Tilburg University

Comparative synthesis of Part II

Fijnaut, C.J.C.F.

Published in:

Organised Crime in Europe; concepts, patterns and policies in the European Union and beyond

Publication date:

2004

[Link to publication in Tilburg University Research Portal](#)

Citation for published version (APA):

Fijnaut, C. J. C. F. (2004). Comparative synthesis of Part II. In C. J. C. F. Fijnaut, & L. Paoli (Eds.), *Organised Crime in Europe; concepts, patterns and policies in the European Union and beyond* (pp. 603-624). Springer.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Comparative Synthesis of Part II

Letizia Paoli and Cyrille Fijnaut

Growing concern for organised crime is the theme underlying all the papers in Part II of this book, which describe the patterns of organised crime now perceptible in thirteen European countries. In most of these, with the unique exception of Italy, this focus is relatively new: organised crime has only recently begun to be viewed as a serious problem, and its place on the political agenda and in public debate has been significant only since the late 1980s.

1. What We Now Know and Where We Need to Go

Throughout Europe, this growing concern about organised crime has stimulated an increase in government data and analyses and academic research. However, despite the recent substantial increases in the quality and quantity of available information, there is still much that we do not know. Due to both the illegal and secretive nature of organised crime and the shortcomings of information sources, we still have a very limited understanding of most organised crime groups and their activities, little capacity to prioritise the most dangerous forms of organised crime targeted, and no measures for the impact of control policies.

As we will see in Part III, most European governments have initiated a large number of legislative and institutional reforms to control, and even combat, organised crime. A minor, and in most cases neglected, component of these efforts has been the production of data on and analyses of organised crime and the funding of independent research. Notwithstanding some recent major improvements, there is still much to do in both spheres.

As a result of the 'catch-all' definitions of organised crime dominating the European (and international) debate, virtually all reports included in this Part point to the lack of meaningful criminal and judicial statistics referring exclusively to organised crime. The only statistical data meeting this criterion refer to the crime of membership of a criminal organisation, which is however used rarely by most criminal justice systems. As a result, official statistics on the number of people charged or convicted each year of the crime of membership of a criminal association capture only a small fraction of the organised crime activities taking place in most countries. For other profit-making criminal activities (ranging from

drug-trafficking to human smuggling, from gambling to robberies), most national statistical yearbooks do not provide any clear distinction between activities that are strictly related to organised crime and those that are not.

Unlike their United States counterparts, moreover, European domestic and intergovernmental law enforcement agencies are still unable (or unwilling) to collect and publish regular indicators of trends affecting illegal markets, or at least the drugs market, which is the largest illegal market in most European countries both in terms of number of participants and turnover. Whereas such data are routinely published by the Drug Enforcement Administration (DEA) and the Office for National Drug Control Policy (ONDCP) in the United States,¹ no European country except Spain (see Observatorio Espanol sobre Drogas, 2003: 129-30) publishes data on a regular basis on the retail and wholesale prices and purity levels of the main illegal drugs. At the European level, these difficulties are certainly due to the lack of federal institutions with the authority and human and financial resources to launch a system for standardised data collection. However, these difficulties could be overcome if there were more widespread awareness of these data's usefulness and the political will in the most important European Union institutions to understand and adequately monitor the functioning of illegal drug markets. For example, in less than ten years, the European Monitoring Centre for Drugs and Drug Addiction, a decentralised European Union agency based in Lisbon, has achieved astonishing results in harmonising the key indicators of illegal drug demand and addiction Europe-wide and in encouraging the less advanced countries to improve the quality of their data collection systems.

Despite the lack of focus on quantifiable data and indicators of trends, annual or *ad hoc* reports on organised crime have been made available by government agencies in most European countries. In many, usually under the pressure of exceptional events, systematic public reflections on organised crime were started by the national Parliaments, which set up commissions of inquiry into the problem of organised crime either in its entirety or on certain specific aspects. The oldest

¹ The three main programmes providing indicators about the United States illegal drugs market are the Heroin Signature Programme, which determines the purity and source of heroin seized at United States international borders; the Domestic Monitor Programme, which determines the price, purity and source of drugs obtained through random, undercover, retail-level purchases in specific cities; and Pulse Check, which reports national trends in illicit drug abuse and drug markets, drawing on conversations with ethnographers and epidemiologists, law enforcement agents, and drug treatment providers in selected cities (the reports of the first two programmes are published as DEA intelligence reports and can be downloaded from <<http://www.usdoj.gov/dea/pubs/intel.htm>>; Pulse Check reports are published by ONDCP and can be downloaded from <<http://www.whitehousedrugpolicy.gov/publications/index.html>>).

example of this parliamentary interest in organised crime is clearly represented by Italy's Parliamentary Commission to Investigate the Mafia Phenomenon in Sicily, which was first established in 1962 and became effectively operative after the Sicilian mafia murdered seven law enforcement officers with a car bomb on the outskirts of Palermo in June 1963. Since the early 1980s the Anti-mafia Commission has de facto become a standing committee of the Italian Parliament (see Paoli's contribution in this Part).

In all other countries concern for the problem of organised crime is – as shown by the introduction to Part I – much more recent, and parliamentary commissions of inquiry were first set up during the 1990s. Hence, for example, in late 1992 the French Parliament set up an investigation committee to assess the extent and risks of the penetration of the Italian mafia into France, after the Sicilian Cosa Nostra had murdered two of Italy's most prominent investigative judges, Giovanni Falcone and Paolo Borsellino, in the summer of same year. The commission, headed by François d'Aubert, published a report in early 1993. In November 1994 the Dutch Parliament also established an *ad hoc* commission of inquiry to assess the legitimacy of police investigative methods and the nature and scale of organised crime in the Netherlands. The so-called Van Traa Commission, named after its chairman, entrusted the assessment of organised crime to a research group headed by Cyrille Fijnaut and published both its final report and the study of the research group in early 1996. Likewise in 1997, the Turkish Parliament also set up a committee of inquiry and published a report on organised crime after a car accident near the town of Susurluk in western Turkey proved a long-suspected government connivance with right-wing paramilitary groups (in this case the Grey Wolves), despite their members' involvement in numerous criminal activities and presence in Turkish and international criminal records.

Reacting to requests for information from domestic legislative bodies or to the harmonising pressure of the European Council, the police authorities of most European Union Member States have prepared annual reports on organised crime since the mid-1990s. Several of these agencies, ranging from the German Bundeskriminalamt (BKA) to the Italian Ministero dell'Interno and the United Kingdom's National Criminal Intelligence Service (NCIS), also publish non-confidential versions of these reports. Though exclusively reflecting the police view of organised crime, these reports constitute a useful contribution to public debate. In some cases, however, the public versions of these reports are so heavily censored that they are – as Dick Hobbs notes in the case of the United Kingdom – of limited use to scholars. In turn, Jörg Kinzig and Anna Luczak point out the fact that the BKA annual report on organised crime – but the same is true for other national reports – is based exclusively on ongoing and recently closed police investigations regardless of their final judicial outcome. However, several studies – including one by Kinzig in 2004 – have demonstrated that the final court rulings often diverge substantially from the initial police assessments of the seriousness and sophistication

of the organised crime scheme the investigation is targeting. It is also fair to say that annual reports on organised crime are frequently misinterpreted by the media, who present them as complete and objective assessments of the problem of organised crime in a single country, despite the fact that the 'real' – under- or over-assessed – dimensions of the phenomenon remain in the dark.

In most European countries neither the police nor other government agencies have shown much interest in funding or otherwise to support independent research on organised crime. This situation has improved, however, in most of the countries involved, due to a growing interest in the phenomenon and thanks to funding provided by the European Union Commission. Independent research projects on organised crime as a whole or on specific subsets of related illegal activities have occasionally been funded by public agencies in Germany, the Netherlands and the United Kingdom (respectively, the BKA, the Dutch Ministry of Justice, and the Home Office, as shown by the respective country reports and by the introduction to this Part). Only in Switzerland, however, was an *ad hoc* research programme to study organised crime launched in 1993 and funded for six years by the Swiss National Science Foundation.

Throughout Europe, single researchers have occasionally been given full assistance by their respective government counterparts (see Paoli, 2003 and Kinzig, 2004). Despite these few exceptions, however, cooperation between independent scholars and government agencies in the field of organised crime research is far from institutionalised. As mentioned in the general introduction, mistrust and a fear of squandering confidential information still plague the attitudes of most law enforcement agencies, whereas some academic researchers fear being regarded as compromising their independence if they agree to collaborate closely with public agencies.

In some countries, some of these difficulties are partially overcome by the fact that a considerable portion of national organised crime research is carried out directly by government institutions, such as the Research Development and Statistics Directorate of the United Kingdom Home Office, or by government-affiliated research institutes, such as the Institut des Hautes Etudes de la Sécurité Intérieure (IHESI, in September 2004 renamed as Institut des Hautes Etudes de Sécurité) and the Centre d'Etudes Sociologiques sur le Droit et les Institutions Pénales (CESDIP), affiliated respectively with the Ministries of Interior and Justice in France, and the Prague Institute for Criminology and Social Prevention (ICSP) of the Ministry of Justice in the Czech Republic. However, a continuous 'organised crime monitor', a systematic analysis of closed police investigations of criminal groups, is carried out only by the WODC, the Research and Documentation Centre of the Dutch Ministry of Justice. This periodic monitoring of organised crime continues work begun by the research group set up by the Van Traa parliamentary commission of inquiry and headed by Fijnaut in the mid-1990s.

Again, only in the Netherlands (and to some extent in Belgium, which is not included in our study) has stable and close cooperation between law enforcement agencies and academic researchers developed in the field of organised crime research. Some special investigative squads from the Dutch police have initiated strategic alliances with universities to study specific forms of organised crime – ranging from human trafficking to organised crime in eastern European or Turkey (see Kleemans' contribution in this volume; for Belgian examples see the introduction to this Part).

2. The Organisation of Organised Crime: Adieu to the Italian Mafia Model

Despite the lack of regular and reliable data on organised crime and poor cooperation between public agencies and independent researchers in most European countries, the main outline of the picture emerging from the papers published in Part II is fairly clear.

Though much of the concern about organised crime was initially dictated by fear of the expansion of the Italian mafia to the whole of Europe and to its becoming a model for others involved in organised crime, these pessimistic scenarios have not been realised. Despite the possibilities opened up by the fall of the Iron Curtain in 1989, Italian mafia groups seem to have representatives and, less often, branches only in those countries – Germany, Belgium and France – that have attracted consistent migration flows from southern Italy since at least the 1950s. Though these subsidiaries have shown themselves to be handy for running transnational illegal trades and hiding from Italian law enforcement agencies, and though they have occasionally done considerable harm to the host country,² the mafiosi's original migration was not the product of a strategy aimed at internationalising mafia activities but was due to the poverty of the mafiosi and their desire to improve their living conditions by emigrating.

A strategic migration of Italian mafiosi can be proven only in the case of two European countries: Spain, which has since the 1980s become a favourite hiding place for Italian mafia members thanks to its favourable legislation and pivotal position in the international cocaine and hashish trade; and the Czech Republic, which since the early 1990s has attracted several *camorristi* and gangsters from the region surrounding Naples seeking their fortune in smuggling and counterfeiting

² In 1990, for example, two Tunisian professional killers were hired in Sicily (presumably by Italians living in the Belgian city of Liege) to kill – for still unclear reasons – the leading socialist politician of the French speaking part of Belgium, André Cools (see Fijnaut, 1993).

(see respectively Gómez-Céspedes and Stangeland and Nožina's articles in this Part). In none of these countries nor in northern or central Italy, however, do Italian mafia groups control a significant portion of local illegal economies or exercise a systematic influence over the legal economy or the political system.

Nor does any other criminal group, at least in western Europe. Contrary to the exaggerated predictions of the early 1990s, other organised crime groups have not shown any interest in imitating the Italian mafia. Its complicated structure, culture and norms can hardly, as Italian mafia associations well know, be imposed credibly on people who have not themselves grown up in the southern Italian subculture. Moreover, even for these groups the mafia collective identity – the set of rites, symbols and norms explaining and justifying the existence and organisation of Italian mafia associations both to 'men of honour' themselves and to members of their local communities – has progressively lost its attractive and explicative power. Even for Italian mafia groups, it has become increasingly difficult to pass on the role of 'men of honour' to new adherents or for the majority of the southern Italian population to sanction their values.

Nor are the average perpetrators involved in European organised crime interested in, or capable of, exercising a quasi-political power similar to that of the largest and most stable mafia associations (*in primis* the Sicilian Cosa Nostra and the Calabrian 'Ndrangheta) in southern Italy. As even Europol recognises in its latest *European Union Organised Crime Report*, 'politically, few OC groups pose a direct threat to Member States' (2003: 10).

Most organised crime groups active in Europe are simply too small and ephemeral to be able to exercise such political power. To quote Europol again, 'the traditional perception of hierarchically structured organised crime groups is being challenged. There is now a development suggesting that a greater percentage of powerful organised crime groups are far more cellular in structure, with loose affiliations made and broken on a regular basis and less obvious chains of command' (2003: 8). Whereas it is disputable that non-Italian mafia groups have ever complied with the 'traditional perception of hierarchically structured organised crime groups', Europol's departure from the Italia mafia model can only be welcomed.

The articles collected here show that the great majority of illegal exchanges in western European countries are carried out by numerous, relatively small and often ephemeral enterprises. This is because all illegal market actors are subject to constraints deriving from the enforcement of prohibition. These constraints are to do with the fact that illegal market entrepreneurs are obliged to operate both without and against the state.

First, since the goods and services they provide are prohibited, illegal market suppliers cannot resort to state institutions to enforce contracts and have violations of contracts prosecuted. Nor does the illegal arena host an alternative sovereign power to which a party may appeal for redress of injury. As a result, property rights are poorly protected, employment contracts cannot be formalised, and the

development of large, formally organised, long-lasting companies is strongly discouraged (Reuter, 1983).

Second, all suppliers of illegal commodities are forced to operate under the constant threat of arrest and confiscation of their assets by law enforcement institutions. Participants in criminal trades will thus try to organise their activities in such a way as to assure that the risk of police detection is minimised. Incorporating drug transactions into kinship and friendship networks and reducing the number of customers and employees are two of the most frequent strategies illegal entrepreneurs employ to reduce their vulnerability to law enforcement moves (*ibid.*). As several contributors and above all Kleemans and Hobbs note, throughout Europe successful criminal enterprises rest upon family ties and bonds of friendship.

Due to the threat of police intervention, either in terms of seizing assets or imprisoning participants, the planning time horizons of illegal entrepreneurs are likely to be much shorter than those in legal markets. Since an illegal enterprise can hardly be sold as the entrepreneur ages, he is likely to divert an increasing share of his profits to legal assets which can be passed on to his heirs.

Finally, since they are operating against the state, illegal firms are prevented from marketing their products. They cannot create their own brand image and try to bind customers to it. Strong economies of scale, however, are associated with advertising and the advantages linked to the nationwide marketing of one's own products have long been recognised as a very important factor in the rise of modern large-scale corporations. According to most economists, for example, advertising represents the single most important basis of large-firm advantages (Scherer and Ross, 1990: 130-38). Illegal firms, however, are by definition excluded from the possibility of exploiting these advantages because, by doing so, they would obviously attract law enforcement attention and damage their own businesses.³

For all the above reasons, it is rather unlikely that large, hierarchically organised firms will emerge to mediate economic transactions in the illegal marketplace. The factors promoting the development of bureaucracies in the legal portion of the economy – namely taking advantage of economies of scale of operations and specialisation of roles – are outbalanced in the illegal arena by the very consequences

³ The only partial exception to this rule is represented by the marketing of prostitution services, which is possible because prostitution as such is not a crime in most European countries. The personal advertisement sections of many newspapers are, as a result, filled with announcements of sex-workers offering their services. Behind these announcements, however, one finds not only independent, adult prostitutes but also networks of traffickers and pimps exploiting women and men, sometimes still adolescent, who are often victims of veritable trafficking in human beings. Though helpful in finding customers, these ads often provide the starting point for police investigations throughout Europe on exploitation of prostitution and human trafficking.

of product illegality. Listing these constraints thus leads to the conclusion that, within the illegal economy of countries with efficient governments, there is no immanent tendency towards the consolidation of large-scale, modern illegal bureaucracies. In other words, in the illegal markets of most industrialised countries ruled by relatively strong and efficient state apparatuses, the dominant model is not organised crime, but – following the title of a famous book by Peter Reuter – ‘disorganised crime’ (1983).

3. The Expansion and Internationalisation of Illegal Markets

Recognising the relatively ‘disorganised’ nature of European organised crime does not imply an optimistic assessment of its nature, scale and danger. Forming flexible and changeable networks, the small and ephemeral enterprises comprising the bulk of western European organised crime have, since the mid-1970s, sustained a phenomenal expansion of illegal markets in western and, after the fall of the Berlin Wall, in eastern Europe as well.

Since the early 1970s, in particular, a rising demand for a variety of illegal drugs – predominantly cannabis and heroin in the 1970s and 1980s with the addition of cocaine, ecstasy and other amphetamine products since the early 1990s – has fostered the development of an international drug trade from producing to consumer countries and the emergence of nationwide drug distribution systems in all European states. This process has also entailed the consolidation of the professional role of the drug dealer. From the early 1970s in western Europe and from the early 1990s in the eastern part of the Continent, this role has emerged to link producers to consumers and to regularly supply large urban centres with a variety of illegal drugs from distant regions.

To meet expanding popular demand, pre-existing criminal associations – such as Italian mafia groups – and thousands of individuals, cliques and groups with and without previous criminal expertise have entered the drug trafficking business, attracted by the anticipation of large profits. The expansion of the drugs market has resulted, in particular, in the progressive re-conversion of professional crime to the drug business. From the late 1970s on, professional criminals in most western European countries began to deal in drugs, realising that they could earn much more and risk less than they would in their traditional occupations. This shift meant a decline of the ‘traditional’ underworld, with its well defined roles, thieves, robbers, ‘pimps’, ‘fences’, as well as managers and employees of gambling dens. To a large extent, their differentiated criminal expertise rapidly waned. Only in France did the traditional underworld (*le milieu*) manage to preserve its cultural identity and power, largely through the control of illegal gambling (see Lalam’s contribution on this point).

In the last two decades of the twentieth century, several European countries acquired a pivotal role in the world illegal drug trade. Though successfully eliminating illegal opium cultivation in the 1970s, Turkey has without interruptions been the main gate for Afghan heroin on its way to western European markets. To a considerable extent Turkish criminal groups and gangs are also in charge of the wholesale distribution of heroin in western Europe, as they can hide easily amongst the large, and for the most part unknowing, Turkish diaspora. Profits deriving from the heroin trade have become a relevant source of finance for both the Kurdish separatist movement and the paramilitary groups and clans supported by the Turkish government in the fight against the Kurds (see Bovenkerk and Yeşilgöz's contribution in this Part).

Due to its geographic position, Spain has since the 1980s become the main entry point for Moroccan hashish, with seizures recently accounting for 75 percent of all hashish seizures in Europe. For smuggling cocaine into Europe, Colombian traffickers also seem to prefer Spain (together with the Netherlands), as they are aided by a mutual language and by the presence of a consistent community of co-nationals (see Gómez-Céspedes and Stangeland's report).

In some countries, most notably the Netherlands and Belgium but also more recently Poland and Albania, we find not only illegal drug traffickers and distributors but drug producers as well. From the early 1990s onwards the Netherlands and Belgium have become the major European and, possibly, world producer of ecstasy. Polish chemists have specialised in the production of amphetamines for both western and eastern markets and Albanians have taken up the cultivation and sale of marijuana, re-launching a product that had for almost 20 years disappeared from many western European markets.

Despite the re-conversion of many professional criminals to drug trafficking and dealing, several – traditional and non-traditional – profit-making criminal activities have continued to proliferate. Some, such as the illegal trade in weapons, are instrumental to a life 'on the other side of the law'. As we will see in further detail later, other activities – ranging from car thefts, to robberies and the exploitation of prostitution – experienced an unexpected revival in the years immediately following the fall of the Iron Curtain, when eastern European criminals primarily resorted to violence and ruthlessness to earn a 'fast buck' in western Europe.

As a few scholars and particularly Mike Levi and Tom Naylor have shown, a third group of entrepreneurial crime activities also flourished in the 1980s and 1990s and continue to do so today, though they are hardly the prerogative of traditional underworld members. These activities range from fraud and other financial crimes to bid-rigging in public works tenders and the illegal wholesale trade in toxic waste, weapons, diamonds and gold. They undoubtedly form a part of organised crime, if one accepts the loose definitions of organised crime that dominate the political and scientific discourse on organised crime in Europe today (for a review of these definitions, see the introduction to Part I). As Dick Hobbs put it in his report on the

United Kingdom, 'by acknowledging [these activities] as organised crime, both the *curricula vitae* of contemporary felons and the range of ideological and material support structures for their activities are considerably expanded'. Though difficult to estimate precisely, their financial turnover and the harm they cause to society may also be considerably higher than those of most types of crime traditionally considered to be an exemplification of organised crime.

Whereas the more white-collar forms of organised crime usually attract public attention only in the immediate aftermath of a big scandal, a second wave of expansion of European illegal markets, which started to develop 15 years after the first, drug-related wave, has raised much concern in government institutions and from the general public. This expansion was largely triggered by the enactment of increasingly restrictive immigration policies in most western European countries during the 1980s and 1990s, which created a large demand for human smuggling services. The number of potential customers as well as victims of veritable human trafficking suddenly multiplied, as the liberation of eastern Europe in 1989 and the collapse of the Soviet Union in 1991 finally abolished restrictions on the mobility of almost 400 million eastern European and former Soviet citizens. Crises in other parts of the world, ranging from several African countries to Iraq, Afghanistan and East Timor, also engorged the flow of prospective migrants, at the same time as growth and improvement of transportation facilitated their movements, by drastically reducing logistical constraints.

To meet this demand, human smuggling 'companies' popped up at all the crucial borders of 'Fortress Europe': along the German-Polish and -Czech borders in the north-east, the Austrian-Slovakian, Italian-Croatian and -Slovenian and Greek-Turkish borders in the south-east, and along the Italian and Spanish maritime borders in the south. Though many smugglers merely sell services desperately wanted by their customers, not only are their prices in most cases extortionate, but conditions are often inhuman, as proven by the many accidents all over Europe that cost the lives of undocumented migrants. Moreover, this flourishing black market has opened up space for all kinds of exploitation that sometimes end up as real trafficking in human beings.

Almost inevitably the internationalisation of European illegal markets has affected not only the demand but also the supply of illegal commodities. The irreversible globalisation of the licit economy and the erosion of national borders entail, as an unwanted side effect, a growing geographical mobility and exchange of goods, know-how and capital of criminal origin. Today in Milan, as in Frankfurt, London or Amsterdam, illicit goods and services are offered and exchanged by a multi-ethnic mob. Alongside local criminals one finds illicit entrepreneurs from all parts of the world.

This process of internationalisation of illegal markets started in most northern and central western European countries in the 1960s and 1970s following the legal migration of millions of people from former colonies and southern European

countries (see, for example, Bovenkerk, 2003). In the latter, including Italy, it took place very rapidly from the mid-1980s onwards, when even this part of the continent became the destination of considerable migration flows. Thus, instead of the feared 'Italianisation' of Europe, in most of continental Italy the opposite process has taken place: i.e. a more accelerated assimilation of local illicit markets to the organisational models and multi-ethnic composition of northern European markets.

In all countries, the over-representation of recent (but also sometimes not so recent) migrants in illicit activities is largely due to their social exclusion and poor integration into host societies. As the history of the United States also proves, a small but highly visible portion of migrants use crime – to use the famous expression of Daniel Bell ([1953] 1965) – as a 'queer ladder of social mobility'. To a greater extent than in the past, moreover, migrants today have a harder time accessing the legal economy and, due to the restrictive policies adopted by most western European states, are more likely to find a means of survival only in the informal and illegal economies.

A few of those willing to earn a living through crime are able to exploit contacts with producers and distributors of drugs and other illegal commodities in their home countries or the weakness of their native state institutions, to become involved in the wholesale and most profitable sections of illegal markets (especially drug markets). Most, however, end up working as crime labourers carrying out dangerous and not very profitable tasks neglected by autochthonous criminal entrepreneurs.

In most large western European cities these days, for example, the street drug market is dominated by foreign dealers, as several contributions to Part II point out. During the 1980s and 1990s a veritable substitution process has taken place at different paces in most western European countries. The lowest and most dangerous positions, which used to be occupied by the most marginalised local drug addicts, have been taken over by foreigners, especially those who have immigrated recently, are applicants for political asylum or do not have a residence permit.

Migrants are also responsible for the revival of numerous criminal activities typical of the traditional underworld, which had almost disappeared or considerably diminished in most western European countries since the consolidation of large-scale illegal drug markets. Criminal entrepreneurs from Albania and other eastern European countries, for example, established their footing in the illegal markets of many western European cities, by working as 'pimps' for co-nationals, who had usually been forced into this activity by their self-proclaimed 'protectors'. The entry of these eastern European (and also West African) profiteers has thoroughly changed the nature of the sex market in western Europe, which was until the 1990s relatively peaceful, as most native prostitutes worked by and for themselves and no longer had a 'protector'.

Property crime, especially violent property crime, also saw a considerable rise in many western European countries during the 1990s, as many eastern European

criminals committed these offences to accrue the initial capital necessary to start more profitable illegal businesses and had no scruples about using violence to achieve their goals. The phenomenal surge in car thefts, for example, recorded in many western European countries around the mid-1990s, constituted the first, visible manifestation of organised crime for many ordinary citizens throughout western Europe. Their feeling of insecurity was further compounded by the increase in other types of theft and robberies, burglaries and extortive kidnappings that was also recorded in many western European countries during the 1990s. Increasingly neglected by local underworld members eager to avoid the associated severe penalties, these offences are (and especially were) perpetrated by poorly skilled, violent and occasionally desperate eastern European criminals. Throughout western Europe, the most sensational cases were given great attention by the media, thus helping to spread the perception of a growing threat posed by organised crime.

Despite their violence and aggressiveness, the crime groups set up by migrants are hardly comparable to Italian mafia clans as they are usually poorly organised and ephemeral. Their degree of infiltration of government institutions and the licit economy is generally low. However, since most of them are mutable gangs that make use of different languages and cultural codes, they are hard to identify and repress.

4. The Infiltration of the Legitimate Economy and Politics: An Over-Estimated Threat

Organised crime's infiltration of the legitimate economy, civil society and politics has been investigated and studied much less than its illegal markets activities, so much so that some of the contributors have not been able to provide any information on these issues in their country reports. Given the poor data available, in some contexts it is indeed impossible to go beyond guess-estimates and speculations.

Despite the serious shortcomings of our sources of information, it can safely be stated that in most western European countries traditional organised crime groups' ability to infiltrate the legitimate economy and corrupt civil and political institutions was grossly overstated when organised crime began to attract media and political attention in the early 1990s.

In the Netherlands, for example, both the initial study carried out by the Fijnaut research group in the mid-1990s and the successive 'organised crime monitor' run by the WODC found that no criminal group at either national or local level has ever gained control of legitimate sectors of the economy by taking over crucial businesses or trade unions (see Kleemans' contribution). Likewise, no proof of systematic infiltration of organised crime into the legitimate economy emerges from the *Organised Crime Situation Reports* published annually by the German Bundeskriminalamt (see Kinzig and Luczak's contribution). Even in Switzerland,

according to Claudio Besozzi, the few empirical studies carried out on the topic do not support the view that the local financial system is infiltrated and threatened by foreign mafia-like organisations laundering money in the country. Despite numerous newspaper headlines reporting cases of money allegedly being laundered by foreign mafiosi, the bulk of criminal cases handled by Swiss courts reveal petty money-laundering schemes that are seldom carried out by large criminal organisations.

In many European countries, however, perpetrators of organised crime invest in several legitimate industries – above all in the transport, finance, real estate, hotel and night-life sectors – to facilitate their illegal activities and reinvest their illicit proceeds.

In addition to the papers already mentioned, this pattern of action clearly emerges from Lalam's and Gómez-Céspedes and Stangeland's reports on organised crime patterns in France and Spain, respectively. Organised crime's investment in hotels, night-clubs and pubs in several Dutch cities (especially in Amsterdam) and in real estate in the south of Spain are considered particularly worrying.

The picture becomes even less clear-cut if one considers the perpetrators of non-traditional organised crime activities, such as fraud, the manipulation of public tenders and the illegal trade in toxic waste, weapons and gold. These white-collar criminals have no need to 'infiltrate' into the legitimate economy as they are already an established part of it, and the revenues of their 'dirty' activities are barely distinguishable from the flows of 'clean' and 'hot' money that are traded incessantly around the world.

The ability of both traditional and non-traditional organised criminals to corrupt politicians and civil servants appear to be rather low in most western European countries. Despite occasional scandals and charges against single law enforcement officers and elected officials, Besozzi, Gómez-Céspedes and Stangeland, Hobbs, Kinzig and Luczak, Kleemans and Lalam all agree that in their respective countries there is no evidence of a systematic pattern of corruption and infiltration of political and government institutions by criminal groups.

Even in western Europe, however, there are two main exceptions to this rather reassuring picture: Italy and Turkey. Organised crime's infiltration of the legitimate and informal economies is, according to Paoli, an important specificity of Italian organised crime. This specificity largely derives from the claim of Italian mafia groups to exercise a political dominion within their communities, mainly expressed today by the extraction of a 'protection tax'. Through this systematic pattern of extortion, mafia families have been able to gain large and sometimes dominant positions, especially in the construction industry, but also in other entirely legitimate economic sectors in at least three southern Italian regions: Campania, Calabria, and Sicily.

Mafia groups' conditioning of Italian public life also finds no parallel in western (or even in eastern) Europe. The political power of mafia groups was not only accepted and even legalised by government representatives until the 1950s, but

systematic exchanges of favours and collusions have continued until the present, as the investigations against Giulio Andreotti (Italy's prime minister seven times) and Silvio Berlusconi (prime minister since 2001) indicate.

In contrast to Italy, Turkey does not host lasting and well-structured secret criminal societies comparable to the Sicilian Cosa Nostra and the Calabrian

'Ndrangheta. Nonetheless, in their strenuous fight against left-wing protestors in the 1970s and, later, against Kurdish separatist groups, several Turkish cabinets and the military have developed shady alliances with right-wing paramilitary groups. These and a variety of Kurdish clans that had sided with the government were often given *carte blanche*, including the authorisation to run illegal businesses, ranging from extortion and murder to drug trafficking (see Bovenkerk and Yeşilgöz's contribution in Part II).

Turkey's most profitable criminal activity – the smuggling of heroin into other European countries – has been long tolerated by the various governments, as the domestic heroin addiction problem has remained surprisingly low (given the high availability of opiates) and the country has largely profited from the remittances of its industrious criminal entrepreneurs working abroad. This 'benign neglect' was allegedly unaffected by the fact that an unknown percentage of heroin-trade profits ended up financing the Kurdish Communist Party (better known under the acronym of PPK), which was – well into the 1990s – the primary target of the Turkish state's repression.

5. Organised Crime in Eastern Europe: A Phenomenon of a Different Quality?

In answering the question posed in the title of this section, one at first notes numerous similarities between organised crime activities and participants in western and eastern Europe. Long curtailed by socialist dictatorships, illegal markets have boomed in all eastern European countries since the fall of the Iron Curtain in 1989. In particular, illegal drug consumption and trade have expanded phenomenally in Russia and most other former Warsaw Pact countries.

Illegal psychoactive substances were used even prior to 1991, but during the communist regimes both the number of consumers and the range of available substances were limited. Due to travel and trade restrictions, none of the former communist countries either constituted a single drug market or participated significantly in international narcotic exchanges as a consumer or supplier of illicit substances. However, this pattern of relative self-sufficiency changed drastically during the 1990s, as eastern Europe and Russia (see Paoli, 2001) rapidly became integrated into the international drug trade. Today large quantities of illegal drugs transit these countries to supply local demand and reach western European consumers. Growing domestic consumption is also increasingly fed by more powerful and easier-to-use

drugs imported from abroad. Since the mid-1990s, in particular, most eastern European countries and Russia have had to deal with a real heroin epidemic, which has become the primary means of spreading HIV and AIDS (these trends clearly emerge from *Pływaczewski's report on organised crime in Poland*).

Whereas the heroin sold in eastern (and western) Europe usually originates in Afghanistan, other drugs consumed in the entire post-Soviet area are produced in – or transit through – western European countries. This is first of all the case for ecstasy and other methamphetamines, which are predominantly fabricated in the Netherlands and Belgium. *Mutatis mutandis*, the same is also true for cocaine and to a more limited extent for hashish, which still frequently reach eastern European markets through western Europe. Moreover, drugs are not the only illegal commodities exported from western to eastern Europe: weapons, toxic waste and counterfeit objects also frequently travel from West to East to be sold on local black markets.

Though much emphasis has been placed by the western media – particularly in the mid-1990s – on the alleged invasion and growing threat of eastern European criminals, one should also not forget that a variety of western European criminal groups and entrepreneurs have tried and are still trying to get their share of the illegal markets in central and eastern Europe or for all sorts of reasons to relocate parts of their logistics there. Western European entrepreneurs and workers also routinely co-operate with, and provide financial, logistic and material support to, their eastern European counterparts, who commit typical organised and professional offences in western European territory.

Because of the increased mobility of western European and, even more so, other foreign criminals, eastern European illegal markets have undergone a rapid process of internationalisation since the early 1990s. Whereas Tajik groups and individuals today import and distribute most of the heroin consumed throughout Russia, eastern European cities have become venues for meetings and clashes between criminal groups and gangs from both farther east and west, ranging from Vietnamese and Chinese to Italian, Albanian and Russian-speaking groups. With their readiness to employ violence, their enormous and shady capital and high-level political connections, the latter are today considered by far the most dangerous people in organised crime.

A closer look at the Russian-speaking crime groups may help us identify the peculiarities and, eventually, the specific dangers of eastern European organised crime. Like the great majority of their Western counterparts, most Russian and eastern European organised crime groups are not strict hierarchical organisations, based on ritual family ties, permanent membership and initiation rituals. However, contrary to the situation in the West, Russian organised crime groups do not exclusively comprise 'standard' underworld criminals, but also *overworld* figures, who often originate from the ranks of the former Communist Party and state structures and are today successful entrepreneurs or high-ranking government officials.

Exploiting their high-level contacts and the difficulties of the post-Soviet transition, many representatives of Russian organised crime made large fortunes through trade in commodities that would have been legitimate in capitalist societies, and managed to gain control of many, sometimes strategic, parts of the legitimate economy. Their entrepreneurial success was further enhanced by their unusual high-tech capacity, resulting from their well-educated backgrounds and connections with security services, as well as their readiness to use violence and military potential. Thanks to this combination of capabilities, for example, three crime bosses managed to acquire large shares of the strategic aluminium industry in Russia (see Shelley's contribution).

Due to its ambiguity and suggestiveness, the term 'organised crime' has also been employed – in Russia as in other eastern European countries – to characterise all those successful entrepreneurs who have rapidly built huge fortunes, usually by acquiring former state companies. It is indeed hard to separate this group clearly from 'normal' organised crime perpetrators, as their methods are quite similar. Both groups, in fact, rely on high-level political connections and shady strategies. As a rule, legitimate entrepreneurs cannot directly command violence, but many of them have had no restraints – or even worse, were obliged in the earliest and rockiest phases of the transition – to resort to the protection services offered by violent thugs.

Whereas most eastern European countries are well advanced in closing the legal and institutional gap separating them from Western standards, and some of them joined the European Union in 2004, two countries included in this survey, Russia and Albania, still need to set up a viable legal framework to regulate the legitimate economy and to separate clearly the latter from the underground and *tout court* criminal economies. In societies where until less than two decades ago all forms of entrepreneurship were considered criminal and where it is virtually impossible to conduct a business without violating some law, it is indeed still difficult for many Russian and Albanian citizens fully to appreciate the difference between legitimate business and organised crime.

Whether or not they should be termed organised crime, some activities at the crossroads of the legal and illegal economies have threatened the economic and political stability of the countries in transition. In both Russia and Albania, tax evasion and illegal export of capital remain widespread practices among many legitimate firms and members of the upper classes, constituting a serious impediment to the consolidation of the state. As late as 2000, for example, capital leakage from Russia exceeded USD 1 billion per month, down from USD 25 billion at the height of Russia's financial crisis in 1998 (see Shelley's contribution). At their peak, the nominal value of the pyramid schemes' liabilities, which became popular in Albania in the mid-1990s, amounted to almost half of the country's GDP (Jarvis, 2000). The burst of the pyramid scheme bubble in late 1996 ended up in deadly rioting and widespread chaos and resulted in a dramatic fall in the Albanian GDP

(see Hysi's contribution). Thus, according to the Council of Europe, the scale of organised crime and corruption constitutes 'the single most important problem for Albania' and 'the single most important threat to the functioning of democratic institutions and the rule of law in the country' (Council of Europe, 2004: 8; 2).

Two main conclusions can be drawn from a comparative analysis of the reports in Part II 'Contemporary Patterns of Organised Crime'. The first is that, as predicted by Roland Grassberger in an astonishing book published in 1933, the entrepreneurial and professional crime that had already developed in the United States in the 1920s and 1930s has today spread throughout the 'Old Continent'. Whereas the European and partially intercontinental illegal trades that flourished during the Second World War came to a rapid end during the late 1940s (see Von Hentig, 1959), European illegal markets have expanded rapidly since the late 1960s in Western states and, particularly since the fall of the Berlin Wall, in the eastern part of the continent as well. As mentioned earlier, there have been two main forces, though these are by no means exclusive, promoting the expansion of European illegal markets and their increasing assimilation to their United States counterparts: the phenomenal rises in the demand for both illegal drugs and smuggling services.

Once the protagonists and trends of illegal markets are in focus, considerable similarities can be identified throughout Europe and, indeed, between Europe and the United States. Nonetheless – and here is our second major concluding point – the overall picture of organised crime that emerges from the contributions in Part II is far from homogenous. Some tendencies – ranging from the increased globalisation of the world (legitimate and illegitimate) trade to the rising demand for a variety of illegal drugs – are truly international and affect the organised crime manifestations of all the thirteen countries considered here. Other trends, such as the progressive erosion of national borders, are engendered by the process of European integration and affect all countries that are members of the European Union, have hope of entering it in the near or distant future, or, as Switzerland, are surrounded by European Union Member States.

The concrete manifestations of organised crime in any specific country result, however, from the overall degree of development, geographic position and ethnic composition of the country itself and, above all, the strength of the state and the integrity of its civil servants. Where the state is weak and the government officials corrupt, people involved in criminal activities are unlikely to be badly hampered by the above-mentioned constraints of illegality. Though they may have to deal with the shortcomings of anarchy, more stable and structured forms of organised crime are likely to emerge, with extensive infiltration of the legitimate economy and political system. Where the state is strong and operates under the rule of law, these forms, for the reasons explained earlier, are unlikely to emerge.

The country reports by the 16 contributors to this Part confirm this theoretical analysis: the organised crime problems of, say, Germany and the United Kingdom are fundamentally different from those afflicting countries such as Italy, Albania, Turkey, and Russia. The differences would most probably have been even larger if we had included smaller European Union Member States, such as Denmark, Ireland or Luxembourg, in our survey.

Despite the European Union's thrust for harmonisation, these differences should not go unaccounted when overall organised crime control policies are designed and implemented.

References

- Bell, D. ([1953] 1965), 'Crime as an American Way of Life', in *The End of Ideology. On the Exhaustion of Political Ideas in the Fifties*. New York, Free Press, 127-50.
- Bovenkerk, F. (2003), 'Organised Crime in Former Yugoslavia', in D. Siegel, H. Van de Bunt and D. Zaitch (eds) (2003), *Global Organised Crime. Trends and Developments*. Dordrecht, Kluwer Academic Publishers, 45-50.
- Council of Europe, Parliamentary Assembly, Committee on the Honouring of Obligations and Commitments by Member States of the Council of Europe (2004), *Honouring of Obligations and Commitments by Albania*, doc. 10116, 23 March 2004, available online at <<http://assembly.coe.int/Documents/WorkingDocs/Doc04/EDOC10116.htm>>.
- Europol (2003), *2003 European Union Organised Crime Report*. Luxembourg, Office for the Official Publications of the European Communities.
- Fijnaut, C. (1993), 'De Italiaanse mafia in België. Een analyse van de zaak Bongiorno-Steinier', in H. D'Haenens, H. De Meyer and A. Francois (eds), *Liber amicorum J. D'Haenens*. Gent, Mys en Breesch, 147-64.
- Grassberger, R. (1933), *Gewerbs- und Berufsverbrechertum in den Vereinigten Staaten von Amerika*. Vienna, Springer.
- Hentig, Von H. (1959), *Der Gangster. Eine kriminalpsychologische Studie*. Berlin, Springer.
- Jarvis, C. (2000), 'The Rise and Fall of Albania's Pyramid Schemes', *Finance & Development* March: 46-9.
- Kinzig, J. (2004), *Die rechtliche Bewältigung von Erscheinungsformen organisierter Kriminalität*. Berlin, Duncker und Humblot.
- Moore, M. (1974), *The Effective Regulation of an Illicit Market in Heroin*. Lexington, MA, Lexington Books.
- Observatorio Espanol sobre Drogas (2003), *Informe No. 6*. Madrid, Ministerio del Interior.

- Paoli, L. (2001), *Illegal Drug Trade in Russia. A Research Project Commissioned by the United Nations Office for Drug Control and Crime Prevention*. Freiburg, Edition Iuscrim.
- Paoli, L. (2003), *Mafia Brotherhoods. Organized Crime, Italian Style*. New York, Oxford University Press.
- Reuter, P. (1983), *Disorganized Crime. The Economics of the Visible Hand*. Cambridge, MIT Press.
- Scherer, F. and D. Ross (1990), *Industrial Market Structure and Economic Performance*. Boston, Houghton Mifflin.