafficking and other complex criminal operations by creating imbalances in community security.

Smerchuar & Madhyamapurush (2020) in "The Puzzle of ASEAN Instruments to Combat Human Trafficking" discuss the regional cooperation efforts to combat organized crime in Southeast Asia. Despite ongoing efforts for over 20 years, challenges remain due to cultural

diversity, lax law enforcement in some countries, and a lack of shared tactics for dealing with black markets. Improved systems and enhanced cooperation across Southeast Asian countries are necessary to address these issues effectively. Strengthened legislative frameworks and continued regional collaboration are essential to successfully prevent and eradicate organized crime in Southeast Asia.

Organized crime has a long history in international relations and is a social phenomenon that transcends national boundaries. According to the United Nations Convention on Transnational Organized Crime, Article 2(a), an "organized criminal group" is defined as a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing serious crimes to obtain financial or other material benefits. Practically all nations agree that organized crime is a common enemy, requiring extraordinary measures to combat. The rise of organized crime in Southeast Asia is a major concern, driven by factors such as economic globalization, immigration heterogeneity, and modern communication technologies (Soewondo & Kadarudin, 2022).

Theme 2: Human Trafficking.

The second theme of the literature review focuses on human trafficking, supported by several key articles. These include "Human Trafficking: A Global Multi-Billion-Dollar Criminal Industry" by Smith, Russell, & Smith (2013), "Introduction to Human Trafficking: Who is Affected?" by Greenbaum (2017), "The Root Cause of Trafficking in Persons for The Protection Strategy in The Rohingya Crisis" by Yuwastina (2021), "Human Trafficking" by Yea (2022), "Human Trafficking: A Review" by Kaur & S (2022), "The Root Causes of Human Trafficking in West Africa and Nigeria in Perspective" by Ikyernum (2022), "Human Trafficking" by Kim & Stoklosa (2023), "Human Trafficking - The Boomerang of a Decadent Society" by Stănescu, Dan, & Tasente (2023), "Trafficking in Human: A Modern-Day Slavery Against the Third World States" by Adam, Ibrahim, & Danjuma (2023), and "The 'Disaster Business': Natural Disasters and Human Trafficking" by Worsnop & Vogel (2024).

Human trafficking is a covert yet pervasive global health issue and a severe violation of human rights. Medical practitioners play a crucial role in identifying and assisting victims, as they often encounter the physical and psychological aftermath of trafficking. Social perceptions, influenced by victim blaming and media narratives, create barriers to understanding and preventing human trafficking, underscoring the need for comprehensive education and collaborative efforts by governments, civil society, and law enforcement agencies. Human trafficking affects individuals worldwide, regardless of their country's wealth or level of corruption (Smith, Russell, & Smith, 2013). Human trafficking violates fundamental rights and freedoms, necessitating a comprehensive strategy that addresses social, political, cultural, and economic factors. Every member of society can be implicated in human trafficking, whether as victims, relatives, traffickers, buyers, or the public. Anyone purchasing products involving forced labor or engaging commercially with trafficked individuals is complicit. Victims can be of any gender, race, or ethnicity, and their vulnerability often stems from cultural prejudices, societal issues, or no apparent risk factors. The financial cost of supporting survivors, investigating crimes, and prosecuting traffickers is substantial, and the social cost is reflected in the erosion of personal autonomy and human rights (Greenbaum, 2017).

Effective combatting of human trafficking requires addressing root causes such as corruption, instability, and global economic policies, and strengthening legal frameworks to protect vulnerable populations, particularly women and children. Ensuring national recognition and implementing international human rights frameworks are essential steps (Yuwastina, 2021). Human trafficking, including forced labor, organ trafficking, and sexual exploitation, is a widespread human rights violation. The UN Protocol's definition of human trafficking includes recruitment, movement, and exploitation, leading to responses focused on prevention, victim protection, and prosecution of offenders. The hidden nature of human trafficking makes it a challenging crime to research, investigate, and prosecute (Yea, 2022). Human trafficking, particularly of women and children, is a major criminal sector with substantial annual profits, second only to arms and drug trafficking. This exploitation does not always involve moving victims from one place to another but is driven by financial gain (Kaur & S, 2022).

Various root causes of human trafficking in West Africa and Nigeria include statelessness, corruption, gender issues, inequality, and economic conditions. Addressing these causes requires comprehensive strategies, including poverty eradication, job creation, welfare programs, social amenities, and dismantling social class systems (Ikyernum, 2022). An estimated 40 million individuals are victims of human trafficking, with women and girls comprising 71% and children 25% of the victims. Human trafficking affects millions globally, involving forced labor and sexual exploitation, often facilitated by international criminal groups. The covert nature of this issue adds complexity, making it difficult to measure and address effectively (Kim & Stoklosa, 2023).

Human trafficking involves the sale of individuals for forced labor, sexual exploitation, or the profit of traffickers and others. This process can include providing partners for forced marriages or harvesting organs or tissues, such as ova removal and surrogacy. Human trafficking can occur both domestically and internationally. It is considered a crime against individuals because it violates the victim's freedom of movement through force and exploitation for profit. Notably, human trafficking, particularly involving women and children, does not always require moving the victim from one location to another. The International Labour Organisation (ILO) estimates that 14.2 million people are exploited for labor, generating significant profits for traffickers. Forced labor is a critical component of human trafficking, making it the third-largest criminal enterprise globally, following the trafficking of weapons and drugs (Adam, Ibrahim, & Danjuma, 2023).

Millions of individuals worldwide are affected by human trafficking, a severe human rights violation. This complex issue includes organ trafficking, forced labor, and sexual exploitation. Public perception of human trafficking significantly influences awareness, response, and efforts to combat this crime. Media representation often prioritizes sensationalism over structural issues, leading to distorted public perceptions. By focusing on shocking stories and graphic details, the media can contribute to sensationalism and skewed narratives. Misconceptions about human trafficking, such as the belief that it only occurs in distant places, hinder effective responses (Stănescu, Dan, & Tasește, 2023). Trafficking activity, particularly in the construction sector, increases after natural disasters due to the heightened demand for labor and chaotic environments that provide traffickers with more opportunities. States are more likely to become trafficking destinations following natural disasters, especially when governments are politically motivated to rebuild and lack adequate anti-trafficking resources.

Natural disasters can increase individuals' vulnerability to trafficking, making certain states hubs for trafficking activities. Legislation could be implemented to break this connection and reduce the risk of trafficking in disaster-affected areas (Worsnop & Vogel, 2024).

Theme 3: Money Laundering

The third theme of this research focuses on money laundering, supported by nine articles. These include "Money Laundering: Concept, Significance and its Impact" by Kumar (2012), "Money Laundering: An Overview" by Joshi, Vyas, & Joshi (2012), "FlowScope: Spotting Money Laundering Based on Graphs" by Li et al. (2020), "Issues of Analysis of Social and Legal Factors of Laundering of Crime Proceeds" by Fazilov (2022), "Money Laundering: Factors Leading to Money Laundering in Gold Investment Company in Malaysia" by Lurigio (2023), "Investigating the Determinants of Money Laundering Risk" by Yusoff et al. (2023), "Money Laundering: A Review" by Ghulam & Szalay (2023), "Anti-Money Laundering by Group-Aware Deep Graph Learning" by Vemuri et al. (2023), and "Money Laundering and Corruption" by Miller (2024).

Money laundering is a recognized federal offense involving the process of removing illegal origins from the proceeds of criminal activity through three phases to make the money appear clean. This practice negatively impacts a nation's economy and political stability, making it imperative to prohibit it strictly. Countries worldwide must collaborate and take action to dismantle money-laundering syndicates by rigorously enforcing the law (Kumar, 2012). Money laundering has wide-ranging and complex effects on financial systems, societal institutions, and international economies. It involves making money gained through illicit activities, such as drug trafficking, corruption, and terrorism, appear lawful by concealing its true source. Many crimes, including tax evasion, drug trafficking, smuggling, black marketing, and corruption, have money at their core, leading to financial fraud. The primary motivation for most criminal activities is the value of money, and money laundering is the process through which criminals hide the illicit sources of their wealth (Joshi et al., 2012).

The transfer of illicit funds through a network of bank accounts, known as money laundering, requires accurate identification of these transactions. FlowScope, a scalable algorithm and multipartite graph model, has shown superior performance in detecting money laundering accounts compared to existing methods that focus on dense subgraph detection (Li et al., 2020). Money laundering is a massive global problem, with yearly costs estimated between 1 and 3 trillion US dollars, or 2 to 5% of the global gross product. Legalizing illicit gains is recognized by the international community, including the United Nations, as one of the most pervasive and hazardous forms of transnational crime. This growing threat necessitates international coordination of state efforts to combat money laundering, driven by the globalization of the financial system (Fazilov, 2022).

International cooperation and active law enforcement are essential in countering money laundering. This widespread problem involves hiding illegally obtained funds to make them appear genuine, using multiple phases: placement, layering, and integration. The placement phase involves dividing large sums of money into smaller amounts to place them in common forms like unseizable money orders. The layering phase involves disguising the money through fake accounts, transactions, and businesses to hide its origins (Lurigio, 2023). Large sums of

illicit funds introduced into the financial system through money laundering destabilize economies by distorting markets, raising inflation, and compromising the stability of financial institutions. Money laundering has been a significant problem in Malaysia, one of the largest frauds in history. To address this issue, Malaysia enacted the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) (Yusoff et al., 2023).

The risk of money laundering is affected by corporate transparency, auditing standards, and financial secrecy. The complexity of money laundering by organized crime is influenced by various criminal activities, offenders' spending habits, individual net earnings, and the degree of oversight from anti-money laundering laws (Ghulam & Szalay, 2023). Money laundering impacts economies, political stability, and financial institutions. It involves disguising the source of funds earned through illicit activities by making them appear legitimate after conversion. This allows criminals to hide their money through activities like drug trafficking, corruption, and gambling. The primary goal of this illicit operation is to convert black money into white money. Countries worldwide have enacted laws and regulations and are developing new strategies to address this global issue (Vemuri et al., 2023). Money laundering usually entails an exchange or transfer of property, including money; the property in question is derived from an ethical or legal offense; the conversion or transfer is done to help an individual involved in the offense avoid the legal repercussions of their actions or the conversion or transfer is done to conceal or disguise the fact that the property has been derived from an offense (Miller, 2024).

4.0 CONCEPTUAL FRAMEWORK

The concept of national security is central to this research, as it is crucial for the survival and well-being of a country and its citizens. National security theory involves a complex interplay of concepts, techniques, and interdisciplinary approaches to understand and counteract threats to a nation's stability and integrity. This multifaceted nature of national security integrates knowledge from various fields, including military studies, law, and social sciences. It encompasses a wide range of concerns, such as the protection of critical infrastructure, military defense, intelligence gathering, and border security (Kuprashvili, 2023). Historically, national security has emphasized the importance of power dynamics in defending state interests, incorporating elements of social cohesion, economic stability, and military strength (Ghimire & Lamichhane, 2024).

Post-war developments have expanded the scope of national security beyond a purely military focus to include non-military challenges like economic and human security (Rahman, 2023). The concept now also encompasses ideological and technological dimensions, reflecting a more comprehensive understanding that transcends traditional geographical boundaries (Slawotsky, 2024). National security strategies often address both external and internal threats, highlighting the need for governments to adapt to complex international challenges while maintaining stability and sovereignty (Bet, 2024).

The evolving security landscape in various countries underscores the need for a thorough understanding of both internal and external threats. National security theory emphasizes the importance of distinguishing between different types of threats, such as challenges, hazards,

and risks, each posing varying levels of danger to national interests. Additionally, issues like state fragility, corruption, and impunity are closely linked to organized crime, which national security theory identifies as a significant concern.

In summary, the concept of national security in this research reflects the necessity for a comprehensive awareness of diverse threats. It highlights the critical role of interdisciplinary approaches in addressing the multifaceted challenges to a nation's stability and integrity. By integrating insights from military studies, law, social sciences, and other fields, national security theory provides a robust framework for understanding and mitigating the risks posed by both traditional and emerging threats.

5.0 ANALYSIS

Corruption significantly impacts organized crime in both Malaysia and the Philippines, threatening security and governance. It erodes law enforcement credibility and involves widespread bribery, diminishing efficiency and allowing crime groups to operate unchecked. This is worsened by a lack of accountability and transparency in government institutions, increasing public mistrust and reducing cooperation with law enforcement. Criminals bribe customs agents to smuggle illegal goods, posing a national security threat (Abdul et al., 2019).

In Malaysia, corruption and official conspiracy worsen organized crime, especially human trafficking. Corrupt officials in law enforcement, immigration, and border control assist traffickers by participating in operations or accepting bribes to ignore illegal activities, weakening law enforcement efforts (Beare, 2003). Despite some advancements, the problem persists. Corruption also heavily influences money laundering in Malaysia, enabling illegal financial transactions to evade judicial review. Criminal organizations transfer large sums of money across borders, concealing the true source without attracting attention. High-profile incidents like the 1MDB crisis highlight the extent of corruption. The Malaysian Anti-Corruption Commission (MACC) was established to address these issues, but progress is hindered by widespread corruption and lax enforcement (JacobCNBC, 2024).

Similarly, corruption in the Philippines undermines law enforcement and facilitates human trafficking. Government employees often take bribes to support or overlook trafficking. However, the Philippines has taken proactive measures, such as the Anti-Trafficking in Persons Act of 2003, leading to greater success in prosecuting complicit authorities and trafficker. In the Philippines, money laundering is similarly aided by corruption. Criminals transfer proceeds of organized crime into legitimate businesses or overseas accounts due to inefficient monitoring and enforcement systems. Prominent incidents like the Bangladesh bank heist underscore the nation's challenges. Despite tighter legislation and increased enforcement, corruption undermines anti-money laundering efforts (Mugarura, 2016).

Both countries face significant economic impacts from corruption associated with organized crime, increasing violence and insecurity, discouraging foreign investment, and threatening economic stability. This exacerbates inequality and negatively affects economic growth (Lim & Stern, 2002). Addressing underlying corruption is crucial in combating organized crime. Although Malaysia has launched several anti-corruption initiatives, issues with public trust and implementation persist. The MACC is working to tighten legislative frameworks and increase

transparency, but progress is slow (Kapeli & Mohamed, 2015). A comprehensive strategy combining anti-corruption measures with law enforcement tactics is necessary to tackle organized crime in both countries. Promoting integrity within society by empowering civil society organizations to hold the government accountable and advance transparency is essential. Collaboration between the government, civil society, and the international community is vital for creating a safer and fairer environment. While corruption plays a significant role in organized crime, other socioeconomic factors also contribute independently, requiring a multifaceted approach (Schwuchow, 2023).

In Malaysia and the Philippines, economic inequality significantly contributes to organized crime. Poverty and income disparity lead many, especially in marginalized populations, to consider criminal activities as a means of survival. Criminal organizations exploit this desperation, offering cash incentives for illicit activities like human trafficking and money laundering (Sharman, 2011). In Malaysia, the disparity between rich and poor, exacerbated by uneven economic development between urban and rural areas, drives many towards organized crime. The lure of quick money often outweighs the risks, sustaining social inequity and undermining public safety (Schwuchow, 2017). Similarly, severe economic disparities in the Philippines fuel organized crime. High poverty rates and lack of opportunities lead many to join gangs for financial stability. Historical political corruption and warlords have fostered an environment where corruption and organized crime thrive together (Paredes, 2002). Economic inequality creates a vicious cycle of rising crime rates and worsening economic conditions (Trischler, 2023).

Weaknesses in the legal system significantly impact organized crime, particularly human trafficking and money laundering. Despite adopting international treaties like the Palermo Protocol, both countries struggle with weak anti-trafficking laws and inadequate enforcement (Fresnido, 2012). In Malaysia, corruption and collusion within government and law enforcement hinder efforts to combat organized crime. Comprehensive legislation exists, but enforcement is uneven and under-resourced, allowing criminals to exploit legal ambiguities (Zoz & Karpenko, 2022). Similarly, in the Philippines, a complex and ineffective legal system results in low conviction rates and prosecution delays for organized crime. Corruption among law enforcement officers and inadequate victim protection further complicate efforts (Salundik, 2023). Malaysia's Anti-Money Laundering and Anti-Terrorism Financing Act (AMLATFA) is inconsistently enforced due to corruption in regulatory and law enforcement agencies. The legal system struggles to adapt to new financial technologies and complex schemes, hindering investigations (Hamin, 2017). In the Philippines, despite efforts to strengthen the legal framework through international cooperation and regulations like the Anti-Money Laundering Act (AMLA), corruption and inefficiencies in the judicial process delay investigations and prosecutions (Narag, 2017). Both countries' legal system weaknesses, including inconsistent enforcement in Malaysia and institutional inefficiencies in the Philippines, create environments conducive to organized crime. To effectively tackle these issues, both countries must address enforcement and legal shortcomings, combat corruption, strengthen the legal system, and improve victim protection policies to encourage cooperation with law enforcement (Davydenko, 2024).

Money laundering and human trafficking have significant social and human impacts, driven by corruption, unemployment, and poverty. These crimes harm individuals, families, and

communities in various ways. In Malaysia, human trafficking profoundly affects communities, with victims often hidden from view. Forced labor and sexual exploitation cause severe physical and psychological trauma, particularly for women and children. Victims endure abuse in sectors like construction, domestic work, and agriculture, leading to lifelong trauma and difficulties reintegrating into society. Their families also suffer from emotional and financial burdens due to the loss of contact with their loved ones (Saat, 2009). In the Philippines, human trafficking significantly impacts overseas Filipino workers (OFWs), who seek better job opportunities abroad. Trafficked individuals, especially women, face physical abuse, long hours, and low wages. Their families back home depend on their remittances but suffer from their absence and the trauma endured by the workers, leading to long-term mental health issues. Money laundering exacerbates these problems by allowing criminals to conceal and legitimize their illegal gains, undermining the integrity of financial systems and eroding public confidence in institutions. It distorts economic activity, creates unfair competition, and harms workers and legitimate businesses. Money laundering also supports organized crime, increasing violence and corruption in local communities (Reza et al., 2024). Addressing these crimes requires a multidimensional strategy, including improved enforcement, stronger legal frameworks, and comprehensive victim support. By tackling the root causes and providing adequate resources, Malaysia and the Philippines can reduce the negative social and human impacts of human trafficking and money laundering, promoting safer and more equitable communities.

Money laundering and human trafficking cause severe economic distortions, jeopardizing economic growth and stability. In Malaysia, human trafficking fuels an underground economy where trafficked individuals are exploited in various jobs, including domestic work, construction, and agriculture. This illicit labor market hampers fair competition, leading to business closures and job losses. For example, trafficking labor in the palm oil industry lowers wages and working conditions for all employees (Financial Flows from Human Trafficking, 2018). In the Philippines, human trafficking also has a significant economic impact. Funds sent home by exploited overseas Filipino workers (OFWs) boost the economy but at the cost of human misery. Trafficking networks exploit Filipino domestic workers sent to the Middle East, compromising the labor export sector's moral foundations (Jureidini, 2010). Money laundering exacerbates these economic distortions by allowing traffickers to integrate illegal gains into the legal economy through investments in businesses, real estate, and other assets. This process can inflate prices and create market bubbles, making it harder for regular people to buy housing. The inflow of illicit money also worsens corruption, undermining governance and economic integrity (Bigio, 2021). In the Philippines, money laundering directs illegal cash into lawful companies, unfairly outcompeting honest businesses. Banks and financial institutions involved in money laundering risk reputational harm and fines from international organizations, affecting the country's economy (Financial Flows from Human Trafficking, 2018). Addressing these economic distortions requires strong anti-trafficking and anti-money laundering laws, increased enforcement, and international collaboration. By tackling these issues, Malaysia and the Philippines can work towards a more stable and just economic environment, free from the distortions caused by these crimes. A comprehensive strategy addressing the root causes of money laundering and human trafficking is essential for effective law enforcement and economic growth (Fresnido, 2012).

The relationship between money laundering and human trafficking poses serious national security risks, affecting stability and safety. These crimes undermine legal structures, foster

terrorism, and aid other organized crime, creating a cycle of instability. In Malaysia, human trafficking is a significant issue due to its strategic location and vast borders. Drug trafficking and arms smuggling often intersect with human trafficking networks. Traffickers exploit borders to bring people into the country illegally for forced labor or sexual exploitation, encouraging corruption among law enforcement and border authorities, and compromising national security (Norziaton & Sabri, 2022). These illegal operations weaken the rule of law and promote corruption, affecting higher governmental levels and creating a climate of lawlessness. In the Philippines, human trafficking is directly linked to terrorism and organized crime. Extremist groups in the southern Philippines use human trafficking to finance their operations, posing a wider threat to national stability and security. The money from these activities is often laundered through unofficial banking institutions and remittance routes, making it difficult to monitor and stop.

6.0 CONCLUSION

Corruption significantly undermines law enforcement and governance in Malaysia and the Philippines, facilitating organized crime such as human trafficking and money laundering. Corrupt officials often accept bribes or participate in illegal activities, which allows crime groups to operate unchecked. This corruption erodes public trust and reduces cooperation with law enforcement, exacerbating the problem. The economic and social impacts are severe, including increased violence, insecurity, and economic instability, which discourage foreign investment and exacerbate inequality. To combat these issues, it is crucial to implement and enforce stricter anti-corruption laws, enhance transparency and accountability, and empower civil society organizations to hold the government accountable. Additionally, improving law enforcement training and resources, fostering international collaboration, and conducting public awareness campaigns are essential steps. Comprehensive legal reforms are also necessary to close loopholes and ensure robust enforcement of anti-trafficking and anti-money laundering laws. By addressing these areas, Malaysia and the Philippines can reduce corruption and its impact on organized crime, creating a safer and more equitable environment for their citizens.

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