



Illegal Migrations through the Applied Theory of Markets and Principles of the Tourism Industry

Suzana Herman¹ 

Nuša Lazar² 

Rasto Ovin³ 

Received: November 24, 2021

Revised: March 18, 2022

Accepted: April 11, 2022

Keywords:

Emerging of markets;
Similarity of business models approach;
Market regulation



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Abstract: *Illegal migrations have especially after 2015 been recognized as one of the top priority problems to be solved in the EU. Scattered policies and dissonance among the EU states have mostly been followed by repressive ex-post policies being, however, massively attacked by liberal democracy. Starting from the Arrow - Debreu theory of markets they analyze these processes from the point of the applied theory of markets. Beyond instability and insecurity as push factors on the supply side in these processes of illegal immigrants, there is also the emergence of smuggling businesses. The authors try to prove the hypothesis that illegal refugees smuggling does demonstrate clear elements of the tourist industry, apart from entailing massive fraud practices. The authors will elaborate on the comparison of business models between a tourist agency and a typical illegal business entity dealing with the smuggling of illegal immigrants. Here, the approach of similarity of business process models will be used. The study will outline some policy proposals for the regulation of the migration market. Deriving from the results, the authors consequently propose market intervention policies and measures, so as to try to frame migration processes regarding the level of benefit for sending and host countries.*

1. INTRODUCTION

With illegal immigration reaching great numbers, this flow naturally attracts suppliers and facilitators of these processes. They provide potential immigrants with information on destinations adjusted to their expectations, offer them (often corrupt) means of transport and usually falsely promise their social integration into the country of their destination. For our discussion, it is relevant that they develop and perform most functions typical for a tourist agency like marketing, finance, transportation, or economy. Naturally, providers of such mobility follow their business calculation; they offer different types of services at different prices, resulting in a matching process between the “customer” and the “service provider”. In turn, they strive to profit from dire situations of their “customers”. As expected, the market arises from a disparity between the volume of legal and easily accessible routes of migration and the demand for migration, thereby creating an informal market (Fallone 2021). Illegal immigrants participating in this market purchase a commodity that consists of the expertise in crossing national borders undetected. When purchasing services on the informal market of illegal migration, migrants exercise agency comparison in determining which of the available service providers meets their needs best.

As a theoretical foundation, the authors use Radner’s (1970) interpretation of the Arrow-Debreu model (in Majumdar 1998). Crucial for the functioning of markets is the difference in information between different economic agents which then leads to a competitive market. This way, market equilibrium can be achieved for every commodity. The authors also presume that

¹ University of Applied Science Baltazar Zaprëšić, Ul. Vladimira Novaka 23, 10290 Zaprëšić, Croatia

² Dekorina d.o.o., Glavni trg 17/b, 2000 Maribor, Slovenia

³ DOBA Business School, Prešernova ulica 1, 2000 Maribor, Slovenia

applied theory can be built based on empirical facts and the experience which can be proved. There is no doubt that this is the case with empirical phenomena elaborated in this chapter.

The market by definition consists of supply and demand. In this research, migrants represent the demand side of the market, and the demand for migrant smuggling services is met by several sellers who are smugglers. Migrants on the demand-side are willing to buy the service, i.e. an illegal entry into the chosen country. (Antonopoulos & Winterdyk, 2006). The smuggling services market shares many common characteristics of the regular market, such as competition, trust, reputation, and financing tradition (Campana, 2020). The market clearance rule as understood in times of acceptance of Say's law has been challenged by the opposition in the 1930s led by Keynes. Even though there is no situation where full information would be available for the participants on the market, we see markets not only distributing factors, goods and services, but also evolving – e.g., taking new areas. Considering that the price at which the market is cleared is not a necessary objective, this chapter does not discuss the market clearance rule from the point of price but is based on the simple fact that existing demand triggers supply. Due to the illegal character and non-transparency of the market discussed in this chapter, the equilibrium price would be impossible to assess. Kar and Beladi (2017) conducted research based on illegal migrants, more precisely smuggling, and trafficking in workers. The authors state that in a situation where there is an increase in unemployment benefits, which also does not cause the payment of taxes, illegal workers are faced with a smaller market and ultimately earn lower wages. On the other hand, supervision suffers in a situation where an increase in unemployment benefits reduces tax collection. There is a higher demand for illegal workers to replace legal workers, which can lead to an increase in their market-clearing wage. Roberts et. al (2010) state that rising smuggling costs also indicate an increase in demand for their services with limited supply. Further, they increase the creation of cartels by smugglers which affects changes in market characteristics. As described below, the ICT development provides the demand side with excessive information, so that here the actors interested in relevant information have access to knowledge. The authors do not analyze this. Yet, the gravity of the demand side situation, which without doubt leads to accepting less proven information and risky decisions is also not analyzed. The migrants simply must leave the location endangering their basic safety and economic perspective.

With migration reaching great numbers this flow naturally attracts suppliers and facilitators of migration. They provide potential migrants with information on destinations adjusted to their expectations. In addition, they offer them (often corrupt) means of transport, and usually, falsely promise their integration into the country of their destination. Relevant to our discussion, is the fact that they develop and dispose of most functions typical for a tourist company like marketing, finance, transportation, or economy of scale. Naturally, providers of such mobility follow their business calculations; they offer different types of services at different prices. That results in a matching process between the “customer” and the “service provider”. Of course, they strive to profit from the dire situations of their “customers”. As expected, the market arises from a disparity between the volume of legal and easily accessible routes of migration and the demand to migrate, thereby creating an informal market (Fallone 2021). Migrants participating in this market purchase a commodity: expertise in crossing national borders undetected. When purchasing services on the informal market of illegal migration, migrants exercise agency comparison in determining which of the available service providers meets their needs best.

In 2015 the year of a breakthrough in migrations mostly from the Middle East, more than one million irregular migrants reached the EU (EUROPOL 2016). With irregular migration, we

denote (European Commission. n.d., International Organization for Migration, 2021; Migration Data Portal, 2020) the movement of persons to a new place of residence or transit that takes place outside the regulatory norms (the regulatory norms of the sending, transit, and receiving countries). Migrants without documents often use the entrenchment of the smuggling infrastructure. This was also the case for Syrian refugees seeking refuge within the EU. That has exposed the institutional deficiencies of the EU, which has raised alarm amongst the European media and the public (Aggarwal et.al 2016).

EUROPOL data show (2016), that more than 90% of before mentioned irregular migrants used so-called facilitation services (such as the provision of transportation, accommodation, and fraudulent documents) at some point during their journey. Some of these services, often with false promises of integration into the country of migrant's desire, can be compared to tourist industry services (accommodation, travel). These services were provided by migrant smuggling networks since criminal networks quickly adapted to this development and extensively increased their involvement in migrant smuggling.

A substantial number of criminal networks as well as individual criminal entrepreneurs generate large profits from migrant smuggling. Based on the aforementioned data, in 2015, criminal networks involved in migrant smuggling were estimated to have had a turnover of between 3-6 billion EUR⁴ (EUROPOL-INTERPOL, 2016). The data by Bundeskriminalamt & Bundespolizei-präsidentium (2015) show that the number of identified smugglers in Germany was rising continuously in the years from 2011 to 2015. With 4.865 suspects for smuggling foreigners by German law (§ 96 AufenthG08), the increase in the number of suspects reached its peak in 2015 (+ 63%).

Since the migration crisis in 2015, the EU has implemented several measures, such as guarding the external border of the EU, and increasing collaboration with third countries along the main migratory routes, i.e. Turkey and some African countries (Orav 2021), to control migration flows better and more efficiently. Those resulted in the fact that irregular arrivals to the EU were reduced by more than 90% (more than 1 million irregular migrants in 2015 from Central, Eastern, and Western routes⁵, and less than 100.000 irregular migrants from the mentioned routes in 2020) (European Council, 2021). Due to subsided migration flows, also a decrease in criminal activities related to smuggling foreigners was noticed. The data by Bundeskriminalamt (2021) showed a decrease in criminal offenses related to smuggling foreigners by German law (§ 96 and § 97 of the Residence Act) in the years from 2016 to 2020. In the year 2020, an overall decrease of 3.4% related to these offenses can be noted in comparison to the year 2019.

National and international policy measures can lead to a shift in migration routes and a change in the modus operandi, but illegal migration in the destination and transit states will still occur. As long as there are pronounced push and pull factors, illegal migration cannot be completely prevented, and smugglers will benefit accordingly. In Syria, Afghanistan, and Iraq, as well as in many other regions of the Middle East and Africa, no stabilization of the political, economical and humanitarian situation can be expected in the short and medium-term, which will result in ongoing migratory pressure. Criminal smuggling organizations will continue to exploit it (Bundeskriminalamt & Bundespolizei-präsidentium, 2017).

⁴ There is only limited intelligence available on the criminal procedures, illicit financial flows or money laundering processes associated with migrant smuggling activities (EUROPOL, 2016).

⁵ For a detailed explanation of the routes see: <https://www.consilium.europa.eu/en/policies/eu-migration-policy/#>.

The central hypothesis of this chapter is that illegal immigrants' smuggling represents the market response to supply realizing the differential in information between demand and supply, which usually connects demand and supply on the market. This would be essential for the formation of a consistent (restrictive) market policy and to stop inconsistent restrictive measures which are predominantly demonstrated by opposite positions of the EU members regarding the illegal practice of border authorities to control the inflow of illegal migrants. In order to overcome stochastic disorder in the field and to look for policy measures that we developed for control of markets, the authors take the following approach: the immigrants trafficking could first be analyzed from the point of tourist businesses and could in this respect be treated as subjects of market regulation. To prove this hypothesis, the authors used the method of comparison related to the business models of tourist agencies and businesses dealing with migrant smuggling.

The following chapter firstly deals with the analysis of the online environment as a facilitator of migrations which is then followed by the presentation of the effects of migrations on the EU labor market. The next chapter presents the business process models of tourism agencies and is followed by the chapter on business process models that apply to the smuggling migrants. The next chapter discusses similarities between the two business process models. In the end, the chapter is summed up by some suggestions for future research outlines and a conclusion.

2. THE ONLINE ENVIRONMENT AS FACILITATOR OF MIGRATIONS

The information technology enables relatively easy access to the data on the desirable destinations. Thus, the population, that wants to migrate also increases. Here we agree with Fallone (2021), arguing that the role of social media is not the drive of migration, but a tool to inform about supposed migration journeys. Messaging apps such as Telegram or WhatsApp are often used for organizing mass migrant movements. They generally facilitate and anonymize the communication between the criminal networks' recruiters in the countries of origin, as well as the organizers, handlers, and guides or drivers in transit and destination countries. In February 2019, Europol and the several EU Member States detected discussion groups based on an internet communication platform that were discussing the organization of mass treks for irregular migrants towards Schengen countries, so-called 'convoys'. One of the group's initial objectives was to facilitate the movement of Syrians in Turkey toward Greece and onward. This is not an isolated case, since there are many more such channels and groups in messaging services and on the social media platforms (European Union Agency for Law Enforcement Cooperation, 2020).

Also, the EUROPOL analysis (2016) confirms that different social media platforms are used by migrant smugglers as well as by irregular migrants to share information on developments along migration routes, changes in asylum procedures, law enforcement activities, or possible unfavorable circumstances in countries of destination. This type of information allows involved parties to adapt to changing conditions. For example, migrant smugglers would adjust their price list in response to developments such as increased border controls. They would be charging higher prices for alternative and safer routes. Additionally, these apps are also used by the migrants and their families who are often dealing with the payment for the facilitation. On the other hand, migrant smugglers often rely on social media to advertise their services. An example stated by the EUROPOL (2016) analysis: *"The cost of a package with travel from Turkey to Libya by air and subsequent sea journey from Libya to Italy costs USD 3.700. For the sea journey, adults cost USD 1.000. Three children cost USD 500"*.

Based on the information collected by Bundeskriminalamt & Bundespolizeipräsidium (2017), social media, especially WhatsApp, Viber, and Facebook, play a crucial role in the planning and organization of smugglers concerning the communication between smugglers/smuggling organizations: corresponding offers, including costs, and routes (examples are noted in Table 1 below).

Table 1. Examples of corresponding offers and routes by smugglers of irregular migrants

Friends of mercy and the blessings of God The way to Europe
1-Turkey to Greece (Dinghy) 1.000 €
2-Turkey to Greece (Jet Ski) 1.600 €
3-Turkey to Greece (Yacht) 2.000 €
4-Turkey to Greece (Flight) 4.000 €
5-Italy to Greece (Yacht) 4.500 €
6-Italy to Turkey (Flight) 7.000 €
7-Turkey to USA (Flight) 9.000 €
8-Scandinavia 11.000 €
9-England and Canada 14.000 €
10-Lebanon to Italy (Ferry) 7.000 €
For more information I'm available at the following Phone Number:

Source: Bundeskriminalamt & Bundespolizeipräsidium, 2017.

One of the concrete threats based on such messaging apps is the use of these apps for the promotion of large-scale fraudulent documents among migrants. False documents are sold on such apps and allow unlawful entry into EU countries under false identities. Based on the data by European Union Agency for Law Enforcement Cooperation (2020), the EMSC (European Migrant Smuggling Centre) within their activities detected dozens of such channels, as well as groups on platforms containing more than 37.000 pictures of around 100.000 different documents on offer. And some of the channels had tens of thousands of followers.

When comparing the aforementioned online activities and other related migration facilitating activities with principles of the tourism industry, particularly with business functions (EUROSTAT 2013), we can find several associations with the following business functions:

- **distribution and logistics:** transportation activities of migration and information about developments along migration routes, developments in border control;
- **marketing, sales, and after-sales services:** market research (favorable or unfavorable conditions in countries of destination), advertising (advertising services concerning migration), direct marketing services (messaging apps for direct communication on organizing migrant movements as well as the use of these apps to promote on fraudulent documents among migrants);
- **information and communication technology (ICT) services:** information technology (IT) services and telecommunication, such as IT services for organization and usage of different online environments considering communication and information sharing;
- **administrative and management functions:** legal services (here the link can be made to the information on changes in asylum procedures, and law enforcement activities), accounting, book-keeping and auditing (which includes the payment for facilitation), human resources management (e.g. training and education of drivers and handlers, staff recruitment via online platforms), etc.

The research of Golovko (2019) related to smugglers in West Africa's migration economy observed that the services provided by persons involved in the migration business in Mali and

Niger are diverse and include the broad category of drivers, ghetto owners, intermediaries between transporters, and network coordinators. There are also several other economic activities supporting the migration economy, like water sellers, operators of call and internet shops, as well as money transfer agencies. Accommodation, transportation to holding places, and collecting clients from meeting points are some of the main services cited by all respondents involved in the above-mentioned research.

3. THE EFFECTS ON THE EU LABOR MARKET

Over the past decades, migration to Europe from third countries has been substantial. Historically, the main pull factors to Europe are the presumed political stability of the EU and its relative economic prosperity. The data collected by Orav (2021) show that between 1960 and 2018 the population of the EU increased, growing from 407 million to 513 million. In addition to legal migration (that covers people arriving in Europe to work, pursue studies, or join family members), the EU faced an unprecedented surge of irregular migration in 2015. As host societies, EU Member States are required to facilitate their integration - this includes their integration into society and ability to access different services, together with the labor market.

In Europe, we are facing a phenomenon of mixed migration where both, genuine asylum seekers (predominantly from Syria, Eritrea, Iraq, and Afghanistan) and economic migrants without documents have been arriving together in unprecedented numbers. Aggarwal et al. (2016) state that, nonetheless, whether asylum seekers or irregular migrants, the current situation of integration policies meant that the informal labor sector⁶ was supposedly the area where most of them would end up eventually. Additionally, migrant smugglers offer a wide variety of often highly expensive services to the migrants. In many cases, irregular migrants are forced to pay for these services by means of illegal labor (EUROPOL, 2016).

Because the majority of the irregular migration flows stem from developing countries and tend to be low-skilled, Aggarwal et. al. (2016) indicate it can be assumed that many irregular migrants are working in the informal sector. Moreover, irregular immigrants tend to be concentrated in southern European countries. One reason is geography since Greece, Italy, and Spain are closer to most emigration countries. Furthermore, southern European countries have more possibilities for irregular workers because they tend to have larger informal economies than their northern counterparts.

Orav (2021) indicated on the basis of the data from the European Commission and OECD in 2016 that refugees are one of the most vulnerable groups of migrants on the labor market. The data indicate that among economically active refugees, 1 in 5 are unemployed and 1 in 8 are unemployed for over a year or longer. Observing this data and the related results of the study, it takes refugees on average up to 20 years to reach an employment rate comparable to that of the native-born population. Such employment rates can be explained by their differing education levels: most asylum-seekers from Syria, Iran, and Iraq have at least upper secondary education, whereas the majority of those from Afghanistan, Eritrea, and Somalia have lower secondary education at best. They are mostly employed in low-skilled jobs. At the same time, the European economy has also foreseen a decline in low-skilled categories of employment.

⁶ Informal work covers all employment relations beyond the formal wage-labor market (like clandestine or illicit work), but it also includes myriad forms of self-employment. Estimates of the proportion concerning informal workers in industrialized economies vary between 2 and 15 percent (Aggarwal et. al. 2016).

Automation, artificial intelligence, and digitization are areas where Europe has a significant advantage. Therefore, it can be expected that low-skilled jobs will decline sharply in the future.

The members of diaspora communities that are part of migrant smuggling networks also have a significant effect on the informal labor sector. In addition to the fact that they provide support in arranging accommodation and travel, they also employ the informal labor market (EUROPOL, 2016). The complexity of the migrant smuggling networks determines also the type of facilitation services. These networks often use low-level contacts as drivers, crew members, scouts, or recruiting agents. Sometimes they are irregular migrants, who, at the same time, pay for their travel. These contacts typically operate as part of the network only for a limited time and are exchanged regularly.

4. BUSINESS PROCESS MODELS OF TOURIST AGENCY

The tourist industry has seen many changes within the business over the past few decades, and the most significant is definitely the accelerated development of the ICT sector. The development of the virtual world has led to the introduction of e-commerce and e-business which have influenced change in business models (Osterwalder 2004). One of the largest industries using internet services as a tool to introduce innovation in e-business is right within the travel sector (Chio et. al., 2011). One of the tools is the emergence of online booking systems such as the Customer Reservation System (CRS) (Naqvi & Jia, 2014) and the Global Distribution System (GDS) (Gholami et al., 2017), as shown in Figure 2. This scheme aims to facilitate the business and reduce the perceived disadvantages during the process. It is evident that the client uses the services via intermediaries which can be social media or travel agencies that meet his/her needs. The travel agency may use the services of tour operators or offer its own engagement using CRS or GDS tools to carry out accommodation, transport and other tourist service booking tasks from other service providers.

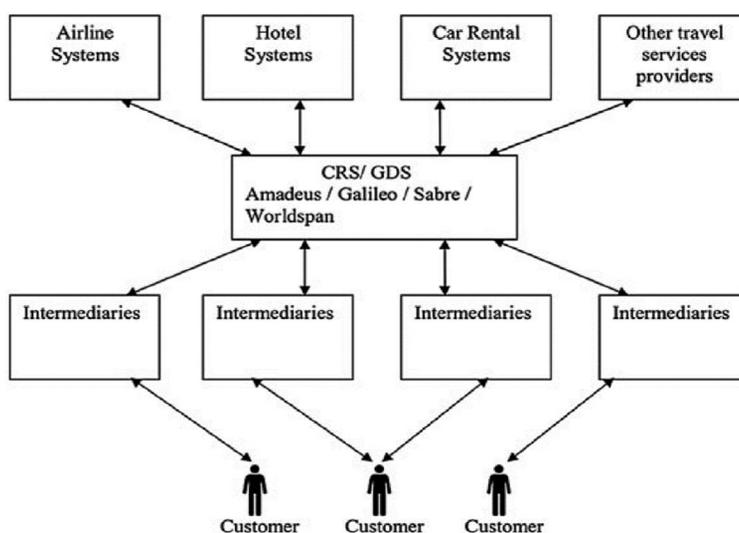


Figure 1. Customer Reservation System in Tourism

Source: Naqvi & Jia, 2014.

According to Corradini et al. (2018), the business process shown in Figure 3 represents a business model by which the travel agency constantly offers clients its services until the moment of positive response. By confirming the reservation, the client accepts one of the offered travel packages. The travel agency then sends a confirmation message and immediately finds a way of payment for the travel. Once the payment has been made, the agency sends a ticket and its activity ends.

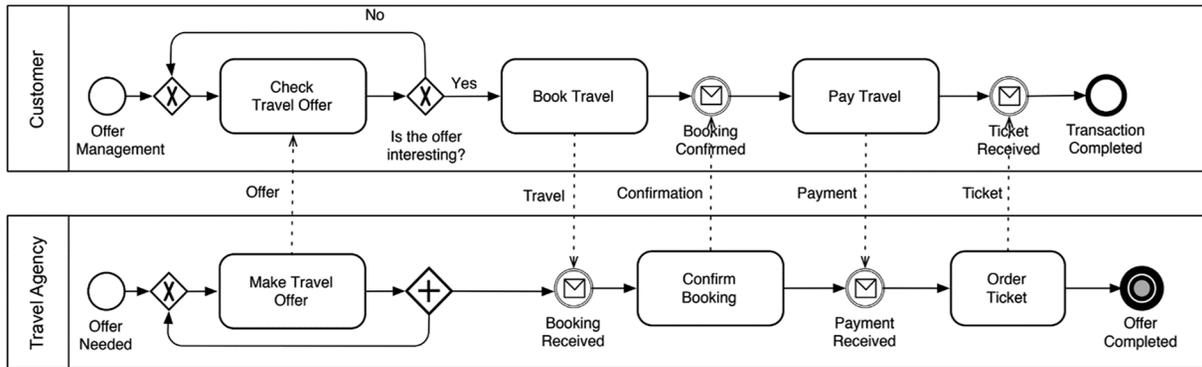
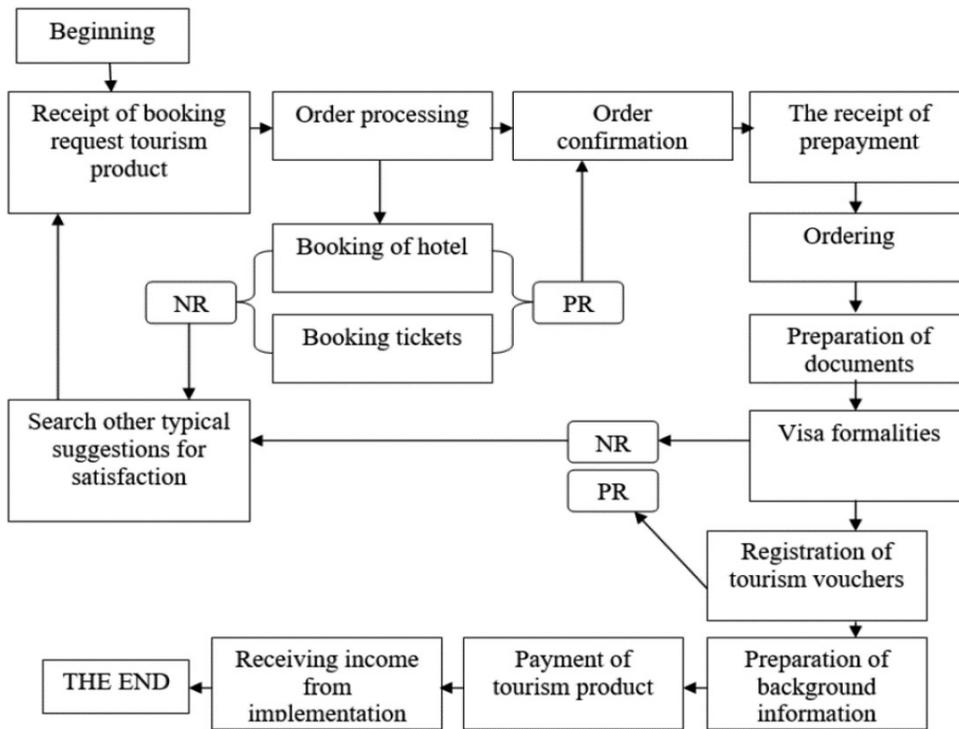


Figure 2. Business process model in Travel industry

Source: Corradini et al., 2018.



Remarks:

NR- negative response

PR- positive response

Figure 3. Structuring of business process implementation of tourist product

Source: Rogovyi et al., 2020.

A similar business model was observed in the Rogovyi et al. survey (2020), which also shows the structure within the implementation of the business process regarding the tourist product (Figure 4). The flow of activities in that case begins with the confirmation of the booking request, the client is offered the opportunity to book the hotel and the positive response to that activity leads to (pre)payment. If the client refuses the hotel reservation services, another form of accommodation is offered to satisfy the expectations. If a negative answer is received at the step related to the formalities for Visa, the course of activities leads to the search for other forms of solution. On the other hand, a positive response leads to the registration of tourist vouchers. Upon completion of the registration and preparation of basic information, the client concludes his/her payment of the tourist product and obtains an invoice for the paid service.

5. BUSINESS PROCESS MODELS OF SMUGGLING MIGRANTS

The migrant smuggling market is driven by the supply and demand of smuggling services to circumvent existing regulations. Advertising of this kind of business takes place in neighborhoods with migrant communities, on social networks, websites, or, for example, in refugee camps. Social-economic conditions, persecution, political instability, and family reunion are the reasons determining the demand for migration. Consequently, the demand for the provision of smuggling services is on the rise due to weak legal channels that are unable to meet the demand for regular migration, or due to the high cost of regular migration (UNODC 2018). Empirical research and evidence from other authors indicate the presence of divided opinions regarding the existence of a unique business model that includes migrant smuggling (Campana 2016).

„The organization of criminal groups and activities” by Carrington (2011) presents criminal networks. The opposite of the usual observation of governance based on hierarchy and market among economic stakeholders is precisely the idea of perceiving networks as a separate form of organization (Podolny & Page, 1998). Networks do not include explicit market criteria or hierarchy paternalism. A key component of the networking form of organization, or so-called business, is trust, and the organization of criminal activities is ideally carried out precisely through networks. The reason for this can be found in the circumstances with high dynamism, flexibility, greater adaptability, and the ability to create alliances between criminals, as well as between corrupt individuals (Williams, 2001). Schloenhardt (2003) relying on the research of other authors, highlights the diversity of smuggling activities and identifies three major categories of human trafficking:

- **Amateur smugglers:** most often provide only one segregated service, such as using their own vehicle or vessel to transport unregulated migrants.
- **International smuggling networks:** criminal organizations operating internationally by providing services from the country of origin, to the country of destination. In addition, the criminal organization provides a full range of services that meet the needs of irregular migrants. Services include the provision of false documents, accommodation, and support from transit countries.
- **Small groups of organized smugglers** - represent a combination of the previous two categories. It includes small, organized groups that specialize in transporting irregular migrants from their country of origin to their country of destination.

How much the smuggling service to another country /for irregular migrant or asylum seeker/ will cost depends on several key factors (Schloenhardt 2003; Bilger et. al., 2006):

- the scope and type of all activities covered by the payment (which transport will be used, whether false documentation is included in the service, or whether bribes to corrupt employees are also involved);
- distance of the destination (whether the migrant buys the service from one destination to another, or pays the services to different smugglers for different sections of the road);
- risk factors;
- countries involved;
- whether the service includes a family or group discount;
- whether a guarantee is also included in the service within which the smuggler undertakes to provide subsequent attempts which free of charge if the first fails.

According to Barker (2012), there is no universal business model for migrant smuggling, but several factors are highlighted from research by other authors: (1) there is a whole range of business models

that are adjusted depending on the circumstances and services, (2) different organizational structures are present, but fluid networks are more widespread than hierarchical organizations, (3) profit is the main motive for migrant smugglers, (4) organizers of the business model of migrant smuggling are highly flexible and adaptable, (5) business model of migrant smuggling is in line with normal market forces and applies to the practice of a classic company (advertising). It follows that smuggling shares common components with other types of organized crime, as well as legitimate markets. Furthermore, there are safe house leaders who also provide accommodation and food service. Logisticians and so-called experts have a key role in the smuggling industry. Logisticians will coordinate all activities and are very localized. On the other hand, there are professionals who are hired according to the needs of their skills (The Global Initiative Against Transnational Organized Crime 2018, 8). In their research, Reitano and Tinti (2015) presented the business model of smuggling through Egypt. Their example includes 50 migrants who paid \$2.000 per head to cross the sea (\$100.000 in total). *Brokers* from that amount are getting \$100 per head (\$5.000 in total) followed by *Mediators* who receive 10-15% of the migrant fee (approx. 14.250), then there are *Smugglers* who are getting 25% of the total money - and the main part of the money goes to the *Boss* (who cooperates with +/- 5 smugglers on average). According to the same authors, profile of the *Boss* represents a nexus between criminal networks and global nexus with smugglers. *Smugglers* possess local knowledge, and the profile can fit an ordinary businessman who is prepared to be violent for the purpose of protecting cargo. The profile of the *Mediators* collects money from the broker and can coordinate transportation. And *Brokers*, who are also important members of that chain, whose job is to take the money for the whole service. According to Yildiz (2017), there are several other important roles in the organizational chain of the business smuggling model. Among other roles mentioned above is *Watchman* who represents the person in charge of evading the control of smugglers by the police. *The owner of the deposit office* is the owner of a legitimate company that collaborates with smugglers. Migrants leave the money for smugglers in the deposit office safe. The money in the safe is a guarantee for the safe arrival of the migrant at the chosen destination. After confirming the safe arrival of the migrant at the destination, the smugglers take over the money stored in the safe. The research also found that some *hotel managers* cooperate with smugglers and treat them as travel agencies that provide them with clients regularly. Consequently, the role of *hotel managers/owners* in providing accommodation services for a particularly large group of migrants was mentioned in the organizational chain. *Small business owners of cafeterias and restaurants* provide a place used for meetings with smugglers. The owners of such restaurants also cooperate with smugglers and offer migrants food and essentials. The author also mentions *boat owners, bus company owners, the local community, and owners of private houses hiding migrants*. A similar model is mentioned in the case of The Global Initiative Against Transnational Organized Crime (2018) where there are two models mentioned, one for wealthy irregular migrants and one model for massive irregular migrant transition.

Full-package smuggling (Figure 5) is the name of a business model used for long-distance travel and crossing through several regions with frequent final destinations in Europe. On the other hand, the pay-as-you-go model represents a business model in which the destination country does not matter or is not even known. With full package service, migrants pay smugglers to organize every part of their journey. Such a business model includes transportation to the site, accommodation during the trip and falsified or illegally obtained documentation, integration support in the form of establishing a connection within the community, employment assistance, enrolment of children into local schools, and protection from authorities. All services within the business process are acceptable only to high-class migrants, given that such service is paid in advance, and costs about tens of thousands of dollars per person plus a fee (price in the Middle East and Africa) (The Global Initiative Against Transnational Organized Crime, 2018).

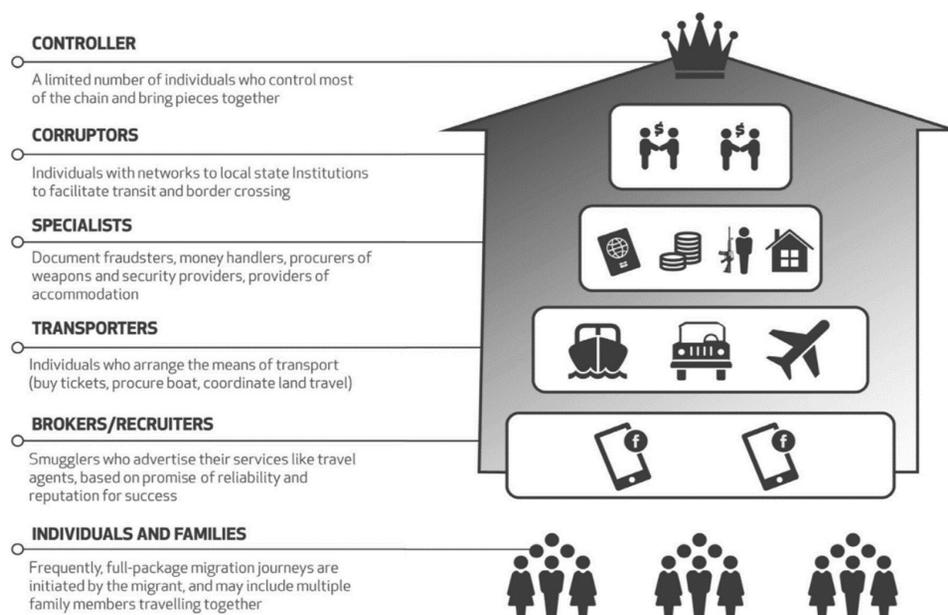


Figure 4. Full-package smuggling

Source: The Global Initiative Against Transnational Organized Crime, 2018.

The pay-as-you-go model (Figure 6). Due to its affordable price, it is a model for mass transport, used by most irregular migrants. All payments for this kind of transit are made in cash, and most of the revenue remains at the local level.

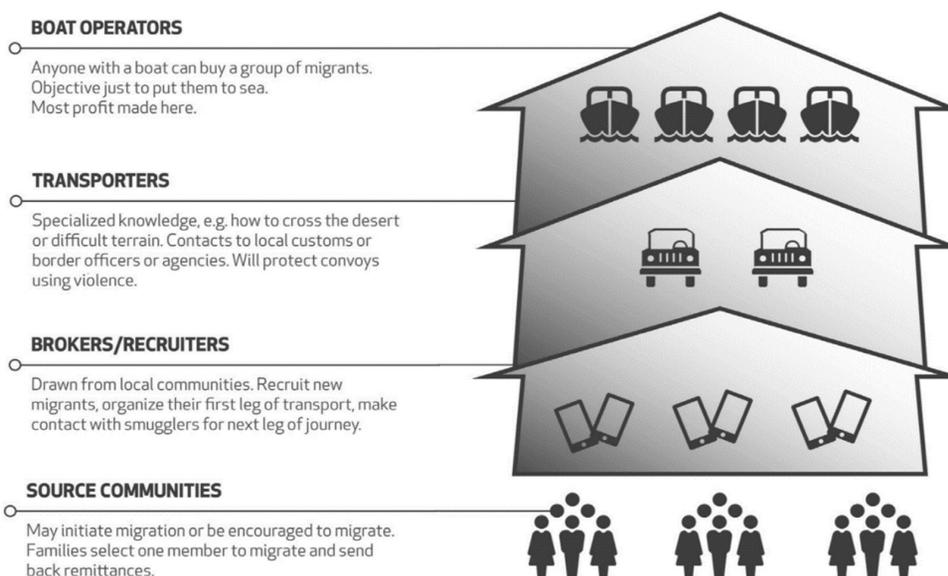


Figure 5. Pay-as-you-go business model

Source: The Global Initiative Against Transnational Organized Crime, 2018.

6. SIMILARITIES BETWEEN THE TWO BUSINESS PROCESS MODELS

This paper develops business model frameworks for migrant smuggling and tourist agency, hence applying the business model canvas (BMC) by Osterwalder and Pigneur (2010). Osterwalder and Pigneur (2010) represent the outline of the business model. This figure explains the business model of the organization through nine blocks and interrelated activities (Osterwalder & Pigneur, 2010): (1) Key partners represent a network of suppliers and partners involved within the business model;

(2) Key activities are understood as a description of the activities that an organization must run for the business model to work (problem-solving, networking, and the like); (3) Key resources represent the most important asset needed to make the business model work; (4) Value propositions represent a set of products and services that make up value for a particular group of customers. Value proposition includes activities such as risk reduction, the performance of work, status, price, cost reduction, accessibility, and usability; (5) Customer relationship determines the type of relationship to be established with the target customer; (6) Channels represent the way to communicate with the target market; (7) Customer segments refer to the target market that is to be covered: it can consist of groups, individuals, or organizations; (8) Cost structure describes all costs incurred to make the business model work; (9) Revenue streams represent the money the organization generates from each block. The three blocks of key resources, key activities and key partnerships are related to internal processes, while customer segments, channels and customer relationships are related to customers. The central part of the description is related to value propositions, while the cost and revenue structure is shown at the bottom of the template (Osterwalder & Pigneur, 2010). As Barker (2012) in her research already mentioned, the business model of migrant smuggling actually possesses the characteristics of legitimate business models referring to companies that are present on the market. Below, in table 1 we present a comparison and similarities between the business model of migrant smuggling and the travel agency.

Table 2. Similarities between the two business process models

Activities	Business model of tourist agency	Business model of migrant smuggling
Key partners	<ul style="list-style-type: none"> • Tour-operator • Hotels • Transport companies • Local entrepreneurs • Attractions • Restaurants • Insurance providers • Resorts • Vacation rentals • Travel agency affiliates 	<ul style="list-style-type: none"> • Corruptors • Specialists for document fraud • Transporters • Brokers/Recruiters/Smugglers • Owner of the deposit office • Hotel managers/owners • Safehouse leaders • Small business owners of cafeterias and restaurants • Local communities
Key activities	<ul style="list-style-type: none"> • Service operation • Service quality • Marketing 	<ul style="list-style-type: none"> • Road organization • Advertising • Transport
Key resources	<ul style="list-style-type: none"> • Human resources • Price • Technology 	<ul style="list-style-type: none"> • Human resources
Value propositions		
	<ul style="list-style-type: none"> • All-inclusive Travel package • Custom Travel Package • Standard average pricing • Personal agent service • Add-on services (insurance) • Cheapest prices • Reduction of risk • Useful app • Useful travel content • Tour guide • Using payment gateway 	<ul style="list-style-type: none"> • Full-package smuggling • The pay-as-you-go model • Tour Guide • Reduction of risk • “Getting the job done”
Customer relationships	<ul style="list-style-type: none"> • Direct communication • e-mail • Feedback • Loyalty program • Want personal assistance • Operational communication 	<ul style="list-style-type: none"> • Direct communication • Communication through mediator

Channels	<ul style="list-style-type: none"> • Online website • Social media • Brochure • Mobile • Head office sales • Partner channels • Franchise agent sales • Traditional brand advertising channels, like TV, radio, magazines 	<ul style="list-style-type: none"> • Social media • Mobile • Internet
Customer segments	<ul style="list-style-type: none"> • Family • Individuals • Student • Young couple • Traveler • Company 	<ul style="list-style-type: none"> • Individuals • Businessman • Family
Cost structure	<ul style="list-style-type: none"> • Human resources (operational cost, salary, marketing campaigns) • Paying service to the Partners' assets 	<ul style="list-style-type: none"> • Human resources • Partners
Revenue streams	<ul style="list-style-type: none"> • Advertising • Partnership • Reservation system 	<ul style="list-style-type: none"> • Partnership • Road organization

Source: Made by authors modeled on Osterwalder and Pigneur (2010) and Nurbadi et al. (2019).

According to the blocks covered in Table 1, it can be concluded that the business model of migrant smuggling and the business model of travel agencies have many common activities in all nine blocks. Business models of migrant smuggling carry out all activities as carried out by a legitimate organization, in this case, a tourist agency.

7. FUTURE RESEARCH DIRECTIONS

One should start with the premise that in the future ICT will only develop and so will social media. So the difference in living conditions and how to bridge it will become more and more visible, thus also causing further action by the nationals in deprived areas. The EU receiving states as well as the EU as a community did not, up to now, demonstrate the ability to regulate migrations as sustainable and legal processes. So it is believed that the phenomenon elaborated in this chapter will require further extensive research mostly in the field of institutional–legal settings. It is important to observe that while the EU taken as an example in this text has been exposed to unwanted developments, the existing legislation(s) on the community as well as on the national levels is/are still prone to evasion. Especially in recent times, the EU is subject to certain instabilities (rejection of renaissance and enlightenment achievements by new members such as Poland, Hungary and Slovenia) and issues (for instance: how to coordinate the environmental policies). So, the EU will have to overcome disintegration processes and move in the opposite direction: the problem of illegal migrations will require deepening of the tolerance towards other (ethical) aspects of our community. This is the “*conditio sine qua non*” for successful legal coordination that should take place. In this respect, some legal research initiated by the Commission or any of the top EU institutions would be quite helpful.

8. CONCLUSION

By using the approach of business model comparison between the tourist company and business unit dealing with immigrant smuggling, this chapter clearly proved that although they should be represented on a different side of legality, both activities follow their business goals.

They are seeking for chances in the market related to the field of human migration. So, in principle, they should adapt to the principles of market regulation. The fact that immigrants' smuggling is illegal, however, requires restrictive measures in the form of prevention of such business operations. This should not exclude this business from the surveillance of market regulation policies. Here, the room for servicing of sustainable migrations approved by sending and host countries should be assured also to those who find themselves in this illegal business. Anyway, before getting included in legal business they should abandon massive fraud practice. Again, one should not misjudge the emerging and functioning activities on the supply side, as practically in all fields of human life they are causing market clearing - when the gaps between demand and supply exist. We should not forget that in this way suppliers overcome the difference in information by which buyers and sellers connect and enter the business.

But first thing first. Following the external costs that immigrant smugglers have been inflicting and are presented in this chapter, the market regulation and prevention (similar to the one with the weapons trade, but hopefully more efficient) should be implemented. Here we are referring to legal measures. The EU legal framework actually started in 1997 by creating an area of freedom, security and justice (AFSJ), as a part of the Treaty of Amsterdam (European Parliament, 2021). It addressed particularly the part of legislation for the prevention of migrant smuggling. Council Framework Decision of 28 November 2002 (European Council, 2002) requires the member states to pass legal measures referring to immigrant smuggling. Apart from the protection of refugees and asylum seekers, the member states' legislation should address the prevention of criminal practice by passing laws and provisions regarding penalties, liability and sanctions of legal persons with these activities as well as their jurisdiction, extradition and prosecution.

Although the EU legal policy is devoted to "dismantling the smuggling networks and undermining their business models" (European Parliament, 2021), as shown in this chapter, harmonization of national laws in member countries has still not reached the level at which it would be able to prevent misunderstandings and inconsistent procedures in individual cases - be it on the national level or even within national borders. Typical here are examples of weak punishment, or even freeing nationals who were caught smuggling illegal immigrants over the Slovenian border (Slovenske novice 2020; Spletni časopis 2019).

Turning back to the main topic of this article we would also urge the EU as well as individual member states to recognize the fact that the processes of illegal migrant smuggling emerged from the situation which made room for the market to appear and function. Apart from preventing these practices by means of a restrictive application of legislative order, there should also exist some regulations related to factors and investment pouring into the illegal activity of migrant smuggling. They could help to find some kind of amnesty by using and complying with the rules of (any) market operation.

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