THE PARADIGM SHIFT IN TRANSNATIONAL
“ORGANISED” CRIME

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I  INTRODUCTION

The definition of “organized crime” remains contentious because it has meant different things to different stakeholders over time. Does “organized crime” refer to illegal activities, relations between illegal organizations, how actors work together to engage in crimes, the infrastructure supporting crimes, or to the bricks and mortar of an illegal organization? Depending on the definition embraced by a stakeholder, their unit of analysis (e.g., crime group under investigation), and the particular time the study was conducted, an analyst may well be led to believe that some organized crime is really “disorganized” in nature. The two typologies of “organized” versus “disorganized” crime are indeed antithetical but they do not and should not be considered exclusive perspectives. In a pilot study into criminal groups conducted by the United Nations in 2002, two-thirds were found to have properties of “organized” crime and one-third were found to have properties of more “loosely networked structures”.

The idea of “transnational organized crime” introduces yet another layer of disagreement in the literature. Are organized crimes local, global, or as one observer put it “glocal”? The influence of advancing information and communication technologies and the globalization phenomenon have meant that any “business” that transcends national boundaries should be considered “transnational” in nature. Today, almost all “organized

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1 P. Reuter, Disorganized Crime: Illegal Markets and the Mafia - The Economics of the Visible Hand (1983) 175. ‘The term “organized crime” has never been given satisfactory definition or description. For some, it is a set of relationships; for others, a particular set of activities. The academic and official literatures contain contradictory definitions.’


3 Ibid 28.
crime” can be considered transnational or global.\(^4\) It is important to note, that the *Convention against Transnational Organized Crime*, \(^5\) does not explicitly define “organized crime” but does define an “organized criminal group” in Article 2(a).\(^6\) The debate on whether organized crime is really “organized” or “disorganized” in nature seems to be subsiding in relevance since the Palermo Convention was ratified. What is more relevant today is identifying the spectrum of typologies of “organized criminal groups.” It is a given, then, that some organized crime is “organized” while other organized crime is “disorganized” in nature.

\section{Organized Crime}

\subsection{The Problems Associated with Defining “Organized Crime”}

A basic definition of “organized crime” offered here, is the ‘operation of illegal business entities whose members are bound together because of their group interest and their desire to profit from illegal activity’.\(^7\) The definition of “organized crime” suffers from the same types of problems associated in defining terrorism. The definition of “organized crime” is fluid;\(^8\) its meaning has changed over time, particularly over the last forty years.\(^9\)

\begin{itemize}
  \item[^5] The Transnational Organized Crime Convention is a treaty that is supplemented by three protocols on trafficking in persons, smuggling of migrants, and trafficking in firearms and ammunition.
  \item[^6] United Nations, 'United Nations Convention Against Transnational Organized Crime and the Protocols Thereto' (2004). An organized criminal group is ‘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 offenses established in accordance with the Convention, in order to obtain, directly or indirectly, a financial or other material benefit.’ In 1998 the European Union, and in 2001 the European Commission defined organized crime in a similar vein to the United Nations. They stipulated that “organized crime” required the collaboration of more than two people, each with specific tasks to carry out, that remained together for a period of time, and that operated at an international level with commercial and business-like structures.
\end{itemize}
According to Fiorentini and Peltzmann the term “organized crime” has been used with various meanings by scholars and prosecutors in different countries: ‘[s]ome authors use it to define a set of relations among illegal organizations, while others use it to indicate a group of illegal activities performed by a given set of agents.’

There is limited agreement between policy makers, law enforcement officers, criminologists and sociologists in understanding “organized crime” and this is nowhere more noticeable than in the definitions given by each. Andreas Schloenhardt describes numerous approaches to understanding the organized crime concept and provides a host of definitions. Alan Wright in his definitive book on Organized Crime writes that the problem of defining “organized crime” is both semantic and empirical.

‘It is semantic in the sense that it is a contested concept, with no possibility of complete agreement about what the term denotes. It is empirical in the sense that there is no absolute consensus about the substantive examples that might fall within its scope.’

**B Seminal Definitions of “Organized Crime”**

“Organized crime” has consistently been redefined as the environment it has occurred within has also undergone change. Definitions of the 1970s have been superseded by more modern interpretations that are privy to the economic, political, social and technological changes that have taken place. To some degree “organized crime” has been shaped by the environment it has been conducted in- what has been utilized to assist legal

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11 Wright, above n 4, 13.


14 Wright, above n 4, 203.

15 Reuter, above n 1, 3. According to Reuter, the ‘standard official reference on organized crime is the President’s Commission on Law Enforcement and the Administration of Justice’ which filed a report in 1967.
business, has also been exploited to conduct “illegal business”.

In 1971, J. Albini broadly defined organized crime as:

‘any criminal activity involving two or more individuals, specialized or nonspecialized, encompassing some form of social structure, with some form of leadership, utilizing certain modes of operation...’

Albini was one of the first to put forward the idea of an “organized crime group” that required two or more individuals working together. He was mindful of not being too specific with his definition. In 1976 the United Nations defined “organized crime” to be “large scale” and pointed to the complexity of criminal activity. Contemporary authors have found fault with tying organized crime to “large scale” activity, some even stating that most criminal activity is actually small scale. The United Nations definition however does accept the idea of loosely or tightly organized criminal groups and suggests strong links of organized crime and political corruption.

In 1983, Peter A. Lupsha provided a fresh view on organized crime by claiming that it was a “process”. In his

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18 See, eg, the President’s Commission on Law Enforcement and the Administration of Justice, *Task Force Report: Organised Crime* (1967) 1. ‘Organised crime is a society that seeks to operate outside the control of the American people and their governments. It involves thousands of criminals working with structures as complex of those as large corporations, subject to laws more rigidly enforced than those of legitimate governments. The actions are not impulsive but rather the result of intricate conspiracies carried our over many years and aimed at gaining control over whole fields of activity to amass a huge profit.’

19 Leslie Holmes (ed), *Terrorism, Organised Crime and Corruption* (2007) 11. Dissenting voices of the “large scale” criminal activity stance are usually the same voices that advocate the “disorganized crime thesis”.

20 Wright, above n 4, 8. The United Nations definition of organized crime is ‘large scale and complex criminal activity carried on by groups of persons, however loosely or tightly organized, for the enrichment of those participating and at the expense of the community and its members. It is frequently accomplished through ruthless disregard of any law, including offences against the person, and frequently in connexion with political corruption.’
definition Lupsha emphasized “task roles and specializations”, “patterns of interaction”, and “relationships”.  

Peter Reuter emphasized the idea that organized crime groups were “durable”. He also claimed that organized crime groups were involved in a diverse multiplicity of criminal activities and that groups were hierarchical. It is interesting to note that despite Reuter’s seemingly “traditional style” definition, he was an advocate of the “disorganized crime thesis.” In the 1990s, definitions of organized crime started to become more specific and detailed. H. Abadinsky provides an elaborate definition of organized crime, summarized here as: nonideological, hierarchical, containing exclusive membership, self perpetuating, willing to use illegal violence and bribery, have a specialized division of labor, monopolistic, and consisting of explicit rules and regulations. After the ratification of the Palermo Convention definitions of organized crime have been set within a global/transnational backdrop. However, definitions coming from law enforcement agencies still focus on the implications of organized crime in the locales, provinces or country as a whole.

21 Peter A. Lupsha, 'Networks versus Networking: Analysis of an Organized Crime Group' in G. P. Waldo (ed), Career Criminals (1983) 59 60. Lupsha defined organized crime as ‘an activity, by a group of individuals, who consciously develop task roles and specializations, patterns of interaction, statuses, and relationships, spheres of accountability and responsibilities; and who with continuity over time engage in acts legal and illegal...’

22 Reuter, above n 1, 175. ‘Organised crime consists of organizations that have durability, hierarchy, and involvement in a multiplicity of criminal activities.’


1 The Organized Criminal and Organized Crime Group

In 1969, Donald Cressey defined the organizational criminal as occupying ‘a position in a social system, an ‘organization’ which has been rationally designed to maximize profits by performing illegal services and providing legally forbidden products demanded by the broader society within which he lives.’\(^{25}\) According to the Australian Crime Commission members of organized crime groups come from a cross-section of the community: ‘[s]ome groups are made up of criminal associates with similar skills or interests. Others are made up of members from a single ethnic or family group.’\(^{26}\) In any case, the capabilities of criminals should not be underestimated. Today, criminal groups send their members to university and on training courses to acquire new or specialist skills.\(^{27}\) Thus, an organized criminal group is 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 order to obtain, directly or indirectly, a financial or other material benefit.’\(^{28}\)

III WHAT IS TRANSNATIONAL ORGANIZED CRIME (TOC)?

Traditionally, definitions have not emphasized the international aspect of organized crime but today international agencies that are globally inclusive have addressed this omission in their definitions. This has given rise to the concept of “transnational organized crime” (TOC), which has added yet another layer of complexity to the debate. Transnational organized crime is largely a criminological term,\(^{29}\) and there is disagreement in how crime should be viewed (local versus cross-border).\(^{30}\) TOC is slowly gaining acceptance

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\(^{72}\) See also, Wright, above n 4, 4.

\(^{26}\) Australian Crime Commission, above n 16, 4.

\(^{27}\) Ibid 5.

\(^{28}\) United Nations, above n 2, 5.

\(^{29}\) Wright, above n 4, 23.

\(^{30}\) Ibid.
in the public domain, as organized crime emerges in different cultures and countries. Of organized crime today, Andreas Schloenhardt has stated that it is ubiquitous, ‘global in scale, and not exclusive to certain geographical areas, to singular ethnic groups, or to particular social systems.’ Wright also states that ‘organized crime has become a global phenomenon.’

**A Transnational Crime (TC)**

The concept of “transnational crime” (TC) which became appealing in the 1990s is more prevalent in the literature than that of “transnational organized crime” (TOC). It was coined by the UN Crime Prevention and Criminal Justice Branch during the 1970s: ‘in order to identify certain criminal phenomena transcending international borders, transgressing laws of several states or having an impact on another country.’ Essentially transnational crime is a criminal activity that has crossed national borders. In 1995, the United Nations identified eighteen categories of transnational offences. These offences

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31 Holmes, above n 19, 12. ‘While organized crime can – and, it appears, increasingly does- operate across national boundaries, this is not *per se* a distinguishing feature, merely a characteristic of a sub-group of organized crime gangs.’

32 Schloenhardt, above n 12, 10.

33 Wright, above n 4, 206.


35 The notion of “transnational” is very much linked to the “corporation”, just like “organized crime” is linked to the “organization”. In the 1970s, companies increasingly began to establish bases internationally as communications and trade networks grew in sophistication. Some of these corporations were also known as “multinationals” or as the “international corporation”. This was a part of the wave of globalization, considered by some economists to be contributing to the formation of a new world order. See, eg, Richard J. Barnet and John Cavanagh, *Global Dreams: Imperial Corporations and the New World Order* (1994). *The World Book Encyclopedia* definition of “transnational” is defined as ‘extending beyond national frontiers or bounds.’ See Clarence L. Barnhart et al, 'Transnational' in *The World Book Dictionary* (1974) 2206.

could only be counted as being truly “transnational” if the offences were initiated, conducted, or directly or indirectly affected more than one country. In short, an organized crime group will operate in more than one jurisdiction if they can profit from a given venture.\textsuperscript{37} And transnational crimes are those that by their very nature involve crossing borders as an essential part of the criminal activity. We can thus now speak of the “internationalization of organized crime” as law enforcement agencies report increasing criminal activity by aliens in diverse markets. The entry points for organized crime groups are now limit-less as members conduct border-less transactions and interactions.\textsuperscript{38}

1 \textbf{Not Local or Global but Glocal}

One of the most challenging aspects of transnational organized crime is how to collect information about criminal groups at both the local and global levels. At any particular point in time a given transnational criminal activity has a local dimension (eg provincial level within a nation) and a more global dimension (eg the supply source and demand end points). Such interconnectivity has been termed “glocal” by one analyst.\textsuperscript{39} Consider the criminal act of migrant smuggling as defined in the Palermo Convention. Smuggling people involves many different countries: ‘those in which the operations are planned; countries from which the migrants originate; countries of embarkation; transit countries; in persons, trade in human body parts, illicit drug trafficking, fraudulent bankruptcy, infiltration of legal business, corruption and bribery of public or party officials.

\textsuperscript{37} Wright, above n 4, 157.

\textsuperscript{38} Centre for International Crime Prevention and Office for Drug Control and Crime Prevention, \textit{Global studies on organized crime} (1999) United Nations <www.uncjin.org/CICP/gsoc_e.pdf> 4. ‘The internationalization of organized crime is evidenced by the increasing expansion of major illegal markets such as those linked to trafficking in drugs and arms, trafficking in human beings, other forms of smuggling and money-laundering. Moreover, criminal organizations have expanded their opportunities to enter licit society through the globalization of financial and economic markets and their interaction and cooperation with other organized criminal groups in different countries. Finally, law enforcement agencies are reporting increases in organized crime activities carried out by foreigners.’

and destination countries.’\textsuperscript{40} The biggest misconception of transnational organized crime is thinking that locating the physical, geographic epicenter of the crime is enough to disrupt the whole criminal network. The locus of transnational organized crime is not simply “geographic”, there are many more logical domains from which transnational crime must be considered including the social, political and the economic.\textsuperscript{41}

As has been noted above already, for the greater part, the terms “organized crime” and “transnational crime” have been used near-synonymously.\textsuperscript{42} But Margaret Beare believes that it is still necessary to understand the link between the terms. For Beare, the correct view of “organized crime” is a ‘form of governance of the illegal marketplace.’\textsuperscript{43} In her book, \textit{Criminal Conspiracies} she, like Lupsha before her, defines “organized crime” as a process rather than a type of crime (ie transnational in nature).\textsuperscript{44} She is a proponent of studying “crime” within its local context, and believes the notion of “transnational crime” may be somewhat misleading.\textsuperscript{45} While this essayist understands Beare’s position, “organized crime” today requires one to comprehend the transnational context of the criminal activity- everything from its source, production, distribution, and consumer. The big picture view can tell us a lot more about local markets.

\textsuperscript{40} Schloenhardt, above n 12, 38. ‘Organised crime and migrant smuggling can be regarded as transnational business’: at 25.
\textsuperscript{41} Wright, above n 4, 203.
\textsuperscript{43} Ibid.
\textsuperscript{44} Ibid.
\textsuperscript{45} Ibid 7. ‘We too often speak of the current borderlessness in terms of the flow of financial transactions, commodities and in some cases people as resulting in an increase in ‘transnational crime’ - as if there were no local base to the criminal operations... In focusing on the cross-border ‘transnational’ aspects, we remove the serious crime activity from the originating political, economic and social context within which the criminal activity might be better understood or explained.’
The Rise of Criminal Enterprises and Criminal Networks

As organized crime became “internationalized” in the twentieth century, through the globalization of transport and communications, so too did criminal groups become increasingly networked and global.\textsuperscript{46} For the FBI, the terms “criminal enterprise” and “organized crime” are used synonymously to refer to a ‘group of individuals with an identified hierarchy, or comparable structure, engaged in significant criminal activity… and have extensive supporting networks.’\textsuperscript{47} Yet not all organized crime in societies resemble a structured hierarchy. Some criminal enterprises\textsuperscript{48} are dynamic with loose structures that make them agile and difficult to apprehend.\textsuperscript{49} For van Duyne\textsuperscript{50} the economic activities of organizing criminals could be better described using the notion of “crime enterprises” than a ‘conceptually unclear framework such as ‘organized crime’.\textsuperscript{51}

\begin{footnotesize}
\begin{enumerate}
\item Wright, above n 4, 22.
\item FBI, \textit{Organised Crime: Glossary} (2008) Federal Bureau of Investigation \texttt{<http://www.fbi.gov/hq/cid/orgcrime/glossary.htm>} at 3 November 2008. The only difference between the terms criminal enterprise and organized crime in the United States is that various federal criminal statutes specifically define the elements of an enterprise for the purposes of convicting perpetrators under given statutes.’
\item John Evans, \textit{Criminal networks, criminal enterprises} (1994) International Centre for Criminal Law Reform and Criminal Justice Policy \texttt{<http://www.icclr.law.ubc.ca/Publications/Reports/netwks94.pdf>} at 1 November 2008 17. According to Evans, a criminal enterprise exists ‘where a group provides an illegal good or service on an on-going basis. Groups involved in the drug trade come first to mind but the group must be seen to include not only those who actually see to the delivery and distribution of the drugs but also the lawyers and accountants who, for example, provide money laundering or tax evasion advice and other illegal services. Those groups who provide illegal arms or those who procure women and children for the sex trade would similarly be included. The groups may be more or less stable and enduring but, remembering the discussion above, we should expect a good deal of change in personnel and partners.
\item United Nations, above n 2, 6. See also, Schloenhardt, above n 12, 28. ‘Criminal organizations vary considerably in structure, size, geographical range and diversity of their operations. They range from highly structured corporations to dynamic networks, which change constantly in order to adapt to the environment in which they operate.’
\item Wright, above n 4, 13.
\end{enumerate}
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Since the beginning of the 1990s organized crime groups expanded their dimension and activities worldwide. In doing so, criminal groups established international networks to help them carry out their activities remotely in both licit and illicit markets. They achieved their goals ‘by employing sophisticated strategies and diverse modus operandi’. In 2001 Lippens referred to this as the ‘phase of transition’. Today, we hear of the establishment of decentralized networks of transnational terrorism and crime. These networks are far from “centralized” and are often regarded as “disorganized” in nature. Bruinsma and Bernasco in a landmark paper in 2004 describe the paradigm shift that has occurred recently from the traditional view of criminal groups as centrally controlled organizations to a view of “criminal networks.”

‘[T]he traditional image of organized crime as an activity that is dominated by centrally controlled organizations, with a clear hierarchy and strict division of tasks is apparently out-dated. Organized crime appears to be better portrayed as a collection of offenders and criminal groups that enter into collaboration with each other in varying combinations (Reuter, 1986; Fijnaut et al., 1998; Kleemans et al., 1998; Klerks, 2000).’

Thus the concept of “criminal networks” has now become popular in the literature to describe the structure of groups of people who are involved in organized crime.

52 Centre for International Crime Prevention and Office for Drug Control and Crime Prevention, above n 38, 4.
55 Gerben Bruinsma and Wim Bernasco, ‘Criminal groups and transnational illegal markets: A more detailed examination on the basis of Social Network Theory’ (2004) 41 Crime, Law & Social Change 79. They are justifiably critical that ‘…little use has been made of concepts and theories of social networks that have developed in other social sciences.’
56 Ibid.
57 Evans, above n 48, 17. Evans defines a “criminal network” as an ‘enduring association of criminals with a loose hierarchical structure. They range from networks which function as cartels through those that more
IV What is the Disorganized Crime Thesis?

The “disorganized crime thesis” came to prominence with the work of Peter Reuter in 1983. 58 Reuter studied illegal markets in New York and in his well-known book *Disorganized Crime* in which he discussed the Mafia and the illegal activities of illicit bookmaking, loan-sharking, and dealing in drugs he argued that ‘criminal activity was not subject to central management by… hierarchies nor by other controlling groups.’ 59 In short, he provided a fresh perspective on criminal groups, and stated that in general they were not really organizationally cohesive as had been portrayed by law enforcement agencies, the media, and the movies. 60 According to Reuter organized crime in New York was more diverse and fragmented, the underworld was heterogeneous, ‘a network characterized by complex webs of relationships.’ 61 Reuter concluded that in his terms “organized crime” was in actual fact “disorganized” ‘because of the lack of structure and fragmentation of objectives’. 62 Reuter questioned the very core notion of the so-called “visible hand” at work in organized crime versus the influences of the “invisible hand.” 63

closely resemble trade associations to networks that provide little more than contacts and access to particular expertise. Edelhertz and his colleagues call this type of organization a syndicate, which they define as a criminal cartel or trade association. We prefer the term criminal network because it appears, as we have argued above, that it more closely captures the loose structure of many groups that do endure but are more fluid and adaptable than the term “syndicate” implies.’

58 Reuter, above n 1.
59 Wright, above n 4, 15.
60 Reuter, above n 1, xi, xii. ‘The Mafia is less centrally coordinated than legend and popular ideology would have us believe’: at xi. And again, ‘[o]rganised crime and illegal markets have been too long the source of myths. The truth may be less entertaining but it is certainly reassuring’: at xii. See also, Michael Kenney, *From Pablo to Osama: Trafficking and Terrorist Networks, Government Bureaucracies, and Competitive Adaptation* (2007) 25. The cartel myth achieved remarkable staying power in American popular culture, in part because the vivid imagery it conveyed was plausible.’
62 Wright, above n 4, 15.
63 Reuter, above n 1, 2. ‘The orthodoxy entrenched in this both popular belief and official statements, is that illegal markets are typically dominated by a single group whose power rests on the control of corrupt public
In earlier works dating back to the early 1970s, sociologists Iannis and Iannis pointed to problems associated with attributing organizational rationality to criminal groups.\textsuperscript{64}

While it is true to say that from a sociological perspective, crime groups do resemble a “social” organization with “social” relationships, they do not follow the expected pattern of organization that one might expect to come across in a legitimate enterprise, public or private. Criminologists have recently adopted the perspective that at least in a formal sense, “organized crime” is not very organized at all.\textsuperscript{65} This perspective has gathered momentum through empirical studies conducted in American cities. These studies ‘cite a lack of centralized control, an absence of formal lines of communication, and fragmented organizational structures as evidence that what law enforcement agencies might regard as ‘organized crime’ is distinctively disorganized.’\textsuperscript{66} The fundamental argument here is that organized crime is not highly systematized. However, this essayist is cautious in drawing universal conclusions.

In 2002, Letizia Paoli also claimed that the term “organized crime” was in her words, ‘an ambiguous catchphrase’. According to Leslie Holmes, Paoli emphasized the inconsistencies in the literature, claiming that ‘most so-called organized crime is in fact very disorganized and small-scale, and will remain so. She further maintains that such major large-scale criminal organizations as do exist are often involved in legal economic activity, so that the term organized crime can be misleading.’\textsuperscript{67} For Holmes, Paoli and others like her (eg Bäckman 1998), often overstate their cases regarding the disorganized nature of crime, although there is some truth in their contentions. ‘Certainly, there is no

\textsuperscript{64} F. Ianni and E. Ianni, A Family Business: Kinship and Social Control in Organised Crime (1972).
\textsuperscript{65} Wright, above n 4, 14.
\textsuperscript{66} Ibid 14.
\textsuperscript{67} Holmes, above n 19, 11.
universal agreement in the literature, or between organizations dealing with this phenomenon, on how to define it.\textsuperscript{68}

According to the expert account of Alan Wright, ‘the question of the extent to which organized crime is “organized” is at the heart of any attempt to understand the concept.’\textsuperscript{69} Wright is wary of those who claim that the majority of “organized crime” is really disorganized. He points to the limited analysis on the subject and of the narrow definition of “organization” often provided by commentators. For Wright, there needs to be a revision in how “organization” should be regarded in today’s context, not the historical precedent. Although not explicitly stated by Wright, it is the opinion of this essayist that he is referring to the \textit{transnational} nature of organizations, as analogous to \textit{transnational} organized crimes.

V \textbf{TRANSNATIONAL ORGANIZED OR DISORGANIZED CRIME?}

To categorically state that transnational organized crime is either \textit{only} “organized” or \textit{only} “disorganized” is to ignore the complexity of the subject which in Shelley’s words, ‘does not permit the construction of simple generalizations’.\textsuperscript{70} In support of Shelley, Schloenhardt states:

‘there is no single model of transnational organized crime… The structure of criminal organizations depends on multiple factors, such as: the accessibility and barriers of illegal markets; the number of competitors; pricing and marketing strategies of different organizations; and their attitude towards the use of threats and violence.’\textsuperscript{71}

While traditionally, organized crime groups have been hierarchical and highly structured, as they have moved operations across borders they have had to change. Facilitated by technological innovations, particularly in communications, transnational organized crime

\textsuperscript{68} Ibid.

\textsuperscript{69} Wright, above n 4, 203. He writes: ‘[i]nstead of focusing upon the substance of an ‘organization’, we should regard the activities of ‘organizing’ groups of criminals as the key that unlocks the meaning of organized crime in late modernity.’

\textsuperscript{70} L.I. Shelley, ‘Transnational organized crime: An imminent threat to the nation-state?’ (1995) 48(2) \textit{Journal of International Affairs} 463 464. Shelley is adamant, ‘[t]here is no prototypical crime cartel.’

\textsuperscript{71} Schloenhardt, above n 12, 28.
groups have become more flexible, operating in networks, that bring criminals closer together based on ethnicities, skills and interests.\textsuperscript{72} To some degree transnational organized crime groups\textsuperscript{73} can be likened to modern day “virtual teams” which consist of:

‘a group of individuals who work across time, space, and organizational boundaries with links strengthened by webs of communication technology. They have complementary skills and are committed to a common purpose, have interdependent performance goals, and share an approach to work for which they hold themselves mutually accountable.’\textsuperscript{74}

The debate over whether organized crime is indeed organized or disorganized may well be dissipating. While authors like van Duyne are right to believe that organized crime is ‘diverse, varied and contestable’,\textsuperscript{75} the organized nature of crime should not be dismissed altogether. A group that is “disorganized” cannot achieve its goals effectively or efficiently. A “disorganized enterprise” is ‘one lacking order or methodical arrangement or function’.\textsuperscript{76} Crime is still very much “organized” according to Wright, or at least as he proclaims, subject to the organizing abilities of sentient beings. Research findings are still divided into the two contrasting schools of thought: either organized crime groups have rational structures or they have loose confederations.\textsuperscript{77} It is important to note that a

\textsuperscript{72} Australian Crime Commission, above n 16, 5.
\textsuperscript{73} Marc Sageman, \textit{Understanding Terror Networks} (2004) 161. Sageman may not refer to virtual teams, but he does identify virtual communities. ‘The Internet has also dramatically affected the global jihad by making possible a new type of relationship between an individual and a virtual community… The Internet creates a seemingly concrete bond between the individual and a virtual Muslim community. This virtual community plays the same role that “imagined communities” played in the development of the feeling of nationalism, which made people love and die for their nations as well as hate and kill for them.’
\textsuperscript{77} Wright, above n 4, 36-7. See also, Schloenhardt, above n 12, 25. ‘In the analysis of organized crime, issues about the management, size and structure of criminal organizations have been very controversial. On one side are those writers who consider organized crime groups as large hierarchical organizations that are structured like corporations. On the other side are those who see organized crime groups as loosely structured, flexible and highly adaptable networks.’
landmark study which surveyed 40 organized crime groups over 16 countries, conducted by the United Nations in 2002 clearly showed that varying levels of both transnational “organized” and “disorganized” crime co-exist. In fact, broadly, five typologies can be used to describe transnational crime.

**A Organized and Disorganized Crime Typologies**

There are generally five “organized crime” typologies now prevalent in the literature these include: (1) standard hierarchy, (2) regional hierarchy, (3) clustered hierarchy, (4) core group and (5) criminal network. Generally authors regard standard and regional hierarchy as being “organized” in nature, the core group and criminal network to be “disorganized” in nature, and the clustered hierarchy to oscillate between organized and disorganized group forms. In terms of “organized crime” the *standard hierarchy* is a single group with strong internal systems. The *regional hierarchy* differs from the standard hierarchy in that while having strong internal lines of control and discipline is relatively autonomous in its regional components. In terms of “disorganized crime” the *core group* is an unstructured group despite it having relatively tight organization. It is often surrounded by a network of individuals who are engaged in criminal activities. The *criminal network* is the most loose and fluid network of individuals drawing on people with specific, often scarce skills. Members of disorganized crime groups are career criminals who tend to move from one criminal project to another. The neutral position, considered to be organized or disorganized is held by that typology called *clustered hierarchy* where a set of more than one criminal group with established coordination and control can range from weak to strong. Appendix 1 shows a list of organized crime groups against these typologies, and Appendix 2 shows the criterion used to categorize each accordingly. Detailed data for the typologies and the study can be found in the 2002 United Nations survey.

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78 United Nations, above n 2.
79 Ibid 4.
80 Ibid.
Of Wheel and Chain Networks and of Nodes, Hubs and Cells

In 2007, Michael Kenney provided an invaluable addition to the literature on transnational organized crime with his book *From Pablo to Osama: Trafficking and Terrorist Networks, Government Bureaucracies, and Competitive Adaptation* where he likened terrorist networks to drug trafficking networks.\(^{81}\) While Kenney does not talk in terms of “typologies”, he does provide a comprehensive view of modern TOC networks. For Kenney, TOC is increasingly becoming network-centric, away from ‘centralized hierarchies that feature tight coupling between units and formal decision making hierarchies’ and toward the use of networks to ‘segment workers into loosely organized, functionally specific compartments, minimizing potentially destabilizing contact between participants.’\(^{82}\) One example case study presented by Kenney is that of Columbian drug traffickers.\(^{83}\) Kenney brings with him a view of social networks,\(^{84}\) using terminology engrained in that field to describe transnational organized crime today.

The Columbian trafficking system contains two types of networks—wheel and chain. Wheel networks, are synonymous to hub or star networks, and contain ‘a core group that

\(^{81}\) Michael Kenney, *From Pablo to Osama: Trafficking and Terrorist Networks, Government Bureaucracies, and Competitive Adaptation* (2007) 8. ‘Al Qaeda shares numerous similarities with drug-trafficking enterprises that have frustrated U.S. and Columbian law enforcers in recent years, including flat decision-making hierarchies, compartmented networks, and the ability to gather information and change practices in response to experience.’

\(^{82}\) Ibid 27.

\(^{83}\) Ibid 27-8. ‘Columbian traffickers have found network forms of organization to be useful in coordinating clandestine activities in hostile law enforcement environments. Traffickers coordinate commercial transactions through transnational commodity networks that produce, transport, and distribute cocaine, heroin, and other illegal drugs. Each trafficking group represents a node within a larger intergroup network that connects with other nodes through common objectives, shared experiences, and communication. Tasks among different groups vary according to their function in the larger network, which is often spread out in numerous countries.’

\(^{84}\) Ibid. ‘Embedded within these intergroup networks are interpersonal networks, based on participants’ family, friendship, geographic, and professional ties. Social networks play important roles in Columbian trafficking enterprises. They generate trust and reciprocity among wary criminals…’
manages the overall enterprise and peripheral nodes that perform specific tasks."85 Chain networks in contrast coordinate end-to-end transnational drug flows and are decentralized and self-organizing.86 The major difference between wheel and chain networks is how risk is shared among the members. Chains often lack mechanisms to share risk, and are often more susceptible to law enforcement counter strategies.87 Given this, some narco have been led to further segment their operations into separate working groups, often referred to as cells. Cells are small in size, and are responsible for carrying out much of the day-to-day transactions.88 The networks are generally flat with often single levels of management.89

VI TECHNOLOGY SHAPING TRANSMATIONAL ORGANIZED CRIME

A The Supply Chain Theory

In typical economic analyses, transnational organized crime has been likened to the supply chain/value chain business process.90 It is now well-established that international

85 Ibid 29. ‘In wheel networks, capabilities are not evenly distributed... Core nodes, as befitting their central location in wheel networks, are multitask enterprises. They organize transactions among different nodes... core nodes serve as the steering mechanism for wheel networks, facilitating communication and coordinating relations among peripheral groups. If something goes wrong with a transaction, relations of informal accountability ensure that participating nodes will answer to the core, protecting leaders and investors from theft and other uncertainties.’

86 Ibid 31. Chain networks ‘contain independent nodes that perform specific tasks and transact directly with other nodes without mediation and oversight by core groups. While some nodes may contain influential leaders, relations among different groups are characterized by horizontal rather than vertical accountability.’

87 Ibid.

88 Ibid 31-2.

89 Ibid 34.

90 Wright, above n 4, 89. ‘Readers will note that ‘value’ or supply chain encompasses both the support activities of the firm and the primary activities that produce its final products. Support activities include the infrastructure of the business, its financial and planning systems, human resources and technology. Its primary activities include ‘inbound logistics’. These consist of materials, money, time and information. The
trade is no longer linear but networked and meshed. In the same way, the illicit drug trade is highly networked. Wright presents this analogy in full:

‘Some members of the network provide the labor and time to harvest or obtain the raw materials. Producers and refiners make the basic product and convert it into a usable commodity. Outbound logistics include distributors and couriers (‘mules’) who may or may not be a permanent part of the crime group that is organizing the trade. Minimization of the size of the product is an important function to make it suitable for concealment. Each stage adds value to the product, thus enhancing profitability. Marketing and retailing are separate from the wholesale element. Wholesalers may adulterate the product with other substances at this stage, again to maximize profitability. Interestingly, both primary and support activities include legal and illegal services… Organized criminal groups may sometimes subcontract all or part of illicit services to people who are not strictly part of their ‘core’ group. The important issue, however, is that the drug trade rarely operates as a strict hierarchy. It does not do so either in the organization of its business or in making and distributing the illicit products.’

**B The Internet-working Paradox**

Globalization has been fuelled by communications. The Internet more than any other technology has impacted the way legitimate and illegitimate activities are conducted throughout the world. There are many information technology observers that have studied how technology is shaping society. In this case, we may consider for a moment, how technology is impacting transnational organized crime, or illegitimate business. The Internet, often referred to as “The Net”, is a worldwide system of computer networks, a network of networks with no beginning and no end. It is highly meshed, complex and composed of large data centers known as hubs. A simple email message may traverse several countries, known as “hops”, before it reaches its destination. The paradox of the Internet is that while it is highly decentralized in nature, it has the ability to centralize operations, just like modern day e-marketplaces and e-supply chains. In many ways business operates on these to generate its products. Outbound logistics take the products to the customers, aided by the activities of marketing, sales and service. The effective working of both support and primary activities produces a profit margin for the business.’

91 Ibid 91.
today’s organized crime groups have begun to mirror their medium of choice. Is it possible that the complexity of transnational organized crime today is so meshed that at times a single group may display characteristics of being both “organized” and “disorganized”?

VII Conclusion

There is little doubt that there has been a paradigm shift in the way transnational organized crime has been understood and conducted, especially since the 1970s. Today, despite the disagreement in the literature there is at least some consensus in that a variety of typologies exist to characterize the nature of transnational organized crime. Yes, there are crime groups that can be considered to function in an organized fashion, and others by their very nature embrace a more disorganized way of working. Increasingly however, the traditional view of a strictly large hierarchical criminal group made up of a single family like the Mafia is being replaced by a view of loosely federated networks, much as has been witnessed in the formation of terror networks like Al Qaeda. Still, there is some contention on how the problem of transnational organized crime should be countered. Clearly organized criminals do not remain static and organized crime is increasingly becoming fragmented into small-scale cell-like structures. The challenge for law enforcement agencies in the future will be how to think both local and global (ie glocal), and how to counter de-centralized dis-organized crime.
### APPENDIX 1 - KEY TO THE MATRIX OF ORGANIZED CRIME GROUPS

**STRUCTURE**
- **A** - *Rigid hierarchy*: Single boss. Organization or division into several cells reporting to the centre. Strong internal systems of discipline.
- **B** - *Devolved hierarchy*: Hierarchical structure and line of command. However regional structures, with their own leadership hierarchy, have a degree of autonomy over day to day functioning.
- **C** - *Hierarchical conglomerate*: An association of organized crime groups with a single governing body. The latter can range from an organized umbrella type body to more flexible and loose oversight arrangements.
- **D** - *Core criminal group*: Ranging from relatively loose to cohesive group of core individuals who generally regard themselves as working for the same organization. Horizontal rather than vertical structure.
- **E** - *Organized criminal network*: Defined by the activities of key individuals who engage in illicit activity together in often shifting alliances. They do not necessarily regard themselves as an organized criminal entity. Individuals are active in the network through the skills and capital that they may bring.

**SIZE** *This includes not only the group’s core membership, but all associated and related individuals.*
- **A** - From 1 to 20 members
- **B** - From 20 to 50 members
- **C** - From 50 to 100 members
- **D** - More than 100

**ACTIVITIES** *An * has been added when drug trafficking is the primary activity of the group.*
- **A** - One primary activity, other illegal activities supportive of this
- **B** - Two to three major activities
- **C** - Multiple activities

**LEVEL OF TRANSBORDER OPERATIONS**
- **A** - limited (1 to 2 countries)
- **B** - medium (3 to 4 countries)
- **C** - extensive (five and more)

**IDENTITY**
- **A** - Organization with no strong social or ethnic identity
- **B** - Social-based organization with members drawn from the same social background or with common social interests
- **C** - Ethnic-based or family-based organization with members strictly from the same ethnic group / region / country.

**LEVEL OF VIOLENCE** *Both internally and externally focused.*
- **A** - Little or no use of violence
- **B** - Occasional use of violence
- **C** - Violence is essential to the criminal activities (accumulation of profit) of the organization.

**USE OF CORRUPTION**
- **A** - Little or no use of corruption
- **B** - Occasional use of corruption
- **C** - Corruption is essential to the primary activity (accumulation of profit) of the organization.

**POLITICAL INFLUENCE**
Data in this category is not always reliable. If corruption is suspected, although there is no evidence that it has occurred, category B-D has been denoted.
- **A** - None
- **B** - At a local / regional level
- **C** - At a national level in the country of intervention
- **D** - Abroad

**PENETRATION INTO THE LEGITIMATE ECONOMY**
- **A** - None or limited
- **B** - Some investment of profits of crime in legitimate activities.
- **C** - Extensive cross-over between legitimate and illegitimate activities of the group.

**LEVEL OF COOPERATION WITH OTHER ORGANIZED CRIMINAL GROUPS**
- **A** - None
- **B** - Cooperation in the base-country
- **C** - External cooperation abroad
- **D** - Cooperation in the base-country and abroad
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<th>Trans-border Activity</th>
<th>Identity</th>
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**APPENDIX 2 - MATRIX OF ORGANIZED CRIME GROUPS**