

- As a part of the UNAIDS Family, the UNODC also receives funding from the UNAIDS Unified Budget, Results, and Accountability Framework on issues related to HIV, prisoners, and drug injections; therein lies the greatest conflict of interests in terms of drug control policy, torn between promoting the prevention of HIV (to maintain its UNAIDS funding), and driving HIV transmission among vulnerable populations by supporting criminalization of people who use drugs (in response to the pressure of donor member states and international sentiments against illicit drug use)
- The debate our committee is tasked with addressing is when illicit drug use constitutes a revocation of those rights, (preserving the livelihood, promoting the health, and honoring the rights of citizens) and what strategies can most effectively reduce the scope and powers of organized criminal groups.
- Due to the amount of money involved, organized crime has the power to **compromise legitimate economies, corrupt governments, and sway election**; it additionally takes thousands of lives every year due to drug-related health problems, firearm injuries, and physical cruelty or neglect of traffickers and smugglers
- **People don't report**
 - **Fear of mobs**
 - **Fear of gov't controlled by mobs**
- However, on the whole, criminal markets must be relatively open to attract customers to purchase contraband or illicit services; there thus must be some transparency towards and tolerance on the part of citizens and the authorities.
- **Easy to spot - yet are not punished; individual country motivations for not punishing them, besides corruption; how does it help the economy?**
- many countries submit seizure data to the UNODC, allowing for supply, demand, and seizures to be "triangulated" → **look into**
 - **Tracing the black market**
- goods can now be sourced in one place, trafficked across another, and marketed somewhere else
 - Chief UN concern on this topic
- as a global phenomenon, organized criminal activity has no root cause other than **desire for profit and the naturally cruel tendencies of select individuals**
- the United States defines organized criminals as individuals who commit violence or other acts with the aim of intimidation, or threaten to do so; who exploit the differences between countries to further their objectives, grow their power, and evade detection; who strive for influence in politics, commerce, and government through both corrupt and legitimate means' and who primarily seek economic gain from their activities.
- according to the U.S. Department of Justice, criminals have penetrated the strategic sectors global economy, including the energy sector; they provide logistical support to terrorists, as well as corrupted intelligence services and governments; they smuggle and traffic people and contraband goods into otherwise stable countries; they exploit national and international financial systems to launder illicit funds; they make use of the new capabilities of cyberspace to target victims and national infrastructures; they manipulate security systems to commit complex frauds; they corrupt public officials around the

world; and they use violence and the threat thereof as the basis for their power, breaching the human rights of their victims on a continual basis.

- there has been a shift from centralized, structured hierarchical groups to loosely structured “networks” of criminals
- Solntsevskaya Bratva, colloquially known as the Russian Mafia, brings in a revenue of \$8.5 billion USD. This organization is highly decentralized, composed of 10 “separate quasi-autonomous brigades”, that operate virtually independently of each other. These “brigades” pool their resources, with a council of 12 overseeing its funds, though on the whole more than 9,000 individuals claim membership to the group. Solntsevskaya Bratva generates most of its profit from Drug trade and human trafficking, particularly dealing in heroin--although Russia constitutes just 0.5% of the world’s population, it consumes 12% of the world’s heroin **DRUG PROBLEM**
- Japanese Yakuza: makes the majority of its money from drug trafficking and, according to Japan’s former police chief Hiromitsu Sagunuma, gambling, extortion, and “dispute resolution”. This centuries-old organization is one of the most centralized in the world--Yakuza groups are bound by “elaborate hierarchies” that demand members subvert any and all allegiance to external entities, **UNUSUAL**
- Italian Mafia group Camorra drags in a \$4.9 billion USD revenue as the most successful mafia gang in Italy. Local governments maintain links to these groups and continue to protect them despite the outcry of citizens and other government officials. Camorra relies primarily on sexual exploitation, firearms trafficking, drugs, counterfeiting, gambling and extortion.
 - the group is over two centuries old, and was originally formed as a prison gang that flourished as members were released and cultivated the push for a political organization of the poor. Another of these groups, ‘Ndrangheta, boasts a \$4.5 billion revenue. Based in the Calabria region of Italy, it engages in many of the same illicit activities as Camorra, but has built unique ties with South American cocaine dealers, and thus controls much of the transatlantic drug market that feeds Europe
- south of the American border, the Sinaloa Cartel pulls in a \$3 billion USD revenue as Mexico’s largest drug cartel. It is one of several gangs in Mexico that serves as the middleman between producers of illegal substances in South America and an “unquenchable American market” for those drugs
 - Led by El Chapo
 - El Chapo grew the Sinaloa Cartel while in **prison: how to keep people inside from running the show**
 - **Or use that to your advantage...**
- **Organized crime + terrorism**
- Types, a few:
 - **Drug cartels**
 - **Families and hierarchies**
 - **Insurgencies colluding with criminal groups**
 - **Smugglers**

- **Pirates**
- **Hackers & cyberspace**
 - **Fraud**
 - **Identity threat**
- United Nations Convention against Transnational Organized Crime, otherwise known as the OCC
 - criminalizing participation in an organized criminal group across the board, as well as money laundering, corruption, and other illicit activities
 - provides states with a new framework for mutual legal assistance and extradition, as well as a structure by which to strengthen domestic law enforcement
 - states are promised both training and technical assistance for their national authorities to strengthen their capacity to address organized criminal groups
 - Article 2(a) loosely defines a criminal group as: “A group of three or more persons not randomly formed, existing for a period of time, acting in concert with the aim of committing at least one crime punishable by at least four years’ incarceration, in order obtain, directly or indirectly, a financial or other material benefit.
- **REQUIREMENTS**
- As a committee, you might want to add new elements and provisions to the OCC, or draft a new treaty altogether. Any resolution must take into account every incarnation of organized criminal activity, and so it would be beneficial to engage as many countries as possible to access diverse perspectives on the issue--source countries, destination countries, countries subjugated to trafficking in persons, homes to drug cartels, hotspots for pirates, administratively vulnerable governments subject to corruption, etc.
- Analyses should be targeted towards individual sectors, such as the political economy and the global market.
- In efforts to prioritize, resolutions must measure potential harm and identify entry points by which to respond.
- Also consider addressing the conditions that allow organized criminal groups to flourish, by tackling the “protection economy” that enables them to gain such influence.
 - **Time to criminalize things**

The political economy of organized crime: providing protection when the state does not
http://www.queensu.ca/dms/DMS_Course_Materials_and_Outline/Readings-MPA831/PolEconOfOrgCrime-831.pdf

- Abstract: Organized crime emerges out of the power vacuum that is created by the absence of state enforcement, and which can have many sources: geographic, social, and ethnic distance, prohibition, or simply collapse of state institutions. Mafias and gangs are hierarchically organized and can be thought of as providing primitive state functions, with economic costs that are typically much higher than those associated with modern governance. Though organized crime cannot be completely eradicated, its control is necessary, since it can easily corrupt existing institutions of governance. Some thoughts on what can be done to control organized crime are offered.

- The defining economic activity of organized crime is the provision of protection or its more respectable variation, security
 - It is supposed to make the ownership of other goods and services safe from theft and make their contractual exchange enforceable.
- The 'N'Dragheta has its base in Calabria and, reportedly, began as a defense mechanism of impoverished peasants against oppressive landlords
- **Focus on the drug trade? Focus on things that cross borders... argue that that is truly a UN problem**
- The American Mafia, or Cosa Nostra, traces its origin to the Sicilian Mafia. It expanded rapidly during the time of alcohol Prohibition (1920-33).
- By the time Prohibition was repealed, the Mafia had control of many labor unions which were in turn used to get into at least a dozen different types of business, from construction to fur manufacturing. Among the activities of the Mafia was the maintenance and enforcement of cartels in different industries.
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- Because, unlike adult gangs By the 1960s, as described by Reuter, "... the Mafia had mostly shifted from direct provision of illegal services, like bookmaking and loansharking, to selling services to bookmakers, loansharks, and other criminal entrepreneurs. The organization's reputation for being able to deliver on threats was good enough that it could, in effect, sell these entrepreneurs contract insurance and disputesettlement services. A bookmaker could insure himself against extortion by other gangsters or customer welching by making regular payments to some mafioso. The organizational reputation, painstakingly and bloodily acquired earlier, was now the principal asset" and mafias, they can play an important social and entertainment function for their members in addition to their economic role, youth gangs can be somewhat different from other organized groups. They can be less hierarchical, especially those that are smaller (as many Hispanic gangs of East Los Angeles are – Jankowski, 1991), and be more dependent on their community for their survival (a point, emphasized by Akerlof and Yellen, 1993). As the police and the justice system are often distrusted in their communities, a primary rationale for their existence is providing needed protection. But with drugs and other opportunities to make money, youth gangs branch out into the other business of organized crime, a move that is accompanied by increasing professionalization, greater hierarchical organization, and which can possibly translate into lower genuine support within their community
- **Has to be trust between the state and its citizens**
- **Corruption, esp police but also politicians**
- Russia's mafia depend on South American drug cartels
- Mexico is a good example of a country in which many police agencies can be fairly characterized as organized crime groups. They are not just being bribed by drug traffickers, but they run their own protection rings and specialize in particular types of business.
- For much of Russia and other Eastern European countries, the police falls into this (organized crime) category

- **For Russia, human trafficking is big**
- Organized crime comes because of a power vacuum
- **Mountains, jungle, desert and other areas have thus been the breeding grounds of brigandage, rebellions, and independence movements. Thus, geography can play a role in creating a power vacuum that can then be filled by an organization that plays the role of a quasi-government.**
- A power vacuum that is created from another source: the legal **prohibition** of the production and distribution of certain goods and services
 - with prohibition private parties cannot write and enforce contracts through the normal legal channels, and thus an effective power vacuum is created around the production, distribution, and financing of the prohibited commodity and its inputs
 - Cocaine, for instance:
 - Materials for making it, buyers, shipping and handling, hiding from gov't, all ensure the need for enforcement measures
 - For now, we could compactly characterize the rationale for a single enforcer within a certain area as being due to "increasing returns" in enforcement.
- **A power vacuum coming from major political change**
- **Ethnic and social distance**
- They could create patrols of residents and shopkeepers. Now, this could be done in certain cases, but too often the mafias prevail. Forming such self-governing protection groups involves substantial coordination costs and as group size increases the free-rider problem becomes more serious
- Competition takes the form of an arms race with your neighbors. If you have a large enough army you can deter your neighbors or take some of their turf; if not, you lose turf or you can be taken over completely
- The market structure that could best describe organized crime, then, is a curious sort of monopolistic competition, whereby each gang has the local monopoly of protection within a certain area and this local monopoly is maintained by the gang's capability of mobilizing and using force against other gangs
- Intense competition of many gangs can involve the expenditure of a lot more resources than complete hegemonic domination by one large mafia, and which in turn can involve the expenditure of a lot more resources than those of a modern state with an efficient police and judicial system
- Legal businesses that have to pay for protection face higher costs of operation, invest less and bias the investments they make against anything that can be easily destroyed
- For the same businesses, regular contracting through the mainstream legal system can become difficult even if it concerns perfectly legal matters, since the mafia can intentionally and actively discourage recourse to the legal system as it represents a challenge to its authority and a reduction to the rationale for its existence.
- Actually, the mafia could enforce contracts more effectively than the state because it can impose penalties that are much more severe – for example, physical punishment and even death.

- However, the arbitrariness that typically accompanies such penalties and the multitude of uncertainties that surround contract fulfillment in a mafia's territory are unlikely to be outweighed by the severity of penalties the mafia can impose
- Once human beings develop expertise – comparative advantage, if you will – in one area, it is very difficult for them to change later in life.
 - Even after the destruction of organized crime in an area, it can take more than a generation before normalcy prevails as the old warriors don't easily fade away
- Overall, the costs of organized crime include the resources expended on appropriation instead of production, the various more conventional productive and investment distortions that emerge from organized crime rule, the contractual problems that develop outside the realm of modern governance, and the incentives for the development of human skills that are biased towards appropriation instead of towards production.
- The Manichean worldview and the demonization of mafiosi also interferes with the pragmatic assessment of organized crime. By attributing the presence of organized crime to evil, it naturally leads to the evaluation that getting rid of a few individuals will solve the problem, to the **underestimate of the material rewards and conditions that make the life of the mafioso attractive in the first place, and to a disregard of community support, the codes of silence, and other complications**. That is, as far as battling organized crime is concerned, demonization and the Manichean worldview fall far short as an effective ideological tool because they tend to induce very inadequate assessments and short-term policies that, as argued earlier, are particularly unsuited in this case
- In many fields of economics that analyze illegal or undesirable activities – for instance, in the economics of crime or of tax evasion – it is taken for granted that individuals are not good or evil. They simply optimize within given institutional constraints. They evade taxes or commit crime if the framework makes this behavior individually rational, and typically the level of such activities is strictly positive in an optimal institutional framework
- organized crime groups often enjoy significant support from their local communities and the self-image of its members is akin to those of knights and lords of other eras
- When friends of the mafia in high places enter the picture like in Colombia, Mexico, or Italy, you can never be sure whether the guy who supposedly fights the mafia is not actually doing its job. However, Italy, Colombia, and Mexico have had the political and institutional strength to pursue some of this corruption within their states. The complexity of the problem goes up several notches when no independent institutions remain and the state itself is wholly permeated by organized crime, and for all practical purposes is an organized criminal enterprise.
- **As discussed earlier, most of Mexico's police forces behave as mafias. One can see why this is the case if one looks into how policemen are often hired in Mexico, which is essentially off the streets, and how they are liable to lose their job when their political protector in the force loses his.⁵ That is, policemen in most agencies in Mexico do not have the status of a civil servant, without the training, the privileges, and the obligations that accompany such positions. As amply documented in the historical literature, lifetime employment and the other**

characteristics of modern professional bureaucracies in Western states developed largely in response to the endemic political manipulation and corruption that existed before that.

- **Thus, reforming the police agencies by professionalizing the hiring and training of policemen, and providing them with the customary civil protections, procedures, and privileges, as well as duties, you can at least prevent instances of naked extortion and perhaps a lot more**
- How come, then, countries do not immediately adopt more professional bureaucracies and police? There can be several reasons for being trapped in a suboptimal institutional equilibrium. First, you will need to hire far fewer policemen at a significantly higher compensation and, therefore, much resistance is to be expected from all the existing policemen who might become unemployed. Second, corruption can be so profitable that even those who would become professionalized – with regular salaries and pensions – prefer the status quo.
- A minority of policy experts and many economists (see, e.g., Miron and Zwiebel, 1995) take the view that drugs cannot be completely eradicated and their prohibition exacerbates many problems, including violence, petty crime, as well as organized crime. Various forms of the repeal of drug prohibition are possible, from decriminalization of the softer drugs to the legalization of all, combined with different degrees of government control of the production and regulation of the drugs.
- Thus, besides the access to economic opportunities that youths in such neighborhoods have, the problem of youth gangs is essentially part of the larger problem of the successful integration of such areas into mainstream society and the modern nation-state
- Residents do not object to force being used by the police, as long as they perceive such police action to be legitimate and not targeted against their kind for purposes other than security
- **It appears then that having policemen who are residents of the area being policed can go some way towards reducing a major source of tension in such areas. In addition, how the police behave appears to be connected to the degree of political constraints faced by the police departments,**
 - **and having police department accountability to political authorities (and directly or indirectly to the local community) is another important mechanism for the police to become the effective providers of security instead of organized crime**
- **Besides, today there are powerful forces that tend to emphasize the multiplicity of cultures and languages and their translation into educational policy. To the extent that instruction in minority languages and cultures is accompanied by bilingual studies and an emphasis on more universal values, the distance from the mainstream society can be shortened quickly. But new types of multicultural education can also emphasize separateness and increase a group's isolation from the rest of society.**

- A bigger area of concern will continue to be migration from the South to the North, as organized crime always profits from the flow and then becomes lodged in the areas populated by immigrants. Since this migration is driven by income disparities, stemming organized crime is an additional reason for the North to have a direct interest in the economic well-being of its immediate periphery in the South. But the biggest challenge could turn out to be the collapse of many states in the South and effectively their transformation into organized crime syndicates with an appetite for growth beyond their borders

Transnational Organized Crime - FBI <https://www.fbi.gov/investigate/organized-crime>

- The Bureau has found that even if key individuals in an organization are removed, the depth and financial strength of the organization often allow it to continue, so the FBI targets entire organizations responsible for a variety of criminal activities.
- Transnational organized crime (TOC) groups are self-perpetuating associations of individuals who operate, wholly or in part, by illegal means and irrespective of geography. They constantly seek to obtain power, influence, and monetary gains. There is no single structure under which TOC groups function—they vary from hierarchies to clans, networks, and cells, and may evolve into other structures. These groups are typically insular and protect their activities through corruption, violence, international commerce, complex communication mechanisms, and an organizational structure exploiting national boundaries
- With the increase of technology available around the world, TOC groups are more commonly incorporating cyber techniques into their illicit activities, either committing cyber crimes themselves or using cyber tools to facilitate other unlawful acts. Phishing, Internet auction fraud, and advanced fee fraud schemes allow criminals to target the United States without being present in the country. Technology also enables TOC groups to engage in traditional criminal activity, such as illegal gambling, but with a greater reach through use of the Internet and off-shore servers, thus expanding their global impact
- It (TOC) jeopardizes our border security, endangers our health through human trafficking and counterfeit pharmaceuticals, and seeks to corrupt officials domestically and abroad. These threats also include criminal penetration of global energy and strategic material markets that are vital to national security interests, and logistical and other support to terrorists and foreign intelligence services.
- The FBI defines a criminal enterprise as a group of individuals with an identified hierarchy, or comparable structure, engaged in significant criminal activity.
- The FBI defines significant racketeering activities as those predicate criminal acts that are chargeable under the Racketeer Influenced and Corrupt Organizations statute. These are found in Title 18 of the United States Code, Section 1961 (1) and include the following federal crimes:
 - Bribery
 - Sports Bribery
 - Counterfeiting

- Embezzlement of Union Funds
- Mail Fraud
- Wire Fraud
- Money Laundering
- Obstruction of Justice
- Murder for Hire
- Drug Trafficking
- Prostitution
- Sexual Exploitation of Children
- Alien Smuggling
- Trafficking in Counterfeit Goods
- Theft from Interstate Shipment
- Interstate Transportation of Stolen Property
- And the following state crimes:
 - Murder
 - Kidnapping
 - Gambling
 - Arson
 - Robbery
 - Bribery
 - Extortion
 - Drugs
- The most profitable activity of the Nigerian groups is drug trafficking—delivering heroin from Southeast and Southwest Asia into Europe and the U.S., and cocaine from South America into Europe and South Africa. The associated money laundering has helped establish Nigerian criminal enterprises worldwide. Nigerian groups are also infamous for committing financial frauds globally. These schemes are diverse, targeting individuals, businesses, and government offices. Examples of these activities include insurance fraud involving auto accidents; healthcare billing scams; life insurance schemes; bank, check, and credit card fraud; advance-fee schemes, known as 4-1-9 letters; and document fraud to develop false identities. The advent of the Internet and e-mail has made their crimes more profitable and prevalent.
- One such prevalent crime is Business E-mail Compromise (BEC), a sophisticated scam targeting businesses working with foreign suppliers or regularly performing wire transfer payments. The scam is carried out by compromising legitimate business e-mail accounts through social engineering or by computer intrusion techniques to conduct unauthorized transfer of funds. Most victims report using checks as a common method of payment. The fraudsters will use the method most commonly associated with their victim's normal business practice
- Balkan TOC groups are politically and financially motivated groups influenced by, associated with, or originating from Albania, Bosnia-Herzegovina, Croatia, Kosovo, the former Yugoslav Republic of Macedonia, Serbia and Montenegro, Bulgaria, Greece, and

Romania. These organized crime groups cause significant financial harm to the United States each year.

- Unlike traditional organized crime groups, Balkan groups do not appear to operate under a traditional hierarchy, but rather around ethnic associations and friendship ties. They also appear to be more agile, organic, and project-based. Balkan TOC groups are adept at adopting new technologies, thus increasing their ability to expand their criminal market base through cyber-enabled fraud. These groups engage in a myriad of criminal activity including passport fraud, access device fraud, identify theft, healthcare fraud, real estate fraud, insurance fraud, money laundering, drug trafficking, human smuggling, prostitution, and extortion.
- The Bureau, and law enforcement in general, recognize that Middle Eastern criminal groups often have no direct nexus to terror. Rather, these groups frequently have the same goals as any traditional organized crime ring—to make money through illegal activities.
 - Middle Eastern transnational criminal organizations typically engage in automobile theft, financial fraud, money laundering, interstate transportation of stolen property, smuggling, drug trafficking, document fraud, health care fraud, identity fraud, cigarette smuggling, trademark counterfeiting and sales of counterfeit goods, and the theft and redistribution of infant formula
- There are several trends among Asian criminal enterprises. First, it is more common to see criminal groups cooperate across ethnic and racial heritage lines. Second, some gangs and criminal enterprises have begun to structure their groups in a hierarchical fashion to be more competitive, and the criminal activities they engage in have become globalized. Finally, more of these criminal enterprises are engaging in white-collar crimes and are co-mingling their illegal activities with legitimate business ventures.
- Labor racketeering is the domination, manipulation, and control of a labor movement in order to affect related businesses and industries. FBI investigations over the years have clearly demonstrated that labor racketeering costs the American public millions of dollars each year through increased labor costs that are eventually passed on to consumers. This crime has become one of the LCN's fundamental sources of profit, national power, and influence. In addition to the LCN, the FBI has seen an increase in labor racketeering activities by other TOC groups
- The FBI remains focused on efforts to counter transnational criminal threats originating from the western hemisphere—in particular, in three critical areas of criminal activity known as the source zone (where the activity originates), the transit zone (the areas through which the activity passes), and the retail zone (the activity's ultimate destination).
- Art theft is the illicit trade in art and cultural artifacts includes theft of individual works of art, illegal export of objects protected by international laws, and pillaging of archaeological sites. The art and cultural property community estimates thefts to be about \$500 million annually.

- Cargo theft is a significant crime problem in the U.S. According to industry estimates, annual losses attributed to stolen cargo are estimated to be in excess of \$30 billion and greatly affect US, interstate, and international commerce.
- Jewelry and gem thefts are often committed by organized criminal enterprises consisting of sophisticated thieves and organized fences for the stolen property. The jewelry and gem industry sustains estimated annual losses in excess of \$1.5 billion
- Industry experts estimate that organized retail crimes cost the U.S. approximately \$30 billion each year. While that estimate includes other crimes like credit card fraud, gift card fraud, and price tag switching, other forms of theft may threaten consumer health and safety as stolen food products, pharmaceuticals, and other items are not maintained under proper conditions or labeled so may be less effective or hazardous when used by unsuspecting consumers. Organized retail theft causes higher prices for American consumers and less sales tax revenue for state and local governments.
- From 2011 through 2015, reported vehicle thefts averaged just under 707,000 per year. Industry experts estimate that vehicle thefts account for \$4.95 billion in losses annually. The National Insurance Crime Bureau (NICB) estimates a national recovery rate of approximately 50-60 percent, making the average annual realized loss over \$2 billion. In addition to the adverse economic impact, vehicle theft and its associated national and international criminal enterprises have been identified as having a strong nexus to threat financing where the vehicles are used as a medium or currency for worldwide financial transactions relating to drug trafficking, money laundering, terrorism, and RICO violations.

Why haven't we given it a name yet?

<http://www.organized-crime.de/organizedcrimedefinitions.htm#gil>

- So far, attempts to overcome these difficulties have been primarily aimed at finding a generally accepted definition of organised crime. Not surprisingly, these efforts have proved futile as such a definition would require a thorough understanding of the wide range of potentially relevant phenomena and the interplay between them that is currently not available. It is even questionable whether a scientific definition is attainable at all
- In other words, instead of engaging in circular debates over the nature of organised crime, a research program should be devised that in the end will allow one to come to such a mutual understanding or, alternatively, to a general agreement that the construct of organised crime has no counterpart in social reality and thus is obsolete as an analytical category
- for example, the structural patterns of criminal cooperation and the concentration of power in criminal milieux and illegal markets. Instead of indulging in circular debates on how to define organised crime, more efforts should be invested in defining these middle-range concepts.
- the aspects of the social universe that are subsumed under the umbrella concept of organised crime should not be treated as static. Whereas definitions of organised crime have a tendency frantically to focus on one specific constellation of these aspects, namely, complex criminal organisations using violence and corruption to attain control

over illegal markets and legal institutions, it seems preferable to place the emphasis on the fluidity and diversity characterising collective criminal behaviour.

- As has been argued in Chapter 1, a definition is a possible outcome of the study of organized crime, but there is no definition that could meaningfully delineate the study of organized crime as a field of research. At least, this is true for the time being as long as there exists no profound understanding of the interplay between the various phenomena that have been labeled organized crime
 - To clarify this point, it may help to talk about the weather for a moment. Defining the concept of "weather" is facilitated by the insights that meteorologists have gained into how factors, such as temperature, clouds, precipitation, wind, and barometric pressure, influence and depend on each other. Comparable insights have not yet been produced in the study of organized crime about the interplay of such factors as the individual characteristics of organized criminals, the logistical requirements of particular criminal activities, or the structural features of criminal organizations.
- **Italy: Federico Varese** Three burglars, who get together and plan a robbery, do not qualify as an organized criminal group (OCG). An OCG seeks 'to govern' the underworld, as argued by Thomas Schelling. Burglars may be in the underworld but do not seek to govern it. An OCG aspires to obtain a monopoly over the production and distribution of a certain commodity in the underworld. 'In the underworld', writes Schelling, 'its counterpart would not be just organised business, but monopoly.' Some kinds of crimes are organized in monopolistic fashion, and characterised by occasional gang wars and truces and market sharing arrangements. For instance, loan-sharking, gambling, and drug dealing are criminal businesses that lend themselves more than others to monopolization. We should expect to find OCGs in these specific sectors of the underworld. On the contrary, some illegal markets are difficult to monopolize and police. For instance, the sale of cigarettes to those below the legal age does not lend itself to monopoly. 'Nobody can keep a nineteen-years-old from buying a packet of cigarettes for a seventeen-year-old,' argues Schelling; 'the competition is everywhere'.
 - A mafia group is a particular type of organized crime that specializes in one particular commodity. Gambetta has identified protection as the specific commodity the mafia 'produces, promotes, and sells'. Mafia groups like drug syndicates are OCGs, but deal in different commodities: they sell and seek to monopolise the supply of *protection*, rather than drugs. In the abstract, a drug syndicate either internalizes protection or *buys* it from a mafia group. One may see this as a form of division of labour and even argue that an inevitable logic leads to a division between the production of goods and services (such as drugs and sexual favours), and the production of violent threats.
- **Lupsha, Peter** My perspective is that organized crime is a process - an activity possessing certain attributes and characteristics. As such it cannot be identified with any single temporal starting point. From this perspective the key conceptual attributes of organized crime are:
 - - Ongoing interaction by a group of individuals over time:

- - Patterns in that interaction: role, status, and specialization.
- - Patterns of corruption of public officials, their agents, and individuals in private positions of trust.
- - The use or threat of use of violence.
- - A lifetime careerist orientation among the participants:
- - A view of criminal activity as instrumental, rather than an end in itself.
- - Goal direction toward the long term accumulation of capital, influence, power, and untaxed wealth.
- - Patterns of complex criminal activity involving long term planning, and multiple levels of execution and organization.
- - Patterns of operation that are interjurisdictional, often international in scope.
- - Use of fronts, buffers, and "legitimate" associates.
- - Active attempts at the insulation of key members from risks of identification, involvement, arrest and prosecution.
- - Maximization of profits through attempts at cartelization or monopolization of markets, enterprises and crime matrices
- organized crime in the US (1) is not some random or episodic thing; but a patterned and structured activity; (2) (44) finds and exploits opportunities for illicit gain; and (3) operates across time regardless of individual changes in personnel or leadership
- **Great Britain: Scottish Government (2009)**
 - For the purposes of this strategy, serious organised crime is used to mean crime which:
 - • involves more than one person,
 - • is organised, meaning that it involves control, planning and use of specialist resources,
 - • causes, or has the potential to cause, significant harm,
 - • involves benefit to the individual concerned, particularly financial gain.

The Economic Consequences of Organized Crime: Evidence from Southern Italy

https://www.tcd.ie/Economics/assets/pdf/Paolo_Pinotti_paper.pdf

- the presence of criminal organizations changes the relative importance of the official sector, as measured by GDP per capita, vis-a-vis the shadow economy.
- Additional employment opportunities in the unofficial sector could lead in fact to a reallocation of workers and resources outside the scope of official statistics
- energy consumption depends on demand by firms and individuals operating both in the official and unofficial sector. For this reason, it is often used to estimate the size of the shadow economy
- The right graphs shows that the difference between the two series peaks in 1974 and starts falling thereafter, in coincidence with the increase in homicides, eventually becoming negative during the last two decades of the sample period. Indeed, the relative drop is greater, in percentage terms, than the one observed for GDP per capita (about three times as much). One explanation is that organized crime affects disproportionately

sectors that use energy more intensively, like manufacturing, relative to others such as agriculture or household production.

- According to the growth accounting exercise, public intervention takes over an increasing share of economic activity after the presence of criminal organizations hampers private investment. One explanation for this pattern could be that the central government and local public administrations use employment in the public sector to cushion the drop in labor market opportunities after the withdrawal of private investors. However, the last two graphs in Figure 13 show that the replacement of private with public capital is not accompanied by an analogous reallocation in the labor market.
- A less benevolent explanation is that public money represents a profit opportunity for criminal organizations. For instance, mafia rackets often force firms to purchase over-priced inputs or hire individuals that are close to the organization. Such practices levitate production costs and are therefore easier to impose on firms that may offload such costs or are somehow shielded from market competition (Schelling, 1971); contractors for public works fit perfectly into these categories. Also, firms connected with the mafia may adjudicate directly public contracts by threatening the other potential bidders in procurement auctions
- Dal B'ò et al. (2006) argue in fact that the personal risks to which public officials are exposed in the areas most pervaded by criminal organizations may discourage individuals with better outside opportunities from entering a political career. While a throughout analysis of the influence of organized crime on the political sphere goes beyond the scope of the present work, in a companion paper I document indeed a strong deterioration in the outside labor market opportunities of the politicians appointed in Apulia and Basilicata (relative to the synthetic control) after the advent of organized crime
- The results suggest that the aggregate loss implied by the presence of organized crime amounts to 16% of GDP per capita and goes mainly through a reallocation from private economic activity to (less productive) public investment
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