

Human Capital and Social Capital in Criminal Networks
Introduction to the special issue on the 7th Blankensee Colloquium

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How organized is ‘organized crime’: A question of belief

For forty years the study of organized crime has been circling around the question of criminal organization. However, not much progress has been made towards a better understanding of how and why criminals interact and associate with other criminals. A major obstacle has been the fact that scholarly efforts for a long time were primarily directed at showing on an empirical level what ‘organized crime’ is not, by demonstrating that criminals are *not* organized in certain ways, rather than examining how in fact they *are* organized. This somewhat nihilistic tendency can be explained in part by the political overtone of the debate on ‘organized crime’. The question of myth or reality, initially tied to the question of the existence or non-existence of the Sicilian and American ‘mafias’ as hierarchical structures with defined membership, became a question of belief. Viewing ‘organized crime’ in terms of resourceful collective entities capable of purposeful action suggested an affinity to law and order responses, the decapitating and dismantling of crime syndicates, rather than an appreciation of the broader social, economic and political context of crime and corruption. Accordingly, showing that crime syndicates did not exist in the form depicted in the media and in official reports seemed to be all that was necessary in the direction of exploring the organization of crime. Once the myths on which the dominant discourse on ‘organized crime’ rested were debunked, there was no longer any urgency to pursue the matter further.

The network concept

While the original political overtones of the late 1960s and early 1970s may have faded, the debunking of the ‘Mafia myth’ has remained a prominent trait in the academic literature on ‘organized crime’, commonly presented in recent years within a dichotomic framework in which criminal structures are described as ‘loose’ networks as opposed to ‘tightly knit’ organizations. The application of a network perspective, it seems, has come to be considered good etiquette, not only among academic writers but also in public discourse, sometimes paired with the highly debatable claim that a shift has been taking place not only in perception but in the actual ways in which criminals organize, away from ‘tightly knit’ organizations to ‘loose’ networks. However, what some seem to regard as a major step forward in recent years only leads back to the point where today’s critical discourse on ‘organized crime’ departed from. It was Henner Hess (1970) in his classical study of the Sicilian Mafia who adopted a network approach in order to discredit the notion of a criminal organization in the true sense of the word. Another significant effort to reframe ‘organized crime’ in terms of networks, this time in the absence of a mafia organization – real or imagined -, was undertaken by Francis Ianni two years later when he set out to chart offender structures in deprived urban neighborhoods in the New York area (Ianni, Fisher & Lewis, 1972; Ianni, 1974). Peter

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Lupsha followed a while later with an application of network analysis to a drug trafficking group in New York (Lupsha, 1983). As Hess, Ianni and Lupsha demonstrated, studying criminal structures in terms of networks meant adopting a bottom-up approach, reconstructing associational patterns starting from sets of dyadic ties, the existence of which can be established in a fairly straightforward fashion through direct observation of interaction. In contrast, the concepts of 'criminal group' and 'criminal organization' set potentially unclear and misleading parameters and are prone to being forced onto phenomena that upon closer inspection do not fit the mold of integrated structural entities. Still, to the extent one was willing to accept the possibility of the existence of more integrated structures (Ianni, 1974), the description and analysis could be meaningfully integrated into an overall conceptual framework of network analysis (see also Natarajan 2000; 2006). Furthermore, the network approach allowed the organization of large amounts of data, and the combination of various types of data and data sources (see e.g. Finckenauer & Waring, 1998).

Criminal network analysis

Parallel to the increasing popularity of the network metaphor, criminal network analysis has grown into a sophisticated scientific endeavor, bringing a new level of methodological rigor to the study of 'organized crime'. In a series of projects over the past few years, Carlo Morselli and others have explored the potentials of criminal network analysis in different directions, including explanations for the differential development of criminal structures and the differential exploitation of entrepreneurial and career opportunities (see e.g. Morselli, 2001; 2003; Morselli & Giguere, 2006). In as much as these and other studies have shown the fruitfulness of the network approach they also give an indication of its limitations. There are, in fact, a number of problems on the methodological and conceptual level that have become increasingly apparent, although they are not necessarily new.

The missing data problem

One problem that has for long been acknowledged by network analysts in general but one which is particularly prevalent in criminal network analysis, is the problem of missing and incomplete data. Missing data influence network analysis more than traditional statistical analyses (Chattoe & Hamill 2005; Knoke & Kuklinski 1982). At the same time, data are particularly likely to be missing in the case of criminal networks where researchers seldom have prior knowledge about the complete set of actors. And even where all involved individuals are known as such, researchers may still be unable to obtain the requisite information on all existing ties (Sparrow 1991). In this respect, heavy reliance on law enforcement data, namely wiretap records (see e.g. Morselli & Giguere, 2006; Natarajan, 2000; 2006), means that the contingencies and biases of law enforcement are reflected in the picture of criminal structures created by network analysis. Only incidents of interaction detected and recorded during a criminal investigation tend to find their way into the criminological analysis, leaving aside relations to individuals who have evaded surveillance, and also certain types of interaction, such as direct communication outside of monitored channels.

Manifest and latent ties and the dimension of time

Another important set of relations tends to be ignored for methodological as well as conceptual reasons. Criminal network analysis is geared towards capturing only manifest links and not also latent links. However, latent links that are activated sporadically as

opportunities and needs arise, may be at least as important for understanding and assessing criminal structures at any given point in time. It is well possible to imagine a criminal network manifest in incidents of interaction to be generated by an underlying network of criminally exploitable ties with both networks greatly differing, for example, in terms of size, density and overall structure (von Lampe, 2003).

The dimension of time which comes into play when distinguishing manifest and latent network structures, poses challenges for network analysis more generally. On the one hand there is a question of validity when data collected over a time span are conflated into one snapshot image of a network. On the other hand, it is difficult to capture the dynamics of relational structures with the traditional toolkit of network analysis other than by comparing snapshot images created for different time intervals (see e.g. Morselli & Petit, 2007).

The question of validity

Apart from these problems which are inherent in criminal network analysis there is a more fundamental question of validity: How well suited is the network model for representing the reality of 'organized crime'? And indeed, network analysis first and foremost stands for a specific model of social reality, one which depicts social phenomena in terms of webs of dyadic ties.

Networks and organizations

There are various angles from which one could argue that the network model is overly austere. One aspect has already been briefly noted, the question to what extent network analysis can capture more integrated organizational structures to the extent they do indeed exist. However, there is a problem of sorts only when networks and organizations are placed at opposite ends of a spectrum of structural sophistication. The alternative to such a one-dimensional view is to treat networks and organizations as representing distinct structural dimensions while acknowledging 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 (von Lampe, 2003). Accordingly, there is no fundamental obstacle for analyzing integrated structural entities within the framework of network analysis. It is in the first instance a question of operationalizing the specific characteristics of dyadic ties within organizations (see Natarajan 2000; 2006), and in the second instance a question of reformulating the problems that have already been formulated in a meaningful way within the framework of organization theory (Reuter, 1983; Smith, 1994; Southerland & Potter, 1993).

The individual network member

Another aspect is the significance of individual characteristics for explaining the emergence and shaping of criminal structures. Traditionally, network analysis treats individual capacities as a function of network structure and of the position an individual occupies within it (see e.g. Burt, 1992). But a causal link in the opposite direction, explaining network structures as the outgrowth of the social competence and organizational talent of individuals, appears similarly plausible. Indeed, research indicates that psychological and even neurobiological factors may have an impact on the capacity and inclination of individuals to create and maintain relations with others, and, accordingly, may influence the development and structure of networks (see Kalish & Robins, 2006; Kosfeld et al., 2005). One could even go a step further and speculate that what network analysis really does is to measure the social skills of individuals, including

the skills of individuals who do not show up in the data because they are not part of the manifest network under investigation.

Somewhat surprisingly, and in stark contrast notably to research on terrorism (see Victoroff, 2005), the individual dimension of 'organized crime' has received little attention (Bovenkerk, 2000). However, a gradual shift in attention towards the individual 'organized criminal' has become discernible in recent years. This trend marks a departure from the notion of relatively static structures to the notion that in a chaotic and ever changing criminal world the least common denominator is the individual offender who may or may not link up with other offenders (von Lampe, 2006).

Amorphous groups and potential ties

A third critical aspect highlighting limitations of the network model while at the same time indicating future avenues of theorizing and research, is the amorphous nature of interpersonal links between potential co-offenders insofar as these links are established through, and mediated by particular social settings rather than by direct dyadic relations. Marcus Felson, in a discussion of gangs has argued that offender networks are "amorphous, unbounded and unstable" and that, in order to account for the recurrence of co-offending, one must look not at network structures but at the locations ("convergence settings") where offenders meet and socialize (Felson, 2003: 156; see also Felson, 2006). What Felson describes, in a sense, are socio-ecological conditions defining neither manifest nor latent, but potential ties which nonetheless appear highly relevant for comprehensively understanding patterns of criminal cooperation and co-offending.

Yet another way of bringing potential ties into the picture is to consider the effect that the reputation of amorphous groups can have on criminal relations. There is some indication that offenders, in interacting with other offenders, are influenced by group-related stereotypes, for example ethnic stereotypes (see e.g. Bovenkerk et al., 2003). Such stereotypes, at least under certain circumstances, appear to facilitate the establishing of criminal relations because they give rise to expectations that the members of a group may be suitable for criminal cooperation, if only because of a reduced likelihood that they cooperate with the police (von Lampe & Johansen, 2004). One could also imagine a situation in which previous successful cooperation between individual members of different groups encourage others to likewise seek co-offenders from among the respective other group. Here, again, one would find potential network ties created in a specific social context.

The 7th Blankensee Colloquium "Human Capital and Social Capital in Criminal Networks"

A unique opportunity to address the various concerns relating to criminal network analysis was provided by the Institute for Advanced Study (*Wissenschaftskolleg*) in Berlin, Germany. The Institute for Advanced Study gives grants for organizing conferences as part of the so-called Blankensee Colloquium series. The Blankensee Colloquia are intended to bring together outstanding researchers from various institutions in the Berlin-Brandenburg region as well as from elsewhere in Germany and abroad for joint projects and long-term cooperative projects in the area of the humanities and social sciences. I was able to win a grant of up to 30.000 Euros for organizing the 7th Blankensee Colloquium which was to promote advances in the study of 'organized crime'. Carlo Morselli and Marcus Felson served as advisors for the fine tuning of the program and the selection of participants. The 7th Blankensee Colloquium under the title "Human Capital and Social Capital in Criminal Networks" was held from 27 February until 2 March 2008 at the European Academy in Berlin. The 28 participants from

eight different countries (Australia, Canada, Germany, Italy, the Netherlands, Sweden, the United Kingdom and the United States) represented various academic disciplines, including criminology, psychology, forensic psychiatry, organization sciences, mathematics and computer science, and research institutions as well as strategic crime analysis units within government agencies. This special issue of *Trends in Organized Crime* includes some of the papers presented at the 7th Blankensee Colloquium as well as one paper which falls squarely within the thematic scope of the colloquium. Some of the issues addressed at the 7th Blankensee Colloquium are also reflected in Carlo Morselli's recently published book "Inside Criminal Networks" (Morselli, 2009).

The program of the 7th Blankensee Colloquium was organized into four thematic blocks: criminal network analysis, the problem of missing data, the situational context of criminal networks, and the psychology of criminal networks. The first two themes are captured by the concept of "social capital" which appears in the colloquium title. Social capital refers to social networks and the norms of reciprocity and trustworthiness that arise from them and affect the productivity of individuals and groups (Putnam, 2001). The notion of "human capital", the second component in the colloquium title, referred to the discussion of the psychology of 'organized criminals' and the influence of individual characteristics on networks. The fourth aspect, the situational and socio-ecological dimension of 'organized crime', is not reflected in the colloquium title because of an inability to come up with an all-encompassing catchy phrase. In this respect "Human Capital and Social Capital in Criminal Networks" is something of a misnomer.

All major themes addressed during the 7th Blankensee Colloquium are in one way or the other reflected in the articles included in this special issue of *Trends in Organized Crime*. Renée C. van der Hulst provides a general introduction and a practical guide to criminal network analysis. Anita Heber in her study of illegal practices in Sweden's building industry gives an example for the application of the network concept in criminological research. Carlo Morselli connects the traditional perspective on criminal organizations with criminal network analysis by comparing the formal ranks within an outlaw motorcycle gang with the positions the same individuals occupied in a drug distribution network. Marcus Felson transcends the boundaries of criminal networks analysis by looking at variations in the patterns of co-offending. A discussion of the link between individual factors and network effects can be found in the article authored by Garry Robins who links up the study of criminal networks with the most recent advances in social network analysis. Going in the same direction of combining individual and structural factors, Daniel M. Schwartz and Tony Rouselle outline a framework for the identification of key players by not only focusing on the position of actors in the network, but also on their relative potency.

The articles underscore the dynamic and interdisciplinary nature of criminal network analysis. They show that the potentials of this field of research go far beyond the metaphoric use of the network concept. At the same time they are an invitation to think beyond the scope of traditional network analysis to include dimensions such as the psychology and ecology of criminal structures. There is a chance that the study of criminal organization will finally free itself from the self-imposed intellectual restrictions of the past and to proceed towards a better understanding of how and why criminals interact and associate with other criminals. If this special issue contributes to this development, a good purpose will have been served.

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