



## Introduction

One of the main purposes of CIROC is to provide the available knowledge on organised crime in the Netherlands to interested parties abroad. Although the activities of organised crime around the world are becoming more and more transnational, there are certain specific, 'typically Dutch', characteristics of crime groups and markets. Dutch Organised Crime includes especially drug-related activities and human trafficking. The Netherlands is still the world's leading producer of XTC. With the introduction of the 'Brothel Law' in 2000, the Netherlands became the first country (at least in Europe) to officially legalize prostitution. This law gave rise to new forms of activities involving organised crime and human trafficking for prostitution.

The present edition of the CIROC Newsletter offers the reader an overview of several recent reports published in the Netherlands. These reports were completed during the last year and include a wide range of subjects on various organised crime activities. Edward Kleemans and Henk van de Bunt present some new data from the Dutch Organised Crime Monitor with an emphasis on different kinds of occupations encountered in organised crime activities and the related opportunities for committing crimes. Hans Nelen analyses the link between the Dutch real estate sector and criminal groups and explains the vulnerability of the real estate market in the Netherlands. Richard Staring and Damian Zaitch discuss the effects of legislative changes on women trafficking since October 2000, when the ban on brothels and pimping was lifted. Henk van de Bunt describes the social organization of cannabis cultivation, another 'typically Dutch' criminal activity. Damian Zaitch discusses a new book based on a number of presentations made during the CIROC seminars of the last few years, and, last but not least, this newsletter offers a list of recent Dutch publications to give an impression of what kind of research is being carried out these days in our country.

Dina Siegel (CIROC/VU)

## Analysis

Occupations and Opportunity. New findings from the Dutch Organised Crime Monitor.

*Edward Kleemans (WODC) and Henk van de Bunt (Erasmus University)*

Many studies on organised crime tend to draw a sharp distinction between licit and illicit activities and between the legitimate world and the underworld. Some studies focus on infiltration of licit economic sectors by organised crime, while other studies tend to stress symbiosis and 'interfaces' between legal and illegal actors. Passas (2003), for instance, developed a typology of various connections, from antithetical to symbiotic interfaces. In a recent article in *Global Crime*, we present new findings from the Dutch Organised Crime Monitor on the connection between organised crime activities and occupations, work relations, and work settings (Kleemans & Van de Bunt, 2008). The analysis is based upon data from 120 extensive case studies from the Dutch Organised Crime Monitor, involving 1,623 suspects. The main sources for this unique, ongoing research project are files of closed Dutch police investigations of criminal groups, often spanning a period of several years. From 1996 to

## Content

- ◆ Introduction
- ◆ Analysis
  - Occupations and opportunity
  - Organised crime and the real estate sector
  - Women trafficking and the consequences of legislative and policy changes in the Netherlands after 2000
  - The social organization of cannabis cultivation in the Netherlands
- ◆ Discussion
  - Organised Crime as a Cultural Phenomenon: a new CIROC book
- ◆ New Dutch publications

2006, we systematically analysed 120 large-scale investigations (for more information: <http://english.wodc.nl>).

The article describes the different kinds of occupations encountered in cases of organised crime and the main characteristics of these occupations. Furthermore, it describes in more detail four cases of organised crime that illustrate the embeddedness of certain organised crime activities in work relations and work settings. These cases do not concern 'interfaces' between criminal businesses and legitimate occupations, yet offenders who engage in organised crime in the context of their daily work. For instance, airline staff members who engage in smuggling cocaine or a group of financial and tax advisors who – in the slipstream of their legitimate activities - systematically collaborate to defraud the tax authorities. Our research findings indicate that occupations, work relations and work settings may provide the breeding ground for organised crime activities, particularly cross-border or transit crime (Kleemans, 2007). There are different ways in which occupations may present opportunities for committing organised crime. First, through international contacts and travel movements. Contacts with other countries and other social groups provide ample opportunity to discover and act on certain opportunities for (transit) crime. Examples are occupations involving mobility, transport, and logistics. Second, the individual freedom of movement and/or discretion is important. This explains the involvement of directors of (small) businesses, independent professionals and, in some cases, individuals with relative autonomy in larger organisations, such as companies and banks. More trust and autonomy means more opportunity for abuse as well. Third, the social nature of certain occupations is important. Occupations in which people often meet with different people also present many opportunities for encounters with potential co-offenders. These main characteristics might also explain the intriguing transition of some careers. Based upon data from the Dutch Organised Crime Monitor, Kleemans and De Poot (2008) found, for instance, that a significant number of (ring)leaders and nodal offenders had made a switch from a legal occupational background to organised crime. Furthermore, they explained the involvement of 'starters' in organised crime, also later in life, by social relations, work-related contacts, leisure activities and sidelines, and life events. Social ties cross boundaries between legality and illegality, as do some work settings in which people spend a considerable share of their daily life. Our research findings highlight the salience of social relations, work

relations and work settings for criminal activities, also in cases of organised crime. Of course, our empirical findings should not be misinterpreted as findings from a representative sample. Yet, from a theoretical point of view, these findings are important in bridging ideas from social network theory and opportunity theory. Social relations are influenced by 'foci of interaction'. Social relations do not happen at random but often obey the laws of social and geographical distance, producing a certain kind of clustering based on geographical distance, ethnicity, education, age, et cetera. For many people, work is also an important focus of interaction. Second, social relations and work relations often coincide, either because people find a job through social relations or because working relationships develop into more or less close social relations. Third, the blending of work relations and social relations may also contribute to the effective concealment of illegal activities. For a variety of reasons, potential witnesses may remain silent, look the other way or feel reluctant to blow the whistle. Effective concealment does not require secret societies. 'Walls of silence' may also emerge in licit worlds that are mobile, dynamic, and social (Van de Bunt, 2007).

Until recently routine activity theory and opportunity theory have focused primarily on street crime, but several theoretical ideas are worthwhile to explore within the context of organised crime. Particularly relevant is Felson's work on routine activity theory and, more recently, his ideas about offender convergence settings (Felson, 2006: 98-99). Although Felson has mainly applied these ideas to street crime and other conventional crimes, it would be important to explore his ideas more widely within the context of organised crime. Furthermore, routine activities play a key role in discovering and exploiting opportunities that are presented in daily work settings. By merging ideas from social network theory and opportunity theory, one might avoid two common fallacies of theories on organised crime: either presenting an 'oversocialised' view on the organisation of crime or an 'undersocialised' and oversimplified picture of 'disorganised' crime. Social relations as well as settings and opportunity structures provide structure to the organisation of many forms of crime, including organised crime.

#### Selected references

- Felson, M. (2006). *Crime and Nature*. Thousand Oaks: Sage.
- Kleemans, E.R. (2007). Organised Crime, Transit Crime, and Racketeering. *Crime and Justice. A Review of Research* 35: 163-215. Chicago: University of Chicago Press.
- Kleemans, E.R., & De Poot, C.J. (2008). Criminal Careers in Organised Crime and Social Opportunity Structure. *European Journal of Criminology* 5 (1): 69-98 (<http://euc.sagepub.com/cgi/content/abstract/5/1/69>).
- Kleemans, E.R., & Van de Bunt, H.G. (2008). Organised Crime, Occupations and Opportunity. *Global Crime* 9 (3): 185-197 (<http://www.informaworld.com/smpp/title-content=t714592492-db=all>).
- Passas, N. (2003). Cross-Border Crime and the Interface Between Legal and Illegal Actors. *Security Journal* 16: 19-38.
- Van de Bunt, H.G. (2007). 'Muren van Stilzwijsen', in: *Drie Perspectieven op Sociale Controle*, ed. H. Van de Bunt, R. Van Swaaningen & P. Spierenburg (pp. 113-136). Den Haag: Boom Juridische Uitgevers.

## Organised crime and the real estate sector

Hans Nelen

In the Netherlands, the debate on the links between the real estate sector and serious forms of crime has been dominated for a long time by the image of drug traffickers infiltrating into an 'immaculate' economic sector in their efforts to launder the proceeds of crime. Recently, this one-sided perspective has shifted, due in part to the results of a large-scale law enforcement investigation into a major fraud scheme. This investigation is still ongoing, but the preliminary results reflect a dark side to the way

in which 'regular' business is being conducted in this sector. The case suggests that the real estate sector, apart from attracting 'adventurers' investing illegitimate funds for the purpose of laundering money, is also an attractive playing field for white collar criminals. Although reliable and valid research data in this area are scarce, as are empirical studies that focus on the relationship between real estate and serious forms of crime, this contribution aims to shed some light on the vulnerability of the Dutch real estate sector to criminal abuse.

#### Market features

A number of specific features of the real estate market affect the value of the properties being bought and sold as well as the way business is conducted in this sector. First, due to the singularity of buildings and land, it is often complicated to establish the 'objective' value of real estate. Specific circumstances and factors strongly influence price developments. The geographical location of the object is a relevant variable, as well as the quality and the practical value of the building. For instance, the presence of reliable tenants in an office building will increase the price per square metre, while in the housing market the presence of tenants tends to put pressure on the price of a building. The extent to which there is a lack of appropriate real estate opportunities for buying and selling also has an effect on price developments, as well as the relation between supply and demand. In a booming economy with great demand for high quality real estate, prices can easily 'explode'. At the moment, the Dutch market seems to be deteriorating slightly (although the sector has not collapsed, as seems to have happened in the UK and Spain) but even in a period of economic downturn the market is still susceptible to fraud mechanisms, in particular price manipulation.

During the last decade, two major developments have taken place in the Dutch real estate market. First, due to a substantial increase in the number of (wealthy) private investors and private investment funds, the composition of the market has changed significantly. Second, the Dutch real estate market has become an important playing field for foreign investors. Notably in 2006, the total amount of foreign investments in the Dutch real estate sector exceeded the amount of domestic investments for the first time in modern history.

The substantial increase in foreign investment in the Dutch economy, and the real estate sector in particular, is partly due to the attractive Dutch fiscal climate for foreign companies, a cooperative financial sector, and the solid trade reputation of the Netherlands. Of course, economic and financial experts tend to judge these circumstances and developments positively. However, looking at the rapid influx of foreign investments from a criminal justice point of view, this development also has its drawbacks. Along with an increased volume of legitimate trade, several markets have also attracted illegitimate and irregular forms of trade, including serious forms of fraud and money laundering. In this respect, the finding of Unger and Rawlings (2006) that the vast majority of the 25 billion euro that is supposedly laundered annually in the Netherlands derives from other countries, is hardly surprising. After all, the Netherlands itself has created the opportunity structure for this kind of criminal activity: the improvement of facilities within the financial service industry has inevitably had the side-effect of creating a fertile breeding ground for criminal activities.

#### Vulnerabilities of the real estate sector

Crime inducing factors can be found at different levels. The most important factors at the macro level were briefly mentioned above. At the micro level, it has to be taken into consideration that real estate ownership is considered to be not only a safe investment but a highly prestigious one as well. For both legitimate and criminal entrepreneurs, an impressive portfolio of real estate offers plenty of opportunities to show off to friends and business acquaintances.

The fact that the property market offers excellent opportunities for criminal entrepreneurs to conceal their illegitimate activities and proceeds is

another relevant crime inducing element. In contrast to the financial sector, which is strongly regulated and supervised, the real estate market lacks sufficient transparency and adequate (formal and informal) control.

It has to be stressed that most *modi operandi* that are being used to hide the origins of investments or to conceal beneficial ownership of property are legitimate. In the property market, disguising ownership by putting property in someone else's name is not uncommon, let alone illegal. Sometimes this is done with some sophistication, for example when corporate structures are used. In some real estate transactions, a long chain of corporate bodies can be found, including domestic and foreign corporate vehicles, off-shore corporations and trust companies.

#### *Manifestations of serious forms of crime in the real estate industry*

Last year, Ferwerda et al. (2007) published a study in which a distinction was made between fraudulent activities with regard to exploitation and speculation. Three different forms of *mala fide* exploitation were found. The first form is unlawful occupation, i.e. the illegal (sub)letting of private homes to individuals who are legally or illegally residing in the Netherlands. The second form refers to rack-renters exploiting their tenants, mostly migrants who are not allowed to stay in the country. The third form entails wrongful use, which means that the house is used for purposes other than regular housing. This may vary from illegal boarding houses to using the property as a cover for criminal activities such as cannabis farms, trafficking in human beings, money laundering and illegal prostitution (Ferwerda et al., 2007).

Fraudulent activities with regard to speculation can be divided into various categories. The first is the so-called *A-B-C-construction*. Both the study of Ferwerda et al. (2007) and Nelen et al. (2008) refer to this construction, whereby a deed of conveyance for real estate is executed a number of times by one or more notaries public within a relatively short period of time (sometimes within a day). *A-B-C-transactions* are regular features in the property market. Such a construction in itself by no means always implies fraud or money laundering. However, when the sale from party A to party B, and from B to C, is accompanied by inexplicable increases (or decreases) in value, the transactions might become suspicious.

ABC-constructions are also abused for *money laundering* purposes. They can be very useful in this respect, as they create an artificial increase in turnover and profit. When the value of property rises steeply on each occasion, criminals can pretend to be successful businessmen and hide the fact that they earned their money illegitimately.

The third category in relation to speculation is *mortgage fraud*. The essence of this criminal activity is that individuals or groups try to obtain a (higher) mortgage under false pretences (such as falsified income data or fake identity papers).

The fourth category of fraudulent speculation, entailing various methods of *tax fraud*, manifests itself in a number of ways. Underhand payments for real estate are probably the best-known and most widespread manifestation. Parts of the transaction are kept out of the books in order to evade income and property tax. Another form of tax fraud consists of putting forward a straw man in the transaction chain in order to conceal the identity of the selling party. In the Dutch fiscal system, individuals who buy or sell property on an incidental basis are less liable to taxation than persons who are registered as professional real estate agents.

The fifth category in relation to speculation is *corruption*. Research on criminal cases and convictions on corruption charges in the Dutch Criminal Code support an image that the corruption problem in the Netherlands is rather limited (Huberts and Nelen, 2005). However, publications by Dutch journalists on a number of 'corruption' cases resulting from close relationships between local public functionaries and businesses in the construction and real estate industry have revealed that policy mak-

ers and politicians are sometimes receptive to corruption and collusion. The way in which entanglement between public officials and private interested parties seems to be taken for granted in the Netherlands, may be a relevant factor in this respect (Van den Heuvel, 2005).

#### *Conclusion*

Although the empirical evidence is scarce, instances of serious forms of crime related to the Dutch real estate sector underline the vulnerability of the market. The real estate sector seems to be conducive to an entwining of regular and irregular activities, as market conditions are attractive to both legitimate and illegitimate entrepreneurs. Real estate attracts large sums of (domestic and foreign) investments. Furthermore, the market is a closed circuit and a perfect place for legitimate and illegitimate entrepreneurs to meet, to collaborate and to share expertise and knowledge. Last but not least, the market offers a wide range of possibilities to conceal irregularities.

#### *References*

- Ferwerda, H., Staring, R., Vries Robbé, E, de., and Bunt, J., van de. (2007), *Malafide Activiteiten in de Vastgoedsector. Een Exploratief Onderzoek naar Aard, Actoren en Aanpak*. Amsterdam: SWP.
- Heuvel, G. van den (2005), "The Parliamentary Enquiry on Fraud in the Dutch Construction Industry; Collusion as Concept between Corruption and State-corporate Crime", *Crime, Law and Social Change*, 44, 133-151.
- Huberts, L.W.J.C., J.M. Nelen (2005), *Corruptie in het Nederlandse Openbaar Bestuur; Omvang, Aard en Afdoening*. Utrecht: Lemma.
- Nelen, H., B. ter Luun, and A. de Bruin (2008), *De Omgeving van de Rijksgebouwendienst: Integriteitrisico's bij de koop en huur van Vastgoed*, Maastricht / Amsterdam: Universiteit Maastricht / Vrije Universiteit Amsterdam.
- Unger, B., G. Rawlings (2006), *The Amounts and Effects of Money Laundering*, Den Haag: Ministry of Finance.

---

#### **Women trafficking and the consequences of legislative and policy changes in the Netherlands after 2000<sup>1</sup>**

*Richard Staring & Damián Zaitch (Department of Criminology, Erasmus University Rotterdam)*

Most women working in the Netherlands as prostitutes, particularly in the middle and cheaper market sections, are foreigners. While many can be considered free sex workers or entrepreneurs, others are, according to the Dutch legislation and UN definition, victims of 'trafficking in human beings' since they experience some form of coercion with the aim of exploitation. Since 2000, several developments have taken place in the Netherlands in order to tackle the problem of women trafficking, both at national and local level. In this contribution we will describe these main legal developments and provide an answer to the question on how successful these changes were in fighting women trafficking.

#### *Prostitution and human trafficking in dutch law*

Prostitution as such has never been illegal in the Netherlands as long as it was voluntary. Clients are not punishable by law, unless those providing the sexual services are minors (art. 248c of the Criminal Code). In 1911, the Netherlands adopted legislation prohibiting brothels and the exploitation of prostitution. This legislation lasted almost 90 years, but for the last 50 years there existed a policy of toleration (*gedoogbeleid*) on brothels, sex clubs and red-light windows. On October 1, 2000, articles 250bis and 432 were removed from the Criminal Code and the ban on brothels and pimping lifted. It is since then legal to run a business where men or

---

<sup>1</sup> This contribution is based on Zaitch & Staring (2008).

women over the age of consent are voluntarily employed as prostitutes. The person running the business must satisfy certain conditions, obtain a license from the local authorities, and pay taxes. Sex clubs, brothels and escort services may therefore operate as legal businesses. Prostitutes are also obliged to pay taxes and have the right to receive social benefits, health insurance and pension.

The Netherlands was then the first country in Europe to abolish the prohibition of brothels. The discussion to put an end to this prohibition started in the early 1980s, predominantly initiated by organised prostitutes, women's organizations, and social and medical workers. The overall goal was to improve the position of prostitutes through legislation. At that time, there were huge numbers of red-light windows, escort services, and prostitutes working on the streets or at home, all being endured and coerced. Illegal prostitutes lacking valid residence permits as other illegal immigrants living in the Netherlands, were by and large tolerated during the 1980s. It was not until the last decade that Dutch policies gradually changed their attitude and started to develop policies aiming at marginalizing and excluding illegal immigrants from daily life in Dutch society.

The idea came to exist that prostitution was impossible to eliminate and thus it should be regulated in ways that would decrease the undesirable consequences (harm reduction), an approach also followed for example in the field of illegal drugs. The abolition of the ban on brothels from October 2000 was supposed to achieve several objectives among which the control and regulation of the exploitation of prostitution; the protection of the prostitute's position in terms of exploitation, violence and bad working conditions as well as protecting foreign nationals who are illegally prostituting in the Netherlands (Goderie & Boutellier, 2006: 16-17).

Next to lifting the ban on brothels, the change of 2000 introduced art. 250a in the Criminal Code (actually replacing the older 250 ter). This article mentioned the forms in which sexual exploitation of human beings were punishable: forced bringing or keeping of persons into prostitution; the bringing or keeping of minors into prostitution (voluntarily or not); or bringing persons from other countries into prostitution (voluntarily or not). According to article 250a it was also punishable to make profit from the aforementioned circumstances. In other words, art 250a made a distinction between legal exploitation of prostitution (voluntary and adults) and trafficking in human beings (involuntary, minors or cross-border). Since January 1, 2005, article 273a came to replace the 250a from 2000, expanding human trafficking beyond the realm of sexual exploitation (prostitution). Next to criminalizing the exploit of another person for the purpose of prostitution and other forms of sexual exploitation, article 273a also prohibits forced or compulsory labour or services, slavery, practices comparable with slavery or servitude, and trafficking in organs.

Anyone who forces another person to engage in prostitution, induces a minor to engage in prostitution, recruits, takes away or abducts a person to engage in prostitution in another country, profits from prostitution involving a minor or forced prostitution, or forces another person to surrender the proceeds of prostitution is liable to a custodial sentence of up to 6 years and/or a fine up to €45.000. In the event of aggravating circumstances (the victim is under the age of 16 or if two persons committed the offence acting in concert) the sentence may be raised to a maximum of 8 or 10 years. If the offence involves serious physical injury or danger to life, the penalty may be raised to a maximum of 12 years and to a maximum of 15 years for loss of life.

In the Netherlands, traffickers and exploiters can be prosecuted without a declaration of a victim. But in the interest of the investigation and the prosecution, it is often desirable that victims or eventual witnesses tell their story to the police. Victims can stay in the Netherlands for a longer period at the disposal of the Public Prosecutor. The so-called 'B-9' regulation serves this purpose. Its additional purpose is to offer shelter and protection to the victims. The victim is offered a period of three months, in which she has to take a decision whether she wishes to make a declaration of trafficking in human beings. If the victim decides to make a declaration, then

this declaration is considered officially as an application to the granting of a residence permit for a determined period of time. Since December 2004 victims are allowed to work under the 'B-9' ruling.

#### *The effects of law enforcement practices on women trafficking*

It is now the question if the aims of the legislative and policy changes introduced in 2000 concerning women trafficking have been achieved eight years later.

The regulation and control of the licensed prostitution sector are tasks reserved for the local authorities. It is primarily the (local) police that strive to ensure that brothels satisfy the conditions of their licences. Brothels that fail to comply are liable for an administrative punishment or, depending on the violation, can be prosecuted for the offences covered by article 273a of the Criminal Code. According to a recent evaluation report, all municipalities have almost completed the licensing process and carry out inspections to a greater or lesser extent. The police still play the most important role in monitoring the licensed sector, but lack however the capacity to monitor and investigate the unlicensed (illegal) sector. This situation is regarded as unfair by legal operators, undermining their willingness to comply with rules and cooperate with controls (Daalder, 2007).

The routine controls only shed light into the problematic to a limited extent. The focus of these controls is on 'law maintenance' rather than on 'investigation' and 'law enforcement'. As a consequence, the actors inside these brothels are treated as customers and tax payers rather than potential offenders. Not much effort is put into concealing these visits and pimps as well as illegal prostitutes have all opportunities to hide, to flee and to inform other brothels and colleagues. Moreover, they mainly target sex operators and not pimps operating in the background mainly in the window, escort and private home sectors. Indeed, the number of prostitutes with pimps has not declined. These controls can hardly present any insights into illegal prostitution, let alone human trafficking. Recently, several large police investigations on women trafficking in the Netherlands have shown that trafficking and related abuses continue to exist within the licensed sector, which in many cases even facilitated further financial exploitation of prostitutes.

There are various forms of displacement as a result of new regulations and controls. First, several sources indicate a shift from one type of business and setting to another. One trend is that both legal and illegal prostitution have moved from traditional public forms of prostitution (street, windows and brothels) to more private and invisible realms (backstage) such as the escort service (an extremely flexible notion with few rules and control), saunas, massage parlors, private houses, mobile phones or the internet. Of course, this shift from front- to backstage or invisible places is also influenced by more 'autonomous' market or technological developments such as the spread of internet and mobile phones, new media, migration fluxes or the diversification of erotic services (Goderie et al., 2002).

A second form of displacement implies internal movement from one place to another. Not so much the result of legalization, but much more a possible outcome of increased controls is the literal displacement of the phenomena towards another region or municipality with less strict regulations or enforcement (Daalder, 2007).

A third trend shows women and clients moving outside the Netherlands. In line with more general trends of increasingly feminized and heterogeneous migration flows towards Western countries, a larger variety of women exists today in the Netherlands than 8 years ago in terms of country of origin, with a marked increase of women from Eastern Europe. However, many non-EU women with no residence permit are moving from the Netherlands to other Western European countries.

Due to displacement towards backstage places, the police is increasingly dependent on anonymous reports, tips, incidents, statements by witnesses or by the outcomes of routine controls. There is hardly any control on for instance the escort service. In those rare cases where they were controlled, it turned out that all escort agencies somehow committed an offence.

Asante & Schaapman (2005), in their research about the invisibility of the sex industry, are extremely sceptical regarding the positive impact of legalisation. According to them, legalisation of brothels may have signified to be a failure. In their opinion, without a law regulating escort services, legalisation is an empty promise. The research of Goderie & Boutellier (2006) underlines the sceptical view of Asante and Schaapman. These researchers describe how, due to the legalisation of prostitution, the number of formal brothels has declined and how the majority of all prostitutes working in Rotterdam around early 2006 is working illegally in backstage places instead of being formally employed in legal brothels.

Despite these facts, Daalder (2007) claims that it is 'more likely' that human trafficking has become more difficult after a section of the prostitution sector is more regulated and controlled. However, she points out the impossibility of producing reliable numbers to support that claim. While in theory the social and labor situation of prostitutes working in the licensed sector has improved, almost all sources indicate that in practice many rights remain unfulfilled and that prostitution is far from being normalized.

Several studies show the unfortunate and negative consequences on the position of illegal prostitutes (e.g. Asante & Schaapman, 2005). Illegal prostitutes are in fact migrant women, mainly from non-EU countries, who lack a residence permit but still sell sexual services in the Netherlands. Formally excluded from the 'legalized' sector and hunted from the streets, some still manage to work 'legal' by faking identities or evading controls, while most of them have been forced to work in more invisible and unregulated sectors, and still others have gone to work to other EU countries.

To conclude, there seems to exist a serious contradiction between the aim of protecting the women working illegally in the prostitution (basically non-EU nationals without residence permits), and other more prioritized aims such as 'combating' illegal prostitution and deporting illegal migrants to their countries of origin. Indeed, while the number of prostitutes from Russia, Romania, Bulgaria, Colombia and Dominican Republic has decreased, women from East European countries with an EU passport have increased in all sectors (Daalder, 2007). Controls have been increased by the Dutch (foreign) police in order to find and extradite illegal residents, in line with the overall more strict control of illegal migrants. Police experts also point at a more practical issue related to the circular movements of these prostitutes. Illegal prostitutes who apply for the 'B9' regulation as victims of human trafficking can not be taken into custody, but should be taken care for. Often it turns out to be very difficult to find a proper shelter and these laborious efforts can even result in the victim disappearing. The Netherlands has still a long way to go before controlling and reducing forced prostitution and women trafficking.

#### References:

- Asante, A. & Schaapmans, K. (2005). *Het onzichtbare zichtbaar gemaakt, prostitutie in Amsterdam anno 2005*, 2nd edition. Amsterdam: PvdA fractie Amsterdam
- Daalder, A. (2007). *Prostitutie in Nederland na opheffing van het bordeelverbod*. The Hague: WODC.
- Goderie, M. & Boutellier, H. (2006). *Prostitutie in Rotterdam*. Utrecht: Verwey-Jonker Instituut.
- Goderie, M., Spierings, F. & Woerds, S. ter (2002). *Illegaliteit, onvrijwilligheid en minderjarigheid in de prostitutie één jaar na de opheffing van het bordeelverbod*. The Hague/Utrecht: Verwey-Jonker Instituut/WODC, Ministry of Justice.
- Zaitch, D. and R. Staring (2008). The flesh is weak and the spirit even weaker. *Prostitution clients and women trafficking in the Netherlands*. In: Di Nicola, A. et al (eds.) *Prostitution and Human Trafficking. Focus on Clients*. Springer: New York.

## The Social Organisation of Cannabis Cultivation in the Netherlands

Henk van de Bunt (Erasmus University, Rotterdam)

A considerable share of the cannabis produced in the Netherlands finds its way to foreign buyers. Large numbers of drug tourists from Belgium, Germany and France visit the coffee shops in Dutch border communities. Estimates from various regions put the number at thousands of visitors per day. Besides these individual users, there are drug couriers who travel to and from the Netherlands every day, carrying several hundred grams to tens of kilos of cannabis. Lastly, there are criminal groups, engaged in the export of cannabis grown in the Netherlands in shipments of tens of kilos per transaction to, for instance, the UK.

The retail and wholesale side of the cannabis market are relatively well documented, but much less is known about the world of cannabis cultivation. Police officers regularly come upon cannabis plantations in private houses, in barns, and even on boats. These plantations are routinely destroyed, but in most cases the identity of the people involved and the nature of the social organisation behind the operation are never discovered. Just who are the people involved in the cultivation of cannabis in the Netherlands? Toine Spapens, Henk van de Bunt and Laura Rastovac investigated this issue by extensively interviewing 16 cannabis growers and analysing the files pertaining to 19 large-scale police investigations on cannabis cultivation. The researchers also talked to police officers and representatives of other agencies involved in tackling cannabis cultivation and collected and analysed numerical data as well as a wide range of written material.

In their findings, the researchers first describe and analyse the process of cultivating cannabis. They conclude that the cultivation of cannabis does not require any specialised technical knowledge or special skills. They also point to the fact that most of the materials required for the production of cannabis are widely used in other applications, with perhaps the sole exception of the carbon filter used to eliminate the pungent cannabis odour, a device not many private individuals outside the world of cannabis would seem to be in need of. It appears that the so-called grow shops in particular seem to facilitate the production process. These shops usually supply all the necessary legal cultivation equipment and they also give advice to growers. None of their activities are currently punishable by law.

Cultivating cannabis is accessible as well as tempting: it takes an investment of about 2000 euros to rig up a plantation with 100 plants in an attic. The normal harvest cycle is approximately 9 weeks, and every harvest will bring in somewhere between 3000 and 4000 euros. The world of cannabis cultivation is a 'democratic' world, in which small and large growers operate side by side. It is comprised of both ordinary citizens acting out of necessity or greed as well as criminal entrepreneurs who are also involved in other profitable illegal activities.

#### Four types of growers

In the social world of cannabis cultivation four principal types of growers can be distinguished. Firstly, independent growers who operate at their own risk and use their own money to grow anywhere between 100 and 1000 plants on their own premises. To acquire grow supplies or cuttings they either go to *grow shops* or appeal to their social network. The same goes for assistance in building up a grow room or illegally diverting electricity. The harvest is either sold directly to *coffee shops* or offered to *grow shops* and other buyers.

Secondly, larger-scale independent growers who operate plantations in (rented) commercial properties or, for instance, farm sheds, where 1000 plants or more are cultivated.

Thirdly, operators who install 5 to 10 plantations in other people's houses, mostly acquaintances in their social network. With the occasional exception, there is no coercion involved in the running of these plantations. Often several operators employ the same 'grow room builders', electricians and cutters. While the focus of their activities is at the local level, they sometimes install plantations in a wider area or across the border, depending on their social network. These operators are usually persons who first

gained the necessary experience in cannabis cultivation and made substantial profits from it themselves. They are subsequently approached by others with the request to install a 'small garden'.

Finally, criminal groups that are involved in buying, processing and selling cannabis products on a large scale and, in addition, often run their own sizeable plantations. They have one or more *grow shops* at their disposal, or a less visible address where independent growers or operators can deliver their harvests. The nature and quality of the product is of little importance, as these criminal entrepreneurs will buy both dried and undried cannabis of varying quality, as well as unprocessed plants. The intermediary products are processed by the groups themselves. The finished product is largely exported but also sold domestically to *coffee shops* in the Netherlands.

The key figures in these criminal groups have the contacts needed to sell large amounts of cannabis both at home and abroad. A turnover of 100 to 200 kilos per week is not unusual. Criminal financial investigations have uncovered that in some instances tens of millions of euros were amassed in the span of only a few years. As a rule, the central players in these groups previously earned their spurs in serious crime. Police investigations revealed examples of illegal contracting, armed robbery and the production of synthetic drugs, as well as convictions for murder and firing at police officers. Measures taken to conceal their operations from the outside world are similar to those used in the production and trade of hard drugs. These persons do not hesitate to use extreme violence against 'business partners' who fail to keep their end of the bargain in one way or another.

Criminal groups play an important role in the world behind the cultivation of cannabis, not because they force people into installing plantations in their homes, but because they provide an assured market to independent growers and operators. They offer growers and operators an opportunity to cultivate cannabis in the knowledge that they will have no difficulty selling their harvest.

#### *Law enforcement: a paradox*

At present, the police approach to cannabis cultivation in the Netherlands is mainly focused on individual cannabis plantations. In by far the most cases, the plantations were found in private homes (80 to 90 percent), and nearly all of these were rented premises in lower class neighbourhoods. The containment of plantations that are installed in private homes has become one of the cornerstones of local public security policies. In Rotterdam for example, the local government is intent on banning these plantations from the city. In some of the larger municipalities an 'integral' approach is being used, which means that various official agencies work together, such as local councils, the police, public prosecutors, the tax department, social services, housing corporations, et cetera. Especially the risk of being evicted from rented premises appears to act as a deterrent. In the interviews, cannabis growers agreed that fewer people are now willing to install a plantation in their homes as a result of this.

It appears that operators running 5 to 10 cannabis plantations are only sporadically the object of a criminal investigation. For one thing, the police often have no clear view of their activities. Furthermore, these cases are generally assigned a lower investigative priority than violent crimes, serial burglaries, et cetera.

The criminal groups involved in the cultivation and trade of cannabis are being investigated to a certain degree. In a few police regions several major criminal investigations have been conducted; elsewhere, these criminal groups have been the object of short-term investigations. However, there is no systematic investigative pressure on these cooperatives. Perpetrators who restrict themselves to cannabis cultivation often receive a relatively low sentence and usually find it easy to resume their illegal activities after serving a short time in prison.

In other words, the present paradox in law enforcement is that attention is now being focused on the small growers, who are usually 'ordinary citizens', rather than on the criminal offenders who are raking in consider-

able profits by running large cannabis plantations. The unintended result is that the world of cannabis cultivation is becoming less heterogeneous, allowing the more serious offenders to gain a larger share of the market.

A.C.M. Spapens, H.G. van de Bunt, & L. Rastovac, *De wereld achter de wietteelt*, Meppel: Boom Juridische uitgevers.

## Discussion

### Organised Crime as a Cultural Phenomenon: a new CIROC book

Dr. *Damián Zaitch* (Department of Criminology – Erasmus University Rotterdam)

In 2003, a volume called '*Global Organised Crime. Trends and Developments*' was published by Springer containing a selection of essays based on contributions to the 2001-2003 CIROC Seminars at the VU University of Amsterdam (Siegel, Van de Bunt and Zaitch 2003). The common denominator in that first publication was the global nature of organised crime and the responses to it: transnational networks embedded in local contexts, the role of migrations and diasporas in illegal markets, the place of international fluxes of goods, services and money, the blurring line between legal and illegal arrangements and the changing nature of national boundaries and state sovereignty in crime control strategies. A journal (*Global Crime*) and a growing number of books which have appeared in recent years attest the great interest in exploring the connections between organised crime and the process of globalization (Franko Aas 2007; Galeotti 2007; Nordstrom 2007; Findlay 2008). Similar issues are also tackled in various recent edited volumes on particular regions and local case studies that stress the 'transnational' or 'cross-border' nature of organised crime and crime control (Fijnaut and Paoli 2004; Van Duyne et al 2002).

This second CIROC volume entitled '*Organised Crime. Culture, Markets and Policies*' is also a result of Seminar presentations between 2004 and 2008, but follows a different path. Although the contributions explore topics as diverse as sex trafficking, diamond trade, money laundering, underground banking, eco-crime or vehicle theft, and authors come from different disciplines including criminology, sociology, anthropology or political sciences, the editors have assembled this time specific and concrete pieces of empirical research, often based on extensive fieldwork or other qualitative methods.

The editors of this new CIROC book have focussed on specific local situations, movements of people and goods, interactions and symbolic performances of offenders and victims in constantly changing contexts. They claim that criminological research on organised crime has to pay more attention to specific situational contexts, to the socio-economic conditions in the origin and development of criminal networks and markets, and to the main causes for their movement and displacement.

One way of doing this is by exploring the past. In the first part of the book on *historical transformations*, it becomes clear how the nature and extent of organised crime depends on the social, economic and cultural contexts in which it originated and developed. Anton Blok describes the evolution of the Sicilian mafia throughout the twentieth century under changing centre-periphery relations, while Letizia Paoli primarily explains the containment and current 'decline' of mafia groups in South Italy by the intensification of law enforcement since the early 1990s. Further, the contribution of Emanuel Marx deals with the social organization of hashish trade in the Middle East, showing how hashish traders were already active in the thirteenth century and how that trade constitutes a major permanent feature of the South Sinai Bedouin economy and a legitimate economic activity for the Bedouin.

The second part on *transnational flows* stresses the key role of situational specific contexts in the development of cross-border organised crime, particularly involving the movement of people and goods. Sheldon Zhang and Samuel Pineda argue that official corruption may be an important causal

factor in explaining the presence of human trafficking activities in certain countries. The chapter by Stefano Becucci also deals with human trafficking, but he focus on recent developments within the sex exploitation market in Italy. Becucci's main argument is that foreign criminal networks tend to adopt different organizational models in recruiting 'sex slaves' than their Italian counterparts. Tihomir Bezlov and Philip Gounev examine the vehicle theft market in Bulgaria and the way *grupirovki* compete and communicate. They show how changes in society and institutions shape the dynamics of criminal markets.

A third section on the *intertwinement of illegitimate and legitimate activities* focuses on four markets or activities where the main actors are legitimate and strong symbiotic relations exist between legal and illegal arrangements: diamond and timber trade, informal banking and the role of lawyers and accountants in organised crime. Dina Siegel reveals the latest developments in the diamond sector in Antwerp and highlights why specific features of this market are of interest to organised crime groups. Tim Boekhout van Solinge moves away from classical organised crime research topics to explain the complexities of the trade in tropical timber. His analysis of 'eco-crime' goes beyond traditional boundaries between organised, corporate and state crime. Henk van de Bunt focuses on the role of *Hawala* bankers in the transfers of proceeds from organised crime. He argues that they do not only provide a financial service, but are also able to smooth out potential difficulties in the settlement of illegal transactions. Hans Nelen and Francien Lankhorst expose the dilemmas facing the legal and financial professions (lawyers, accountants) in their relation with criminal clients.

The last part of the book is dedicated to law enforcement strategies and, to a lesser extent, to the reactions of organised crime to new forms of prevention, containment, repression or 'dual strategies' against it. In other words, new cultural patterns develop from the relations between prevention, repression and organised crime. Richard Staring discusses the process of criminalization of human smuggling in the Netherlands in the context of a number of national and international developments, while Carlo Morselli, Dave Tanguay and Anne-Marie Labalette look into criminal conflicts and collective violence between biker gangs in the province of Quebec. They focus on how to deal with outbursts of violence, and their analysis indicates that external intervention from specialized law enforcement squads was required to level down persisting conflict.

The last three chapters are dedicated to the so-called 'dual strategy', a popular approach to deal with organised crime originated in New York City, in which (criminal) law enforcement and administrative measures (permits, screening, etc.) are combined. Jim Jacobs argues in his contribution on labour racketeering in the United States that the civil RICO-law offered many opportunities to break the power that the *Cosa Nostra* families exercised over many American labour unions. Antonio la Spina analyses indirect anti-mafia strategies that were introduced in Italy in the last two decades, while Hans Nelen and Wim Huisman describe why the administrative approach in Amsterdam is regarded as an important addition to more traditional ways of combating organised crime, but they critically warn against unrealistic expectations.

To conclude, a clear common feature throughout all chapters of this new CIROC book is the exploration of the interrelation between cultural performances, market developments and policy interventions in the field of organised crime.

Siegel, D. and H. Nelen (eds.) (2008) *Organised Crime. Cultures, Markets and Policies*. New York: Springer. pp. 229, ISBN: 978038774732

#### References:

- van Duyne, P., K. von Lampe and N. Passas (2002) *Upperworld and Underworld in Cross-Border Crime*. Nijmegen: Wolf Legal Publishers.
- Fijnaut, C. and L. Paoli (2004) *Organised Crime in Europe*. Dordrecht: Springer
- Findlay, M. (2008) *Governing through Globalised Crime*. Devon: Willan Publishing

Franco Aas, K. (2007) *Globalization and Crime*. London: Sage

Galeotti, M. (2007) *Global Crime Today*. London: Routledge.

Nordstrom, C. (2007) *Global Outlaws. Crime, Money and Power in the Contemporary World*. Berkeley: University of California Press.

## Recent Dutch publications on Organised Crime

### End of 2007

Bunt, H.G. van de & E.R. Kleemans (2007) *Georganiseerde criminaliteit in Nederland. Derde rapportage op basis van de Monitor Georganiseerde Criminaliteit*. (Organised crime in the Netherlands. Third report of the Organised Crime Monitor.) Den Haag: Boom Juridische Uitgevers

Siegel, D. & H. Nelen (eds.) (2007) *Organised Crime: Culture, Markets and Policies* (Studies of Organised Crime). Springer

Spapens, A.C.M., H.G. van de Bunt, L. Rastovac, m.m.v. C. Miralles Sueiro (2007) *De wereld achter de wietteelt* (The world behind the cultivation of marijuana.) Den Haag: Boom Juridische Uitgevers

Verhoeven, M.A., R.J. Bokhorst, F.L. Leeuw, S. Bogaerts, P.C.M. Schotborgh-van de Ven (2007) *Georganiseerde criminaliteit en rechtshandhaving op St. Maarten* (Organised crime and law enforcement on St. Maarten). Den Haag: Boom Juridische Uitgevers

Wouters, M., Korf, D.J., Kroeske, B., Ginkel, P. van, Koet, S. , Place, S. , Yesilgöz, B. (2007) *Harde aanpak, hete zomer. Een onderzoek naar de ontmanteling van hennepkwekerijen in Nederland*. (Intense control , hot summer. A report on dis-mantling of Dutch marijuana cultivation sites.) Amsterdam: Rozenberg Publishers, Bongor Instituut voor Criminologie, Universiteit van Amsterdam

### 2008

Hulst, R.C. van der & R.J.M. Neve (2008) *High-tech crime, soorten criminaliteit en hun daders. Een literatuurinventarisatie*. (High-tech crime, types of crime and their perpetrators. A literature inventory) Den Haag: Boom Juridische Uitgevers

Kleemans, E.R. (2008) "Introduction to the special issue: Organised crime, Terrorism and European criminology." in: *European journal of criminology*, vol. 5, 2008, nr. 1, pp. 5-12

Kleemans, E.R. and H.G. van de Bunt (2008) "Organised Crime, Occupations and Opportunity." in: *Global Crime*, vol. 9, 2008, nr. 3, pp. 185-197

Spapens, A.C. (2008) *Joker. De aanpak van illegale casino's in Nederland*. (Joker. The control of illegal casino's in the Netherlands). Den Haag: Boom Juridische Uitgevers

## COLOFON

**Editorial:**  
Chief Editor: Dr. Dina Siegel

**CIROC**  
VU University Amsterdam  
De Boelelaan 1105  
1081 HV Amsterdam  
Email: [ciroc@rechten.vu.nl](mailto:ciroc@rechten.vu.nl)  
Tel. +31 (0) 20 5986231  
Fax. +31 (0) 20 5986230  
<http://www.ciroc.org>