

CHAPTER 1

CRIMINALLY EXPLOITABLE TIES: A NETWORK APPROACH TO ORGANIZED CRIME¹

Klaus von Lampe

Introduction

After decades of haggling over the question of “myth and reality,” the scientific and political debate on organized crime in North America and Europe seems to have reached an implicit consensus. There is no one left today who dares to doubt the existence of organized crime. At the same time few, if any, will object to the observation that in the absence of a generally accepted definition, there remains a great deal of uncertainty about what organized crime really is.

This paradoxical situation may be unsatisfactory, but for the moment it seems inevitable. Although the term *organized crime* is used as if it denotes a clear and coherent phenomenon, it is in fact an ever-changing, contradictory and diffuse construct. A myriad of aspects of the social universe are lumped together in varying combinations within different frames of reference depending on the respective point of view of each observer.ⁱⁱ

Faced with this dilemma and the apparent futility of attempts to arrive at a universal definition of organized crime, a number of authors have tried to achieve greater clarity by reducing the subject to narrower and more precise concepts. The most notable approach in this regard has been the concept of *illegal enterprise*. The *enterprise theory* takes activities, not structure, as a starting point to investigate how illegal entrepreneurial activities are organized (Smith 1978; 1994). Although it avoids the fixation of the so-called conspiracy theory on ethnically defined criminal organizations (see Cressey, 1969), this approach is likewise in danger of missing some significant aspects that are addressed in the debate on organized crime, including criminal groups en-

gaged in predatory and fraudulent crimes with no primary market orientation, and quasi-governmental or parasitic *power syndicates* (Block 1983) that occupy strata above criminal groups engaged in illegal business transactions. At any rate, the incorporation of noneconomic manifestations of collective criminal behavior into the enterprise model, e.g. under the label of a "service technology of security and enforcement" (Smith 1978,174), appears a bit far-fetched.

As an alternative path to a better understanding of the phenomena commonly subsumed to organized crime, I would like to propose the concept of criminally exploitable ties. This approach takes the relations between criminal actors as a fixed point of reference. Regardless of whether the debate centers on certain types of crime such as drug trafficking or investment fraud, on certain collectivities, such as "mafia syndicates" or criminogenic milieux, or on systemic conditions, such as corruptive alliances of businessmen, politicians, and public officials, in every instance the participants are connected through criminally exploitable ties, which in turn combine to form criminal networks.

The network approach to the analysis of organized crime is certainly not a new idea. Apart from being used by law enforcement agencies as an investigative tool (see Davis 1981), it has been applied in numerous studies, though primarily to overcome the shortcomings of traditional organization theory with regard to the fluid character of criminal microstructures (see Finckenaer & Waring 1998; Ianni 1974; Johansen 1998; Lupsha 1983; Weschke 1986). The purpose of this chapter is to discuss the relevance of the network perspective within a broader frame of reference encompassing three levels of complexity: the level of individual crime networks and criminal organizations, the level of illegal monopolies, and the level of intertwining illegal and legal structures. On each of these levels I attempt to briefly review the pertinent literature and to speculate with more or less empirical and theoretical backing on how criminal structures are determined by the underlying dyadic relations between criminal actors.

Criminally Exploitable Ties

The basic unit of any form of criminal cooperation is a criminally exploitable tie linking two actors. Using the term *criminally exploitable* instead of just *criminal* emphasizes that in the debate on organized crime the focus is not exclusively on manifest structures, but also on latent ones, that is, relations, which are activated only sporadically when certain opportunities or

needs arise.ⁱⁱⁱ In order to be criminally exploitable, a link connecting a pair of actors will tend to show two main characteristics: corresponding criminal dispositions and a common basis of trust.

It seems plausible that one actor engaged in criminal activities can make use of knowing another actor only to the extent that they share similar criminal dispositions, such as the willingness to participate in the same type of criminal behavior, for example, robbing a bank, smuggling contraband cigarettes, initiating an investment fraud scheme, or exchanging child pornography. The question where these dispositions originate is a matter of general criminological investigation and not one specific to the debate on organized crime. Suffice to say at this point that people have to have similar criminal interests and preferences. This may not be the case when, for instance, a drug trafficker and a distributor of child pornography meet. Each might vigorously object to the other's line of business.

Once two actors with corresponding dispositions have met, it is unlikely that they will cooperate simply based on the mutual interest in the successful completion of some endeavor. Instead, cooperation will depend on a common basis of trust. This assumption rests not only on the general notion that social interaction tends to be embedded in social relations (Granovetter 1992). In addition, trust is needed to minimize the specific risks inherent in illegal interaction. These risks are manifold. First of all, cooperation increases the risk of detection and prosecution by law enforcement agencies; for example, a partner in crime may turn out to be a police informant. Second, untrustworthy partners may voluntarily or negligently reveal business secrets not protected by patents to other criminals, or, by disclosing information, they may attract predatory criminals. Finally, trust needs to be placed in a partner in crime with regard to the agreements, which define the respective illegal interaction. If such a "contract" were broken, it could not be enforced in a court of law.

A common basis of trust can be found in some sort of bonding relationship, such as kinship, childhood friendship and prison acquaintanceship (see Ianni 1974; Lupsha 1983). Similar bonds may be formed within such institutions as the military and intelligence services.^{iv} These links have in common that, apart from the aspect of affection, there is a high degree of predictability as a result the long-term testing of personal characteristics. Such a bond does not necessarily have to connect two actors directly. Two actors may be connected through an intermediary who maintains a bonding relationship with each actor individually (see Abadinsky 1981, 83).

A common basis of trust may also be found in the generalized expectations of an actor's conduct because of a particular affiliation. Membership in a se-

cret society, such as the Sicilian Mafia or the Chinese Triads, will have such an effect as long as the selection of new members and the enforcement of internal rules ensures the reliability and trustworthiness of each individual member (see Gambetta 1993; Chin 1990). Basically the same mechanism of mediating trust, but in a less manifest form, is probably also at work among members of a particular criminal milieu, like the traditional underworld (McIntosh 1971) or a drug subculture (Adler 1985). Those who belong to such a subculture share a specific set of deviant values and adhere to a certain code of conduct. When they are recognizable to each other—either by reputation, provided the subculture is sufficiently transparent, or by distinctive characteristics such as clothing, language or behavioral patterns—a bond of trust may be formed between them without necessitating an intermediary (see Sutherland, 1937:16–21).

The same may be true with regard to ethnic minorities. To the extent that ethnicity implies a certain cultural cohesion with resulting group in loyalty and sentiments of opposition toward the legal and criminal justice system of the host country, it can be considered a relevant trust variable (Finckenaue 1994, 246; Lupsha 1986, 34). However, the importance of ethnicity as a binding force may well be overestimated because in many cases ethnic ties coincide with more intense bonds, such as kinship and childhood friendship (Potter 1994, 121).

A common basis of trust not only appears to create a foundation for criminal cooperation. It can be hypothesized that its strength and quality also determines in what way and to what degree a particular relation can be exploited for criminal purposes. The higher the risks of a particular pattern of cooperation, the more one would expect to find strong bonding ties connecting the pertinent actors. Support for this proposition can be drawn from research findings indicating that criminal networks tend to be based on strong links, most notably kinship ties, childhood friendship, and prison acquaintanceship, and that, reversibly, where such strong ties are absent, criminal cooperation tends to be rather ephemeral (see, e.g., Finckenaue & Waring 1998; Ianni 1974; Lupsha 1983; Potter 1994; Potter & Gaines 1995; Waring 1993). Both subjective and objective factors may play a role here. Subjectively, a criminal who perceives a particular interaction as risky and the potential partner as unreliable will tend to refrain from getting involved. Objectively, it can be assumed that the relationship between criminal actors who take the risk of collaborating without an adequate underlying basis of trust is more susceptible to conflict, deceit, and detection and thus less likely to persist.

Of course, this is not to argue that a common basis of trust could not develop over time. In fact, procedures to gradually establish trust are a quite fa-

miliar phenomenon that can be observed, for example, in the recruitment of young criminals into adult crime networks (Ianni 1974, 124) or in the screening of potential business partners in illegal markets (Reuter & Haaga 1989, 45). But in every phase of such a process these considerations about the correlation between the degree of risk inherent in an illegal interaction and the strength of the underlying bonds would apply. In the end, high-risk interaction may be based on trust that has purposefully been built over some time. However, given the rather short time horizons of criminals and the greater potential for damage resulting from the failure of a continuous criminal cooperation, the exploitation of preexisting bonding ties appears to be the more likely alternative wherever it is available.

Another question that needs to be addressed is whether reliance on trust, be it preexisting or gradually developed, could be replaced by some other means, such as material reward or the threat or use of violence. As Peter Reuter has argued, this may be the case but only at a high cost not incurred by “positive non-economic ties” (Reuter 1983, 116).

In summarizing the argument about the fundamental relevance of criminally exploitable ties, I would like to suggest that for a particular actor the set of criminally exploitable ties demarcates the social space in which, at a given point in time, criminal cooperation is subjectively and objectively a viable option, and that, as a rule of thumb, an actor’s scope of action depends on preexisting bonds of trust rather than on either purposefully developed trust, violence, or financial reward.

The content of these relations is a different matter. Criminally exploitable ties can serve many different purposes, of which the collusive perpetration of a crime, including the exchange of illegal goods and services, is only the most obvious one. Communication also plays a vital role with regard to, for example, the exchange of criminally useful information and the transmission of deviant norms and values. This indicates that criminally exploitable ties are not necessarily a one-way street. Although they open up opportunities for an individual actor, they may just as well have a formative influence in that they shape an actor’s views, beliefs, and capabilities.

Networks and Organizations

Dyadic relations are not the only determinants of criminal cooperation. Opportunities and constraints also arise from the characteristics of the overall network of criminal relations an actor belongs to (Granovetter 1992). A network is commonly defined as a specific type of relation linking a set of el-

ements. Different types of relations identify different networks, even when imposed on the identical set of elements (Knoke & Kuklinski 1982, 12). Thus, a criminal network can be defined as a set of people who are linked by criminally exploitable ties. There are a number of characteristics one might highlight in describing and analyzing a criminal network. I would like to briefly reflect on only the following two: the overall network size and the relative position of particular actors within the network.^v

The size of a criminal network, defined by the number of actors linked directly or indirectly by criminally exploitable ties, is a crucial factor because it sets a limit for undertakings that require a certain number of participants. A small network of only two or three actors will not be involved in an area of crime such as drug trafficking because it will not be sufficiently large to span the entire range of activities from production to retail distribution. Size also matters regarding the choice an actor has for selecting accomplices for specific projects. The relative position of actors within a network, defined by, among other criteria, the respective number of direct contacts with other network members (Scott 1991, 86), can be seen as an indicator of the distribution of power and influence. This is even more so when a network consists of clusters, which are connected only through particular actors who serve as “bridges” between these subnetworks.

As many case studies have shown, criminal networks may provide the framework for smoothly running, rather complex criminal operations, provided these networks are sufficiently large for the task at hand, and the central figures are capable of coordination to whatever extent necessary. Carl Klockars's (1974) description of the fence “Vincent Swaggi,” gives a good illustration of the capacity of a simple star-shaped network for the quick and easy disposal of impressive quantities of loot. Patrica Adler's (1985) account of a subculture of upper-level drug dealers, on the other hand, underscores the efficiency and adaptability of a large diffuse network in a volatile illegal market.

The conclusion that network structures enable criminal actors to manage complex tasks raises the question of the relevance of criminal organizations in comparison with criminal networks, both in empirical and in theoretical terms. One may, for instance, doubt the existence of criminal organizations outright on empirical grounds, following the tradition of Joseph Albini, who once claimed that La Cosa Nostra was not a formally structured organization, but a network of patron-client relationships (Albini 1971, 264). Although in this case the criticism is outdated, in many instances where criminal organizations are said to be at work, one can rightfully expect to find no such entities but instead a number of criminal actors connected by criminally ex-

ploitable ties who join forces to commit certain crimes and then disperse (see Finckenauer & Waring, 1998). Another line of reasoning would be to deny the importance of criminal organizations on theoretical grounds by arguing that organizations can be properly understood only as networks, so that a distinction between networks and organizations becomes obsolete in the end (see Nohria 1992, 12).

Organized crime literature has not come to a clear understanding of the concepts of “network” and “organization” and how they relate to each other. In the international arena both terms are used more or less synonymously. Sometimes networks (or network organizations) are treated as a particular form of organization, typically one that occupies the lower end of the spectrum of organizational sophistication (see, e.g., United Nations, 1995).

A more fruitful approach seems to be one, which takes networks and organizations to represent distinct structural dimensions in their own right. A network is a web of dyadic ties connecting two or more persons. An organization also consists of a combination of individuals. But in contrast to a network, an organization is more than just the sum of its parts as it entails a certain degree of integration. An organization takes on an existence of its own by establishing a system of norms and expectations to be followed regardless of individual interests or properties (Hall 1982, 37–38). It is important to note, however, that networks and organizations are not empirically independent. Organizations evolve out of and are transcended by networks, just as every organization can be defined as a network because its members are by definition connected through specific ties (Nohria 1992).

The consequence of this understanding for the study of organized crime is to explore when, if at all, organizations evolve out of networks and to what extent network structures become overlaid by organizational structures. There is probably no general answer to this question. Rather, it seems appropriate to look for different answers with respect to different types of criminal organizations.

A Typology of Criminal Organizations

The need to differentiate various types of criminal organizations has been widely acknowledged in the organized crime debate and has led to a number of typologies. Donald Cressey has emphasized varying degrees of formalization or *rationality* marked by the existence of certain positions in a division of labor (Cressey 1972). Best and Luckenbill follow a somewhat similar route by suggesting deviant organizations to array along a dimension of organiza-

tional sophistication from the loner, colleagues, peers, and mobs to formal organizations (Best & Luckenbill 1982). Margaret Beare^a takes a different approach. She focuses on the relationship between organized crime groups and society. Her typology comprises a predatory-symbiotic continuum and a legitimate-illegitimate continuum (Beare 1996, 45–49). Frank Hagan adopts a middle position. For placing criminal groups along his “Organized Crime Continuum,” he considers a structural dimension as well as a sociopolitical one and adds violence as a third key criterion (Hagan 1990, 469–475). All of these typologies convey, to a greater or lesser extent, the notion of a gradation from bad to worse. In contrast, I favor a typology, which leaves the question of what types of criminal organizations have the greatest capacity for harm to further research.

For analytical purposes, criminal organizations should be distinguished according to the functions they serve and according to their degree of structural complexity. Criminal organizations typically serve one or more of the following three functions: economic, social, and quasi-governmental. Economic organizations are created for the purpose of achieving material gain. Any organization, whether a gang of burglars or an illegal casino, falls into this category. In contrast, a social organization supports the economic activities of its members only indirectly, if at all, by establishing contacts, promoting solidarity, creating a sense of belonging, giving status within a criminal milieu, promoting a deviant ideology, and providing a forum for exchanging information. From a network perspective, social organizations establish and intensify criminally exploitable ties. A quasi-governmental organization likewise affects the economic activities of its members but also those of other criminal actors operating within its sphere of influence by making and enforcing rules of conduct and by settling disputes (see Anderson 1979).

The concept of complexity refers to three dimensions: horizontal differentiation, vertical differentiation, and spatial dispersion (Hall 1982, 76–94). An organization is *horizontally differentiated* to the extent it has subdivided tasks among its members (division of labor). *Vertical differentiation* refers to the levels in the organization’s hierarchy of authority. *Spatial dispersion* depends on the number of locations in which the organization operates.

Criminal organizations may fall into more than one category in each dimension. La Cosa Nostra, for example, serves (or served) both social and quasi-governmental functions, but it is (or was) not an enterprise. La Cosa Nostra members engage individually in economic activities, not the organization. The cooperation of members in illegal business ventures is determined by criminally exploitable ties and not by the positions they occupy in the formal La Cosa Nostra hierarchy (see Anderson 1979; Haller 1991; Reuter 1983).

In terms of complexity, La Cosa Nostra is vertically differentiated in a military-like order and spatially dispersed, with families based in various parts of the United States. But there is no horizontal differentiation because La Cosa Nostra has no established division of labor for such tasks as the adjudication of disputes. Disputes are settled by the respective executives in the hierarchy, not by members who occupy a predefined position of “judge” (Salerno & Tompkins 1969, 125). Thus, contrary to commonly held beliefs, La Cosa Nostra cannot be placed at the high end of the spectrum of organizational sophistication.

There are complex criminal organizations, to be sure, but they are not as pervasive as the media and political rhetoric would suggest. For example, Romanian gangs of burglars reportedly have been operating in Western Europe since the 1990s. Group members are said to be recruited, trained, and assigned to commando-like units in their home country. Each gang has a strict hierarchy and a division of labor within and between subunits. They go on extensive burglary sprees and then return to their home bases (Benninger 1999). Another example of complex criminal organizations is one that takes advantage of legal organizational structures, for example, licensed casinos that run illegal gambling (see Sieber & Boegel 1993, 245) or outwardly legal “outlaw” motorcycle clubs with written constitutions and bylaws whose members are engaged in a wide variety of criminal activities (see Abadinsky 1994, 270–284). All of these organizations have in common that they could develop complex structures more or less free of the threat of interference from law enforcement.

Going back to the question of when criminal organizations evolve out of criminal networks, one might hypothesize that criminal organizations emerge in response to certain functional and technical needs within the limits set by the intensity of law enforcement pressure. To further elaborate this proposition one has to turn to organization theory. Several authors in the field of organized crime research have already taken this direction, though largely restricted to the analysis of economic organizations, thereby leaving aside social and quasi-governmental organizations. Peter Reuter (1983) and Gary Potter (1994), among others, have highlighted the constraints emanating from product illegality for the design of illegal businesses. Dwight C. Smith (1994), by drawing on Oliver Williamson’s transaction cost approach, has extended this perspective to specifically address the issue of when illegal transactions occur in a market setting (i.e., on a contractual basis between two independent actors) and when they do within an organization.

Without going into any detail, it seems that organization theory leads to two conflicting assumptions about the prevalence and structure of illegal businesses. On the one hand, organization theory supports the notion that crim-

inally exploitable ties neutralize to a certain extent the constraints on the structure of businesses resulting from product illegality. Essentially, bonds of trust provide a basis for criminal cooperation not only in dyadic relations, but also in the form of organizations. On the other hand, following Smith's interpretation of transaction cost economics, organizations are dispensable where actors are connected by bonds of trust because organizations are not needed to control the costs resulting from "self-interest seeking with guile" (see Smith 1994, 135). I cannot claim to know how this contradiction can be resolved. At this point I can only stress the need for more empirical research directed by a clear conceptualization of the two structural dimensions of network and organization.

Illegal Monopolies

The debate on organized crime is not confined to individual networks and organizations. According to popular opinion, one defining characteristic of organized crime is monopolization (see Abadinsky 1994, 7–8; Kenney & Finckelner 1995, 28). The notion of criminal monopolies shifts the focus from microstructural arrangements to the structure of entire criminal milieus and illegal markets. Here too, a careful conceptualization is important. Two basic types of criminal monopoly need to be distinguished: first, the control of an illegal market by either a single firm or by several firms joined in a cartel, and second, the centralized siphoning off of profits from illegal enterprises by groups or individuals who command a monopoly of violence in a specific territory.

It is plausible to assume that illegal entrepreneurs, just as their legal counterparts, attempt to eliminate competitors and to block market entry. However, there are a number of factors specific to illegal markets that make the emergence of monopolies in illegal markets less likely and also less desirable from the point of view of illegal entrepreneurs.

The incentive to establish monopoly control over a market lies in the ability to raise prices without losing all demand (Luksetich & White 1982, 205). This incentive is smaller for illegal compared to legal businesses, as profits generally tend to be higher for illegal goods and services (Potter 1994, 125). Also, in illegal markets, more than in legal markets, it can be expected that demand exceeds supply so that "there's plenty for everybody" (Potter & Jenkins 1985, 59). Finally, to the extent that establishing and maintaining market control requires the coordinated action of several actors, the constraints that affect illegal organizations in general will also work against the emergence of monopolistic enterprises.

Provided a criminal enterprise does strive for monopoly control despite all these reservations, it will most likely have to use violence to eliminate existing and potential competition, as other means, such as court-enforced patents, are not available to illegal entrepreneurs (Luksetich & White 1982, 207). The successful use of violence, in turn, also depends on the embeddedness in sufficiently large and strong criminal networks. First of all, network ties will have to be used in recruiting a fighting force. Second, given the clandestine nature of illegal markets, leaving open street markets aside for the moment, a monopoly seeker will have to determine who is the competition that needs to be eliminated and what is the potential for violence from the opposing side. Otherwise the attempt to establish a monopoly would bear an incalculable risk. Finally, there is no guarantee that once all competition has been removed the monopolist will be able to pick up the loose ends of network ties left behind by each eliminated competitor. This could be expected with some degree of certainty only in the case of dense networks where from the outset the later monopolist has criminally exploitable ties to all consumers in the specific market. Thus, there is reason to believe that the monopolization of illegal markets is the exception rather than the rule.

Illegal monopolies of violence are a somewhat different matter. In essence, it is about the extortion of illegal entrepreneurs by what Alan Block has termed *power syndicates* (Block 1983). In the long run, extortion works only if the extortion victim is convinced that by paying one power syndicate the overall risk of extortion is covered. The creation of a monopoly of violence, therefore, is a necessary condition for power syndicates to survive. Here too, the transparency of the particular milieu becomes an issue: first, with regard to determining the identity and strength of the competition and second, with regard to the accessibility of extortion victims. Extortionists need to detect and monitor the activities of their victims (Schelling 1971, 78). This, in turn, requires extortionists and extortion victims to belong to a network in which information about criminal activities is dispersed, unless the victims offer illegal goods and services to the general public. But even in this case the embeddedness of extortionists and victims in a criminal network could be a factor regarding the problem of free-riders who pretend to represent a particular power syndicate. In a dense network, victims would be able to check credentials and to ascertain to whom they make payments (see Gambetta 1993:124–126).

In sum, there seems to be a direct relationship between the size and strength of criminal networks and the emergence of illegal monopolies. Illegal monopolies will tend to evolve only in dense networks of criminally exploitable ties. On a larger scale one might expect to find more rudimentary forms of coordination, such as territorial agreements. In contrast, cohesive

cartels between criminal groups without a common bond of trust are likely to fail sooner or later, provided they come into being at all.^{vi}

The Links between Illegal and Legal Structures

The lesson to be learned from a closer inspection of criminal structures is that matters may be more complicated and in many regards of a different nature than what popular imagery of complex mafia syndicates suggests. The same applies to the relation between criminal structures and the legitimate institutions of society. According to official rhetoric, organized crime and society are faced off in an irreconcilable conflict. Organized crime, it is claimed, threatens the political, economic, and social order by infiltrating businesses and corrupting governments and law enforcement agencies. From a network perspective things look a bit different.

Once again one should refrain from generalizations. Not all criminal networks have equal starting positions when it comes to encroaching on the legal institutions of society. To clarify this point I propose the following typology, which takes into account the heterogeneity of a society and the degree of social integration of criminal networks. There are, I would argue, four basic constellations. The first constellation with the smallest degree of social integration of criminal networks is one where a homogeneous society is confronted by isolated crime groups, typically operating from a home base abroad. The Romanian burglary gangs would be a case in point. The second constellation exists in a heterogeneous society with clearly defined subcultures, such as marginalized ethnic minorities, in which criminal networks are rooted. The third constellation can be found in a homogeneous society where illegal activities are conducted by respected citizens, for example, seemingly legitimate business people committing investment fraud. The fourth constellation refers to a society that is likewise unaffected by profound social cleavages but where positions of power within the legal institutions are occupied by members of criminal networks. Examples for this highest form of social integration of criminal networks are provided by scandals involving state-organized illegal arms dealing and illegal party financing. The first two constellations fit the dichotomous image of a confrontation between organized crime and society, whereas the latter two suggest a more integrative relation. Depending on what perspective one prefers, one arrives at diverging assessments of the proverbial "threat of organized crime."

It seems plausible to assume that criminal or corruptive ties between actors inside and outside the legal institutions of society need to be of the same na-

ture as those connecting criminal actors in other illegal settings. Indeed, research shows that there is a tendency toward corrupter and corruptee being connected by preexisting social bonds (see Gardiner & Lyman 1978, 156). Therefore, members of socially isolated networks will have to overcome the greatest difficulties in an attempt to exert influence on legal institutions. Even if they command great wealth and potential for violence they will have to bridge substantial social and cultural barriers to gain access to officeholders. Members of criminal networks based in marginalized subcultures will hardly have any better chances. Even where corruptive ties are established, it is most likely that they will connect criminal networks only with individual officials and only those located on the lower hierarchical levels, not with entire criminal networks inside the legal institutions. In contrast, criminal networks comprising members of mainstream society have few, if any, social and cultural barriers to bridge to approach public officials because they move in the same social circles (Van Duyne 1996, 170). In the case of elite criminal networks, finally, a problem of gaining access to decision-making processes does not even exist.

These considerations suggest that the ability to exert illegitimate influence on legal institutions increases with the degree of social integration of criminal networks. If this is true, then something is wrong with the way the issue of organized crime is treated by the media, politics, and law enforcement. Attention is focused on members of marginalized social milieu, such as the urban red-light districts or ethnic subcultures, and not on those networks with the greatest corruptive potential. It may be added here that socially well-integrated criminal networks not only have greater potential because of a better access to decision-making processes, but also because, as Vincenzo Ruggiero has convincingly argued, because of a competitive advantage resulting from status, wealth and "the possibility of imposing criminal definitions on competitors rather than on oneself" (Ruggiero 1996, 155).

Conclusion

In this paper I argue that criminally exploitable ties define the scope for criminal cooperation with regard to the commission of criminal acts, the creation of illegal monopolies, and the exertion of corruptive influence on the legitimate institutions of society. This conclusion is based on a tentative, eclectic review of the organized crime literature and on more or less theoretically and empirically backed speculation.

To some, the argument about the ubiquitous relevance of dyadic bonds of trust between criminals may seem banal and even circular. Indeed, criminals are

organized—they cooperate—because they know the right people. However, I think that there is more to it. First of all, I can see no other aspect in the organized crime debate that is more universal than the ties connecting “organized criminals.” Second, the concept of criminally exploitable ties opens up the entire field of organized crime research to network analysis, though an uncritical transfer of network theory to criminal networks would be problematic. Third, networks of criminally exploitable ties as described here may be treated as an ideal type, thus directing attention to those cooperative relations that are not based on mutual bonds of trust. These weak links could well be the most critical structural element of organized crime from both a scientific and a law enforcement point of view. It would well be worth investigating specifically what mechanisms are at work when, for example, criminal actors with different ethnic backgrounds come together to negotiate an illegal deal or members of socially marginalized criminal networks approach a public official for criminal purposes.

Whatever the focus, the discussion needs to be conceptually more precise than the current debate on organized crime. The breaking down of organized crime into different levels of complexity and the formulation of typologies of criminal organizations, illegal monopolies, and the social integration of criminal networks may serve as steps in this direction.

Author’s Notes

a. See Chapter 11 of this book.

i. The author would like to thank Per Ole Johansen of Oslo University for valuable comments on earlier drafts of this paper.

ii. For an extensive analysis of the conceptual history of organized crime in the United States and Germany, see von Lampe (1999a; 1999b).

iii. See Gary Potter’s characterization of criminal enterprise as resulting “form a never-ending series of ad hoc projects and deals carried out through small, short-term agreements” (Potter 1994, 173).

iv. One example is the “Frogmen” gang in southern California, which consisted in part of former members of underwater demolition teams in the South Vietnamese military (General Accounting Office 1989, 43).

v. For an extensive discussion of the concepts of network analysis, see Knoke & Kuklinski (1982) and Scott (1991).

vi. See the examples given by Gambetta (1993, 232–233) and Reuter (1983, 43–44) on failed cartel agreements among cigarette smugglers in Italy and among bookmakers in New York, respectively.

CHAPTER 2

MEDIEVAL THINKING AND ORGANIZED CRIME ECONOMY¹

Petrus van Duyne

In the Beginning There Was the Word

In criminal policy there has hardly been a concept as influential, as well as unclear and misleading, as that of *organized crime*. These two words have undoubtedly acquired an emotive connotation, inspiring a mixture of fear and awe. Like many gruesome phenomena it has a certain ambiguous attractiveness, particularly because so much importance has been attributed to it, that it has developed into a status-enhancing problem. One may even witness a kind of silent competition of who has the biggest organized crime problem between deputies at international conferences, as though having no organized crime at all implies a certain loss of status. The result is a virtual universal claim to have, at any rate, some form of “organized crime disease,” for example, a jurisdiction, through which smugglers just have to pass because it happens to be situated between countries A and B, claims to be victimized by organized crime by the fact that it passes through, which is tantamount to declaring the oceans as victims of organized crime because so much contraband is transported by sea.

Because the concept of organized crime stirs so many people, what exactly is it? As soon as this simple question is raised, confusion starts. Why? For the simple reason that the phrase *organized crime* was coined in the 1920s, without any definition or description of contents attached to it, referring to a social condition (Smith 1994). In the Roaring Twenties, there was no organized crime. There were racketeers, bootleggers, “made guys” belonging to the “outfit,” but they were not labeled *organized criminals*. However, the phrase organized crime did not die. The occurrence of these words in literature shows an interesting frequency in distribution, which coincides with the discussion

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Emilio C. Viano
José Magallanes
Laurent Bridel

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DEDICATIONS

In memory of Sherry Lee Icenhower whose love, intelligence, creativity and insight supported my academic career and many of my professional endeavors and achievements.

—Emilio C. Viano

Se puede estar solo, pero nunca se esta solo. A mis padres, a mis hermanos, a mis hermanas y a mis amigos.

One can be alone, but one is never alone. To my parents, brothers, sisters, and friends.

—José Magallanes

To the innocent victims of the violent and criminal organized drug system, particularly in the areas of drug production.

—Laurent Bridel

CONTENTS

Acknowledgments	ix
About the Editors	xi
Authors and Editors	xii
Introduction	
<i>Emilio C. Viano</i>	
<i>José Magallanes</i>	
<i>Laurent Bridel</i>	3
I. Organized Crime: Perspectives and Approaches	
Chapter 1. Criminally Exploitable Ties: A Network Approach to Organized Crime	
<i>Klaus von Lampe</i>	9
Chapter 2. Medieval Thinking and Organized Crime Economy	
<i>Petrus van Duyne</i>	23
Chapter 3. The Evolution of Myths Surrounding Female Terrorists in Criminology	
<i>Irka Kuleshnyk</i>	45
Chapter 4. Organized Crime and Human Trafficking	
<i>Thanh-Dam Truong</i>	53
II. Organized Crime in the Americas	
Chapter 5. The Uses of Social Myth: Drug Traffickers and Terrorism in Peru	
<i>José Magallanes</i>	73

Chapter 6. Organized Crime and Criminal Law in Colombia <i>Mauricio Rubio</i> <i>Translation by Lily Impala</i>	91
Chapter 7. The Mexican Cartels and Their Challenge to Popular Sovereignty <i>Chris Eskridge</i> <i>Brittawni Olson</i>	103
III. Organized Crime in Asia	
Chapter 8. The Mandalay Connection: Drugs In Myanmar/Burma <i>Ronald D. Renard</i>	119
Chapter 9. Drugs in Laos <i>Ami-Jacques Rapin</i>	133
IV. Organized Crime in Europe	
Chapter 10. Crossroads of Crime: The Czech Republic Case <i>Miroslav Nozina</i>	147
Chapter 11. Purposeful Misconceptions: Organized Crime and the State <i>Margaret E. Beare</i>	157
Chapter 12. Cybercrime and Cybersecurity: The Post-September 11, 2001, Reality <i>Emilio C. Viano</i>	169
Bibliography	183
Index	207

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