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# The Impacts of Organised Crime in the EU: Some Preliminary Thoughts on Measurement Difficulties

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## ABSTRACT

This article analyses the social construction of the problem of organised crime and associated problems of measurement. It reports on a study conducted for the European Parliament which had three principal aims:

1. To produce a critical assessment of the state-of-the art in terms of what is and is not known about the prevalence and distribution of different forms of organised crime.
2. To set out a robust conceptual framework which would enable us to think more clearly and coherently about the costs of organised crime going forward.
3. To use this assessment and framework to interrogate empirical data on the costs of organised crime in the EU, where it is available and is judged to be reasonably valid and reliable, to produce informed estimates of what these social and economic costs might be.

It comments on the conceptual and empirical problems involved in this exercise and the policy issues that arise in the context of it.

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## BACKGROUND AND INTRODUCTION

There is consistent and widespread concern across the EU institutions and EU Member State (MS) governments about the negative impacts that organised crime has upon the security of individual

citizens, communities, businesses and MS. Set against this backdrop, the European Parliament commissioned a study to synthesise the research evidence base in an effort to produce a reasoned estimate of the costs of organised crime across the EU, against which to develop policy responses (though it is the view of this author that policy responses are seldom actually or even normatively deducible from harm data). Many estimates of organised crime and money laundering represent what Reuter (1984) termed ‘mythical numbers’ and van Duyne and Levi (2005) termed ‘facts by repetition’, i.e. they have little plausibility but become facts by dint of being regularly picked up by electronic media trawls and repeated. They are also institutionally useful as ‘problem amplifiers’ to those making claims for more resources, powers and attention. Indeed, once some numbers – mythical or not – exist, then this creates pressure for other numbers to be created, in order that those other areas of criminal activity are not disadvantaged compared with those for which large numbers exist.

In a number of areas, suitable data to prepare informed estimates of cost are lacking wholly, or in part, due to figures being produced via methodologies that render them unreliable. However, this does not mean that social harms cannot be identified, without producing imaginary numbers. For example, there are the human costs of collapsed bridges, buildings and roads due to bad construction combined with corrupt construction contracts: commonplace in developed and developing countries where Mafias with political connections are able to monopolise large public contracts, including those from the EU (Transcrime, 2013). The economic and social costs of these far exceed the illegal profits made, to which we should add the social anxieties of citizens who have no one they can turn to to deal with exploitation, and the destruction of entrepreneurial drive that such criminal monopoly or oligopoly creates.

Organised crime is an ambiguous and contested concept. If the crimes and their apparent (possibly concealed) organisation do not fit the imagery of cunning, trafficking and violence, then most citizens would think that there was not a problem of ‘organised crime’. On the other hand, the UN Convention Against Transnational Organized Crime signed in Palermo in 2000 sets a far lower standard for the label, to the extent that ‘organised crime’ can be three burglars and a window cleaning service or even lower criteria used in the UK government’s Organised Crime Strategy 2013, which notes (para 2.5) that “For the purposes of this strategy, organised crime is serious crime planned, coordinated and conducted by people working together on a continuing basis. Their motivation is often, but not always, financial gain.” Although there may be nothing disorganised about their conduct, such a business is far from the popular or the police image of organised crime.

Conversely, major frauds committed by less than three people would not count even if they took billions by fraud. This author has introduced the phrase ‘The Organisation of Serious Crimes for Gain’ (Levi, 2012), which tries to capture the complexities better, just as the UK and Europol have made ‘serious’ an alternative or supplement to ‘organised’ as a basis for intervention. Such attempts notwithstanding, however, ‘organised crime’ is not easily dispensed with as a term, because it is the antithesis of “opportunistic-individual” crime and also precisely because of its evocative connotations of interpersonal and social threat; and membership of a criminal organisation (however tricky to define operationally - see the Home Office’s Serious Crime Act 2015) triggers greater investigative powers and tougher sentences in many countries, particularly in the EU. This article seeks to tease out the nature and extent of harms associated with organised crime, and concludes with the implications of the study.

## Aim

This study had three principal aims:

1. To produce a critical assessment of the state-of-the art in terms of what is and is not known about the prevalence and distribution of different forms of organised crime.
2. To set out a robust conceptual framework which would enable us to think more clearly and coherently about the costs of organised crime going forward.
3. To use this assessment and framework to interrogate empirical data on the costs of organised crime in the EU, where it is available and is judged to be reasonably valid and reliable, to produce informed estimates of what these social and economic costs might be.

## Methodology

The research itself involved a multi-lingual evidence search and appraisal exercise, in which we reviewed studies that made claims about costs of organised crime generally or particular activities, in the EU and in individual Member States. In engaging with the aims outlined above we identified a number of cross-cutting problems with the current knowledge base that profoundly limit our ability to guide decision-making with soundly based knowledge of what the costs of organised crime are. These gravitate around a number of core issues using the well known PESTLE framework, including

- Political – there are priorities that may be agreed across the EU, for example via the Serious and Organised Crime Threat Assessment (SOCTA) policy cycle. However the very different political contexts that exist across EU MS shape what other issues and problems

are defined as priorities in practice by enforcement and other agencies and institutions that can have a preventative function. There are also different traditions of national and local data collection. Consistent data are seldom available across different problem types for many MS, making meaningful comparisons difficult.

- Economic – the economic situations of different EU MS shape their exposure to different organised crime risks. For example, some states have difficulties because they are points of origin for trafficked human beings, where others are points of destination. This makes it a mistake to extrapolate even from relatively robust data produced in one MS to estimate the problem across the whole of the EU.
- Legal – different legal regimens and traditions (including data matching in the private and the public sectors, and proceeds of crime seizure and confiscation regimes) alter the costs and possibilities of responding to organised crimes of different kinds, as well as the organisational inputs that are involved in effecting any such responses.

### **The Analytical Approach**

There are at least two ways of defining ‘organised crime’. The first is to focus on Mafia-type associations – the image (and legal category in Italian law) that most graphically captures what many people think of when they use the term. The second is a looser set of networks with far less stability or hierarchy whose participants supply markets with illicit goods and services they desire: this represents the reality of ‘organised crime’ in most areas of most EU Member States (MS). The Mafia-type associations have activities in other MS, but we cannot easily identify a particular sets of costs attached to it, except in Italy and up to a point in Bulgaria. Therefore we chose to look primarily at the costs arising from the looser networked ‘organised crime’. One of the problems in this field is that different types of crime have different levels of visibility, and the plausibility of their attribution to ‘organised crime’ is also variable. VAT frauds involving missing traders, for example, are hard to imagine without being ‘organised crime’, and this may generally true of extortion whether offline or online, via ransomware. Other areas may be more problematic and we stress that this exercise involves both estimating the volume of hard-to-measure crimes *and* working out how much of those crimes is the product of ‘organised crime’.

Informed by published and other readily available data on different forms of organised criminal activity across the EU MS, Levi et al (2013) outlined an innovative analytic framework that can present a systematic and structured picture of the various types of costs associated with organised crime. The analytic framework draws distinctions between:

- Predatory (crimes with specific victims) and market based organised crimes (like drugs and people smuggling);
- Direct and indirect costs;
- ‘Upstream’ and ‘downstream’ control/response costs.

In particular, it may be helpful to distinguish between:

- Private costs: which impact upon individuals directly connected to the victim;
- Parochial costs (Hunter, 1985): that are born through community ties, for example extortion threats or Ponzi fraud against a particular business community or ethnic group;
- Public costs: are where the impacts are shared between citizens who are not directly connected to each other.

The principal advantage of introducing such an approach is that it steers attention in meaningful ways to those who are exposed to any such costs and could contribute data to fill in our understandings. For example, some forms of fraud tend to predominantly involve private costs - the victims are dispersed individual citizens of the EU. The main targets of other fraud types are small businesses, social enterprises and individuals who are inter-connected, and so involve parochial costs. In addition, some frauds, against EU institutions for instance, involve public costs (House of Lords, 2013; Levi et al., 2007; NFA, 2013; OLAF, 2013).

This emergent framework builds up a picture of the different kinds of costs induced by organised crime, taking account of data availability and quality, enabling a way of progressively widening the scope of what is included in the count of costs. Unfortunately, there are so many gaps in the data available that this short scoping study was unable to fulfil loftier ambitions and produce actual estimates for most offenses.

### **What are we seeking to measure?**

Is the target of anti-organised crime measures a broad range of acts (such as the full range of crimes that ‘organised criminals’ may be involved in committing), a specific set of acts (like ‘human slavery’ or ‘payment card fraud’) or a particular set of actors who constitute a threat and their ‘enablers’, both intentional and reckless/careless. It is seldom easy to know how much of that damage is caused by any particular set of actors and there is a tendency for both public and private sector actors to engage in what security professionals term ‘shroud-waving’ in order to attract resources to their issues, to enhance resources and powers.

### **PERCEPTIONS OF ORGANISED CRIME**

Perceptions of threat are distinct from evidence about actual risks and costs, though insecurity is a cost in itself and has political impacts (as does its absence in lack of support for control measures). When Scots were asked which crimes they associate with ‘organised crime’, the three crimes highlighted by respondents were drugs (use and selling) (72 per cent), money laundering (20 per cent) and people trafficking (18 per cent) (IPSOS MORI, 2013). Yet of the 10 per cent who stated that they had been affected by organised crime in Scotland in the past three years, theft and burglary ranked relatively high, while drugs and payment card fraud were the only crimes that featured in the perceptions list above. Whereas most Scots consider organised crime to be a serious issue ‘in Scotland’ – creating fear and drug abuse - only a third considered it to be a problem in their area. So it appears that the government and police have not convinced many of the public that organised crime affects them personally, even if they agree that it is a more abstract threat to the nation. So unless people think there is a highly organised Mafia (like in *The Godfather* or *The Sopranos*), they do not accept that there is ‘organised crime’ where they live. The construction of this in Scotland is likely to be very different from that in Bulgaria or Italy, and this is both a fascination for sociologists and social psychologists and a problem for policy makers and enforcement officials who may consider that the public under-appreciates the threat posed by organised crime in the UK.

### **COSTS OF ORGANISED CRIME**

Translation of harms into money can be a way of disciplining subjectivism (Greenfield and Paoli, 2013; Paoli and Greenfield, 2013), and in principle, ‘willingness to pay to prevent harm x’ – is a way of revealed preferences (though in the real world, differences in ability to pay may make more practical impact). The history of ‘threat assessments’ is one of largely political (with a small ‘p’)



judgements dressed up as scientific ones, but there are ongoing efforts (refs) to make these more rigorous. Estimating the costs and harms of particular issues is different from estimating what criminals make from crime and how much of those proceeds they are laundering. (For recent European work on the latter, (see Antonopoulos and Hall, 2015; CSD, 2015; Dugato et al., 2015; Levi, 2015, Savona, 2014). The harms from crime may be far greater (or far less) than the benefits to offenders: toxic waste dumping and some forms of counterfeiting that do not involve physical harms are examples. Others are highly contested: the boundaries between sex work, people smuggling and trafficking for example. Much crime – even as part of ‘organised crime activities’ – might better be described as ‘offend to spend’ rather than ‘offend to save and legitimise’. In short, estimates of the cost of organised crime and of laundering must be looked at with a sceptical eye and can even be counterproductive given that the gap between the proceeds of crime confiscation (worldwide, maximum \$2 billion annually) and the estimated proceeds of crime, which is guesstimated/thought to be in the trillions or – more conservatively – multi-billions of dollars. Realistically, such a gap cannot be bridged. The most pressing question, therefore, is what the practical implications of this gap are for strategies and tactics.

Research in this field is still at an early stage. Our study conducted for the European Parliament (Levi et al., 2013) identified minimum total costs of organised-crime activities in the European Union to be €126.3 billion; €1.2 billion for identified budget enforcement costs (excluding most national agencies); and €34 billion for costs related to drug treatment. More specifically, these costs were broken down into different areas of criminal activity on which there is variable data both about levels of harm and about the organisational contexts in which they occur. These latter issues are important because they are affected by the social organisation of crime prevention and data matching (or rejection thereof for privacy reasons). The integration of payment card data (by banks), credit applications (via the not-for-profit CIFAS and by for-profit credit reference agencies) and insurance claims (via the industry mutual body the Insurance Fraud Bureau) have transformed our assessment of the financial transactions as frauds rather than losses/claims, and social network analysis using data integration packages have shown that what formerly were regarded as individual acts of either non-criminal loss or fraud were in fact connected as fraud rings such as Crash-for-Cash rackets (Levi, 2008, IFB, 2013). In other European countries, the more hostile legislation and cultural attitudes to data sharing for crime prevention make such integration (and awareness of ‘organised crime’) impossible, so losses there may be greater but awareness of them as ‘organised crime’ are far less. (Though that may not stop assertions about their vast scale – simply that there is a poorer evidence base for their magic numbers.)



Table 1: Estimate of the Minimum Identifiable Direct Economic Costs of Selected Activities of Organised Crime in the EU in 2012.

<b>Organised-Crime Activities</b>	<b>Direct Economic Cost (€)</b>
Human trafficking	30 billion
Fraud against EU (cigarette smuggling)	11.3 billion
Fraud against EU (VAT/MTIC fraud)	20 billion
Fraud against EU (agricultural and structural funds)	3 billion
Fraud against EU individuals	97 billion
Unrecovered motor vehicle theft	4.25 billion
Payment card fraud	1.16 billion
Insurance fraud	1 billion (in UK alone). Other EU countries' insurance sectors do not collect these data

Table 1 shows the estimated direct economic costs of some organised-crime activities within the EU. More detailed analysis of individual components may be found in Levi et al. (2013). The social and economic costs of organised crime in the UK alone were estimated by a recent Home Office study at £24 billion (Mills et al., 2013): ‘drugs supply (£10.7 billion), organised fraud (£8.9 billion) and organised immigration crime types (£1.0 billion) have major impacts on the UK, and other less visible crimes also cause substantial harm’. The Home Office study, like its predecessors, attributes all of the consequences of drug misuse to organised crime, implicitly (and, given the UN definition, arguably) on the grounds that without organised crime there would be little or no illegal drugs available. Thus, for example, deaths from illegal drug use and their economic consequences – notwithstanding the low economic productivity of many drug users – are attributed to organised crime. Levi et al. (2013) argue, however, that the harms from illegal drug taking are significantly affected by how one treats the commodity and its suppliers and users. On this logic, it would be a mistake to lump the iatrogenic impacts of drug policy into the category of ‘organised crime costs’. If successes in the reduction of supply lead to more inconsistent and toxic ‘cutting’ of products whose purity is not standardised and is not visible to users, there will be more fatalities and serious injuries. No economically rational drug dealer (or alcohol counterfeiter) would kill off purchasers (though some do make misjudgements about the effects

of their cost-cutting measures, as do otherwise legitimate businesspeople); and killing off criminal rivals attracts too much media and police ‘heat’ unless the group is strong enough to threaten or resist the state, as sometimes happens, at least episodically.

The economic and social harm of human trafficking might rationally be compared with its opportunity cost for those in poverty and war-damaged zones from which many victims originate. The main legal differences between trafficking and smuggling are that migrants usually pay to be smuggled, but traffickers generate money from the ongoing exploitation of their victims, even when originally paid to smuggle them voluntarily. Smugglers only generate money from the movement and illegal entry phases, and smuggling must involve illegally crossing a border, whereas trafficking can also occur within a country. The tragic loss of lives – especially at sea but also in trucks - has highlighted the huge market in smuggled people, for whom large investments in search of a better life or flight from an imperilled life constitute a rational choice. The costs and benefits of people smuggling accrue in different places: some may see harms to the UK labour market, for example, but businesspeople and illegal migrants may see this as enthusiastic and cheap labour. There would be a much smaller market for illegal emigration if those extended families who raised funds to pay the smugglers were not usually repaid by the migrants afterwards: otherwise (except where death and torture were the alternatives) it would be irrational for the families to invest such (proportionately vast) sums in their collective futures. Even many of those trafficked send some funds back to their families. It is unknown whether the better communication of risks to people living in developing countries would have much impact – an aspect that remains underexplored.

Human trafficking is a different matter, as it can entail rape and slavery (often after voluntary migration), and its socio-economic costs have been estimated to be high in all studies. However, the very real issues inherent in people trafficking notwithstanding, it is not clear in what sense the 2,340 victims who were referred to the UK authorities in 2013 (National Crime Agency, 2015) - an increase from the 1,746 in 2013, 1,186 in 2012 and 946 in 2011 - constitute a real rise in numbers rather than better identification and recording; or represent a national security threat to the UK, as opposed to a human security threat to those individuals. Much of the human-trafficking/modern slavery debate is over highly contested estimates – especially over the numbers of people trafficked to various parts of the world – which have become a political football between IGOs, NGOs, religious groups and other interested parties.

Similar observations apply to the very different field of cybercrime, where business interested in selling software services to the public (Symantec, 2013) and to business and government (BAE Detica, 2011) have been alleged to have improperly amplified the scale of ‘the problem’ by mixing up highly speculative scale estimates of some types of e-crime (especially commercial espionage and Intellectual Property Theft) with some real data (Anderson et al., 2012; McAfee, 2014), in a way previously done by financial consulting firms with fraud generally (Levi et al., 2007). Tax gap estimates and the role played by intentional frauds in them remain a matter of controversy, at both national and EU levels (HMRC, 2012, 2014; Reckon, 2009; CASE, 2013), but their impact on national budgets are significant.

While most criminal activities are threatening, their impact varies widely by social group and by region. It would be a mistake to focus on individual incidents, though some ‘signal crimes’ (Innes, 2014) can have a symbolic effect in transforming political assessments of harm which, in turn, motivates action at the political level and in society more widely. Instead, decision-makers must determine at what frequency and level of seriousness organised-crime acts become a threat to some important national interest (be it social values or economic interests).

There are many sorts of harms arising from crime, whether organised in Mafia-type Associations or not. The additional harms of ‘organisation’ consist of political and enforcement corruption, and the sub-standard, overpriced quality of construction and other services, along with threats to enterprise and an alternative structure of economic ‘progression’. There is no credible basis for imputing economic costs to many aspects of these costs.

### **Homicides connected with organised crime**

Violent crimes, particularly homicides, offer another area of evidence from which conclusions about the prevalence and reach of organised crime can be deduced. In southern Italy, homicides and threats by organised criminals are commonplace (though expectations can command acquiescence without the need for specific threats; and as in Colombia, rates can vary greatly in different periods as responses to control efforts). Meanwhile, a British study (Hopkins et al., 2013) concluded that about 6 per cent of criminal homicides in England and Wales in 2005–06 had some form of link to organised crime. Of the 696 cases reviewed, fifty-four were attributed by circumstantial evidence to the activities of organised criminal groups, and of these, seventeen were directly caused by groups with a distinct organisational structure (corresponding perhaps to Mafia-type associations). Those cases with such links were far more likely than other homicides to remain

‘undetected’ by police. The aggregate level of criminal homicide has declined significantly in recent years across most European countries, but given that most homicides in most countries are domestic followed by acquaintance killings, it is not possible from this alone to deduce that violence associated with serious organised crime has been declining too.

Among the EU member states, Italy, Belgium and Bulgaria top the figures for per capita homicides by firearm, with Italy also ranked highest in terms of the absolute number. England and Wales has one of the lowest per capita rates of gun-related homicide in Europe, but the absence of studies on organised crime related gun homicides elsewhere should induce caution: guns are also used in family homicides. Taking its figure of 6 per cent of homicides being linked to organised crime as an average rate for Europe, and using EU homicide data for 2010, this would imply conservatively some 500 organised-crime-related homicides in the EU. However, because such violence is unevenly distributed, the rates in some jurisdictions are significantly higher (and conversely lower in others). The professional consensus is that criminal markets give rise to far less actual violence than people generally believe, and that homicide and other serious violence is normally a result of unstable personalities and market incursions by outsiders. Outside Italy, Mafia-type large scale organised crime is rare in the EU: looser SME-type affiliations are far more widespread. On the other hand particular incidents can give rise to ‘moral panics’ about previously undetected organised crime influences: 6 mobsters were assassinated by Italian gangsters outside a pizzeria in a sleep German town of Duisberg in 2007, and eventually leaders were imprisoned, but meanwhile there have been many stories about the ‘Unstoppable’ spread of Calabria’s ‘ndrangheta mafia sees outposts established in UK and Ireland’ (*The Independent*, 22 June 2012).

### Cost of responses to organised crime

It is important to look at the costs of responding to organised crime, but to keep that separate from the costs of crime themselves. The minimum response costs to organised crime *at an EU level* are €210 million (Europol/Eurojust/EMCDDA/Frontex only): this does *not* include *national* agency budgets. In the UK alone, for example, the 2013/14 budget for the Serious and Organised Crime Agency was €498 million, and this does not include main UK policing or prosecution costs. A substantial proportion of the Metropolitan Police Specialist Crime Directorate budget of €490 million in 2012-13 was spent on organised crime (€17 million was budgeted 2013/14 for reducing serious and organised crime by disrupting criminal networks; the budget for the later disbanded Police eCrime Unit was €12 million). The Italian DIA’s budget has dropped markedly in recent years to around €10 million, but there are significant expenditures on organised crime by other

Italian investigative bodies. In addition, there are many other costs, for example the very substantial ones incurred by the private sector in responding to money laundering and transnational bribery - as required by EU Directives and other legal obligations – and (in their self-interest) frauds and conventional crimes against them. These have not been reliably counted across the EU or even in any individual MS, but they comfortably exceed the cost of EU-level anti-crime expenditures from the EU budget.

EMCDDA (2013) has estimated €34 billion as the cost of responding to illicit drugs in the EU. Some might consider that these are costs of illegal drugs themselves. But health expenditures are only partly a reflection of problem drug use itself, and treatment costs are determined by what governments are prepared to spend on drug treatment, not on its impact on users or society. (See Trautmann et al., 2013 for some detailed analysis.)

Analysing cost directs our focus to fairly specific and material consequences of serious crimes for gain, but we can fail to assess the benefits to some parts of the population as well as harms. Where state institutions have only a minimal footprint or legitimacy, the activities of some organised crime groups also provide publicly valued protection and dispute settlement services that the state fails to do. If organised crime groups do occasionally act as a ‘shadow state’ then is it right to see this solely as a cost? Mafia-type Associations may be concentrated in some pockets of the EU, such as Italy and Bulgaria – and might reasonably be viewed as a threat to the state there - but have primarily a local or at most regional effect elsewhere – though their laundering may assist crimes elsewhere. In looser networked terms, some activities of organised criminals do cause severe harm, and criminal capital is a source of criminal reinvestment and enhancing the capability to do further harm; but this occurs *without* the intertwining of criminality with politics that makes organised crime a threat in some MS.

## CONCLUSIONS

Based upon expert assessment of the current state of our knowledge about the prevalence, distribution and impacts of organised crime across Europe, Levi et al. (2013) concluded that a number of developmental steps are required to advance understanding in this area and consequently the efficacy of interventions. First, without more sophistication underpinning attempts to think about and measure the prevalence and distribution of various forms of organised crime cost, applied in a more consistent way across European States, it will be impossible to be

confident in any estimates produced. It was beyond the scope of this small study to undertake such work, but one approach might be based upon profiling countries' risk exposure and situation, and using relatively reliable data collected in one country to derive estimates for countries with similar profiles. Such an approach would incrementally improve the quality of the evidence base for European agencies working in this area, to improve their effectiveness efforts at organised crime reduction. It is also beginning to be needed for the National Risk Assessments that are required when countries are evaluated for their efforts against money laundering, though this author would stress that the costs and impacts of organised crime are far from being the same as the level of money laundering of domestic and foreign crime proceeds and the realisable profits from crime.

Second, accompanying such a manoeuvre, we start to outline how, in thinking about costs and impacts, it can help to differentiate between:

- Private costs: which impact upon individuals directly connected to the victim;
- Parochial costs: that are born through community ties, for example extortion threats or Ponzi fraud against a particular business community or ethnic group;
- Public costs: are where the impacts are shared between citizens who are not directly connected to each other.

The principal advantage of introducing such an approach is that it steers attention in meaningful ways to those who are exposed to any such costs and could contribute data to fill in our understandings. For example, some forms of fraud tend to predominantly involve private costs - the victims are dispersed individual citizens of the EU. The main targets of other fraud types are small businesses, social enterprises and individuals who are inter-connected, and so involve parochial costs. In addition, as intimated in the headline cost figures listed above, some frauds, against EU institutions for instance, involve public costs. We recommend that detailed attention be given in future to organised crimes against these sectors of society and economy, and how they evolve over time and place. This might be more fruitful in guiding enforcement and prevention interventions than using generic terms like 'the cost of organised crime'.

The case for transnational action against many types of organised crime is overwhelming, whether by prevention or, where this fails as it inevitably will, by criminal prosecution and administrative sanction in a mixed economy of sanctions. Clarity is important in deciding what purposes, beyond

this, we want better aggregate evidence for. We need different data for judging culpability, harm and future threat. We would prefer there to be more data. It is tempting to become post-modern alchemists, inventing estimations that are hard to falsify: but this would not contribute to rational decision-making. Some of the issues alluded to in this article may never be capable of resolution without disproportionately costly research and a higher degree of social surveillance than would be considered tolerable in a liberal democracy. However, if organised crime and its component parts are as serious a threat to society as many officials claim, more effort needs to be paid to understanding these dimensions than has occurred to date. The UK, Belgium, Italy (on Mafia proceeds), Netherlands and Sweden have been the only EU MS that have put significant effort into this to date, and even their efforts have been modest. One of the prime requirements is for greater modesty in claims, and more refined attention to which aspects of ‘organised crime’ are the primary focus of attention for different aspects of control strategies. The ‘usual suspects’ of drugs and people trafficking are being broadened out by Europol and the European Commission, who acknowledge that ‘economic crime’ is a growing focus of crime for gain. What now needs to be appreciated is that important economic crimes are also committed by elites who were not delinquents in their youth and have not grown up through the traditional mechanisms of upward criminal mobility. The relative ‘harmfulness’ as well as ‘wrongfulness’ will continue to be a matter of debate, but the traditional demarcation between white-collar and organised crime is slowly dissolving.

It is important to understand the implications of the choice to examine the costs of organised crime as a large set of looser networks rather than as ‘criminal organisations’. In his work on the character of harms, Sparrow (2008) stresses the importance of capacity and intent as features of harm, and indeed, it is precisely this that (as with terrorist organisations) gives rise to judgments of the specially threatening character of organised crime. Yet are looser networks more threatening than the crimes they commit *per se*, and are tighter, Mafia-type organisations *always* more threatening? Are there circumstances in which looser networks are *more* threatening, for example because of their adaptability? We know that the concept of organised crime is bureaucratically and politically useful as a term for evoking additional powers and resources, but has it outlived its analytical utility as a binary measure of threat? It has already been extended by governments, Europol and the National Crime Agency to apply to the professionals who ‘enable’ crime, for example by facilitating money laundering. But if it is not applied to those otherwise licit corporations who get together to fix product prices or to bankers who manipulate global LIBOR and FOREX rates over a period of time, is it being improperly restricted to foreigners and



domestic outsiders who fit our conventional stereotypes portrayed in *The Godfather*, *Gomorra*, and *Goodfellas*? In other words, what is the term ‘organised crime’ for? This set of issues needs much more attention in policy development than it has received to date.

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