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Approaching Organised Crime: Where Are We Now and Where Are We Going?

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A shared perception has emerged of a form of criminality that is so diverse, lethal and sophisticated that it cannot be depicted using the standard activity-based classifiers of crime (as in theft, murder and so on) but requires, instead, the broader generic term "organised crime". Although little consensus has emerged yet as to the character of this purported threat, the term creates a distinction between crime that is "organised" and crime that is "conventional"— the emphasis is on the nature of the groups and their approaches to crime rather than their enterprises or activities per se.*

The purpose of this paper is to summarise current policy debates on organised crime. Particular attention is paid to the conceptualisation of organised crime, and the contrast between early criminal organisations and newer manifestations, especially the "discovery" of transnational crime. The meaning of organised crime from an Australian perspective is also considered, and suggestions for an Australian-focused research agenda are given.

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What is Organised Crime?

Descriptions of organised crime vary according to the needs and experiences of different investigative or research organisations and individuals (see Halstead 1998 for a discussion of the various models of organised crime). Some researchers, like Cressey (1969) and Myers (1996), have highlighted characteristics of organised crime *groups* (the structure and familial relationships). Fewer authors have concentrated on the dynamics of the *markets* that have allowed the activities of criminal organisations to thrive, although research in this area is growing (for example, Williams 1995). In contrast to these analytical approaches, operational organisations, such as law enforcement and intelligence agencies, have maintained a preoccupation with the *activities* or *enterprises* of organised criminals (for example, McFarlane 1998). It is disappointing that comparatively little analysis has been attempted of the broader *impacts* of organised crime on local communities—positive as well as negative—in terms of social, economic and environmental consequences. Whether organised or not, the endpoint of all criminal activity is located within local territories requiring local assessment and policy intervention (Edwards 2000). The interrelatedness of each of these dimensions of organised crime is displayed in Figure 1.

From the amassed wisdom, various shorthand definitions of organised crime have been offered (see Dickie 1994; Van Duyne 1996). Traditionally, these have implied that:

- the activities undertaken have a strong economic imperative;
- the offences are of "major significance"; and
- the groups (involving no less than two or three individuals) are enduring in nature.

The recent United Nations *Convention Against Transnational Organised Crime* similarly defines an "organised crime group" as:

…a structured group of three or more persons existing for a period of time and acting in concert with the aim of committing one or more

serious crimes or offences in accordance with this Convention in order to obtain, directly or indirectly, a financial or other material benefit.

(United Nations 2000, article 2)

Significantly, the Convention does not include even an indicative list of the offences or activities of organised criminal groups, but tries to capture the essence of the phenomenon in a broad definition which applies across jurisdictions regardless of the type of criminal activity in question.

There is a need to deal with organised crime from both an operational and a policy perspective. At the local, operational level, it may be expedient to use a simple list of shared characteristics (such as the United Nations example cited above) as a baseline to determine whether a group is engaging or not in organised crime. However, this type of definition is not adequate in the broader debate about the nature of organised crime and it is unlikely that it can stand the test of time. Operational definitions need to be systematically reviewed and updated to take account of emerging forms of criminal enterprise, changing perceptions of the motivations or activities of groups, and increasing maturation of knowledge and understanding about the phenomenon gained through

research and intelligence analysis. Whatever the reasons are for the predominance of very simple definitions of this rather complex phenomenon, a broader framework is required if the policy debate is to develop beyond the considerations of law enforcement.

A framework based on the representation in Figure 1 could lead to a range of valid models of organised crime. These models would articulate the different sets of initiating circumstances, the range of characteristics and actions of organised crime groups and, perhaps most important of all, the various impacts experienced by communities, such as local crime. Table 1 shows how the framework might assist in the ordering of information about existing models, or the development of new models of organised crime. (The hypothetical "models" described in Table 1, and their characteristics, are illustrative only.) As well as assisting in the development of rational policy interventions, a framework like this which breaks down organised crime into its constituent parts would help to identify gaps in substantiated knowledge about organised crime and criminal organisations. It should, furthermore, encourage the development of reasonable hypotheses to guide further study

and reduce the tendency to generalise from unsupported assumptions or myths about organised crime.

Debunking the Myths

Identifying the myths and questioning our assumptions is no less a necessary precursor to a rational debate on organised crime as it is to any other field of crime. The infamy of some organised crime groups, and the rumours that have become associated with them, makes this an important starting point. Enduring myths include the following:

- Organised crime groups from the same region operate as a single corporate entity or oligopoly (see Sterling 1994; Bean 2002).
- There is a monolithic global criminal organisation or "global mafia" (discussed in Halstead 1998).
- Ethnicity is a valid dimension for describing organised crime groups (also discussed in Halstead 1998).

A careful reading of the evidence shows all three assumptions to be largely false. In terms of the first point, for instance, Colombian drug traffickers are persistently described as "cartels" despite the fact that Colombia has produced an array of disparate groups from different geographical regions of the country, who vary in size, scope and in their historical links with the cities of Cali and Medallin. Even the original Cali and Medallin "cartels" were themselves inaccurately described because the market monopoly implied by "cartel" was not achieved by either group. Although those who work in the field understand the limitations of these shorthand descriptors, continued use of them in the media promotes a distorted image of organised crime groups.

Regarding the "global mafia" myth, there is little evidence that links between organised crime groups have increased to the extent that they form a unified consortium. Journalists, in particular, have adopted this stance despite evidence of a

Figure 1: *Representation of the interrelated aspects of organised crime*
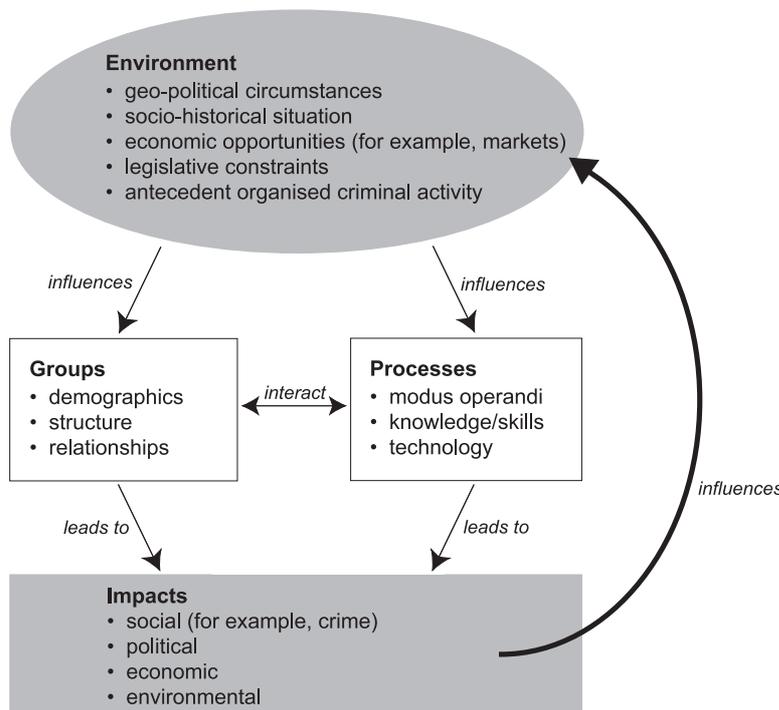
Table 1: *Hypothetical models of organised crime and their characteristics based on four dimensions*

Model	Environment	Group	Processes	Impacts
1: "National"	Historical or cultural basis	Family or hierarchy	Secrecy/bonds Links to insurgents	Local corruption/ influence Fearful community
2: "Trans-national"	Politically and economically unstable	Vertical integration	Legitimate cover	Stable supply of illicit goods High-level corruption
3: "Trans-national/ transactional"	Any	Flexible Small size	Violent Opportunistic Risk taking	Unstable supply of range of illicit goods Exploits local young offenders
4: "Entrepreneurial/ transactional"	Developed/ high technology regions	Individuals or pairs	Operating through legitimate enterprise	Provision of illicit services, e.g. money laundering, fraud, criminal networks
5: "Other organised crime"	To be identified	To be identified	To be identified	To be identified

"substantial amount of conflict and competition between subgroups subsumed within monolithic titles, such as 'the Mafia'" (Halstead 1998, p. 4). Overall, this is not a helpful way of conceptualising organised crime since it hinders rational analysis and policy development (Williams & Florez 1994; Halstead 1998).

Finally, although a shared culture, language and set of values can sometimes (but not always) increase trust, communication and, ultimately, competitive advantage for some groups, it is inaccurate to adopt ethnicity as the only, or main, dimension for classification of organised crime groups. Among the criminal groups in this category are the "Sicilian Mafia", "Jamaican posses", "Colombian drug trafficking groups", "Nigerian organised crime groups", "Japanese Yakuza" (or Boryokudan), "Korean criminal groups" and "ethnic Chinese criminal groups". Throughout this paper the common names for organised crime groups have been avoided where possible. However, due to general use of these names, and the lack of alternatives, they cannot be avoided altogether. Thus, group names that include an ethnic identifier are placed in quotation marks to emphasise their nature as a tag rather than a comment on the importance of the group members' demographic profiles.

Organised Crime Through the Ages

Contrary to common perceptions, organised crime is not a modern phenomenon. Seventeenth and eighteenth century crime gangs, which fulfil all of the present day criteria of organised crime, roamed the rural borderlands of central Europe embarking on many of the same illegal activities associated with today's crime organisations, with the exception of money laundering (Van Duyne 1996). When the French revolution created strong nation states, the criminal gangs moved to other poorly controlled regions like the Balkans and Southern Italy, where the seeds were sown for the "Sicilian Mafia" —the lynchpin of organised crime in the New World.

Organised crime existed in the United States from the early days of its colonisation. However, it was the prohibition of alcohol which provided the "Italian crime families" with the ideal foothold to dominate the market for illicit commodities in the United States. From alcohol to the illicit trade in narcotic drugs such as cannabis, La Cosa Nostra (and, eventually, other groups too) generated enormous profits and, in some places, political influence which not only ensured the expansion and continued maturation of

criminal organisations, but brought organised crime to the consciousness of successive governments, the public and, of course, the media.

In South-East Asia, criminal groups had already been operating regionally and within Chinese communities overseas for several hundred years by the time the founding fathers of La Cosa Nostra set foot on American soil (Myers 1996). The ancient Chinese cultural concept of *guanxi* (which refers to the ever expanding, hierarchical network that a person develops throughout life involving numerous reciprocal relationships and obligations to the people to whom one is bonded) is thought to be central to the evolution and operation of many of these criminal enterprises. The ubiquity and pervasiveness of *guanxi* in Chinese society, from Canton to New York, is the basis on which Triad societies formed. Contrary to popular belief, Triads did not arise as (nor are they today) exclusively criminal organisations. They emerged in China as revolutionary political organisations and they continue to be important social networks where members can gain social advancement or entrepreneurial favours. Nonetheless, the type of entrepreneurial activities in which some Triad members participate, and benefit from the secrecy and connections of the networks, are undoubtedly criminal in nature (Myers 1996).

From Organised to Transnational Crime

An aspect of organised criminal activity that has dominated academic as well as fictional writing over the past decade is the issue of transnational organised crime (that is, organised crime that is carried out across borders). Corresponding to the perception that organised crime poses a bigger threat than "ordinary" crime is the view that transnational organised crime must be more dangerous and ubiquitous than national organised crime. In contrast to the theories of "global mafiosi" proposed by some commentators, various writers regard the development of

transnational organised crime as an inevitable consequence of the global transition to free market economies, and describe the activities of transnational criminal organisations with surprisingly little alarm. Myers (1996, p. 183) captures this level-headed approach:

> …[at] the transnational level, organised crime is a global trading and financial network engaged in the provision of prohibited commodities and services.

Similarly, Van Duyne (1996, p. 342) notes that:

> …[an] organised crime trade should be looked upon as situated in an international *market* of supply and demand in which the crime-entrepreneur operates as a criminal merchant. [original emphasis]

In brief, research on transnational organised crime indicates a number of trends:

- an expansion in the number of criminal organisations engaged in transnational crime (see Myers 1996);
- increased similarities between criminal organisations and legitimate transnational corporations, both of which are "sovereignty-free actors" (see Williams & Black 1994; Williams & Florez 1994); and
- increased use of technology by organisations which operate in the legitimate and the illegitimate economies, and sometimes deal in both (see Morrison 1997a, 1997b).

It would be wrong, however, to assume that all transnational criminal organisations follow the same blueprint. Like legitimate transnational corporations, transnational criminal organisations differ in structure, strength, size, range and in the diversity of their activities (see Williams & Florez 1994). In terms of the scope of their activities, transnational criminal organisations differ markedly, with some engaging in a wide range of illicit activities including credit card fraud, embezzlement, prostitution and trafficking in a variety of illicit goods, while other groups rely almost entirely on the drug industry.

The persistence of transnational organised crime and the perception that it presents a new and serious threat to sovereign states has alarmed governments and policy-makers in countries throughout the world, including Australia, and has led to the creation of a large law enforcement and intelligence infrastructure designed to diminish the threat.

The Australian Experience of Organised Crime

Compared to some regions of the world, it seems reasonable to surmise that Australia's firsthand experiences of organised crime have been fortuitously limited (see other papers in this series for information on specific organised criminal activities such as fraud, people smuggling, abalone poaching, and the illicit trade in diamonds). The Indigenous groups in Australia do not foster traditions that have generated any serious criminal activity. Immigrant groups have carried with them some of the elements of organised crime but political interference and corruption has not been achieved on the scale reported in Chicago in the early twentieth century, in Southern Italy throughout most of the last 100 years, or in the republics of the former Soviet Union in the last decade. Australia has developed swiftly, in comparison to many previously colonised countries, into a stable nation with a strong economy and well-developed legal system. Thus, it has not provided the economically and politically chaotic environment preferred by organised crime groups as a sanctuary and headquarters for their activities.

That is not to say that Australia —with its isolated coastline, market demand for consumer goods and services, and desirable lifestyle to those from less developed countries —has *not* had any experiences of organised criminal activity. Nor should we assume that Australia has not, to some extent, sustained organised criminal enterprises both on and offshore. However, the scarcity of published evidence makes it difficult to assess the true extent of organised crime in Australia.

Most of the newer published works on organised crime stem from reports on royal commissions (such as the Royal Commission into the New South Wales Police Service—Wood 1997) or assessments carried out by organisations such as the National Crime Authority. Descriptive information about the activities of organised crime gangs is provided in these reports but they lack analytical depth. Earlier published work found little evidence of extensive or pervasive organised crime in Australia (see McCoy 1980; Hall 1986).

If we are to arrive at a concept of organised crime—one that is meaningful in the Australian environment—it will be necessary to shake off appropriated approaches to organised crime and develop a localised methodology and research agenda. This observation has been made on other occasions by Australian researchers (for example, Dickie 1994; Wardlaw 1989) but appears not to have fuelled any particular interest in organised crime as a field of study in Australia. Some topical issues about organised crime are briefly outlined below and a perspective on the "threat" is offered. This is followed by a proposed research agenda which builds on those perspectives and the framework provided earlier.

Emerging Concerns about Organised Crime

Certain communities, and even some countries, may at times be dominated by organised crime as a result of corruption, political upheaval and economic dependency on illicit markets. While organised crime does not impact so severely on more stable countries like Australia, it is continually necessary to participate in global policy debates on organised crime, to monitor overseas developments and to develop a national research and policy agenda which addresses genuine local and national impacts of organised crime. There are clearly some important factors, including:

- the need for international cooperation and regulation;
- monitoring the changing nature of organised crime; and
- monitoring the links between crime, terrorism and insurgency.

The Need for International Cooperation and Regulation

In terms of international cooperation, bilateral or multilateral arrangements with other countries (such as extradition arrangements) have increased over the years, but have failed to synchronise national laws to any great extent. In 1998, the United Nations General Assembly called for a *Convention Against Transnational Organised Crime* which was signed by over 100 member states in Palermo, Italy, in December 2000. Australia is one of the countries to have signed the Convention and its two protocols.

Without a timeframe for implementing the obligations of the treaty, it is unclear when different jurisdictions will create new laws, or change existing laws or procedures, to bring countries into line with the "spirit" of the Convention. Understandably, this situation may arise due to a preoccupation with other more pressing matters, such as wars or natural disasters (see Fazey 2002). It should also be anticipated that, in some cases, the enthusiasm witnessed at the signing ceremony will be replaced with a degree of political procrastination or loss of will once leaders are out of the global spotlight. In short, the creation of this Convention does not guarantee the power of some governments to effect a change, or even a consensus of private attitudes towards organised crime.

Monitoring the Changing Nature of Transnational Organised Crime

It is not yet clear whether superficial distinctions are being created between "ordinary" crime and organised, or transnational, crime. Attempts to articulate the meaning of these terms are disrupted by the speed with which new forms of the phenomenon are "discovered". A good illustration of this is the many and varied reports that have been produced in recent years to describe and account for the astonishing expansion of organised crime in the former Soviet Union (see, for example, Paoli 2001; Walker 2001). New forms of organised crime (for example, the structure of new groups and their *modus operandi*) provide a useful test of existing conceptualisations and, by monitoring the changing nature of the phenomenon, should lead to a broader and more acceptable aetiology.

Monitoring the Links between Crime, Terrorism and Insurgency

A challenge to our conception of organised crime as an exclusively economic activity comes from claims by some governments that the lines between terrorists or "rebels" and organised criminals have become blurred (Porteous 1996; Williams & Black 1994). Although there have long been known links between organised crime groups and terrorist or insurgent groups, the events of 11 September 2001 are likely to amplify concerns about the potential impact of such alliances.

The relationships between organised crime groups and insurgent or terrorist organisations are complex. While criminal organisations seek economic gain, insurgency and terrorist movements generally follow ideological motives driven by religious or political tensions. "Unholy alliances" between insurgents and organised crime groups involved in the drug trafficking industry, for instance, have taken place when insurgent groups hold political control over drug-producing regions. Thus, the insurgents are in a position to provide drug traffickers with access to the growers of opium poppies, coca or cannabis and, in return, they receive a "tax" which helps finance the conflicts in which they are engaged. Links between terrorist and organised criminal organisations also take place for reasons of expediency. Organised crime groups are a source of funding for terrorist group activities, for which they may provide services such as kidnapping, violence and protection. Terrorist organisations can also provide organised crime groups with a ready market for weapons, from the traditional sort to biological and nuclear weapons.

Acts of insurgency and terrorism are, fortunately, uncommon on Australian soil. In addition, links between organised crime groups and terrorist or insurgent organisations, while they do exist in some parts of the world, should not be regarded as the norm. Furthermore, although these links create separate domestic issues for the countries in which they occur, it should not necessarily be concluded that the linkages themselves involve an enhanced threat of terrorism to countries that are the recipients of illicit goods. Links between organised crime and terrorist or insurgent groups should be examined as part of the environment in which organised crime thrives and operates efficiently and not as an articulation of evidence that organised crime is, in itself, a substantial security threat.

In summary, a range of issues (too many to address here) relating to organised crime need to be constantly monitored. Like any social phenomenon, organised crime continues to evolve in response to a constantly shifting legal, economic and political environment. To inform policy on organised crime, an agenda of research is required to address the conceptual dilemmas and evidential shortcomings of current knowledge on organised crime.

Developing a Research Agenda

While there is a definite danger of overstating the threat of organised crime to Australia, and to developing expensive measures to combat the perceived threat, it cannot be denied that some level of organised crime exists in and affects Australian society. However, not all aspects of the phenomenon have been adequately explored.

A framework for the study of organised crime in Australia is required. It should incorporate a range of constituent dimensions, including:

• the environment in which organised criminal organisations thrive;

- the structures, demographics and relationships that characterise organised crime groups;
- the operational processes that organised criminals adopt; and
- the social, political, economic and environmental impacts of organised criminal organisations, particularly at the local level.

The framework needs to order information, extract hypotheses and identify new information requirements about organised crime, leading to the development of a range of contrasting models. These will require a research and policy emphasis on the local impacts in Australia of organised crime, whether or not the groups creating those impacts exist onshore or offshore. Such an agenda will require information-sharing between law enforcers, security agents, policy-makers, and a broad range of social scientists. Open communication such as this will be difficult to achieve yet holds the greatest promise of furthering the debate in Australia on what to do about organised crime. If an open dialogue could be achieved, inter-agency agreement on the conceptualisation of organised crime, its local implications, and a range of possible policy responses would follow more quickly than if dialogue is limited or absent.

Governments make economic choices in order to maintain high levels of trade and generate local business opportunities. However, as a consequence of those choices there are some unintended outcomes, including trade in illicit markets. The challenge for policy-makers is to reduce the impact of the most harmful effects. Whether crime is organised or not, there will be difficult decisions to make on which of its impacts local communities must be able to tolerate, which they would rather regulate and which they need to vigorously prevent from thriving. There is also a need to differentiate more quickly between real threats and "phantom" threats which serve to escalate the preoccupation with fortification and national security. Development of a broad range of national and local policy responses to organised crime can only evolve if ill-fitting conceptualisations of this form of crime are rejected and progress is made in relation to information-sharing among the few individuals and organisations that have a well-developed knowledge base.

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