

CHAPTER 5

AN ALTERNATIVE TO ORGANISED CRIME: ILLICIT ENTERPRISE AND ILLEGAL ECONOMIES

The second and third chapter of this monograph have sketched the history of a mainstream conceptualisation of organised crime that relied on core assumptions. These assumptions are highly problematic and are not only based on poor empirical research, but also flawed theoretical arguments.

By focussing only on the definitional debate, the monograph has provided a partial view of a mainstream paradigm on organised crime. Those who adhere to the mainstream paradigm will provide the same sort of arguments on a range of issues relating to organised crime. For example, the policy conclusion that is consistent with the mainstream outlook tends to stress the need to attack organised crime with ever-greater law enforcement. The aim is either to make the business environment of organised crime so risky that criminals will think twice, or it is to arrest criminals and therefore remove the threat. Numbers of arrests or the quantity of assets and contraband seized are therefore used as measures of success for anti-organised crime initiatives. Such aggressive law enforcement, it is stated, needs to work on a global level because organised crime is now transnational.

The evolution of the mainstream discourse—gaining momentum in America in the 1930s and becoming a truly global discourse by the mid 1990s—has regularly been accompanied by a critical voice from criminology. However, no scholar has yet produced a clear picture of the mainstream discourse—what its main assumptions are, what language it uses to describe these assumptions, how it has evolved, what methods of research it relies on, how criticisms have been internalised in the discourse, why it has been so successful, and so on. This is a task that needs to be done before an alternative paradigm can be successfully promoted. However, the nature of this alternative paradigm seems to be tantalisingly close. Numerous non-mainstream scholars seem to be agreeing with a contrasting perspective, which could develop its own assumptions, language and methods.

Dwight Smith will be regarded as making one of the first contributions to such a rival view. Arguing against the alien conspiracy model, Smith has repeatedly pointed out the inconsistencies behind separating organised crime from white-collar crime.¹¹⁶ In developing this argument Smith put forward a concept to replace both criminal categories, termed *illicit enterprise*. He reasoned that a perspective that focuses on criminal activities rather than on the nature of the offenders will highlight a continuum in business. This continuum of enterprise spans *the most saintly to the most sinful*. Organised crime and white-collar crime are subjective points on that continuum, based on popular stereotypes.

In agreement with Smith, the term *illicit enterprise* seems far more attractive than the muddled concept of organised crime. *Illicit enterprise* does not rely on structural or ideological assumptions. It is straightforward, inasmuch as it is a term for an activity, rather than a noun for a mysterious entity. However, in order for *illicit enterprise* to make sense, it must be a catch-all term for any illegal activity designed for profit. This makes it a huge category of activities that requires further compartmentalisation.

In a bid to organise the notion of *illicit enterprise* into more manageable subjects, one approach could be to focus on separate illegal trades in commodities and services—those relating to prohibited goods and services can be termed *criminal economies* and those dirty economies involving legal goods and services that rely heavily on criminal business practices, *criminalised economies*. Unlike the study of organised crime, the study of *illicit economies* is concerned with systems and not groups. This is unfamiliar territory for people who adhere to a mainstream discourse, for the usual unit of analysis is either types of crimes or types of offenders—illegal economies are interrelated systems that involve numerous different crimes and offenders.

An analysis of specific illegal economies will depend on the development of a framework as well as new research tools. Developing an understanding of how and why participants in these economies are organised should explore the dynamics and tensions between the four models outlined in the first chapter. Much may be learnt from micro-economics, although the dry functionalist analysis of legal markets by many scholars in this field should be resisted. *Illegal economies must not be abstracted from the political, social and economic contexts in which they operate.*

The following are some key points of departure for research into illegal economies that may form the basis of an alternative to the mainstream paradigm on organised crime.

- Actors in illegal economies should be distinguished by their role in the system, not by characteristics such as race or employment status. That is not to say that race or employment status are not relevant factors to understanding the dynamics of illegal trade, but rather that these characteristics need to be explored in a wider context. For instance, if the hypothesis is accepted that certain ethnic minorities dominate aspects of an illicit economy, then the question that must follow is *why?*
- An alternative perspective must challenge the *class bias* that has been evident in mainstream discourse. Research should be conducted bearing in mind that the ability to impose rents on illegal enterprise and the ability to conduct illegal enterprise immune from law enforcement, are both correlated with *power*. Such power is often bestowed to individuals through occupying positions of public office or positions in the formal private economy.
- The analysis of illegal economies should not see the nation state as simply passive. Mainstream discourse on organised crime shies away from noting how contradictions in government policy may be creating the conditions for illegal economies to thrive. The cause of organised crime can not always be attributed to a raiding external force. In doing so, the result can be politically convenient as well as theoretically misleading.
- The impact of illegal trade—be it detrimental or positive—should be considered and made explicit. The mainstream discourse on organised crime has relied on a vague sense of threat based on the notion that criminal groups have a sinister agenda. Too often images of the corrupting virus are not substantiated and this gives the impression that analysts have not fully identified the true harms of organised crime. Any alternative analysis must be prepared to make a thorough appraisal of what the threats and harms of illegal economies are. This will be crucial if policy debates can be steered away from simply incarcerating criminals.
- The mainstream discourse relies on law enforcement statistics to indicate the success of law enforcement policy on reducing the impact of organised crime. Such statistics tend to be seizure data and arrests. However, it should be noted that these do not provide an insight into the success of law enforcement in reducing the harms associated with an illicit economy. An alternative approach must measure the success of

policies with indicators of an actual reduction in the detrimental impact of the economy.

- Research into illegal economies must develop inventive and deductive research methods. The mainstream discourse has relied heavily on law enforcement data, which has often been used uncritically. That is not to suggest that law enforcement data should never be used. However, it should be done so with recognition that the work of police is selective and their knowledge often incomplete.
- A dynamic theory of criminal organisation needs to be explored using the four models of hierarchy, networks, markets and clans. This theory must explore the conditions under which certain co-ordinating mechanisms are favoured and what the ramifications are of different organisation in an illegal economy. For example, how do external factors influence changes in the way in which participants in the economy are related to each other? Does a change in the co-ordination of the economy influence the impact of the economy? We may notice, for instance, that a shift in demand for the underlying commodity may bring about greater competition in the supply industry that may result in an increase in competitive violence.
- Policies for dealing with illegal trade should identify clear objectives. Due to the underlying metaphor of the virus, mainstream discourse has continued with a general policy that sees the removal of organised crime as the key objective. A systematic view of illegal economies may show that this is neither possible nor entirely desirable. Indeed, an alternative perspective must critically analyse the impact of law enforcement. The mainstream discourse tends to assume that *more is always better*.