

# Sociology essays - causes of organized crime



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## Causes of Organized Crime

### *Introduction*

Global organized crime exists in almost every country worldwide and continues to expand in size infiltrating new economies. The emergence of cutting edge technology, growing businesses, and political pressures have opened up new avenues for these criminal organizations to prosper. There is currently no universally accepted definition of organized crime, however the most concise definition states that organized crime involves a continuing enterprise operating for the production and sale of illegal goods and services (Jones, 2005). Combined economic losses upwards of 500 billion dollars a year have been reported on a worldwide scale stifling some economies and consuming business entities completely. Atrocities are being forced upon the unfortunate victims of organized crime. Some of these affronts include torture, loss of wealth, violence, extortion, theft, blackmail, physical harm, and murder. The infiltration of these crime groups reach all over the world, from underdeveloped to developed countries with no immediate means of halting its progression.

Organized Crime thrives on the infiltration of legitimate business much like a parasite, attaching itself and stealing from the host. Criminal groups do this to create income, skim profits, gain power, and launder money. This is mostly known as white collar crime committed by individuals working for the company. However, mafia families have begun to implant themselves deep into multinational corporations in order to generate massive revenues to bypass having to take on riskier investments such as narcotics trafficking.

The introduction of rapid money transfer on a global scale has opened up opportunities for illicit monies to trickle into legitimate accounts through manipulation of the system. At this time the Italian mafia is the largest and most powerful crime group in the world, with the Russian mafia quickly growing both in numbers and finances. The criminal activity and the fallout from such acts can not be ignored by the governments from which they operate. A complete understanding of the causes needs to be attained in order to combat the crime groups. Lampe (2006) explains that over the past years the subject of Organized Crime has almost become its own sub-discipline and due to the several diverse markets and models that the issue encompasses it requires a disciplinarian approach to absorb all of the information. A solution to organized crime needs to be achieved, or at the very minimum an understanding of how and why these groups are so successful in their endeavors.

This issue is very large and requires insights from multiple disciplines. It is unrealistic to make an attempt to solve, or at the least fully comprehend the complexity of the causes of global organized crime. There are too many aspects as to why and how this phenomenon operates to funnel all of the information into one discipline. Repko (2005) explains the basic requirements for justification of the interdisciplinary method. The use of the interdisciplinary approach is needed here because it is a complex problem that crosses boundaries between disciplines, and has generated interest from multiple disciplines. Also, it is a broad issue spanning the world affecting every society it operates in. These justifications make it an appropriate candidate for this method of analyzation.

Several disciplines could be explored in order to understand the problem, some of which are economics, business, sociology, economics, law, anthropology, history, and political science. For the purposes of this paper *psychology, business, and law* will be applied to the global issue of organized crime. These three disciplines provide the necessary perspectives and insights needed to fully comprehend the problem as a whole.

### ***International Law***

Law is essential to analyzing this problem because of what organized crime is, a criminal enterprise participating in illicit activity. The existence of such an entity is illegal and breaks laws all over the world. This discipline contains perhaps the most relevant insights of any of the others mentioned above. An understanding of how laws have been broken both in regards to international legislature and personal tort law are needed to fully comprehend the massive operations that involve organized crime. This field will also shed insight into the cooperation or lack of cooperation between governments and how they approach these criminal groups from a law enforcement position. Criminal activity committed by these groups such as extortion, illegal trafficking, and murder will be explored in this discipline.

### ***Psychological Aspects***

Understanding why people choose to participate in the illicit activity of crime is also very relevant to the issue. Are there certain reasons as to why some people are attracted to organized crime? The human brain is incredibly complex and in order to explore all of the causes of organized crime psychology must be brought into the process, this field of study will allow a more internal perspective of the individuals' motives for participating in

organized crime. Contributing reasons for crime will be explored ranging from simple greed to financial or physical duress.

### ***Business Organization and Structure***

The discipline of business will be applied to the problem in two ways. The first approach being how the legitimate businesses are being infiltrated, and the second will be an examination of how the actual Mafia organizations are structured in order to achieve their goals. The Russian, Chinese, and Italian mafias each have different ways of organization and operation. The concept of infiltration of legitimate business will be explored, as well as the implications of committing to the endeavor. Each criminal organization is well structured to maximize their potential and keep their operations out of the public eye. This is achieved through solid means of business management, and by gathering insights from this field information can be gathered on how these illegal syndicates function so well.

The purpose of this paper is to explore the aspects of organized crime and the reasons that allow it to succeed, as well as what can be done to stop it or at least make improvements upon the policies and regulations that are currently implemented in order to prevent it. Many articles have been written on the subject but the main goal of this paper is to bring all of the insights together in a cohesive compilation to achieve a better understanding of the problem. The information presented comes from a compilation of criminal organization articles and books stemming from multiple disciplines, each providing relevant information on the subject.

This is where the interdisciplinary approach is unique in that it takes all of those insights and forms a new, more refined conclusion. A complete understanding of the functions of organized crime lies not in one discipline, but in several. It is in the accumulation of knowledge and the eventual integration of the relevant insights from those disciplines that gives the researcher a unique perspective of the problem. Gathering the insights offered by economics, law, and business for the purposes of integration through an interdisciplinary investigation makes it possible to achieve a more holistic understanding of the issue as well as means to a possible solution.

### ***Background***

Law is the most pertinent discipline in regards to understanding the causes of organized crime activity. It serves as the basis of determining what is legally accepted and what is not within a society. Psychology closely follows the previous discipline as far as importance due to the need to understand the reasons for which an individual decides to participate in organized crime. Business is the third discipline used in the process because it simply is an integral part of organized crime. Whether it be through understanding how the organization is structured or how the organization infiltrates a legitimate business this discipline requires attention.

The most powerful and influential group in organized crime has been the Italian mafia, its origins reside in Sicily in the 1860s. Sicilian oranges and lemons were shipped to the United States in the 1800s. In the mid 1880s 2.5 million cases of fruit arrived just into New York every year, mostly from Palermo. In 1860 the lemon groves were considered the most profitable

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export in Europe. The lemon trees however were highly vulnerable, vandalism directed at the fruit were a constant risk in Sicily. This high vulnerability and high profit was the perfect environment for mafia protection rackets (Dickie, 2004). When Geribaldi arrived to start the unification of Italy in the early 1860s he found the gangs useful allies. He used the local gangs, the mafiosi, to manipulate votes as well as exploited charities and banks to funnel funds. The church and local aristocrats grew into collusion with mafia members of the time. Palaces granted access to known assassins and the local Catholic Church turned a blind eye to the activities. The mafia had become intertwined with local government and politics (Smith, 2003).

The Italian Mafia's origins reside at the time the Italian state developed. The unification of Italy allowed for the mafia to find its new homeland. When the aristocracy collapsed upon the unification of Italy, there was no elite society to run the government. This left a void in which the mafia filled in for the ruling society. With the aristocracy failing their land was divided and sold to the rising middle class, it was this creation of a new market and the middle class which allowed for the mafia to prosper further. With no strong government in effect to combat the growing mafia threat organized crime thrived off of the instability. Violence rose during this transitional period. With the lack of governmental control and the rising middle class the mafia provided and guaranteed protection for the businesses in exchange for payment. This can be seen in Russia today, the lack of government enforcement has given rise to the Russian mafia. This became central to the mafia's success and growth, the protection rackets. The complete failure of

the newly formed government allowed for the organized crime members to form their illegal enterprises. It was not until World War II when Mussolini took over and drove the mafia underground. Since that time ruling political powers have had a mutual advantageous relationship with organized crime (Shelley, 1994). It is this exploitation of opportunity combined with the lack of governmental control that allows organized crime to thrive.

In 1963 Joseph Valaci testified to the existence of the Cosa Nostra, the Italian Mafia, thereby confirming its existence here in the United States. At that time the crime syndicate was much larger in members than of recent years. Upwards of 5, 000 “made” members were spread among two dozen families with New York’s five families and the Devalcante family of northern New Jersey making up half of the national total. The New York Gambino family retained the most members of any family at that time. The other families operated out of cities such as Chicago, Buffalo, Detroit, Philadelphia, and Cleveland. By the year 2000 those numbers had dwindled to 1, 150 members according to FBI estimates, most of those remaining still operating in the city of New York. Those families operating outside of New York City have for the most part disappeared (Unknown, 2001).

In 1913 the structure of the Italian mafia changed after the resolution of a war between rival organized crime groups over bootlegging rights. New York City was and remains the center of mafia activity with the five families in charge (Marine, 2006). The mafia families grew because for many years the federal government refused to recognize the threats posed by the organizations, therefore the action taken against them was slow to be



enacted. This period is reminiscent of early Italy in the late 1800s, due to the lack of governmental intervention organized crime flourished.

Dickie (2004) states that when the prohibition was enacted in January of 1919 it instantly handed over one of the largest money making industries to the criminals. Gangsters raked in massive amounts of tax-free money through the production, packaging, and transportation of booze to the speakeasys they owned and operated. Though illicit, they formed effective and prosperous businesses during this time and made an estimated \$2 billion dollars. It was during this time that local organized crime groups in major cities were formed to control bootlegging operations in order to maximize profit and insure survivability of the organizations (Marine, 2006). Organized crime groups did more than just steal and force their will upon others, they formed successful business ventures, which continues up until today.

Another aspect of organized crime is white collar crime which involves embezzlement, fraud, and theft usually committed by employees of the organization, an inside job. In the last ten years crime as a whole has dropped, however white collar crime has risen ten to twenty percent. This increase is due to a booming economy and technological advancement such as the Internet and fast money transfer systems. Law enforcement is sometimes reluctant to pursue these cases because they are so hard to track and investigate. A white collar crime case can take upwards of ten years to fully investigate and prosecute (Blair, 2000). The largest white collar crime as of late is the Enron scandal. Enron consisted of a scheme to use false partnerships to disguise the performance of the company and in doing so made millions of dollars. The charges brought against the people included

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fraud, money laundering and conspiracy. The chief accounting officer entered into an illegal agreement that Enron would shield the partnership from losses. The fallout of this case included jail sentences ranging from 5 years to 24 years as well as thousands of employees' financial portfolios damaged (Grunfield, 2006). Much of the organized crime committed today consists of white collar crime, with no reasonable means to halt its growth it will likely continue to expand further.

Organized crime effects everyone, whether it be through financial, legal, or political means. The price of goods or services vary depending upon influence asserted by some mafia organizations. Insurance payments increase partly due to fraud, while everyday products' prices may change depending on the financial losses that the manufacturing company incurs due to white collar crime. Citizens that live in cities heavily infiltrated by mafia organizations such as Palermo, Sicily, have to deal with the politics of the region being unstable due to interference. Regions in some third world countries are thrown into disarray because of the illegal activities of large illicit organizations.

The focus of the interdisciplinary process, which is being used in this paper, is to explore multiple insights from several perspectives to educate one's self on the causes of organized crime. Also, in completing this paper the author will have explored multiple disciplines in an effort to achieve a better understanding of this real world problem (Repko, 2005). Fully understanding the factors that cause organized crime will help establish means to combat it at a psychological and legal level.

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