

CHAPTER 2

HOW CAN CRIME BE ORGANISED?

To provide an insight into the differing ways crime can be co-ordinated, four models will be constructed and compared. These models are not exclusive to the criminal world; in fact, all four were originally developed by scholars concerned with analysing the co-ordination of social life in general. It is only recently that one finds direct reference to these competing models in criminological texts. Prior to this, the models remained implicit in criminological studies, with authors unknowingly sketching the parameters of each model through arguments over the reality of specific cases of organised crime. The four models are hierarchy, networks, markets and clans.

In this chapter the objective is to merely sketch the parameters of each model. They are therefore presented as being rather static. However, a synthesis of the four models at the end of the chapter shows that future work should explore a more dynamic application of these models. This in turn should lead to contextual studies of organised crime that may shed light into policy debates.

Hierarchy

The hierarchical model of criminal co-ordination was developed most lucidly by Donald Cressey, who produced a body of work that is still considered by many scholars as a prerequisite to understanding all further debates on the subject of criminal organisation. Research on La Cosa Nostra in America during the late 1960s led Cressey to develop a vision of organised crime as a formal, rational entity based on the division of specific roles.¹ In many ways Cressey's image of organised crime represented the underworld reflection of Max Weber's influential theory on the principles of bureaucracy, and thus Cressey's model became known as the bureaucratic model.

According to Cressey, La Cosa Nostra represented the most advanced form of criminal organisation. Cressey offered several typologies of crime organisations based on the existence of specific positions or jobs, all of which La Cosa Nostra possessed. La Cosa Nostra was therefore defined as an end point on an organisational continuum. According to Cressey, the internal structure of this criminal organisation was as follows:

At the top was a 'commission' that acted as a ruling board of directors. Beneath this were 24 crime families who operated in specific cities throughout America. At the head of each family is a boss (the *Don*), supported by an underboss (vice-president), a councillor or adviser and a buffer—the go-between between the boss and the rest of the members. These members are further divided into lieutenants who preside over the common soldiers. Beneath the soldiers are other criminals who exist outside the organisation and who conduct work on the street. They are "the relatively unskilled workmen who actually take bets, answer telephones, drive trucks and sell narcotics, and so forth".² Members of La Cosa Nostra were of Italian descent while those outside, or beneath, the members were typically of a different ethnic origin.

As with all conventional bureaucracies, money flowed up the pyramid and governance flowed down. Thus, the men at the top who gave orders and extracted the highest earnings, co-ordinated the whole enterprise. Moreover, as one goes up the hierarchy one finds an increasing distance from the criminal activities themselves, designed in part to afford greater safety to the men at the top.

Cressey's bureaucracy thus met all but one of the four main definitional criteria set down by Max Weber and later redefined by Paul Blau:³ *A hierarchy of authority*; *specialisation* (members are chosen for their expertise in particular jobs for the organisation); *continuity* (full time roles that occur over a long period of time); *impartiality* (the work of the organisation is conducted on the grounds of specific rules without arbitrariness or favouritism). Cressey falls down on the fourth as his evidence suggested that the Mafia preferred to keep membership restricted to fellow Italians and was thus somewhat discriminatory rather than impartial.

As with the work of Weber, the importance of Cressey's model was not only as a definitional model, but also as a normative one. As a definitional model Cressey was stating the criteria necessary for a criminal organisation to be considered part of organised crime. As a normative model, Cressey was arguing that La Cosa Nostra represented the most rational and efficient form of criminal organisation. In other words, criminal organisations become more advanced and criminally efficient the closer they approximate the bureaucratic model of organised crime. Thus, Cressey stated in a lecture given in England in the 1970s that English criminal organisations were not as developed as organised crime in America; the danger would come if they moved in that direction.⁴ For Cressey, the threat of a criminal organisation (its criminal efficiency) is correlated with the degree of bureaucracy. Weber, in language that is similar to that used later by Cressey, wrote that, "the purely bureaucratic type of administrative organi-

sation is, from a purely technical point of view, capable of attaining the highest degree of efficiency".⁵

Cressey may have provided the most detailed account of the bureaucratic model, however he was not the first to argue that organised crime developed towards hierarchy. Indeed, the notion of organised crime operating as a complex bureaucracy had been supposed for decades. In 1919 an article in the *Bulletin* of the Chicago Crime Commission stated:

The business of crime is being more expertly conducted. Modern crime, like modern business, has been centralised, organised and commercialised. Ours is a business nation. Our criminals apply business methods.⁶

A few years prior to Cressey's first major publication Robert Anderson published an article in the *American Journal of Sociology* describing the evolution of Italian American organised crime.⁷ Anderson's story begins with the various Sicilian pre-industrial peasant institutions that operated as "intimate and diffuse organisations", strongly formed by kinship ties. They were essentially products of their ungoverned feudal environment and were built upon traditional forms of social interaction common to all Sicilians. Anderson pointed out that such traditional organisations either disappear or adapt during industrialisation and modernisation. In the USA, due in part to the lucrative opportunities presented by prohibition and the acceleration of all aspects of modernisation that occurred after the 1930s, the Mafia adapted. This adaptation Anderson described as a *process of bureaucratisation*. Thus the Mafia expanded its operations beyond that which a small family-like organisation could sustain. Personalised face-to-face associations gave way to the formation of regional, national and international combines. Consequentially a complex hierarchy of authority emerged with regional directors and specialisation as well as departmentalisation of operations. Contrary to the picture presented by Cressey, Anderson adds the fourth dimension to bureaucratisation by suggesting that the Mafia reached the point where they developed impartiality—on the grounds of good business practice the modern bureaucratic Mafia began to associate freely with non-Sicilians and non-Italians.

As will be described in chapter 3, the work of both Anderson and Cressey, but much more so the latter, provided conventional wisdom on American organised crime with an apparent academic legitimacy. The popular image of a pervasive hierarchical Italian conspiracy had been formed and validated by successive public hearings and government investigations, the most famous of which was the Kefauver Commission, chaired by Estes Kefauver in the early

1950s. Following from this Commission, the Chairman of the Assembly of the American Bar Association declared that, 'Crime has become big business, with a structure of chief executives, fiscal departments, legal departments, public relations and the rest'.⁸ Cressey made academic what had been feared for some time.

More recently, defining organised crime as a bureaucratic entity has become a common occurrence, especially among academics and law enforcement in the USA. Three of the four pillars of bureaucracy are oft-quoted traits in the definitional literature of organised crime—hierarchy, continuity and specialisation. The issue of impartiality is still muddled as ethnicity seems to play such a prominent role in the formation of criminal organisations. Thus, restricted membership is one of the standard definitional traits, although notions that groups are governed by rules of sorts (as is often noted) do go some way in fulfilling the impartiality requirement of a classic Weberian bureaucracy.

With the advent of globalisation and the emergence of transnational crimes, the bureaucratic model has similarly become transnational. Consequentially, some commentators suggest that over the last few decades, criminal bureaucracies, like their upper-world equivalent, have become international. This process clearly expands the spatial arrangements of specific organisations, and now the previously national organised crime groups have set up regional 'cells' in various countries that are integrated closely in the hierarchy of the organisation.

Networks

The distinction between the normative and definitional dimensions to the bureaucratic model is useful in understanding subsequent critiques of its theory and research. Most initial criticisms focussed on the definitional aspect and typically took Cressey and others to task over the reality of La Cosa Nostra as well as other organised crime groups. Indeed, even prior to Cressey, various commentators voiced scepticism over the existence of a well-organised nationwide criminal conspiracy. Daniel Bell wrote in 1959 that the existence of the Mafia was a "whale of a story" and argued that the image was constructed out of self-serving leaps of faith by police and various government bodies.⁹ Many after him agreed that the methods used by proponents of the national conspiracy theory were rather questionable and were largely based on the inconsistent testimonies of specific gangsters; Cressey himself warned that the available evidence was precarious and that, "our knowledge of the structure that makes organised crime organised is somewhat comparable to the knowledge

of Standard Oil that could be gleaned from interviews with gas station attendants".¹⁰ A long list of sceptics concluded that the Mafia is far more myth than a well structured bureaucratic entity.

In agreement with what Dwight Smith labelled the "Mafia mystique" in the mid-1970s¹¹ have been a group of researchers that depicted the reality of organised crime being far less orchestrated and grandiose. For example, synthesising his own extensive research on a Philadelphia crime family with evidence emerging from other fieldworkers, Mark Haller¹² concluded that what was conceived as a bureaucratic entity was in fact a sort of informal association or Rotary club. Perceived members of La Cosa Nostra were predominately conducting independent legal and illegal projects. Partnerships were common for specific jobs but a rigid hierarchy did not emerge among members. The Mafia was certainly not a centrally planned organisation in which the *Don* acting as a CEO, directed his subordinates for some overarching objective. The definition of organised crime as a bureaucracy was wrong, for it was contrary to the evidence.

Although at the time researchers such as Haller did not use the term explicitly, this alternative view to bureaucracy can be accurately described as conforming to the network model of social co-ordination.

Unlike hierarchy, which is defined by vertical division of roles, authority by rules, specialisation, departmentalisation and impartiality, a network can be considered as a rather flat, flexible and informal approach to co-ordinating social (or specifically criminal) life. A network denotes interconnectedness between essentially independent entities. Rather than via central authority, unity among the parts is achieved by shared objectives or *trust*—the central co-ordinating mechanism is a *mutual dependency* of sorts. To use a term developed by Albert Hirschman,¹³ conflicts between parties will be resolved via *voice*. People connected via networks talk to each other and negotiate to resolve differences. Unlike hierarchies in which recruitment is supposed to be impartial, networks are formed through introductions and connections.

Opposition to the bureaucratic model was not only critical of its definitional aspect. Normative arguments were also raised and, as was happening in broader academic discourse, the quintessential excellence of bureaucracy was seriously doubted.

A number of commentators pointed out that the situational logic of organised crime contradicted large hierarchical structures for they would be far too

vulnerable to detection and destruction, an argument that has frequently attracted the analogy of an octopus: cut off its head and the infamous tentacles are correspondingly rendered useless.

Nonetheless co-operation and continuity are clearly required for successful criminal enterprise. However, rather than being centrally planned, it makes more sense for the underworld to form sporadic partnerships and thus spread risks, pool resources, utilise different contacts and exploit divergent objectives. This dynamic operation contrasts with the infamous stifling properties of the bureaucracy. It is far more flexible and responsive, it does not require a permanence that renders it vulnerable to police, nor complex co-ordination from a multi-tiered command that is prone to confusion and delay. Phil Williams points out that networks also cross easily from the illicit sector to licit activities.¹⁴ Perhaps one may deduce that this is caused by hierarchy's prohibitive demand for ongoing inclusion.

Furthermore, an additional dent in the superiority of bureaucracy is that being an operator in a network may be somewhat more satisfying than being a member of a rigid bureaucracy, especially considering the personality types that might tend towards a career in crime. A network allows a certain freedom and spontaneity that is lacking in a bureaucracy. Patricia Adler, who conducted a classic ethnographic study of drug dealers, wrote, "In contrast to the bureaucratisation of most conventional forms of work, drug dealing and smuggling were flexible, creative, exciting and personal enterprises".¹⁵ The aversion to being part of a formal organisation is complemented by Haller's picture of the Mafia operating as a sort of informal blue-collar fraternal organisation. The Mafia, rather than intrusively directing its members, provided a loose framework for people to make contacts and network. Its success was further bolstered by the informal collective governing power that an association tends to generate via expectations, and an implicit code of ethics; this ultimately strengthened *trust*, the central co-ordinating mechanism of the network model.

Recently there have been two contrasting case studies that have highlighted the network model well. Carlo Morselli analysed the business operations of the (in)famous British drug dealer, Howard Marks, and highlighted the network mechanisms inherent in the drug trade. Contrary to the popular belief that violence is a key method to obtain a competitive advantage, Morselli showed that Marks became so successful because he positioned himself as the critical node in a network of independent entrepreneurs, achieving this position this by building trust and contacts rather than by eliminating or intimidating competitors.¹⁶

Similarly, in the study by MacGaffey and Bazenguissa-Ganga of informal West African traders, the authors stressed the importance of trust between traders that is sustained by personal ties and the norm of reciprocity.¹⁷ This characteristic of informal trade is largely due to the precarious and uncertain nature of the business that means buyers and sellers prefer to work with people they know or to whom they have been introduced by a reliable source. Such introductions and reciprocity form the essence of networked operations.

Markets

The market model as used in criminological discourse is elusive. In contrast, over the last forty years the market as a co-ordinating mechanism in legitimate spheres of life has received much attention and has been regularly championed as the method *par excellence* for economic efficiency.

The difficulty in locating the market model in criminological texts is partly due to the ambiguity of the oft-used term, *market*. Where one will find it applied most frequently is by denoting a given trade in a specific commodity, thus we read about the market in drugs, the market in endangered species, etc. Organised crime is therefore involved in ‘the market’ or with ‘illegal market activity’. However, the market model can be used to explain the process of criminal co-ordination, or how and why criminal activity is co-ordinated the way it is.

To compare the market model with that of hierarchy and networks, it is perhaps useful to consider the different co-ordinating mechanisms of each. As has been explained above, a hierarchy operates on the basis of rules from a central authority whereas a network operates on the basis of trust among independent entities. A market, in contrast, operates on the basis of competition. The market system is one in which related independent units (i.e. firms or people) strive for survival and profit and in doing so naturally compete with each other. The units in a market model are rational economic actors, they are predictable in as much as they want to survive and make money. To continue with the terminology developed by Hirschman, the central communicative mechanism in a market can be considered as *exit*—independent actors in the market vote with their feet, so to speak.

In its ideal state, *entry* is determined by specific barriers. These may be natural barriers created by the economics of the industry, i.e. economies of scale and expertise, or they may be artificial barriers created by specific people, i.e. intimidation and price fixing.

It is not surprising that the market model has been developed and used most notably by economists who have turned their focus from the ‘upperworld’ to the underworld. The most famous researcher and author of this ilk is Peter Reuter, who is, somewhat conveniently for the continuity of this paper, another American academic who studied the Mafia. As with Haller, Reuter sort to undermine the conventional wisdom of the hierarchy model. Primarily Reuter was concerned with the image of the Mafia commanding monopolistic power over the underworld. Again, through research in New York in the mid-1970s on gambling and loansharking, he unearthed a rather more fragmented reality. However, unlike Haller who depicts the relationship between gangsters as one formed by partnerships and networks, Reuter offers a rather different image and one clearly formed by an alternative academic discipline:

...contrary to common beliefs, [illegal markets] were populated by numerous, relatively small, often ephemeral, enterprises whose relationships were closer to competition than collusion.¹⁸

However, the relevance of Reuter’s work for this paper is not because he argued crime was organised differently to the image presented by the mainstream hierarchical model or those sketching notions of networks. Indeed, Reuter agrees that it is possible, and in past times probable, that criminal organisations develop monopoly power over markets. The key distinction between the models is that Reuter presented an alternative explanation as to why crime was organised the way it was. In doing so, he was answering the question Thomas Schelling, perhaps the first economist to glance at the underworld, had asked in 1967: “What market characteristics determine whether a criminal activity becomes ‘organised’?”.¹⁹ According to the hierarchical model, crime is co-ordinated on the basis of *rational thought*—the more advanced criminal organisations become (the more rational they are), the more they will tend towards bureaucracy. This is because bureaucracy is, supposedly, naturally the most efficient form of organisation. According to the market model however, crime is co-ordinated on the basis of purely economic considerations—the co-ordination of crime, and thus criminal organisation, will be shaped by *market forces*. Unlike networks and hierarchies, “market co-ordination is the result of human actions but not of human design”.²⁰

Reuter went on to argue that the specific market forces that are common to illegal markets make it highly unlikely that large monopolistic entities will emerge. These market forces can be divided between conventional economic forces (such as economies of scale) and factors largely peculiar to illegal markets. The later includes “the riskiness of participation in the activity, the nature

of the distribution system, physical characteristics of the good involved and the policies of law enforcement".²¹ The one force that does assist criminal operations in gaining an increased market share is violence—what Reuter sees as a key dimension of illegal markets arising precisely because of their illegality. However, implying the 'competitive process' approach that follows from a belief in the dynamics of market forces, Reuter argues that those organisations that increase their market share by violence will over time be undermined by new violent groups. Moreover, established criminal organisations who invested heavily in violent labour will have to shed this extra work force in order to enjoy the profitability of monopoly. In doing so they will further deplete their stronghold. In sum, Reuter argues that dynamic market forces will undermine monopoly.

A further good example of how market forces directly influence the nature of organised crime was pointed out by Sidney Zabudoff in his essay on the organisation of the cocaine trade.²² Zabudoff explained that the nature of the firms involved in the supply of different drugs are partly dictated by the characteristics of the underlying commodity. For example, cocaine is a relatively compact yet high-cost global commodity that is grown predominantly in one region of the world. These market characteristics have, in the past, allowed specific cartels to gain significant market share and grow into exceptionally wealthy organisations that can attempt to monopolise the global market. In contrast, marijuana is a relatively bulky and far less expensive commodity that is grown all over the world, meaning it is highly unlikely for participants to capture a significant share of the market. In other words, to a degree, market forces dictate the nature and size of criminal organisations involved in drug trade, not just the rational business brains of certain 'drug barons'.

Surprisingly few economists have researched illegal markets. Nevertheless, the market model is gaining influence in the criminological literature and a growing number of scholars have recognised that if crime is co-ordinated by market forces, then traditional micro-economic analysis is pertinent. Fiorentini and Peltzman introduce a collection of essays by economists on organised crime by explaining that the contributing economists share "the belief that some conceptual tools, theoretical results and empirical facts obtained by economists working on other issues can be put to work to reach a better understanding of (criminal organisations) origins and activities".²³ Moreover, Fiorentini and Peltzman suggest that the reason why few economists had previously made forays into studying the underworld is that they shared a widespread impression that criminals did not act as rational economic beings, but rather that their behaviour was irrational in the economic sense and thus best "left to the sociological analysis of pathologies and deviations".²⁴

Clans

The clan model in criminological literature has been applied in two rather separate areas. The more obvious of these is the criminal *gang*, a term used most familiarly for groups comprising youthful urban deviants. However, and conveniently for this essay, the other application concerns the large-scale criminal organisations that have featured prominently in the research over the past three models, including La Cosa Nostra. A recent and clear example of using the clan model to describe such criminal formations has been offered by Letizia Paoli.²⁵

The key dimension to Paoli's analysis that draws on the clan model concerns the nature of membership in classic 'Mafia-type associations' (i.e. the Sicilian Mafia, the Calabrian 'Ndrangheta, the Chinese Triads and the Japanese Yakuza, as well as La Cosa Nostra). In a bureaucracy membership is achieved via a formal contract that stipulates expected goals and functions for the employee, which can be classed as a *purposive contract*. In a network or market, membership is achieved purely on the basis of individual transactions—membership of a network or market lasts only as long as business continues. Within these classic Mafia-type associations, however, membership is based on ritual kinship, an age-old practice that once dominated social organisation throughout the world, defined by Max Weber as a *status contract*. This alternative form of membership is not based on any specific duties, transactions or expectations; rather, it is achieved by becoming part of the group, which can involve a life-long pact that requires the acceptance of a new *social status* where one must "subordinate all previous allegiances to the Mafia". Under this arrangement there is a process of fraternisation—new members are made brothers of the "family" and are "bound to share a regime of generalised reciprocity," a regime often enshrouded in secrecy.

It is common for such groups to use symbolic gestures to mark membership, especially uniforms and tattoos. The process of fraternisation is also achieved via a symbolic ceremony where the new member is sworn in, sometimes involving the transfer of blood from a member to his new brother. Terminology is also used to strengthen the notion of kinship; Mafia units are often referred to as families and relationships between novices and experienced members are portrayed as a relationship between father and son.

Also in sharp contrast to the other three models, Paoli wrote that in such groups the adherence to brotherhood and reciprocity means that wealth is shared among the members:

In most 'Ndrangheta families, as well as in some Sicilian Mafia groups, this practice is fully institutionalised to the extent that each month, the heads of the families pay regular salaries to all the members of the *cosca*. All associations, furthermore, have a common account that is used to cope with exceptional financial needs of the affiliates, to meet their legal expenses in case of trial, to support the families of the imprisoned or dead members and, occasionally, to integrate the monthly salaries.²⁶

In further distancing her view of the Mafia from those made by proponents of our other three models, Paoli dismisses the claim that Mafia associations are simply “products of illegal market dynamics”. To achieve this Paoli insists that all of these distinct groups were established well over a hundred years ago with a plurality of goals that were never clearly designed from the outset and which did not centre around the provision of illegal services or goods. In agreement with Diego Gambetta’s influential thesis,²⁷ Paoli suggests that the “provision of protection has always been one of the most important functions”. Though at times such groups were involved with outright extortion, helping those of high social status, or lending a hand in vote rigging, they have also “defended the interests of the poor” and “fought for revolutionary aims”. In familiar fashion, Paoli also argues that these Mafia organisations are not hierarchically organised in the way Cressey described. They are a “consortia,” albeit one that retains a clear unitary organisation.

From Paoli’s contribution we can start teasing out the parameters of the clan model. Again, to illustrate the clan model of criminal co-ordination, it is useful to distinguish the central co-ordinating mechanism. In hierarchies it is *central authority*; in networks it is *trust*; in markets it is *competition*. Completing Hirschman’s famous trio of malleable concepts, in clans it is *loyalty*. Thus, while bureaucracies are governed by *rules from above*, markets are governed by *market forces*, networks are governed by *mutual expectations and reciprocity*, governance in a clan-based structure is maintained by *norms and tradition*. Unique to clans, and of key importance to their existence, such norms *must* be shared by all members—giving rise to what Durkheim referred to as *organic solidarity*. In contrast, the goals of members of bureaucracies, networks and markets need not be shared or internalised.

These attributes of the clan model are clearly evident in the less grandiose criminal formation popularly referred to as a ‘gang’. As in Paoli’s Mafia, membership of these groups is clearly demarcated; this is often achieved by use of

colours, flags, tattoos and uniform clothing. It follows, unlike the classic Weberian bureaucracy, that this membership can be considered highly discriminatory. Discrimination may take different forms and need not be simply based on where one lives or ethnicity, but may stem from common interests and allegiances (i.e. support for a football team).

Such strength in membership brings with it strict codes of practice. If these codes are breached onerously then a form of expulsion from the clan is usually exacted. In larger clan formations a court of some sort may exist. Expulsion might simply involve divorcing the member from the group—to mark them as an outcast—or it may involve the more extreme option of execution. The story of the assassinated Mafiosi who shamed the family is a familiar one.

As an ‘ideal type’ some may argue that the clan formation is egalitarian and segmentary—there is a lack of differentiation between members and there is no hierarchy governing the group. As described by Paoli, the spoils of the group’s activities are thus shared equally among the members. A vivid example of this ideal type can be found in some of the gangs in Cape Town. Here, certain street gangs operate with no clear leadership, which has frustrated police or those instigating peace talks as there is no single representative who can speak on behalf of the gang. This type of organisation is in contrast to the uneven or meritocratic distribution systems of the other three models. David Ronfeldt²⁸ argued that the emergence of a head of a clan represents an early move towards a simple form of bureaucracy. This purist vision certainly seems consistent with the notion of organic solidarity. However, an alternative perspective seems to grant some rudimentary legitimised leadership, i.e. a clan head or chief. Such leadership is always evident in Mafia organisations and tends to be present in most urban gangs. Although this provides a slight blurring between a hierarchical entity and a clan, there remain sufficient differences between the hierarchical organisation described above and the clan with a leadership as described here. Furthermore, the type of leadership in a clan is somewhat different from that in a bureaucracy. In a clan the leader lays claim to *social authority* that is sustained by members’ *status contract*. In comparison, the boss of a business has legitimacy to govern only in matters directly related to the purposive contract.

The prevalence of loyalty as the co-ordinating mechanism points to a further quintessential aspect of the clan model as opposed to three other three models—clans need not be formed for a specific goal-oriented activity. Instead, their formation may serve a plurality of functions, including social, psychological, and—perhaps less important—economic. Unlike that of the network, gratification among members might be based on a sense of belonging rather than a

sense of freedom as an individual entrepreneur—membership of a traditional gang is often associated with a sense of status. Thus, Mark Thrasher, in his classic text based on research into gangs in the Chicago area in the 1920s, noted that a defining feature of these gangs was their orgiastic and festive nature. Thrasher wrote:

The most rudimentary form of collective behaviour in the gang is inter-stimulation and response among its own members—motor activity of the playful sort, a ‘talkfest’, the rehearsal of adventure, or a ‘smut session’. It may be mere loafing together. It may assume the character of a common festivity such as gambling, drinking, smoking, or sex. It is in this type of behaviour that the gang displays and develops at the outset its enthusiasms, its spirit, its *esprit de corps*.²⁹

It follows that the cohesion of a clan-based structure demands a level of intimacy between members, i.e. face-to-face relationships and frequent get-togethers. Consequentially, clans are usually territorially bound; Mafia preside over a certain region (although they may be active in others) while less noble gang members either share a neighbourhood or some other common space (school, work, prison, etc.). This differs from the network and market model in which members exist at arms length and have relationships that are often anything but intimate. Bureaucracies are also less dependant on face-to-face relationships and the function of a hierarchy is in part one of distancing levels from each other. In Cressey’s description of the La Cosa Nostra, for example, rigid hierarchy kept each layer isolated from the next so as to increase immunity from detection and infiltration, while also acting as a justification for greater personal reward for members higher up in the organisation.³⁰

Over time, intimacy and cohesion generate tradition and group awareness—“a heritage of memories which belongs more or less to all its members and distinguishes the (clan) from more ephemeral types of group such as the crowd or the mob”.³¹ Such tradition may give rise to the group creating their own style, particularly the use of its own cant. This further serves to isolate the members from the outside, which may help strengthen solidarity and the sense of kinship. Unlike the image created by Haller of the Mafia working along the lines of a fluid gentleman’s club, the clan has a unitary cohesion that separates it starkly from the outside world. There is clearly a *Them* and an *Us*. This contrast between the group as a unit and the outside world seems fundamental for the clan’s existence. Protesting against perceived adversity or an invading ideology or culture is perhaps a key dimension to the formation and continuation of a clan-style entity.

With relation to its normative aspect, in the criminological sphere the clan formation is generally considered an inefficient and weak mode of criminal co-ordination, especially in relation to gangs. When compared to other forms of organisation, gangs are depicted as less sophisticated, less organised and vulnerable to infighting. These images fit the stereotype of gangs as primarily a formation of degenerate youths, whose main aim seems to be random terrorising of their community. Consequentially, this normative view of gangs leads commentators to depict successful gangs as experiencing a process of maturation and increasing sophistication. Indeed, according to numerous writers, the efficient bureaucratic criminal entities often had their roots in primitive gang-like structures. For example, in Gus Tyler's book on American organised crime, the third chapter is entitled "The forerunner of the syndicate" and comprises a collection of essays on America's early urban gangs whose violence and eccentricities gradually gave way to more business-like ventures.³² The essay mentioned above by Anderson on the bureaucratisation of the Sicilian Mafia is a further good example; the peasant face-to-face groups formed by kinship ties responding to their modern setting by reinventing themselves as Weberian international combines.

Clans are also thought to be at a disadvantage due to their relative inflexibility and discriminatory approach to recruiting new members. Unlike those who are active in the other three models, participants in clans might not be specialised or particularly good at certain jobs. Paoli suggests this is why Mafia have struggled to enter new markets and why they have been forced to outsource aspects of their operations, especially in technical areas such as arms dealing or money laundering.

In contrast to these negative aspects, clans do offer certain clear competitive benefits. The key advantage of clan-like structures stem from members' selfless devotion to the group's objectives. William Ouchi argued this point with reference to Japanese firms who have long sought to hire inexperienced workers and socialise them to the extent that they internalise their company's goals as their own. Ouchi writes:

...industrial organisations can, in some instances, rely to a great extent on socialisation as the principle mechanism of mediation or control, and this 'clan' form...can be very efficient in mediating transactions between interdependent individuals.³³

The goal congruence that is created in a group characterised by organic solidarity not only reduces strain and promotes cohesion among the group, it may

also provide a particularly strong sense of morale and trust. This morale seems closely related to the emergence of ‘honour among thieves’—the clearly constructive tacit agreement of honesty and respect between members of illicit clan-like entities that has been regularly noted by various commentators.³⁴ Trust need not be created by building reciprocity, unlike that in networks where to get something one must promise to give in return. In clans trust should be based on altruistic sentiments, i.e. “I give because you are a brother”. Moreover, such a strong sense of camaraderie should motivate individuals to act sacrificially or at least to take extreme risks and fight more aggressively than the so-called rational economic actor or the self-seeking networked individual.

A synthesis

Up to this point the four models have been discussed and presented as essentially contrasting. A summary of their divergent properties is presented in table 1 on page 18. The decision to present the models as contrasting types is not only to help simplify their basic nature, but also to reflect the spirit of criminological discourse on the subject. There has been a tendency toward presenting the co-ordination of crime in absolute terms. Criminal organisations have been discussed as either working along the lines of hierarchies or markets or networks or clans. This discrimination between models is strengthened by their normative aspect—crime is of a particular form because of the benefits of that method of co-ordination.

It would seem rather straightforward to muddy the water on the subject. A given criminal entity is unlikely to conform to just one of these models and is far more likely to contain elements of all or some of the four models. Indeed, crime formations may well be *hybrids* of these four models. Here it is perhaps worth considering La Cosa Nostra, which has been prominent in the literature behind each of the four models.

So far, our discussion has described the work of various authors who have depicted the operation of the American Mafia with explicitly contrasting paradigms and evidence. Cressey thought he had discovered a coherent national organisation that operated as a bureaucratic entity, Haller and others thought the reality was far less orchestrated and what was referred to as the Mafia was merely a network of connected individual entrepreneurs loosely related to each other via a type of gentleman’s club. Reuter and others argued that the reality was far less congenial and stressed the role of market forces that kept the underworld competitive and fragmented, whereas Paoli depicts a large,

Table 1. Properties of four models of criminal coordination				
	Hierarchies	Networks	Markets	Clans
1. Coordinating mechanism	Authority via rules Surveillance	Trust Reputation	Competition	Loyalty (organic solidarity)
2. Internal dispute resolution	Administrative fiat Supervision Coercion Expulsion (i.e. firing)	Voice Negotiations Divorce	Exit	Loyalty Tradition Expulsion (i.e. outcast)
3. Rewards for individuals	In line with rank	Negotiated	Meritocratic Competitive	Shared Egalitarian
4. Recruitment	Based on specialisation Impartial	Introductions Personal contacts Discriminatory	Determined by economic barriers to entry Impartial	Based on similarities – discriminatory
5. Information for decisions	Rules	Relationships	Price	Norms and traditions

secretive, egalitarian society whose members are bound together via a status contract, or kinship relations.

As one would expect, mingling among these polar views are scholars who cut-and-paste, taking bits from each and offering a picture of La Cosa Nostra and other crime groups as a pastiche of the primary models. Even in the writing of authors who vehemently put forward an original and contrasting view of La Cosa Nostra, we find a blurring of the models. For example, in Paoli's essay arguing that the large-scale Mafia are neither firms nor bureaucracies, Paoli concedes that at times the segmentary organisations may have developed hierarchical formations, and that the egalitarian members who are sworn to brotherhood do in fact double-cross each other and pursue selfish ventures.

The difficulty Paoli faces here may well lie with historical changes within these groups that bring deviations from traditional formations. From testimonies of

Triad members it seems that traditions have gradually given way to a bastardised criminal organisation, as one writer explained:

[Now] Triad members are more concerned with individual financial gain than they are with Triad norms and values. Consequently, loyalty and brotherhood exist only on paper and in the rhetoric of ceremonial oaths, not in practice.³⁶

Given the voluminous evidence and theorising about how La Cosa Nostra operates it is unlikely that any one picture will gain ascendancy. Indeed, one feels that each model may lay claim to representing something real, at least when and where the research was conducted. The nature of research into such organisations may mean that researchers will at best derive glimpses of the true whole—like data gleaned from petrol attendants about the oil industry. Differing methodologies or academic perspectives may work as filters that produce snapshots emphasising varying hues and forms. As Kelly puts it:

Conceptual models fix the mesh of the nets that analysts drag through information in order to describe and explain structure and action for a phenomenon...Models direct analysts to cast their nets across select ponds, at particular depths, to catch their prey. These tools are more than simple angles of vision or approaches to a phenomenon. Each framework consists of a cluster of assumptions and categories that influences what the analyst finds puzzling, how questions should be formulated, where evidence might be, and what counts as a satisfactory answer to questions posed.³⁷

It follows that the process of understanding elusive criminal organisations or systems requires a combination of these models. Crucially, they must be combined. Too often scholars have worked with one model exclusively, which can provide a blinkered comprehension.

Moreover, a bias towards one model may mean that researchers will experience a self-fulfilling prophecy. Mesmerised with a particular model, a researcher is quite likely to find plenty of evidence of its manifestation—look through the network window and everything is tainted by networks.

This tendency may exacerbate stereotypes surrounding the subject, i.e. it may be assumed through stereotypes of gangs that the materialisation of the clan model will be found mostly in unpoliced ghettos, which is confirmed by researchers armed with the clan model researching ghettos. The same research

may overlook that numerous gangs are networked for mutual benefit and that their size may be contingent on basic market forces.

In combining these four models it may be tempting to see hierarchies in networks, networks in hierarchies, markets in tribes, hierarchies in tribes and so on until the four models blur and eventually evaporate. Yet it must be remembered that the four models are ideal types that depict different ways in which crime can be co-ordinated in a specific space and time. Crucially, *they should not be used to represent criminal typologies*. As William Ouchi wrote, these models are “distinct mechanisms which may be present in differing degrees, in any real organisation”.³⁸ The normative aspects of criminal co-ordination suggest that the way in which crime is co-ordinated will be influenced by the context in which it operates, as well as personal considerations of those involved. This context is dynamic and thus methods of criminal co-ordination will vary over time. Each model can be considered a remedy for the failings of the other—in one situation it may make more sense to compete, while in another it may make more sense to foster co-operative agreements, as Powell noted:

In markets the standard strategy is to drive the hardest possible bargain in the immediate exchange. In networks, the preferred option is often one of creating indebtedness and reliance over the long haul. Each approach thus devalues the other: prosperous market traders would be viewed as petty and untrustworthy shysters in networks, while successful participants in networks who carried those practices into competitive markets would be viewed as naïve and foolish.³⁹

One of Cressey’s limitations was not, as many of his critics would suggest, that a hierarchical crime organisation exists. Rather, it was his assertion that as crime organisations become more sophisticated, the co-ordination of crime moves in one direction only, and that is towards greater bureaucracy—it is as if an organisation degenerates if it experiences a reverse bureaucratisation. Mary McIntosh convincingly refuted this claim in the 1970s in her influential text *The organisation of crime*. She developed four typologies of organised crime: picaresque, craft, project and business, and argues that each type of crime is characterised by a type of organisation that suits the nature of the activity as well as being influenced by the context in which it operates:

There is thus no simple tendency towards a business type of organisation, of the kind that Cressey suggests. For many kinds of crime it is not the most efficient and certainly not the safest.⁴⁰

A wider application

Having established the basic principals of each model, it is important to appreciate that they may have a wider application than simply explaining how and why crime is co-ordinated the way that it is.

For example, future work may explore the dynamic link between the four models and the context in which crime exists. This may lead to answering questions such as: What conditions encourage the dominance of one of the models? How does law enforcement influence the way in which crime is co-ordinated? Is there a relationship between the models and types of intervention?

Some scholars have already contemplated such questions and have begun grappling with the answers. For example, Phil Williams has been interested in exploring how criminal networks seem to be emerging as the method *par excellence* for transnational organised crime. Williams has been very influenced by the work of David Ronfeldt who attempted an ambitious framework for societal evolution based on the idea that there have been four periods of societal evolution where one of the models dominated.⁴¹ This history starts with the clan form of organisation that enabled primitive man to “band and survive”. This period was gradually eroded, principally because of the major difficulty clans had with dealing with “problems of rule and administration”, especially with regards complex tasks such as running large agricultural production or governing another conquered clan. These difficulties led to the formation of hierarchies—common ancestry gave way to a common ruler, a process that was at the heart of the formation of the state. Under hierarchy, members of society specialised and were co-ordinated.

The hierarchical form excels at activities like building armies, defending a nation and expanding its domain, organising large economic tasks, dispensing titles and privileges, enforcing law and order, ensuring successions, imposing religions, and running imperial enterprises—all activities at which the tribal form was lacking.⁴²

Yet the major problem of the hierarchical form was its cumbersome ability to deal with complexity, especially in the economic sphere. Thus, due in part to poor information flows, hierarchies faced increasing difficulty in dictating production and prices from a central authority. It was due to this failure that the third organisational form arose during the era of industrialisation—the competitive market. Under this new form of social co-ordination, people could act

as autonomous beings and could therefore dictate prices and production. The result was a diversified and innovative economy. Ronfeldt's criticism of the market that leads to the rise of the fourth model is not clear, yet Ronfeldt stresses the importance of the "information technology revolution and the related managerial innovations".

Phil Williams argues that in our contemporary era networks have assumed centre stage in the criminal underworld for reasons connected to their ability to "flow around borders".⁴³ Unfortunately, Williams's work suffers from a lack of detail and his understanding of the network model seems muddled. He tends to invoke the notion of networks to describe a flexible and covert system of moving goods and people around the world. Yet he does not explore the notion of trust in these transactions, nor does he contemplate how globalisation may also be producing conditions favouring the other three models. For example, globalisation may have increased competition in certain illegal trades which has led to a breakdown of trust in trade networks. Moreover, globalisation may also have increased the feeling of alienation among certain populations, which may have led to a proliferation of clan-like entities. One wonders whether Williams fell prey to the pitfall of concentrating on one model exclusively, perhaps because networks are currently *la mode*.

In similar fashion to Williams, Suzan Karstedt also argues that in our contemporary era one of the models has become dominant in organised crime.⁴⁴ Karstedt suggests that the clan formation has proved exceptionally successful in global markets and that crime groups organised along the lines of "pre-modern" or feudal structures are gaining strength. Again, Karstedt's thesis is open to criticism as she contemplates the clan model in isolation. No attempt is made to consider how globalisation may also work to create the conditions where other types of crime flourish.

Exploring these issues further will not be attempted here. Needless to say, an initial hypothesis may be that there is no simple relationship between global conditions and one or other of the models. It may be more useful to consider less grandiose case studies first, to expand our understanding of how the four models relate to each other and how the context in which crime occurs may influence the way in which it is organised.

A further area in which scholars have tried to apply these models has been in relation to law enforcement policy. There has been an attempt at linking one model to a method of law enforcement. Again, some initial attempts have had mixed outcomes, yet they do inspire further work.

Again, Williams has contemplated how networks comprise critical nodes. Such nodes can be identified with the aid of network analysis software that works out which node is the most densely connected. Once such nodes are identified, police may then set about removing the node so that maximum disruption is caused. While this notion may seem exciting to those who realise that police work can be haphazard and ineffectual, Williams may have underestimated the complexity involved in identifying nodes within a criminal network. These may be in a constant state of flux and will remain hidden from preying policemen engaged in time consuming and expensive network analysis. Moreover, it is also worth considering that even if a critical node is removed, many illegal trades will find easy replacements—they will ‘flow around’ such fleeting inconveniences.

Policy implications may seem alluring from an understanding of the market model. Micro-economic analysis may lead to the ability to disrupt crime associated with illegal trade by altering the *market equilibrium*—in a market where demand exceeds supply we may wish to focus on supply side initiatives, whereas in the reverse situation we may wish to curve demand. Alternatively, market analysis may help show the elasticity of demand and tell us what the impact will be of a rise in price for an underlying commodity. Peter Rydell and Susan Everingham presented an excellent example of how such a market-style analysis can inform policy debate. The two authors convincingly showed how supply side intervention in the cocaine industry has a limited impact on reducing consumption, whereas a demand side intervention targeting heavy users is far more cost effective and may lead to a significant reduction in the amount of cocaine traded.⁴⁵ Similarly, Jonathon Caulkins and Peter Reuter conducted research into the price data of the cocaine trade and showed how law enforcement and prohibition have inflated the price of cocaine dramatically, but they also show that a significant increase in law enforcement will have a limited influence on raising prices further and will therefore not deter consumption.⁴⁶

Again, an exploration of these applications of the four models will not be attempted here. What is important to note is that the four models may be the key tools for much future work on organised forms of crime.