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The Information Age: Transnational Organized Crime, Networks, and Illicit Markets

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The Information Age: Transnational Organized Crime, Networks, and Illicit Markets

Abstract

In his landmark trilogy, *The Information Age: Economy, Society and Culture,* sociologist Manuel Castells argued that networks, information technology, and global economic flows were altering the nature of politics, power, and states. This article examines the network dynamics Castells wrote about in relation to transnational crime and illicit economic markets. The article further explores Castells's influence on the study of transnational organized crime, illicit networks, and the global illicit economy.

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Introduction

The rise of transnational networks is changing the nature of power. The evolving power-counterpower relationships identified by Manuel Castells in his trilogy, *The Information Age: Economy, Society and Culture,* forge new identities, new polities, and new economic fora.[1] As a consequence, economic markets and nation-states morph to accommodate the emerging space of places and flows, creating new opportunities that criminal actors exploit through the many guises of transnational organized crime. Criminal actors operating within nascent criminal networks challenge state solvency and legitimacy, fueling insecurity and conflict, and, in turn, yielding a crisis of a nation-state system of deviant globalization. Examining network dynamics through the lens of Castells's concept of the network state shows that illicit markets, criminal enclaves, and nation-states co-exist with legitimate economic markets as layers of interactive actors distributing power and profit.

Within Castells's network state, new social relationships emerge along with new identities. Criminal enterprises and enclaves adopt new symbols, transmitted by internet communication technologies, to forge new cultures, such as *narcocultura*, and moderate power in new venues, such as plazas and similar spaces that regulate illicit flows for drug trafficking. Through narcocultura, criminal groups forge a "twisted relationship with power," exemplified by their corruption and production of symbols, rituals, and artifacts in social and cultural context—for example, through slang and religious cults.[2] The veneration of folk saints, such as Santa Muerte or Jesús Malverde, along with music (*narcocorridos*) illustrate the means criminal groups use to forge the identity and primary loyalties they need to sustain participation in a criminal milieu.[3]

Assessing Castells's Contribution to Understanding Criminal Networks

Manuel Castells Oliván is a Spanish sociologist and social scientist who, over the past several decades, has influenced communication studies, globalization, and the information society. From 2000 to 2017, his works ranked first in citations among communications scholars and sixth among social scientists.[4] In his trilogy, *The Information Age: Economy, Society*

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and Culture, which was published between 1996 and 1998, Castells emphasized the role of networks in an evolving information age.

While Castells's work is well-known in sociology, communication and information studies, urban studies, and network studies, it is less recognized in the areas of transnational crime and security. Castells's work on networks was, and is, acknowledged acutely as a seminal influence on the importance of global networks. Still, some researchers like Le Galès suggest it lacks precision, which limits its use as a grand theory.[5]

Using Castells's exploration of globalization, networking, and the informational economy—including the "space of flows and places" in the trilogy's first volume, *The Rise of the Network Society*—this article examines criminal networks and the influence criminal groups have on states and sovereignty.[6] It then addresses the issues of social movements, identity, global terrorism, environmental threats, and the crisis of nation-states discussed in the second volume, *The Power of Identity*.[7] Finally, the article focuses on a discussion of the global criminal economy in the trilogy's final volume, *End of Millennium*.[8]

Castells's trilogy is an effort to understand the unfolding global social dynamics arising from the transformation of information and its expression in political, economic, and cultural spheres. Castells articulates the framework for a new, networked information society. He explains the emergence of a new form of capital accumulation, grounded in information and knowledge. Castells's new information society results in a global formulation that integrates social movements through the power of communication and brings networked communication to the forefront of social, political, and economic activities.

In Castells's new information society, individuals and groups establish new information formations in primary identities, thereby also forging primary loyalties. Primary identities may involve religious, ethnic, territorial, sexual, gender, or national focus, as well as criminal identities and loyalties to gangs, *maras*, mafias, and cartels. In addition to forming new primary identities, new assemblages of power within a networked information society generate new potential modes of production and the potential evolution of new state forms.

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Global criminal networks have played an increasing role in transforming states, as demonstrated in Russia, where criminal groups have successfully tested the contemporary template for politics, business, and crime to intertwine. The interpenetration of criminal cartels, gangs, and Mafias with co-opted politicians, states, and legitimate enterprises relies on corruption as a currency of power and profit. Money laundering and the drug trade form what Castells called a "matrix of global crime" characterized by volatility and criminal culture.[9] Criminal-political interpenetration and collusion yield extreme violence, insecurity, and instability transcending national frontiers. The resulting criminal-political economy fuels a crisis of liberal governance that Castells recently described.[10] Castells also articulated the role that "spaces of places and flows" played in enabling a social transformation, as seen in global cities and new assemblages for power.[11]

Organized Crime in *The Information Age* Trilogy

In the first volume of his trilogy, Castells looked at the structural facets of an information age that has yielded a new network society. He set the stage for elaborating the influence of transnational organized crime in the evolving global, social, political, and economic landscape. Castells recognized internet communication technologies were changing technology and society, resulting in a network society, a new economy, globalization (including deviant globalization), an expanded exploitation of information, and a rise of interactive networks that anticipate contemporary networked social movements.[12]

According to Castells, globalization has helped usher in an era of transnational organized crime.

> Criminal activities and Mafia-like organizations around the world have become global and informational, providing the means for stimulation of mental hyperactivity and forbidden desire, along with all forms of illicit trade demanded by our societies, from sophisticated weaponry to human flesh.[13]

Criminal groups have demonstrated their influence and reach through global vice, such as drug and narcotic trades, human trafficking, small

arms trafficking, and all forms of deviant globalization. Group identity has become a core expression of social and political power, as well as a conflict-driver, causing gangs and cartels to fight for identity on many levels, in contested cities, in conflict zones, and in the information (or cyber) space.[14]

The second volume of Castells's trilogy examined economy, society, and culture in the information age.[15] Castells saw religious fundamentalism, states in transition, and ethnic unbonding as determinants (or accelerators) of identity politics.[16] Revolutionary social movements—such as the Zapatistas (Ejército Zapatista de Liberación Nacional – EZLN), militias in the United States, Jihadi global terror groups like al-Qaeda (and successors like the Islamic State), anti-globalization activists, and new insurgencies— are increasingly networked.[17] Identity politics are becoming core factors in state change and transition as various entities engage in a competition for state-making.[18] The rise of criminal insurgencies and criminal enclaves, as elaborated by Sullivan, and the increasing power of transnational and territorial gangs answer Castells's query about the consequences of entering "a lawless world."[19]

Castells saw the prospects for globalizing crime, where transnational linkages would subvert the nation-state by incapacitating and paralyzing state functions and engendering a crisis of governance. While crime and corruption have always been features of states and politics, globalization and transnational links change the scale of interpenetration between state and criminal enterprises. This interpenetration is a form of "co-opted state reconfiguration" as seen in the drug wars and criminal insurgencies raging throughout the Americas, demonstrating a reciprocal process.[20]

Because of their expanded, cross-national geographic reach, transnational criminal organizations (TCOs) influence not only state and sub-state structures, but also international relations among states and transnational organizations. The scale, dynamism, and fusion of corrupt state-criminal networks strengthen the global criminal economy, creating an illicit global political economy. A criminal economy is a feature of deviant globalization that subjects states to destabilization—where state capacity and legitimacy (collectively solvency) challenge states' ability to effectively govern—and fuels impunity.[21] Impunity, in turn, threatens sovereignty and erodes the legitimacy of the state.

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According to Castells, endemic corruption and the unchecked extreme influence of organized crime erode democratic political capacity, while criminal economic power fuels instability.[22] Drug trafficking, illicit trade, weapons smuggling (including radiological materials and other weapons of mass destruction), trade in art and cultural artifacts, human trafficking, organ trafficking, and money laundering exacerbate political instability. Castells noted that many state structures are penetrated at all levels (local, municipal, provincial, national) and at times at the highest levels of power through corruption, intimidation, graft, and illegal political financing.[23]

As seen in the global war on drugs, transnational criminal activity also corrupts international relations between nation-states as relations become dependent upon efforts to address an illicit economy. For example, global efforts to contain an illicit political economy have created informal power, political support, and economic development throughout North, Central, and South America and beyond. Mafias, criminal cartels, drug gangs, the Russian *mafiya*, and others are now global and interact with other criminal enterprises through alliances and global networks, while corruption and illicit financial flows destabilize national and regional economies.

In volume three of his trilogy, Castells saw the fall of the Union of Soviet Socialist Republics and the disintegration of the Soviet state as exemplary of the risks facing states when political instability and corruption take hold, resulting in the rise of predatory states.[24] These predators extract resources, leverage corruption, and use exploitation as a source of power and wealth. Castells's recognition of predatory states anticipated the rise of "Putinization"—where oligarchs and corrupt criminal-state fusion fuel authoritarian rule, creating a political economy controlled by oligarchs and monopolistic interests. Glenny and Galeotti described the situation in Russia, while Denise Dresser describes a similar situation in Mexico.[25]

In volume three, Castells also set the stage for understanding global illicit flows. He reviewed the organizational characteristics of criminal enterprises and the globalization of crime. Using the case of Russia, he described the pillage of a state by the concerted efforts of oligarchs and corrupt officials. He then assessed mechanisms of accumulation and looked at *narcotrafico* (the drug trade) in Latin America in terms of

development and dependency. Finally, he assessed the impact of global crime on the economy, politics, and culture.

The global criminal economy, as seen in Russia and Latin America, illustrates a reconfigured relationship between capital, production, and the distribution of goods, altering the dynamics of network society, inequality, and social exclusion.[26] The result of that reconfigured relationship is a polarized world where gangs, *narcos* (narcotrafico*)*, and narcocultura influence identity, development, and dependency, resulting in new international modes of production and adaptive division of labor between locations (places) and gangs.[27] Money laundering links all other enterprises through global cash flows. Participants in illicit financial operations make and maximize profits when illicit funds are reinvested in the legal economy. Money laundering relies upon legitimate financial institutions (including banks) to process or launder illicit funds into legitimate funds that are available for use. Money laundering transactions are spread among multiple nodes of global financial markets via fund transfers. Financial institutions then integrate cleansed money into the legal economy and incorporate criminally-generated profits into global financial flows.[28] Violence accompanies and enables these activities.

Criminal groups use violence as a mode of expression and means to wield power. In Mexico and Central America (especially the Northern Triangle of Central America) extreme violence results in and represents the broken equilibrium between the state and organized crime.[29] That broken equilibrium is reinforced by corruption and the (inter)penetration of state institutions. As a result, new spatial power arrangements, such as criminal enclaves and "narco-cities," become viable.[30]

Global Criminal Economy: The Illicit Political Economy

The new Russia, that resulted after the fall of the Soviet Union, became a new "criminal counter power."[31] Russia, as a new criminal-political actor (or set of criminal-political actors), is obscured by its occult nature but empowered by its global network linkages. At its core, this new power vector can exert raw, predatory capitalism. To achieve its aims, Russia relies upon corruption with businesses and corrupt politicians and officials exerting influence over politics, business, and crime. These three spheres

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are a mutually reinforcing sources of counterpower challenging states.[32] Essentially corruption fuels the illicit ecosystem(s) of power. The resulting matrix of global crime yields a volatile, unregulated, high stakes, high-risk globalized criminal economy that distorts monetary policies and economic processes, favoring criminal extraction rather than sound economic development.[33]

While Castells specifically focused on Russia and Latin America as case studies, his work has broader application. That is, his work is not just about the post-Soviet states and Latin America, but rather globalization at large. In his works, he referenced Chinese triads, and the Japanese Yakuza, noting that organized crime is penetrating political systems worldwide.[34]

Similarly, while Castells's work predates contemporary concerns about Chinese criminal networks, he observed that "China is a network society because it is globally interdependent, and at the same time is also based in a specific cultural identity."[35] The dynamics Castells identified in Russia and Latin America are also evident in the logic and networked connectivity of gangs in South Africa, where corruption enables the local exploitation of global illicit flows and the "networked territorialism" of gangs in the United Kingdom.[36] More recently, China has leveraged strategic crime, corruption, illicit markets, and predatory trade to gain global power. David Luna, Executive Director of the International Coalition Against Illicit Economies asserted the following:

> Corruption and illicit trade are among the enabling drivers of China's national aspirations to global economic power, its aggressive foreign policy, and great power competition strategies. China's illicit trade facilitates a convergence of crimes that spawns bigger destabilizing threats across the international community.[37]

China, like Russia, uses non-state actors, including organized criminal groups and oligarchs, as state proxies for hybrid influence, creating networks of power to exploit global spaces and flows.[38]

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Global Spaces and Flows

The criminal-political economy exists among global spaces and flows. Places and activities (transactions) are inherently social and are defined by social dynamics. As a result, space is a product of relationships between social structures, economic factors, political and ideological conditions and drivers, as well as the interaction of those factors across time and space. Castells, saw these factors as transactions that change the dynamics and logics of markets (financial, commodity, and informational—both licit and illicit (and of course gray market hybrids of both the under and upper worlds).[39]

This observation is not unique to Castells. Political geographer John Agnew, for example, sees space as critical to understanding international political economy, legitimate or otherwise.[40] Agnew, while acknowledging there is no mature institutional framework for addressing global illicit economies, notes that global economic interdependence involves not just competition between national and global spheres but also "State-centeredness," economic globalization, and political fragmentation interacting within overlapping fields of power.[41] Like Castells, Agnew acknowledged that power is "stretched" across mobilizing networks with both new communication technology and the spatial dimension exerting influence.[42]

Castells contended that distributed, asynchronous, internet communication technology networks that empower the "space of flows" now enable social dynamics.[43] The space of flows consists of technology, places, and people. Technology forms the network infrastructure that allows pathways for communication and for processing transactions. Places form the terrain where nodes (locations where specific functions occur) and hubs link to produce specific cultural and social attributes to support strategic objectives and decision-making. People are the actors that occupy nodes and hubs deriving social cohesion through their actions and perceived identity. The space of flows is asynchronous, and time is manipulated to achieve network objectives. The key instrument for the global economy involves the interaction between the space of flows and physical space. Production and power—both legitimate and criminal—are

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influenced by the dynamic that results from the interplay of these flows and place.

Transactions change the dynamics and logics of markets (financial commodity, and informational), both licit and illicit (and of course gray market hybrids of both the under and upper worlds). In the networked, globalized world, place is still important. Places, especially cities—including global cities and global slums—become fora for competition between states and territorial gangs. Here, the various challengers for power leverage cultural power and employ symbolic violence to wield power. Of course, this is joined by classic, instrumental power, as both violent approaches have varying degrees of utility and often interact to achieve maximum suasion through cultural power. These spaces of places and flows exist in a global context. Consequently, the globalized political economy is expressed in terms of a global society. For Castells,

> digital networks are global, as they know no boundaries in their capacity to reconfigure themselves. So, a social structure whose infrastructure is based on digital networks is by definition global. Thus, the network society is a global society. However, this does not mean that people everywhere are included in these networks. In fact, for the time being, most are not. But everybody is affected by the processes that take place in the global networks of this dominant social structure. This is because, the core activities that shape and control human life in every corner of the planet, are organized in these global networks: financial markets; transnational production, management, and distribution of goods and services; highly skilled labor; science and technology; communication media, culture, art, sports; international institutions managing the global economy and inter-governmental relations; religion; the criminal economy.[44]

The dynamics described by Castells are seen in the assessments of warlords (where alternative or parallel sovereignty weakens states), deviant globalization where criminal enterprises exploit people, drugs, resources, and corruption to fuel the rise of new organizations, and netwars, where networked struggle is viewed as an emerging form of conflict or “netwar.”[45] Netwars include gangs, drug cartels, and the

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transition of traditional Mafias into transnational networks.[46] Corruption is often the lubricant of state reconfiguration as "corrupt officials fuel the violence, communities are disrupted by a constant onslaught of violence, and alternative social structures emerge."[47] Castells also examined these types of situations in his exploration of insurgents against the global order.[48] Gangs, along with overtly political actors, such as protest movements, can indeed, become catalysts of change.[49]

The gangs with this overt potential are described by Sullivan are "third generation gangs," including street gangs, *maras*, and prison-street gang complexes.[50] Third generation gangs epitomize the development of networked criminal actors as they shift along a path of development from neighborhood turf gangs, through market-driven drug gangs, to transnational mercenary and political actors, essentially becoming criminal armed groups (CAGs). Third generation gangs can participate in crime wars ranging in intensity and organizational capacity.[51]

Castells illustrated the network attributes of sophistication through the lens of the Sicilian Mafia as part of a "global, diversified network that permeates boundaries and links up ventures of all sorts."[52] This network includes the American Mafia (Cosa Nostra), the constellation of Russian *mafiyas*, Mexican criminal cartels, Nigerian criminal networks, Chinese Triads, and Japanese *Yakuza*. Flexible networking among local nodes and strategic alliances with other criminal enterprises allows TCOs to achieve global reach through global-local connectivity and relationships.[53]

Power, Counterpower, Hope and Rupture

In his later works, Castells recounted the corrosive effects of corruption, financial collapse, and political bankruptcy leading to networked social movements seeking reform and counter-violence against those movements for social reform (perhaps driven or enabled by corrupt actors) leveraging the nexus between criminal and state actors (criminal-state collusion).[54] By 2019, the situation had devolved into a proliferation of chaos and rebellion of the masses where fear and a crisis of democratic legitimacy converge.[55] Global terrorists exploit these conditions; these factors are also ripe for exploitation by TCOs as seen in "criminal insurgency" and

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increasingly though Nils Gilman's "Twin Insurgency," itself a fusion of Sullivan's criminal insurgency and Bunker's "plutocratic insurgency."[56]

Communication, especially digital, electronic communication using distributed internet communication technologies, becomes instrumental in mobilizing thought and identity, and projecting both power and counterpower. For Castells, communication and information provide power and counterpower, enabling domination or social change. He argues there is a "direct link between politics, media politics, the politics of scandal, and the crisis of political legitimacy in a global perspective."[57] Castells also put forward the notion that the

> development of interactive, horizontal networks of communication has induced the rise of a new form of communication, mass self-communication, over the Internet and wireless communication networks. Under these conditions, insurgent politics and social movements are able to intervene more decisively in the new communication space.[58]

States are challenged by these new sources of power, since globalization limits sovereign decision-making in many spheres (especially when addressing transnational organized crime), market pressures favor deregulation (that opens opportunities for corruption), and crises of political legitimacy weaken state influence over its citizens (and potentially empower alternate sources of power including territorial gangs and criminal cartels). This potential is seen acutely in Mexico and Latin America, where transnational criminal networks (cartels and gangs) penetrate state institutions and challenge those states. Thus, criminal insurgencies become an expression of power-counterpower contest.

> Where criminal combatants use violence, corruption, and information operations (including new media) to challenge state capacity and legitimacy, and exert territorial control for supporting their illicit economic domains.
> Social/environmental modification, including information operations… alternative belief systems (i.e., narcocults), targeted symbolic violence (including attacks on journalists and government officials), direct attacks on the police and military by criminal bands (sometimes wearing uniforms), and the

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> provision of social goods while adopting the mantle of social bandit or primitive rebel are stimulating a new narcocultura.[59]

New media includes social media, such as Twitter, Facebook and Tik Tok. Cartels use these outlets widely for disseminating propaganda and conducting cartel information operations.[60] Crime wars or criminal insurgencies are essentially battles for information and real power.[61] Sovereignty is morphing because of these challenges to governance. State capacity to govern is eroded and the rule of law is diminished through endemic corruption and impunity. Violence, corruption, and information operations yield a sustained assault on state solvency (the result of capacity and legitimacy). Cartel information operations (along with other challenges to the state) are an expression of power-counterpower dynamics.[62] New media forms an important component of this contest since it confers: 1) the ability to communicate in real or a chosen time; 2) a means of providing warnings and signaling intent; 3) a means of overcoming narco-censorship; 4) a means of enabling traditional media reportage, as well as an alternative to traditional media; and 5) a mechanism to enable civil society and narcocultura.

Attacks on journalists, police, and other public officials, such as mayors, are an important component of cartel information strategy to ensure freedom of action from state interference. While attacks—including murders—on journalists are significant and news blackouts are a core feature of Mexican drug cartels, "the cartels do not seek simple silence and impunity, they notably seek to influence perception, using a type of 'narco-propaganda.' This strategy employs a range of tools. These include both violent means … and informational means … amplified with digital media."[63]

Castells looked at the transformation of politics, including the rise of narcopolitics (*narcopolítica*) in Mexico, Colombia, and Central America.[64] Christian Fuchs, of the University of Salzburg, sees this update on networks and their ability to influence through communicative power as significant, since it demonstrates the importance of communications in power-counterpower competition in case studies possessing rich empirical detail.[65] For Castells this transformation means that "in a growing number of countries, the global criminal economy has deeply penetrated the institutions of the state."[66]

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The penetration of state institutions potentially exposes states to "co-opted state reconfiguration," as described by Luis Garay-Salamanca and Eduardo Salcedo-Albarán, fueling political scandal that amplifies distrust and contributes to diminished state legitimacy.[67] "Scandal politics" empowers TCOs and enables narcopolitics.[68] Networks are efficient due to their flexibility, scalability, and survivability; that is, they are adaptive with a capacity for self-reconfiguration.[69] This also makes criminal networks an adaptive and resilient adversary.[70]

Power dynamics are an integral component of the power-counterpower contest between actors (the state, rival criminal enterprises, and corrupt state-criminal networks). When considering the construction of power and use of violence, Castells described the logic as follows:

> Violence, the threat to resort to, if disciplinary discourses, the threat to enact discipline, the institutionalization of power relationships as reproductive domination, and the legitimation process by which values and rules are accepted by the subjects of reference, are all interacting elements in the process of producing and reproducing power relationships in social practices and organizational forms.[71]

The power dynamics described by Castells applies to both conventional and criminal power. This is critical for understanding how violence is used to shape social spaces. After all, as Castells observed: "Societies are not communities, sharing values and interest. They are contradictory social structures enacted in conflicts and negotiations among diverse and often opposing social actions."[72]

Power dynamics explains, in part, how states and criminal cartels—as well as gangs and other CAGs—co-exist and yield criminal enclaves and parallel or "other-governed spaces."[73] When "micro-power" (*as expressed in* criminal power structures and relationships) competes with or contradicts state structures, either the state changes or reasserts its powers.[74] This reconfiguration can be multifaceted and uneven, and is exemplary of competition in state-making as conceived by Tilly.[75] For criminal cartels and gangs (especially when they act as CAGs), alternative power

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relationships grounded in violence, money, and trust have enormous discursive power.[76]

Together, these power dynamics contribute to the rise of the network state.[77] In this power shift toward global assemblages, power is distributed among local, national, and global levels rather than being concentrated at the national level.[78] Specifically, Sassen notes that alternate assemblages of power are rising because of globalization, with authority moving away from states toward private forms of power. The resulting interconnections involve networks.[79]

Here, non-state actors are not the sole drivers of state change or beneficiaries of illicit economies. As Peter Andreas noted, states exploit deviant or illicit globalization as they shape the illicit global economy for their own ends.[80] This reciprocal relationship is not only antagonistic—what David Kilcullen calls competitive control—it is at times mutually profitable, as demonstrated in the concept of co-opted state reconfiguration, where states and criminals interact to extract political and economic power.[81] Jonathan Kelman, explicitly documents the role of states in illicit globalization as states embrace illicit flows to generate revenue (directly or indirectly) and to exert territorial control.[82] Others, like Tim Hall, emphasize the non-state dimension of the equation.[83] Castells, throughout his body of work, addresses both the state and non-state components of transition.

This stratified power arrangement yields multi-level networks of power and governance. Sovereignty is shared among global, local, national, and supranational nodes and among transnational actors and criminal challengers. Both criminal and classic upper world power networks co-exist, sharing participants and at times functions, but each has a unique network (power) configuration.[84] These relationships are complex: sometimes competing, sometimes colluding, and sometimes complementary. In all variations, from each sphere, influences and capacity are interactive.

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Conclusion: The Rise of the Network State

Castells accurately anticipated the transformative nature of the global criminal economy. In doing so, he described the emerging power relationships and novel identities that were rising from the confluence of information technology, networks, and globalization. Transnational organized crime drives political, economic, and social transition on a global scale. Mexican drug cartels and allied gangs, for example, are challenging states and sub-state polities (in Mexico, Central America, and beyond) to capitalize on the illicit markets that comprise the global criminal economy. Exploiting global financial flows is a priority for these and other criminal actors—like the Italian Mafias (including Sicilian Cosa Nostra, the Neapolitan Camorra, and Calabrian 'Ndragheta), Brazil's territorial gangs, and transnational *maras* like Mara Salvatrucha (MS-13). They forge alliances or compete and wage war against each other and states to gain control of key nodes and hubs in the global criminal economy.

Diane E. Davis argued that "random and targeted violence increasingly perpetrated by irregular armed forces pose a direct challenge to state legitimacy and national sovereignty."[85] She views cartels and gangs as "transnational non-state armed actors who use violence to accumulate capital and secure economic dominion, and whose activities reveal alternative networks of commitment, power, authority, and even self-governance."[86] These CAGs rarely supplant states but absolutely have the potential to change the nature of states by reconfiguring the distribution of power within and among states, essentially establishing 'neo-feudal' governance structures.[87] The illicit economic agenda shared by TCOs has the potential to enable the rise of a political agenda where cartels and gangs become new war-making and potentially new, networked state-making entities when the illicit economy and globalization converge to confer competitive advantages on criminal enterprises. These new identities are powerful catalysts for social, economic, cultural, and political transformation.

These new state forms can be expressed in several ways. One typical formulation is the Mafia or narco-state.[88] Yet, the narco-state or Mafia state is better described as a stratified, networked enterprise. For Philip

Bobbitt the emerging state form is the "market state."[89] In David Ronfeldt's formulation, the new state is a nexus-state ruled by "cyberocracy."[90] Others make the case for the network state as articulated by Castells in his trilogy, arguing that "States are not so much declining, failing and yielding as transforming their very nature. The network is the right metaphor to grasping the new state's complexity."[91] Network-states potentially share greater portions of power with transnational organizations, civil society actors, other states, and sub-state organs, and as demonstrated in this article, with criminal enterprises. Here Castells again grasped the potential for the criminal economy to penetrate states and the licit economy in novel ways. In his assessment, criminal networks possess a robust capacity to adapt and proliferate, a capacity that exceeded that of states and corporations.

Where Castells, perhaps, falls short is in expecting a rise of civil society to effectively counter the threats of the new informational economies and power structures. While the grammar of social transformation was effectively exploited by criminal networks—and their state partners through corruption and collusion—civil society movements have yet to stem the rise of criminal competitors. Similarly, Castells provided a robust overview of the macro-level potentials of networked threat challenges, including the importance of kleptocracy and state corruption, but additional detail into the micro-level interactions of the criminal economy and its participants would have been beneficial.

The COVID-19 pandemic accelerated the tendencies for power-counterpower competition between states and criminal networks. As states failed to address the pandemic's risks, a range of criminal groups filled the void. This happened in Brazil's *favelas*, Mexico, Colombia, El Salvador, and Cape Town, South Africa. Gangs (including *maras*), criminal cartels, militias, and Mafias—collectively CAGs—exerted social control by establishing and enforcing lock-downs (curfews) and social distancing as well as providing humanitarian aid. This enhanced the legitimacy and social capital of the CAGs expanding criminal governance and enhancing their power and profit. Essentially, the COVID-19 pandemic fueled conflict and fostered extremism while concurrently empowering CAGs in their quest for power and profit.[92]

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Power and domination are no longer concentrated solely in single geographic states, but certain state functions transcend the boundaries of single states and state confederations. In the network state, states continue to exist, but control over key functions is transferred to cities, financial markets, multinational corporations, supranational bodies, issue-specific transnational civil society organizations, and criminal enterprises (TCOs and CAGs) acting as non-state criminal netwarriors. The competition in state-making envisioned by Castells entails "a battle for information and real power among global networks, social media groups, and nongovernmental organizations to secure political power."[93]

Endnotes

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