



Organized Crime Research Brief no. 7

Factors Shaping OC

BUILDING A SAFE AND RESILIENT CANADA

The structure of organized crime can tell us about available criminal opportunities and criminal operations, as well as the enforcement environment. Group structure is a result of external factors, mitigated by individual resources and decision making.

The purpose of this report was to review the literature pertaining to the structure of criminal organizations and networks in order to identify the variables that can be applied to the development of analytical models. The analysis presented in the report was intended to help police and policy-makers to understand how specific features of individuals, groups, and environments may assist in the assessment of the scope and structure of organized crime networks, as well as the linkages between criminal entrepreneurs, groups, and organizations.

This report assessed a number of individual, group, and environmental level variables that may influence how individuals or groups structure their criminal operations in a variety of criminal markets and legitimate settings. The report focused on the following themes: formal organizational membership and trust; personality; financial and material resources; violence; technological and private protection capacities; language skills; ethnic composition and social embeddedness; crime mobility; diversity and continuity; upperworld conditions and facilitators; criminogenic opportunities; and target priority.

Individual, group, and environmental level factors all have an impact on the structure of criminal organizations.

At the environmental level, low cost entry to an industry and lax regulation are the primary criminogenic opportunities that rendered a legitimate industry most vulnerable to the emergence of

organized crime groups. Greater impunity in the political environment, for example, gives criminal groups more time to organize themselves at more sophisticated levels. The main effect of increased demand or supply for an illicit product or service is a more competitive market and greater opportunities for all individuals or groups involved.

At the group level, greater financial stratification among groups is an indication that the organized crime setting is increasingly skewed toward a select few criminal entrepreneurs and groups. Escalating violence is a sign that the setting is increasingly polarized around fewer groups.

At the individual level, the expected effect on the structure of organized crime remains speculative and requires further empirical testing. Technological competence, language skills, and intergenerational mentoring were all identified as marks of a competent individual who is likely both effective and efficient in his or her personal criminal ventures. At this point, an inverse relationship between levels of individual skill and the group formalization is the most tenable hypothesis, but such resources are of value in a centralized or decentralized organized crime setting.

Where there is a high demand for illicit goods and services, the existence of many criminal opportunities, and low impunity individuals and groups will respond by establishing decentralized co-offending relationships that increase personal autonomy. In contexts where demand for illicit goods and services is lower and supplying such services is riskier, individual autonomy is often displaced by the need for more centralized organizations that will govern the behaviours of members who are not able to survive on their own. Such tight criminal markets are not likely, particularly with regard to the current state of criminal markets. Impunity, however, is a key



condition that must be considered. Even in a setting with high market opportunities, formidable criminal organizations are likely to emerge if law enforcement checks are neither consistent nor effective.

Finally, the contextual factors that affect the emergence of organized crime groups in legitimate settings also influence the impact that lower-level factors (e.g., personal attributes) will have on the structure of organized crime. The likelihood of collusive agreements between under- and upperworld participants is conditional on lax regulations and the composition of the labour force in that industry. Any legitimate sector may contain a number of workers and professionals who facilitate the actions of organized crime participants. However, it is only under specific circumstances that such facilitation becomes structured to the extent that an organized crime group is seen as taking over a legitimate sector.

This report advanced the discussion over the potential operational utility of social network analysis techniques, and laid some of the necessary theoretical groundwork for developing these techniques in ways that will be of value for law enforcement investigations. In order to do so, the authors addressed current issues regarding data access on offenders, potential analytic approaches to combining social network and statistical data, and areas of possible fruitful research in this field. They also discussed data quality issues, and potential new approaches for gathering data that will allow for more sophisticated analyses of groups of co-offenders and criminal organizations. This research was a first step towards a more nuanced and operationally-oriented approach to understanding the factors that shape criminal organizations.

Morselli, Carlo, Thomas Gabor, and John Kiedrowski. (2010) *The Factors That Shape Organized Crime*. Ottawa, ON: Public Safety Canada.

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