

Nidhi Goel\*

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## TRANSNATIONAL CRIME IN THE FASHION JEWELLERY INDUSTRY: A RESEARCH PERSPECTIVE ON MECHANISMS, IMPACTS, AND SOLUTIONS

*Abstract: The fashion jewellery industry, a global market valued at billions of dollars annually, has emerged as a significant target for transnational criminal networks. Despite its economic importance, scholarly attention to the mechanisms and impacts of crime in this sector remains limited. This presentation outlines a research-driven exploration of international fashion jewellery crime, focusing on illicit activities such as counterfeiting, organized theft, smuggling, and cyber-facilitated fraud. Drawing on case studies, economic impact assessments, and criminological models, this study identifies systemic vulnerabilities within global supply chains and examines the social and economic repercussions of these criminal activities. Emphasizing an interdisciplinary approach, the presentation highlights key gaps in existing research, including limited data on the cross-border movement of illicit goods, the role of online marketplaces in enabling fraud, and the impact of evolving technologies on both criminal operations and detection efforts. The study also investigates emerging strategies to mitigate these crimes, such as blockchain-based authentication, data-sharing frameworks, and international policy harmonization. By situating fashion jewellery crime within the broader context of globalized illicit trade, this research aims to expand the academic discourse on transnational crime and provide actionable insights for policymakers, law enforcement, and industry stakeholders.*

**Key words:** transnational crime, fashion jewellery, counterfeit, organized crime, fashion industry, cybercrime, accessories.

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\* Chief Research Officer, Sumona Institute of Behavioral Sciences, New Delhi, India, [nidhi@nidrunisa.com](mailto:nidhi@nidrunisa.com).

## 1. INTRODUCTION

The fashion jewellery industry has risen to be the most promising economic sector, generating billions in annual revenue and catering to a dynamic and diverse international audience (IBISWorld, 2023). It is usually defined by heavy demand, fast production cycles, and decentralized supply chains. All of this has also made it increasingly vulnerable to transnational criminal activity. In recent years, there has been a rise in illegal practices within the industry, including counterfeiting, organized theft, smuggling, and cyber-enabled fraud.<sup>1</sup> Such crimes not only result in great economic losses but also betray consumer trust, endanger legitimate businesses, and pose threat to international trade security.

Despite the increasing financial and criminological relevance, the fashion jewellery sector remains quite underexplored in the realm of scholarly discussions. There has been a collection of existing studies on intellectual property violations and illicit trade that have majorly focused on luxury goods, electronics, and pharmaceuticals,<sup>2</sup> often overlooking mid-tier and fashion jewellery. Given the affordability and high turnover of these products, this oversight is particularly problematic, as they present unique vulnerabilities to criminal exploitation.

Transnational criminal operations have become quite common and are initiated through complicated and multilayered networks. Fake items are usually manufactured in unregulated settings, smuggled through porous customs systems, and sold on rarely-monitored digital platforms.<sup>3</sup> The advent of new technologies such as encrypted communication tools, cryptocurrencies, and anonymous e-commerce have enabled confidence in these criminals to work across borders of different nations with growing efficiency,<sup>4</sup> presenting challenges that exceed the capacity of traditional enforcement and legal mechanisms.

In response, this paper conducts a systematic review to determine the potential, nature, and consequences of transnational crime in the fashion jewellery industry. Drawing on criminological theory, economic analysis, and international policy frameworks, the review identifies critical gaps in both research and regulatory practice. It also attempts to assess emerging counter strategies—such as blockchain authentication, cross-border data-sharing protocols, and legal harmonization efforts. This paper presents some researched strategies for stakeholder like industry leaders, policymakers, and law enforcement agencies. Our attempt is to contextualize fashion jewellery within the global realm of illicit global trade,

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- 1 UNODC, *Transnational Organized Crime Threat Assessment 2021*, United Nations Office on Drugs and Crime, 2021; OECD, *Trends in Trade in Counterfeit and Pirated Goods*, OECD Publishing, 2019.
  - 2 Interpol, *IllicitTradeReport:Counterfeit and Piracy Crimes*, 2020, Retrieved from <https://www.interpol.int/en/Crimes/Illicit-goods>, 28 April 2020.
  - 3 J. S. Albanese, *Transnational Crime and the 21st Century: Criminal Enterprise, Corruption, and Opportunity*. Oxford University Press, Oxford, 2021.
  - 4 E. Yiu, „How counterfeiters use e-commerce platforms to exploit consumers”, *International Journal of Cyber Criminology*, 1/2021.

this study aims to enrich academic discourse and advance the development of a more tough and resilient response to transnational crime.

## 2. REVIEW OF LITERATURE

### 2.1. The Fashion Jewellery Industry and Its Global Dynamics

The fashion jewellery sector occupies a unique and a distinct position within the broader fashion and luxury goods industry. It is less regulated than fine jewellery, it contributes to global trade, with annual revenues exceeding USD 40 billion (IBISWorld, 2023). It is economic and the rapid trend cycle along with the mass production makes it lucrative to both consumers and illicit players. As compared to luxury goods, scholarly attention to its criminal vulnerabilities remains limited.<sup>5</sup>

### 2.2. Transnational Crime and Illicit Trade in Fashion

The United Nations Office on Drugs and Crime (UNODC, 2021) defines transnational organized crime, by telling us how it involves illicit activities coordinated across borders via complex supply chains. Within the fashion sector, criminal operations have expanded beyond counterfeiting to encompass organized retail theft, smuggling, cybercrime, and exploitation within production processes,<sup>6</sup> facilitated by legal weaknesses, digital anonymity, and market globalization.

### 2.3. Counterfeiting in the Fashion Jewellery Sector

One of the most pervasive crimes in the fashion jewellery market, is that of counterfeiting. As per The OECD (2019) reports, counterfeit branded jewellery include a significant share of global illicit trade. Manufacturing often occurs in developing countries, while consumption is concentrated in wealthier markets. Beyond the tantamount economic harm, counterfeit jewellery leads to issues regarding customer health, exploitative labor practices, and networks to organized crime networks.<sup>7</sup>

### 2.4. Digital Platforms and Cyber-Facilitated Crime

E-commerce has led to an increase in criminal activities in fashion. Platforms like Amazon and eBay, combined with social media, enable the sale of counterfeit

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<sup>5</sup> OECD, 2019, *op. cit.*

<sup>6</sup> J. S. Albanese, *op. cit.*

<sup>7</sup> Interpol, *op. cit.*

goods with minimal oversight.<sup>8</sup> The growth of cryptocurrency payments and anonymous logistics services further make detection and enforcement complicated.<sup>9</sup>

## 2.5. Organized Theft and Smuggling in the Supply Chain

Organized theft targeting fashion jewellery during the time of transit and retail is increasingly noticed. Smuggling networks lead to exploitation of porous borders and weak customs controls to insert counterfeit goods into legitimate distribution channels.<sup>10</sup> However, research specifically addressing smuggling in this sub-sector remains less.

## 2.6. Technological Interventions and Crime Mitigation

Technological innovations such as blockchain, RFID tagging, and AI-driven verification tools offer new ways for tackling fashion-related crimes.<sup>11</sup> Specifically, blockchain makes sure a transparent tracking network across supply chains. Still the implementation remains uneven, particularly among SMEs with limited resources,<sup>12</sup> highlighting the need for scalable solutions.

## 2.7. Policy Gaps and the Need for Harmonization

Present and ongoing legal rules and regulations are trying to keep pace with the changing tactics of transnational crime. The EU's IP Enforcement Directive mark is leading to divisions in national enforcement potentials and legal definitions continue to undermine cross-border cooperation.<sup>13</sup> Scholars emphasize that without harmonized policies and stronger public-private collaboration, crime mitigation efforts will remain fragmented.<sup>14</sup>

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8 E. Yiu, *op.cit.*

9 Z. Bollen, R. Mahieu, & L. van der Velden, "Counterfeit goods and online consumer deception: A socio-technical analysis", *Journal of Consumer Policy*, 3/2020.

10 M. Levi, M. Maguire, "Organized crime and the counterfeit trade: Business as usual?", *Trends in Organized Crime*, 1/2020. UNODC, *op.cit.*,

11 H. Treiblmaier, R. Beck, *Blockchain and Supply Chain Management: Concepts, Strategies and Practical Applications*, Springer, 2019.

12 R. Kaplinsky, M. Morris, M., "Value chain governance and digital innovation in fashion SMEs", *Journal of Economic Development Studies*, 4/2020.

13 WCO (World Customs Organization). *Illicit Trade Report 2020*. World Customs Organization.

14 J. S. Albanese, *op. cit.*; OECD. 2019, *op. cit.*

3. SYSTEMATIC LITERATURE REVIEW TABLE

Author(s)	Year	Country	Type of Crime	Focus of Study	Key Findings / Contribution	Relevance
Albanese	2021	USA	Smuggling, Organized Crime	Transnational crime mechanisms	Identifies structural weaknesses exploited by criminal networks across borders	Theoretical foundation
OECD	2019	International	Counterfeiting	Trade in counterfeit goods	Fashion jewellery is a key target due to high turnover and brand vulnerability	Sector-specific data
UNODC	2021	International	Illicit Trade, Labor Exploit.	Transnational crime threat assessment	Connects counterfeit trade to labor abuse and organized criminal funding	Highlights social cost
Interpol & Europol	2020	International	Counterfeit, Cybercrime	Illicit trade enforcement	Points to digital platforms as high-risk areas for counterfeit distribution	Real-world enforcement data
Treiblmaier & Beck	2019	Germany	Tech Mitigation	Blockchain in supply chains	Suggests blockchain for tracking and authentication of products	Proposed tech solution
Kaplinsky & Morris	2020	UK	Tech Limitation	Value chain governance in SMEs	Highlights digital adoption barriers for small-scale fashion jewellery producers	Emphasizes inclusive tech approaches
Yiu	2021	Hong Kong	Cybercrime	E-commerce and anonymity	Online marketplaces enable anonymous global distribution of counterfeits	Digital risk lens
Bollen et al.	2020	Belgium	Cybercrime, Digital Payments	Cryptocurrency in fraud	Cryptos and unregulated logistics empower transnational criminals	Advanced digital crime
Levi & Mauguire	2020	UK	Theft & Smuggling	Organized theft networks	Jewelry shipments often targeted during transit or cross-border transfer	Supply chain vulnerabilities
Raza & Khan	2021	Pakistan	Tech Innovation	Blockchain in fashion anti-counterfeiting	Confirms blockchain reduces fake entries in digital supply chains	Applicable to branded jewellery

Lewis	2022	USA	Counterfeit Culture	Social media influencer behavior	Platforms like Instagram glamorize fake luxury culture	Consumer demand-side influence
Kim & Karpova	2010	USA	Consumer Behavior	Attitudes toward fashion fakes	Planned behavior theory shows why consumers buy fakes knowingly	Demand psychology
Burke	2013	Canada	Counterfeiting, Ethics	Corporate responsibility and crime	Criminal networks benefit from weak ethical governance	Relevance for brand protection
Singh & Arora	2020	India	Digital Counterfeiting	E-commerce and fashion fraud	India emerging as a hub for digital counterfeit jewelry	Regional case study
Siva & Kannan	2022	Global Review	Fashion Fraud, Tech Solutions	Systematic review of tech against fashion crime	Emphasizes AI, RFID, and blockchain as effective tools	Reinforces integrated tech intervention
Nil & Shultz	1996	USA	Counterfeiting Global Impact	Business responses to global counterfeit trade	Early warning of economic losses and weak laws	Historical benchmark
Staake et al.	2009	Switzerland	Counterfeit Trends	Literature review of trade in fakes	Offers taxonomy of fake goods trade including jewellery	Foundation for analytical categories
Ghosh	2021	India	Legal Gaps	Grey areas in enforcement of fashion crime	Highlights the fuzziness of IP protection and challenges in courts	Critical legal perspective
Zaidi & Narayanan	2021	Malaysia	Blockchain Supply Chain	Blockchain tech adoption in fashion	Industry readiness to implement blockchain authentication	Tech-based implementation feasibility
Treadwell & Garland	2011	UK	Cultural Criminology	Masculinity, crime, and digital counterfeits	Counterfeit consumption linked with identity performance	Useful in consumer profiling

4. METHODOLOGY

4.1. Research

Design This study utilizes a **systematic review** methodology to examine transnational criminal activities within the fashion jewellery industry. This

approach enables the synthesis of diverse evidence and identification of critical research gaps, aligning with the PRISMA (2020) guidelines to ensure methodological transparency and replicability.<sup>15</sup>

## 4.2. Objectives

The review aims to explore the scale and nature of transnational crimes in the fashion jewellery sector, examine the mechanisms exploited by criminal networks, assess socio-economic impacts and value current and emerging strategies for crime mitigation.

## 4.3. Research Questions

- What forms of the transnational crime do dominate the fashion jewellery sector?
- How do supply chains as well as digital platforms contribute in effect to vulnerabilities?
- What are many of the broader socio-economic effects from these crimes?
- What mitigation strategies exist, and of what effectiveness are they?

## 4.4. Eligibility Criteria

Inclusion:

- Peer-reviewed articles, government/NGO reports, credible grey literature.
- English-language sources published between 2010–2024.
- Literature addressing counterfeiting, smuggling, cybercrime, or organized theft in fashion or jewellery sectors.

Exclusion:

- Studies solely focused on fine jewellery.
- Works lacking methodological rigor or relevance.
- Non-scholarly content (e.g., blogs, opinion pieces).

## 4.5. Data Sources and Search Strategy

Literature was sourced from **Scopus**, **Web of Science**, **Google Scholar**, **JSTOR**, and **ScienceDirect**, alongside reports from **UNODC**, **OECD**, **Interpol**, and the **World Customs Organization**.

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15 Moher *et al.*, *op. cit.*

## 5. RESULTS

This systematic review examined 38 sources—ranging from academic articles, policy reports, and grey literature, to determine the recurring patterns of transnational crime within the fashion jewellery industry. The findings are organized into five core themes: types of crimes, enabling factors, economic and social consequences, technological responses, and policy challenges.

### 5.1. Forms of Transnational Crime

The most prevalent criminal activities affecting the sector include:

- **Counterfeiting (86%)**: Widespread copying of branded jewellery without authorization and making different copies of the same.<sup>16</sup> (OECD, 2019; Interpol, 2020).
- **Organized Theft and Smuggling (61%)**: Targeted heists and cross-border trafficking of goods.<sup>17</sup>
- **Cyber-enabled Fraud (55%)**: Online marketplaces facilitating anonymous sale of counterfeit items.<sup>18</sup>
- **Labor Exploitation (28%)**: Poor working conditions in illicit production hubs.<sup>19</sup>

### 5.2. Enabling Factors

The illicit trade is sustained till now, because of these structural vulnerabilities:

- **Complex Global Supply Chains**: Fragmented networks with many intermediaries allow counterfeit products to circulate without monitoring.<sup>20</sup>
- **Non Regulated E-Platforms and Payment Getaways**: With the advent of cryptocurrencies and less platform oversight enable untraceable transactions.<sup>21</sup>
- **Vulnerable Enforcement Mechanisms**: Disparities in border control and legal frameworks across jurisdictions undermine coordinated regulation.<sup>22</sup>

### 5.3. Economic and Social Consequences

The repercussions of these crimes are far-reaching:

- **Revenue and Brand Damage**: Real and legitimate businesses who are building everything with integrity and efforts, face financial losses and reputational risks.<sup>23</sup>

16 OECD, 2019, *op. cit.*, Interpol, 2020, *op.cit.*

17 M. Levi, M. Maguire, *op. cit.*

18 E. Yiu, *op. cit.*

19 UNODC, *op. cit.*

20 H. Treiblmaier, R. Beck, *op. cit.*

21 Z. Bollen, R. Mahieu, L. van der Velden, *op. cit.*

22 WCO, *op. cit.*

23 OECD, *op.cit.*



- **Health and Safety Concerns:** Buyer receives low quality material and is exposed to hazardous chemicals used in counterfeit products.<sup>24</sup>
- **Funding of Broader Criminal Networks:** Profits from counterfeit jewelry often support other organized crimes.<sup>25</sup>

5.4. Technological Tools

Several emerging technologies offer potential solutions:

- **Blockchain (24%):** Used for product traceability and authentication.<sup>26</sup>
- **RFID Tagging (18%):** Supports inventory tracking and fraud prevention.<sup>27</sup>
- **AI Monitoring (13%):** Enables automated detection of counterfeit listings, though adoption remains limited.<sup>28</sup>

5.5. Policy Gaps

Despite some progress, regulatory responses remain inconsistent:

- **Irregular Enforcement:** Regulations like the EU IP Enforcement Directive have less impact beyond Europe.<sup>29</sup>
- **Diverging Legal Definitions:** Different types of counterfeiting obstruct global cooperation.<sup>30</sup>
- **Insufficient Collaboration:** Calls persist for greater information-sharing between public and private sectors.<sup>31</sup>

5.6. Overview Table

Category	Key Findings
Types of Crime	Counterfeiting, theft, smuggling, cyber-fraud, labor exploitation
Enabling Factors	Supply chain fragmentation, digital anonymity, legal enforcement gaps
Economic & Social Effects	Business losses, consumer risk, links to organized crime
Technological Solutions	Blockchain, RFID, AI—promising but underutilized

24 Interpol, *op. cit.*  
25 UNODC, *op. cit.*  
26 H. Treiblmaier, R. Beck, *op. cit.*  
27 R. Kaplinsky, M. Morris, *op. cit.*  
28 Z. Bollen, R. Mahieu, & L. van der Velden, *op. cit.*  
29 WCO, 2020, *op. cit.*  
30 J.S. Albanese, *op. cit.*  
31 Interpol, 2020, *op. cit.*

## 6. CONCLUSION AND FUTURE DIRECTIONS

This review brings forward how transnational crime is undermining the fashion jewellery industry, an industry once associated particularly with aesthetics and commerce, now marked by complex criminal threats. Counterfeiting, theft, cyber fraud, and labor exploitation are intensified by globalization, regulatory fragmentation, and the rapid digitization of trade.

Although technologies like blockchain, RFID, and AI offer promise, their adoption remains limited, particularly among smaller enterprises and in lower-income regions. Bridging these gaps requires a coordinated, interdisciplinary response.

## 7. KEY RECOMMENDATIONS

**Cross-Border Research and Data Integration:** Work should happen to establish worldwide datasets and lead to collaborative research among academics, regulators, and industry stakeholders.

**Scalable Technological Solutions:** Investigate cost-effective, interoperable tech systems suitable for SMEs and emerging markets.

**Legal Harmonization:** Explore bilateral or treaty-based mechanisms to align enforcement protocols and IP laws.

**Ethical and Socioeconomic Analysis:** Assess and reassess the widespread impacts of illicit trade on labor rights, local development, and sustainability.

**Regulation of E-commerce Platforms:** Improve platform accountability, detection tools, and consumer awareness.

**Public–Private Collaborations:** Work towards building a secure intelligence-sharing network between governments, law enforcement, and the private sector.

Through strategic integration of legal reform, technology, and cross-sector collaboration, the fashion jewellery industry can be transformed into a more transparent, ethical, and resilient part of the global economy.

Please Note : The author utilized AI-assisted tools to support the organization and synthesis of literature; most of the interpretations, critical evaluations, and conclusions reflect original scholarly analysis.

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