

ORGANIZED CRIME INDEX
BACKGROUND PAPER



**GLOBAL
INITIATIVE**
AGAINST TRANSNATIONAL
ORGANIZED CRIME

MEASURING THE SCOPE AND SCALE OF MAFIA-STYLE CRIMES

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ABOUT THE SERIES

In the run-up to the launch of the second iteration of the Global Organized Crime Index in September 2023, we are publishing a series of 13 discussion papers. These cover each illicit market considered during the development of the Index. The papers, written by international experts, have been commissioned to help move forward the debate around definitions and measurements used in analyzing transnational organized crime markets, and thus support responses to organized crime.

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INTRODUCTION

Despite the challenges in defining mafia-style crime (MSC) as a standalone concept and differentiating such crimes from the acts perpetrated by mafia-style groups, its definition can be confined to private protection and systemic extortion linked to the ability of a group to exert control over a given territory or market.

Notwithstanding, further challenges arise in trying to assess this criminal market. For example, creating a global assessment of the MSC market can be adversely impacted by: differing understandings of the 'mafia' concept in various jurisdictions; the lack of understanding of situational intimidation, which could lead to silent extortion; and overlapping criminal fields, such as forms of extortion perpetrated by non-organized criminal groups or abuse of power by public officials. Such limitations and inconsistencies should be considered during the assessment of MSCs, both globally and at a country level. Furthermore, the use of cyberspace in MSCs should also be monitored in order to achieve a more comprehensive assessment future trends in the criminal market.



DEFINING MAFIA-STYLE CRIMES

Definitions and models

To identify what is meant by mafia-style crimes (MSCs), the core meaning of mafia should be understood, in a sociological sense and for the countries where mafia, as a concept and a phenomenon, first emerged, namely Italy and the United States. Mafia can be understood as a specific form of an organized crime group, which is characterized by both of the following traits:

- It offers functions of protection, for example via extortion and racketeering practices, and has the ability to control and direct economic activities on a given territory.
- It has links with politics and power and the ability to interfere with democratic institutions and public administration.

Mafias, therefore, do not simply overlap with most organized crime groups, as they neither are solely manifestations of criminal acts nor do they exclusively pursue criminal acts for profit. Considering this preliminary clarification, the journey of defining MSCs as a standalone concept is not straightforward; it has been dependent on the overall understanding (or misunderstanding) of the concept of mafias. In fact, it has been widely acknowledged¹ that, depending on the discipline and context, the term 'mafia' can be used to identify forms of both sophisticated organized criminal groups involved in various forms of 'power' (political, economic or social) and ethnic organized criminal groups that act in fairly hierarchical, familistic ways.

In practice, differentiating mafia-type groups from mafia-type crimes is not an easy task. As noted,² some social scientists tend to confuse and conflate the methods used by mafias with the criminal organizations themselves, and institutions around the world tend to do the same.³ Mafias appear to be 'organizational hybrids' that operate within a hierarchy, have strong social and blood ties and function as networks.⁴ It is assumed that such hybridization can manifest through a variety of behaviours, including protection and extortion, described as MSCs in this brief.

CHALLENGE: The concept of mafia is not neutral; thus, countries' own understanding of mafias might affect their understanding and assessment of mafia-style crimes.

Most references to MSCs in non-Italian and non-American documentation appear to stem from mafias having links to politics and power and their ability to interfere in democratic institutions or public administration. MSCs are generally understood as crimes of (private) protection and systemic extortion linked to the ability of a group to exert control over a given territory or market (whether legal or illegal). Protection is the service, while extortion is the activity that stems from protection or other forms of social control.⁵

Defining MSCs is difficult without also considering how mafia-style groups are described. Today, many countries, especially in Europe, recognize the importance of investigating and monitoring the evolution of mafia-style (organized crime) groups – much beyond the archetypical Italian mafias. As identified by the European Commission in their communication on the EU strategy to tackle organized crime⁶ it is 'crucial to scale up the dismantling of organized crime structures, targeting those groups that are a higher risk to Europe's security'. They further note that 'some Member States have established structures at national level or specialized bodies in law enforcement and the judiciary against mafia-style organizations'. Although the focus on mafia-style groups does not necessarily mean that mafia-style activities or crimes cannot be singled out, the conceptual complexity needs further unpacking.

Extortion is among the typical activities of mafia-style groups, which can also manifest as protection rackets. Extortion is, in fact, organized systemically at the local level by these groups, with the aim to impose protection, order and control on territories' economic and social activities. The organization and regulation of extortion is fundamental to maintaining the level of territorial control these groups aim at. It is peculiar that physical extortion is always local, as it often develops from a network of relations and personal resources, as well as through abuses of social and human capital. In fact, it becomes reciprocal.⁷ This is not surprising, given that, aside from being a way for (mafia-style) criminal groups to make a profit, extortion is a form of criminal governance, an effective way for criminal groups to exert their reputation on a given local territory, to control it via intimidation, violence or debt collection, and eventually by offering or imposing protection. As noted in the Global Initiative's handbook on extortion, 'the imposition of extortion rackets and the collection of payments constitute a powerful form of local political-economic control'.⁸ When this is systemic and happens within protection services being offered or imposed, the local governance of organized crime groups is associated with a power drive that qualifies them as a mafia-type group.

CONSIDERATION: The local character of extortion and protection rackets may facilitate the assessment of this market in all countries.

By learning about the nature of MSGs in a local territory and by identifying whether organized crime groups are involved in the extortion and protection rackets at the local level, an analyst can better understand the nature of this illicit market. In this sense, the local character and manifestations of extortion and protection rackets make it possible to assess the existence of mafia-style groups in a territory. It also works in the opposite direction: the presence of mafia-style groups in a territory might imply the presence of extortion and protection rackets at the local level.

Systemic forms of extortion and protection can also overlap with the enforcement of cartel agreements.⁹ Both protection and enforcement of agreements are based on the threat of violence, and on the abuse of one's position in the local territory. The enforcing agreements or cartel prices can be a by-product of territorial control, resulting from systemic extortion, described as criminal group that has control over a territory asking actors (whether legitimate or illegitimate) to comply with requests additional to extortion payments, to launder money or alter production or supply of services in order to control prices. In addition, mafia-style groups can enter illegal markets (e.g. tobacco smuggling or cocaine trafficking) as much as legitimate markets (e.g. waste disposal or construction) to offer protection services, by enforcing cartel prices to 'stabilize the market'.¹⁰ This means that they can push out those who do not obey the rules of the market (as agreed by the existing cartel). This function remains linked to the primary aim and ability of mafia-style groups to control the territory. Control of the territory, in fact, comes with managing order, at both the economic level (via cartel enforcement)¹¹ and the social level (via extortive demands). Protection, therefore, serves a purpose of legitimization, as it becomes one way in which the group attracts new investments and business and, therefore, more legitimacy, control and order.

CONSIDERATION: Control of the territory through cartel enforcement or extortion can be attributed to different kinds of groups, across jurisdictions.

The degree to which certain groups succeed in controlling a territory depends on many factors, including the ways in which control was imposed in the first place, that is, the ways in which a subject manages to obtain the obedience of others.¹² Obedience can be obtained by force, coercion, manipulation or influence (or persuasion). Mafia-style groups are known to be able to use all these mechanisms, at times together, to exercise their control. Mafia protection, also described as extra-legal governance,¹³ which we can identify as the primary form of MSCs for the purposes of this brief, is, in fact, legitimized through all these mechanisms. Victims can be forced, coerced, manipulated or persuaded to accept the mafia-type protection, in exchange for money (extortion) or other benefits. It can be the case, for example, that when victims fail to pay the extortive demand, they end up being forced to pay with goods (e.g. food) and services (e.g. storing drug or guns or laundering money in their businesses). It might be useful, therefore, to define different payments of extortion, namely money, goods and services (licit or illicit). This is also why mafia protection becomes part of the social, economic and symbolic capital that these groups enjoy. Commentators have interpreted extortion to mean: overcharging for a service; imposing a service (which the extortioner might or might not deliver); or delivering a service of poor quality.¹⁴ All of these are subsumed into the definitional range of MSCs and manifest through several mechanisms, depending on the context.

Indeed, one of the key elements of mafia protection is that it often takes the form of aggression and violence. However, this violence does not always manifest and is not always easy to identify. Harassment or elimination of business competition, for example, might be part of an extortion market,¹⁵ as much as they can be standalone activities to get rid of that competition and scare off other potential competitors. In addition, more subtle (silent) forms of extortion can be linked to situational or environmental intimidation.¹⁶ These occur when the presence of mafia-style groups in an environment systemically places expectations on victims to 'submit' to extortion and protection rackets; intimidation and requests for extortion are not even worded – let alone become visibly violent – and yet they produce the effect of subjugation in victims. When the requests are whispered,¹⁷ or just presumed, the victims are usually asked for 'help', 'gifts' and 'support', rather than straightforward 'exchanges'.

CHALLENGE: In most countries, situational or environmental intimidation, which can lead to silent extortion, is not fully comprehended, let alone assessed. Thus, they tend to remain hidden figures.

Control of territory brings about considerations of obedience and legitimacy of a mafia-style group where it operates. One of the main issues in understanding MSCs as an illicit market is the identification of victims. In fact, the local character of the protection and extortion market often leads to consensus and coercion being confused, as illustrated by silent extortion, where the victim acts apparently without any violence or coercion having manifested. This may also happen when the offenders (i.e. the criminal group) enjoy consensus from the community. It has been noted¹⁸ that a mafia-style group can exercise, and indeed succeed in, extortion and protection at the local level not only because they are violent or can threaten violence, but also because they master social relations. The line between fear and intimidation on the one end, and acquiescence and consensus on the other, can get blurry. The blurrier this line, the more difficult it becomes to identify victimhood. When this happens, it arguably means that the mafia protection is successful: it becomes seen as valuable or normal, rather than something that is imposed from outside. A group that reaches a monopoly or control of both crime and economic activities in a territory tends to invest in, or bank on, the territory and its economic wellbeing. This is why victims of extortion might still prefer this form of 'orderly' control to a system where just anyone could become a bandit and extort them,¹⁹ which also explains why there is a high level of impunity connected to this type of crime.

When protection is effective, the victims can also search out the enforcers (the mafia-style group), as they are seen as offering a service rather than imposing an unjustifiable tax.²⁰ This has been observed also in cartel enforcement, whereby those who are part of the cartel might ask for the help of the underworld protectors if they encounter troublesome competitors or other problems.²¹

CHALLENGE: Without a clear definition of victimhood and given a lack of reporting or even self-awareness, the phenomenon of extortion or protection rackets becomes very difficult to understand.

Connected to the difficulty in identifying victimhood as manifests in MSCs, is the multifaceted nature of these crimes. In fact, extortion or protection rackets do not always happen in a straightforward manner, such as exchanging money. The extorsive behaviour can be perfected through a series of other behaviours, goods or benefits and resemble a chain of trafficking of favours instead, which are not criminal per se. For example, Operation Stige, between Calabria (Italy) and Germany, unveiled that a common extortive mechanism in Calabria was also used in Germany: the extortive request was executed through imposing certain food and wine products on the victims (receivers), who were in the restaurant business.²² The victims were subsequently expected to request or simply 'accept' certain products from the protectors; were they to decline these 'gifts', the 'protection' they were offered would fade away, and they could become targets of violence or retaliation or – perhaps worse – fear of violence or retaliation. This is also the case in other countries, for example in Latin America, where the extortive request can in fact involve something other than money (including other favours, storing weapons or imposing food services and products). Other protection rackets might involve more complex and indirect mechanisms, as they relate to controlling specific commercial interests or sectors. In

Michoacán, Mexico, the legal avocado export industry has been particularly important for some criminal organizations, for example the Knights Templar, in extracting rent for protection to the businesses.²³

When economic transformations are left largely to private actors' govern, criminal protection can grant the order that these private actors need. For example, in the corruption schemes in the construction sector uncovered by the Charbonneau Commission's inquiry in Montreal in 2015,²⁴ the boom of the industry had been met with requests for services by local mafia groups. Companies involved in illicit agreements asked members from a local mafia-type clan to resolve disputes and handle competition – by effectively keeping out unwanted or unapproved investors. As arbiters and intermediaries, mafiosi offered services that became tantamount protection. The mafia-type clan had close relationships with several contractors active in the residential construction industry and were able to protect the system both from unwanted scrutiny by law enforcement from police and against 'externals' to the network. The commission found that in Montreal, contractors paid a 2.5% extortion fee on contracts obtained from the city to a mafia-type criminal organization as payment for their services.

CONSIDERATION: The private protection market, also known as racketeering, is a form of systemic extortion. Organized crime groups, usually mafia-style, create the need for protection services by using or threatening violence against those who refuse to pay. The mechanisms through which they receive their 'fee' are varied, and can be both pecuniary and non-pecuniary. The very basis of the extortion racket is control of territory or influence over a market. This means that there are a variety of activities and behaviours that can fall into this category, depending on the context.

When organized crime groups are in full control of their territory, they can operate as gatekeepers to either facilitate investments by externals for a fee (protection fee) or control those who invest in the territory independently from the market of choice. For example, Operation Porto (1998–2000) has been dubbed 'the mother of all extortions,'²⁵ because mafia-style groups belonging to the Calabrian 'Ndrangheta began to extort US\$1.50 for every container moved in the Medcenter Container Terminal at the port of Gioia Tauro. A multinational company got trapped in the extortion agreement because the criminal group was particularly clear about how their 'control' of the territory around the port worked: paying meant that there would not be problems with workers, subcontracts, logistics or other forms of procurement in the region. This was possible – and credible – because the clans had widespread interests in the territory, from public works to political proximity.

Proposed definition: Organized extortion and protection racketeering

Given the preceding context, and which will be explored further in this brief, the following aspects could contribute to building a working definition of MSCs that could be both globally applicable and specific enough to embrace the various local specificities:

- Dropping the 'mafia' label: Not only is the label 'mafia' not uniformly applied but it can also cause confusion in collecting and labelling data related to this market. In particular, the aim is to differentiate the mafia-type groups (as actors) and the illicit market that is often definitive of these groups, namely systemic extortion and protection. Mafia-type groups can be involved in much more than systemic extortion and protection (including other criminal

activities, often by blurring the lines of the legal and the illegal via political corruption), but here the focus remains on the extortion or protection activity only.

- Using the binomial extortion–protection to define this market as organized extortion and protection racketeering (EPR), which would include:
 - activities of organized extortion that involve the extortioner asking for money or other benefits in exchange for a purposefully fabricated need for protection (e.g. shop owners paying a protection fee or a company manager obligated to make use of certain products or hire certain people)
 - activities of organized extortion that involve the victim paying without being asked to do so owing to systemic situational intimidation by the criminal group (example as above, but without the actual extortion request)
 - cartel racketeering that involves the criminal group acting as intermediary or mediator in support of existing corruptive or collusive networks (e.g. in construction) by handling external competition and solving disputes
 - cartel racketeering that involves the criminal group acting as compulsory gatekeepers to anyone who wants to enter economic ventures in the territory, by controlling access to key markets for a fee.
- The term ‘racketeering’ can also be understood and defined as ‘extra-legal governance’, with extortion and protection seen as *local* extra-legal governance.

An assessment of the criminal extortion–protection market should also consider the following:

- Given the complexity of identifying victimhood in EPR, reporting – and therefore data – might be limited or remain anecdotal.
- Given the nature of criminal groups that act in EPR, there is a clear need to differentiate between crimes and the groups committing them, hence the proposal to use the term EPR.
- Given the variety of mechanisms that can qualify as EPR, it is expected that at least some of the identified behaviours would be seen in most countries.
- Given the necessary link between organized crime groups that are active in EPR and the local territory – for purposes of control and order in the territory – countries are likely to score at different levels in this market, depending also on how successful criminal groups are at controlling a territory.



MEASURING MAFIA-STYLE CRIMES

Selected assessments of extortion–protection racketeering

Studies on EPR involve a variety of expertise in both methodology and contexts²⁶ – from survey data sources to event-oriented models of intervention; from agent-based models to text data and other computational qualitative analysis; from simulation to game theory analysis.²⁷ Considering that EPR is considered one of the key manifestations of mafia-type or sophisticated organized crime groups, it is no surprise that countries where these groups are studied the most (namely the United States and Italy) are also those most interested in the phenomenon. The Racketeer Influenced and Corrupt Organizations Act in the United States, one of the most successful tools to counter organized crime, has shaped the understanding EPR as constituent market of organized crime. This means that cases in which racketeering activity has been contested, investigated or condemned could give a good idea of the perceived level of EPR in a country. Racketeering and extortion are, in fact, linked to prosecution of organized crime, even with regard to data collection.²⁸

For similar reasons, projects run in Italy account for a large number of studies on EPR and national statistics specifically on EPR are available,²⁹ also for specific organized crime groups. The focus on mafia-style groups in the country has clearly led to a heightened perception of EPR practices. A 2017 study conducted by the Center for the Study of Democracy identifies the strength of the Italian system in countering extortion, precisely because of the synergy between policies against the larger issues of organized crime and mafia-style groups and specialized measures against extortion.³⁰ Data from the Italian National Institute of Statistics on extortion is used to draw some conclusions on the pervasiveness of the market, its estimated revenues and the efficacy of the legal framework to counter it.³¹

CONSIDERATION: ‘Extortion’ as a type of crime may well exist in many jurisdictions. The availability of data held by ministries of interior or justice, or national institutes for statistics is more likely to become reliable over time and can be used as a proxy.

The study mentioned earlier was part of a larger project in Bulgaria, run in collaboration with universities in Spain and Italy, within an EU-funded project on the assessment of extortion racketeering in the EU. One of the reports from the project assesses vulnerability factors³² in the EU and in key sectors, such as agriculture and hospitality, and proposes case studies in Italy, Bulgaria, Greece, Spain, Romania and the UK, as well as in Chinese communities in primarily Italy, Spain and the UK. The report lists several vulnerability factors that facilitate the success of extortion rackets and complements the GI-TOC’s handbook on extortion. In addition, the country-based case studies offer a good starting point for analysis in these territories. While these reports are valuable as a framework for each country, their authors note that data is often scarce, unreliable or unavailable. This is in line with what has been seen in some previous studies. For example, a 2008 article on extortion, extra-legal governance and private security in Bulgaria shows that multiple data sources are necessary to understand the market.³³ The report by the Center for the Study of Democracy offers a methodology that sits between media analysis, exploring victimization statistics and collecting qualitative data, which can be replicated to a certain extent. Each case study is curated by a country expert.

CONSIDERATION: Countries where organized crime groups or mafias have become an object of scrutiny or raise alarm are likely to have some expertise in looking at EPR as an early manifestation of organized crime. This does not mean that good data is always available, but background or evidence (or absence of evidence) should be.

Extortion of Chinese communities in some of the countries being assessed was also included in the report, as these communities appeared more vulnerable in the two key sectors of interest, namely agriculture and hospitality. This is not an uncommon trend. A considerable part of the organized crime literature comes from Asia or is related to criminal groups originating in Asia; a portion of this literature also specifically relate to China and to studies of EPR in relation to organized crime, including mafia-type crimes, perpetrated by Chinese organized crime groups. However, data on this is inconsistent. For example, in the last two decades, up to 75% of Chinese-run businesses in London’s Chinatown were forced to pay extortion fees (so called ‘tea money’) for extra-legal protection.³⁴ Earlier studies on extortion in Chinese communities (in New York City) also exist, using data from the National Crime Survey.³⁵ Also in these studies, findings reveal the ways in which these organized crime groups exploit individuals’ and entrepreneurs’ economic and social capital,³⁶ as well as a common ethnicity abroad to offer private protection as alternative suppliers.

A 2017 study on ‘Mafia Raj’ (rule by mafia) in North India deserves mention.³⁷ The research explores protection and racketeering as central elements of violent governance in the region and uses the ‘mafia’ term specifically in relation to extortion and racketeering becoming the norm. Also based on fieldwork, is a 2015 investigation into exploring protection rackets in Indonesia,³⁸ even though the focus remains on the reasons for such protection rackets for their political role in social relations in the city of Jakarta. Overall, several studies seem to have considered the EPR market, yet not consistently from an organized crime perspective. Instead, many studies focus on extortion as a manifestation of corruption and bribery.

CHALLENGE: It is likely that studies on corruption are found in most countries where organized crime or corruption exists. However, many countries see the EPR phenomenon as linked also to other forms of crime. This calls for a definitional effort.

Studies on EPR are also found in various Latin American contexts. For example, a 2021 study for the Jack D. Gordon Institute for Public Policy at Florida International University³⁹ offers an overview of the status of the study of EPR in Latin America. The report shows not only that extortive practices are a regionwide trend (with specific territorial differences) but also that EPR is seldom reported and is increasingly becoming less violent. This report brings together various evaluations of the market in different countries in the region and identifies three types of extortive practices: episodic (e.g. celebrities being targeted online); intermittent (e.g. construction companies in Peru); and systemic (e.g. as seen in specific neighbourhoods in Guatemala).

CONSIDERATION: Using this tripartition (episodic, intermittent and systemic) can be useful in assessing the EPR market in different countries, without getting too bound by the definition of the criminal groups involved.

Studies of Latin American contexts show various attempts to systematize knowledge in relation to EPR. For example, a recent study in Mexico shows that extortion of businesses increased by 22% between 2013 and 2019.⁴⁰ As noted by the report by Dammert in 2021,⁴¹ data about extortion in Mexico is available from surveys such as the National Survey of Victimization and Perceptions of Public Security, the National Survey of Urban Public Safety and National Survey of Victimization of Companies. These are held by the Instituto Nacional de Estadística, Geografía e Informática. Similarly, in other countries in the region, such as Peru, the Observatorio Nacional de Seguridad Ciudadana, Cifras de la extorsión en el Perú, run by the Ministry of Interior, as well as the National Census of the Prison Population, the National Census of the Population of Juvenile Diagnostic and Rehabilitation Centers and the National Survey of Companies, run in various years, could be useful for extracting data on EPR. These sources are also used in articles and commentaries by specialized outlets (such as Insight Crime) when they run analysis on organized crime and protection rackets in the region. The Global Initiative has invested in projects to study and resist extortion in Central America.⁴² Projects on Honduras, Guatemala, Costa Rica, Panama and El Salvador show how the market is receiving more attention in connection to organized crime groups in the region from a perspective of both civil society's empowerment and law enforcement awareness. However, it is crucial that extortions that are neither systemic nor aimed at protection (such as phone-based extortions) are excluded from these assessment as they pertain to other – occasional, episodic or predatory – forms of crime.

CONSIDERATION: In addition to the earlier consideration about extortion as a type of crime in most jurisdictions, victimization surveys, urban security surveys and specialist surveys on extortion are likely to run in many countries where organized crime is prominently perceived to be a violent or threatening phenomenon.

Connected criminality and red flags

Another crucial element of the analysis and assessments of the EPR market is the connection with other crimes or other 'red flags' in a territory. The presence of highly localized criminal groups is one such a red flag, as EPR is a highly localized market. In addition, the drug market and the night-time economy are carriers and receivers of EPR. For example, in Cape Town,⁴³ strong local control of drug markets in the night-time economy is considered a feature of the linkage between EPR and local gangs or organized crime groups that can 'offer' violence to enforce the extortion business. The combination of strong local control of drug markets, protection rackets in the night-time economy and the emergence of a new status quo in political and economic terms⁴⁴ gives way to EPR as governance tool, once again for control and order. For example, bouncers in night-time entertainment venues appear to be a specific case study for both governance⁴⁵ of the night-time economy and EPR mechanisms they run in it,⁴⁶ including that of debt collection (which might follow extortion or protection requests). The market of private security – of which bouncers are the primary example – has long been studied in relation to its implications for states' monopoly of violence, surrendered also through EPR criminal mechanisms (extortion, violence, intimidation and protection rackets), interacting with the exercise of governance in the night-time economy.⁴⁷ As EPR is often found in connection with the presence of mafia-style groups, it should also be noted that such groups are responsible for different crimes and tend to diversify their activities.

CHALLENGE: It is likely that EPR mechanisms are found or suspected in connection with other crimes or markets (whether licit or illicit). It can be difficult to separate the different conducts and measure EPR as a distinct market from the connected ones, especially that of drugs at the local level or within private protection in the night-time economy.

EPR should be understood as organized and systemic to avoid confusion with forms of extortion that are perpetrated by actors other than organized or mafia-style crime groups. One of the crimes that often overlaps with EPR is corruption or bribery, whereby a bribe or toll (money or other goods) is demanded by a public official for example to execute (or not execute) a task. This can be considered extortion, as payments are not linked to a specific task but rather are simply expressions of 'abuse of power', as examples from Indonesia show.⁴⁸ This can also happen on a systemic or endemic level. However, illegal payments to police, military officers, custom officers or public officials, even when they amount to extortion, should not be confused with EPR by organized crime groups. In fact, the aims are quite different. In the case of EPR by organized crime groups, the aim is control of territory and consolidation of power, whereas in the case of bribes, the aim is conducting the activity without scrutiny or in a quicker way for profit enhancement.

CONSIDERATION: The term 'organized crime' should accompany any assessment of EPR to avoid confusion with forms of extortion linked to corruption or bribery. Further characteristics should be 'continuity' of the market and 'systemic' victimization. The assessment of EPR could be linked to specific presence of mafia-type groups in a country index. EPR not related to organized crime groups should be excluded from such an assessment explicitly to avoid too wide a focus.

Studies on the former Russian blocs, where organized crime has become rampant as a result of changing production and property rights regimes,⁴⁹ have argued that protection rackets emerged in post-Soviet dispensations as substitutes for trust in a highly corrupt power structure (as also argued by Gambetta for the Sicilian mafia). Studies on Eurasian countries such as Russia and Georgia⁵⁰ point to concepts of state capture, political corruption, and the political-criminal nexus as one of the spaces where EPR exist. Some (older) studies⁵¹ on EPR in Russia point to limited statistical data being available from the Ministry of Internal Affairs and highlight the connection between secrecy in politics and business relationships in facilitating this market. Thus, secrecy and broken political trust have been indicated as red flags for EPR in some of the post-Soviet countries. In Russia, Ukraine and Belarus, the term *krysha*, literally meaning 'roof', is broadly used to refer to individuals or organizations that provide services, predominantly illicit and informal, ranging from protection to debt collection and settlement of disputes⁵² – thus EPR. The focus, in this approach, seems to be on EPR being a diversified (illicit) service. Indeed, a 'good' *krysha* provided by the more entrepreneurial gangs will not only protect someone from other criminals or violence but also provide other services, such as debt recovery (handled more quickly and efficiently than through courts) and having inside knowledge on whom to bribe within local authorities to get things done.⁵³ It was further estimated that 70–80% of firms paid an average of 10–20% of their profits for this 'coverage'. Once again, the line between EPR by organized crime groups and that executed 'under the colour of office', as systemic extortion by public officials is also known,⁵⁴ is blurred in countries where state building has raised democratic challenges.



DISCUSSION

Summary of expectations for assessments

Without engaging further in a country-by-country listing of studies and reports (which would be impractical in this brief), the expectations on global (and country-level) trends can be summarized as follows:

- Despite some stark exceptions, EPR is likely to be a measurable market in most countries, with notable differences across regions.
- Data on EPR is more likely to exist where stronger evidence-based assessment of organized crime groups or mafia-style groups is developed. These include countries in North America, Western Europe, Oceania and Japan.
- Countries where organized crime has been studied as state capture or as part of the affirmation of oligarchies and networks of political-crime collusion (such as in post-Soviet Eurasian countries) are more likely to study EPR as a mix between organized crime groups and collusive networks of power. It may be difficult to disentangle one from the other. Data might be scarce from official sources but could be obtained through other channels, such as media or interviews.
- Where organized crime has become a key problem for policy and law enforcement in the past couple of decades (e.g. in the Latin American region), countries are often just starting to collect evidence of EPR. However, the attention to the phenomenon is high – as demonstrated by the Global Initiative’s efforts to support projects in the region – and a combination of different sources can yield interesting data. In Latin American countries, extortion is known as *derecho de piso* (Mexico), *renta* (El Salvador), *impuesto de guerra* (Honduras) and *vacunas* (Colombia), and criminal codes vary widely. For example, in Guatemala the threat of extortion is a crime (which increases data on this crime widely), but in Honduras a payment needs to take place for someone to be prosecuted.

- It is likely that countries in different regions of Asia and Africa will display more variety with regard to both availability and consistency of data in studies on organized crime groups involved in this market. Different illicit markets, interconnected with EPR and which also come into assessments of EPR, such as bribery and corruption, may dilute the data that relates to organized crime groups.

Suggested methodology for country assessments

- 1 Identify lead regional country:** Regional harmonization should be the goal, and it should be possible to have a lead country in each macro-region of the world to base the methodology on. These lead countries (such as China, Russia, USA, Italy, Mexico, South Africa and Australia) are likely to offer guidance on available data sets or trends to follow in researching EPR in the region.
- 2 Identify available databases or data resources:** Data on EPR is likely to come from a combination of sources. These may include: case law on extortion (where this is criminalized); case law on organized crime, also when organized crime is defined as racketeering activities; media analysis; data from victimization surveys; data from urban safety perception surveys; data from corruption and integrity surveys; and interviews with key academics, policy analysts and investigative reporters in the area. The availability of sources can be particularly complex in certain countries. In El Salvador and Honduras, for example, it is very hard to get information from open sources and even requesting open data could be problematic. Victimization surveys are readily available in Mexico, but rarely in Central America and other South American countries.
- 3 Identify the specific language of EPR in the country:** In addition to descriptions such as extortion, protection and racketeering, other terminology can be used in identifying this market. Such terminology can refer to concepts such as mafia, mafia-type organized crime groups, extra-legal governance, industry of private protection, intimidation, illicit or informal service industry, among others.
- 4 Identify the frequency of EPR in the country:** EPR should be classified as episodic, intermittent or systemic. Information about the frequency should also yield information about the actors involved. The more systemic EPR, the more likely organized crime groups are to be involved. The identification process needs to be explained by the researcher to those who participate in data collection to avoid intermittent forms of extortion (not covered by EPR) being confused with systemic ones.
- 5 Identify whether, as a defining activity of organized crime groups, EPR can be assessed to a satisfactory extent 'under the colour of office':** In some countries forms of systemic EPR are linked to public officials' abusing their power. Instead, EPR as carried out by organized crime groups is linked to control of territory, order maintenance and eventually profit. Identifying the aims is likely to support this distinction.

Future trends

EPR is mostly a local market, which relies heavily on close relationships between perpetrators and victims for its success. In fact, the threat of violence or the use of violence is more effective when in person and leveraged by what is known about victims in their proximity. One of the main questions around the

evolution of EPR is arguably around the cyberspace. In particular, the rise of cyber extortion, beyond the 'organized crime' umbrella, might indicate ways in which EPR can evolve in the realm of organized crime. In fact, it seems plausible that some elements of EPR could be carried out online, such as through social media or other messaging apps. This may also hold for the threat of violence. Notwithstanding the risks of being 'intercepted', as associated with the use of any written form (especially online), these means might be more viable in some cases. The core of the activity, however, is not necessarily bound to change with the introduction of the cyber option in some elements.

However, the forms of EPR may be confused with other forms of organized extortions via the cyber-world, as they are linked to the control of territory by mafia-style groups in addition to their pursuit of profits in that territory. Organized extortions via phishing, emails or social media are indeed a prominent illicit market, which arguably falls more in the realm of fraud than in that of organized crime. In fact, these forms of online extortions can be run by small-scale groups or even individuals, depending on the sophistication and reach, and they are indeed aimed at profits, without any will to 'govern' or control a specific space or industry. This key difference needs to be clear when collecting data.

CONSIDERATION: If the cyber character becomes dominant in the illicit activity, it might point to fraud rather than EPR. The element of protection and racketeering, more than the component of extortion, is what should be assessed when online forms are investigated.

Another consideration to keep in mind is that EPR manifests with different levels of violence in different territories. A move to reduce violence in the country under scrutiny might have an effect on the levels of recorded EPR. This could mean that overt cases of EPR might drop, although subtler, more silent manifestations might develop.

CONSIDERATION: Keeping an eye on the activities of organized crime groups in a territory 'after' the attempt to reduce their violence could be a good indicator of their interests in 'alternative' forms of EPR.

New markets to 'protect' might emerge. These could range from key sectors in the country (from tourism to construction; from legal exports to imports; from green economy to new investments). It is therefore necessary to identify, for example, which industries are on the rise or whether legislation has abruptly changed.

CONSIDERATION: EPR can emerge in virtually any market, if there are willing organized crime groups and conditions are appropriate to allow them to operate under the radar by establishing a relationship with the targeted victims. The presence of stable organized crime groups in a territory could be considered an indication that such groups might want to branch out to other potentially lucrative markets where they can offer EPR. However, criminogenic factors, such as changes in the legislation, norms and execution or changes in demand or supply in certain sectors can also facilitate EPR mechanisms.

Lastly, the capability of a country to organize and maintain civil society's awareness and responses against organized crime groups is often linked to its awareness of EPR. In fact, as civil society's responses can often start 'locally', with EPR being one of the first manifestations they will try to resist and combat.

CONSIDERATION: The strength and success of civil society's responses and resilience against organized crime groups in a territory, as well as their 'failure' or setbacks, can be an indication of how evolved EPR is in that territory.



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