

ORGANISED CRIME: THE RUSSIAN AND WORLD PERSPECTIVE¹

Introduction

Despite the numerous publications in the popular media and scientific literature (see Abadinsky 1994, Arlacchi 1986, Block 1994, Kelly et al. 1994), the topic of organised crime remains difficult to grasp. Organised crime constantly expands its spheres of influence. Crime organisations seek access to state structures, attempting to influence the economy and state policy. Criminal organisations have large resources and extensive experience of cooperation with business, the economy, and the various political parties. On the one hand, organised crime is a serious danger to society; on the other, the stripping away of the cloak of mystery and the myths surrounding the mafia and organised crime is highly topical. This subject is particularly important for Russia.

It is impossible to single out any one reason for the extremely serious and widespread crisis currently affecting Russian society. Much of it stems from historical roots:

- the lack of a democratic tradition;
- Russia's Eastern, and therefore marginal, location in relation to the West;
- the nature of Orthodox as opposed to Protestant religious ethics; and
- the centuries' long tradition of despotism.

The immediate source of today's problems began in October 1917 with the unique social experiment of forcibly establishing a social utopia. (The slogan on the gate of the Solovki labour camp read "Happiness To Everyone Through Violence".)

The attempt to build a utopia was accompanied by an unprecedented process of negative selection which saw those most proficient in their field being repressed, exiled or destroyed, whilst the grey, mediocre (often criminally minded) elements

¹ Gilinskiy, Y. (1998) Organised Crime: The Russian and World Perspective. In: Kauko Aromaa (Ed.) *The Baltic Region. Insights in Crime and Crime Control*. Oslo: Pax Forlag A/S, pp. 168-182.

of society were championed. The repression of the people could be compared with genocide.

This eventually pushed the Soviet State and society into an unavoidable catastrophe, the main symptoms of which became:

- the disintegration of production and the economy;
- the loss of trade skills;
- the de-professionalisation and de-qualification of the majority of the working population;
- the lumpenization* of the people;
- the lack and non-development of a middle class which might provide some kind of stable social basis;
- crises in the health, education, transport and communication services and other service industries;
- a number of inter-ethnic conflicts resulting in large numbers of deaths;
- a series of political crises;
- crises in spirituality and morality;
- the increase in various forms of deviant behaviour (crime, drug addiction, suicide); and
- the growth of Mafia-type organised crime.

Gorbachev's Perestroika was a necessary attempt to save the power structures by way of reform. A similar attempt was made by Khrushchev (the "Thaw"). However, every attempt ended with the actual or political death of its propagators and was followed by "Stagnation".

With all due credit to Gorbachev, his reforms turned out to be the most radical, although even these were not to be fully satisfactory. All the symptoms of socio-economic catastrophe mentioned above, remained untreated. Power is continually returned to the ruling nomenklatura; corruption, common to Russia, has taken on a monumental nature in all organs of power and establishments; the militarization of

economics and politics continues; inter-ethnic conflicts have given rise to further masses of deaths; nationalist, anti-Semitic and neo-fascist groups have developed and meet no resistance (Laquer 1994). The criminal war in Chechnya is terrifying evidence of neo-totalitarianism. The ever growing economic polarization of the population, visible in the stark contrast between the poverty-stricken majority and the "New Russians", a criminal, nouveau riche minority, is a source of very real social conflict.

The country permits human rights abuses on a massive scale, particularly in the army and those penal institutions where tyranny and torture dominate. Confirmation of this may be found in the international research material compiled by Amnesty International and also in domestic research (Abramkin 1996).

The economic reform under way in Russia, the transition from a planned state-run economy to a market economy is beyond doubt of a progressive nature. Parallel with it, some "criminogenic" consequences are traceable.

The redistribution of property is being carried into effect not only by legal means, but also by illegal ones (bribery, murders, threats). Russia has experienced a sharp stratification (economic and social) of the population into a pauperised majority and a minority that has grown rich. The ratio of the incomes of the least prosperous to the most prosperous stood at 1:4.5 in 1991; 1:8 in 1992; 1:10 in 1993; and 1:15 in 1994.

Parallel to this, there is the emergence of full scale unemployment and of part-time employment. The official unemployment rate in Russia is by no means very high: 1992: 4.7 % of the able-bodied population; 1993: 5.5 %; 1994: 6.3 %; and 1995: 7.7 %. Few have the official status of "unemployed", and only 0.5 - 0.7 % receive an unemployment allowance.

Several points are to be noted: first, the Soviet people are not accustomed to unemployment. Second, considerable parts of the able-bodied population are only partially employed (short working day, short working week, compulsory «leaves»). Third, structural unemployment is growing. Fourth, the economic decline, a low

per capita income for the majority of the population, together with the tendency towards a growth in the unemployment rate, result in a widespread psychological fear of becoming jobless.

Technological backwardness and the incompetence of the domestic production and service sectors have manifested themselves in the course of the reforms. A consequence of this is the inferiority complex of employees, their de-qualification, marginalization and lumpenisation.

The disintegration of the service sector and of the social infrastructure has entailed further difficulties for the population. There is a virtual neglect of children and teenagers, the parents of whom are busy with the acquisition of the means of subsistence; out-of-school centres are being closed because of the lack of state financing, while private ones charge exorbitant fees that very few can afford. With all this, the number of "temptations" (fashionable youth clothes, audio and video appliances, sweets) has grown sharply, thus provoking illegal means to acquire them.

Radical changes in the system of values and norms have created a state of anomie (using the terminology of Durkheim). Numerous mistakes and abuses committed by the country's leaders while putting the economic reforms into effect are accompanied by criminal developments: corruption, incompetence, "nomenclatural" privatization (a privatization in the course of which federal and local functionaries – "nomenklatura" - lay their hands upon state-owned property), etc.

The nature and extent of organised crime

General problems

Organised crime is the functioning of stable, hierarchical associations, engaged in crime as a business, and setting up a system of protection against public control by means of corruption. Criminal associations are a kind of social organisation of a "labour collective body" type. The growth of the organisational aspect of crime is a

natural process; it is a manifestation of the growth of the organisational aspect of the social systems as well as of their sub-systems (the economy, politics, etc.). It is a world-wide process. The high degree of adaptivity of criminal associations (strict selection of staff, strict labour discipline, high profits, etc.) ensures their considerable vital capacity: "Mafia is immortal".

The members of the criminal gangs - professional criminals - are not heroes, but neither are they the scum of the earth. These are people engaged in their own businesses. Gary Becker, Nobel prize winner in economics, speaks about this in the following way: "Criminal activity is just the same profession or trade as joinery, engineering or teaching which people devote their time to» (Becker 1987). It is chosen when the profit (the revenues minus the production costs) exceeds that which legal occupations make.

Certainly, what they do is not in line with the moral or the juridical laws of society. Nevertheless, their activity is also aimed at satisfying social needs. Are we always in a position to draw a distinction between legal and criminal businesses abiding by the criteria of morality and legality? In Russia, it is hardly possible. I consider that the three acknowledged models of organised crime: i.e. the hierarchical; the local and ethnic; and the business enterprise (Kelly et al. 1994: 78-87), complement each other. "Business enterprise" is the content of the organised crime activities, whereas the hierarchical, local and ethnic models reflect organisational sides of this activity. The literature places emphasis more and more frequently on organised crime as a kind of business enterprise (Abadinsky 1994, Arlacchi 1986, Block 1994, Kelly et al 1994).

The criminal organisation (syndicate) building up a system of organised crime (industry) is defined by the following indispensable characteristics:

- a stable association of people, designed for long-term activity;
- the criminal nature of the activity;
- the deriving of maximum profits as the key goal of the activity;
- the complex hierarchical structure of the organisation with its functions delegated to leaders, supply and security groups, experts, etc.;

- the corrupting of power bodies and law enforcement services as the main means of criminal activity; and
- a wish to monopolize particular spheres of activity or territories.

Criminal organisations, like other social organisations, strive to exert influence on the state power and to exercise control over it (through lobbying, bribery, infiltration of their representatives into power structures, etc.).

The high efficiency of the business enterprises of criminal organisations can be attributed to the fact that their "professional selection" their "personnel selection" is done competently, and their "labour discipline" is strict. The youngest, bravest, most enterprising people with the greatest strength of character are involved. With the "pay for labour" offered in organised crime, remuneration is several times higher than in similar structures of the Russian police.

Organised crime in Russia

Organised crime in Russia after 1917 existed primarily in the form of gangsterism, and later, since the 1930s, in a peculiarly well-organised association of "thieves-in-law". (A "thief-in-law" is a professional thief or swindler who has chosen crime as a permanent way of earning his living, well-known in the criminal world, and obeying the "law of the thieves", a special code for criminals - and observing and protecting it in the prisons.) Moreover, the "tsekhoviki" (groups within professions) emerged in the 1950s; the merging of "teneviki"(shady dealers) with state structures and the beginnings of institutionalised corruption occurred in the 1970s; and the forming of Mafia type criminal societies took place from the 1970s to the 1990s.

Criminal organisations (syndicates) constitute the system of organised crime (as industry). Three basic kinds of criminal organisations can be singled out in respect to content: criminal (racketeering, narcotics trading, etc.); economic; and political (terrorism, attempts to seize power).

The term mafia is widely used, although it is not strictly scientific. In a broad sense the word "mafia" serves as a synonym for "criminal organisations". In a

narrower, more specific sense, it refers to a criminal association, which is characterized by a high degree of organisation and hierarchical structure, and which resorts to force in order to attain its goals.

Three levels of criminal organisations exist: first, a criminal group; second, a criminal organisation or association; third, a criminal community. For instance, there are in St. Petersburg four criminal communities of the mafia type (the so-called Tambovs, Azerbaidzans, Chechens, and Kazans), some dozens of criminal associations (for example, Komarovs), and hundreds of criminal groups.

The Centre of Deviantology of the St. Petersburg Branch of the Institute of Sociology of the Russian Academy of Sciences has, since 1993, been involved in a criminological study into the black market economy and organised crime. Business in St. Petersburg and other regions of Russia is divided among the mafia communities. Excellently organised informational services enable them to track and monitor all the commercial structures, and the moment when a new commercial structure begins making a profit, it arouses the interest of mafia groups. As one businessman interviewed asserted: "100 % of commercial structures are embraced by racket... Racketeering penetrates all the enterprises except those of military-industrial complexes and some foreign firms".

There exist two levels of racketeering: tribute money extracted from small kiosks and that obtained from commercial organisations. In the latter case, besides outright extortion of tribute ("black racket"), one can distinguish various indirect, disguised types: payments for "guarding", for "rendering services in the field of marketing" in compliance with the contract for "cooperation", or for "services" (for example, recovering debts).

The "taking care" by the mafia of commercial structures includes having their representatives on the administrative and managerial bodies. One cannot object, because first, the criminals have power, and second, who else can force a debtor to pay, even with the decision of the arbitration court on hand?

Our informants commented as follows on the contemporary situation: "One cannot do without illegal dealing"; "legal and illegal methods are interlocked"; etc. Heads of the special police units support these views: "The average businessman is extremely involved in crime... One has to bribe for everything... The debts have to be recovered by resorting to force... One cannot deal with taxation inspection without a bribe"; "A bribe is an inevitability in the sphere of business... Tax inspection is highly corrupted... Mafiosi, not infrequently, can be found among members of the boards of banks". Based on information from our informants, we are in a position to single out the typical situations where businessmen are forced to commit crimes.

First, one has to bribe in the following situations: when registering businesses, when renting premises from state bodies, when acquiring licences for their utilisation from state bodies, for obtaining low-interest bank credit, when reporting to tax inspectors, when completing customs formalities, etc.

Second, one has to conceal revenues, since with the current taxation rate amounting to 80-85 %, one cannot survive in competition with other firms if one honestly reveals all revenues.

Third, most of the state-owned business enterprises operating under current conditions find themselves «under the protection» of gangsters (mafia): They are "guarded" by some gang against other gangs and have to pay "tribute" for that and render (obligatory) services. In particular, mafia includes their "representatives" on councils of directors, boards of business enterprises, organisations and banks. Thus, legal and illegal business merges.

Fourth, the rigid normative regulations in some kinds of economic activity and the absence of such regulations in other fields result in businessmen ignoring the law in some cases, and making their own "laws" in others.

Fifth, the synthesis of legal and illegal elements in the country's economy engenders such absurdities as fake goods and services, and forged securities.

The main fields of activity of criminal organisations in St. Petersburg and Russia are: bank speculations (shady transactions); fictitious real estate transactions; stealing and reselling cars; illegal export of non-ferrous metals; black-market transactions relating to humanitarian aid» (bribing city functionaries for a wholesale purchase); production of and traffic in fake hard liquor; arms sales; counterfeiting money. Furthermore, control over gambling, agencies for supplying sexual services, and narcotics businesses is taking shape.

In the years 1995-1996, the Centre for Deviantology has had a number of interviews with representatives of the criminal world (Y. Kostjukovsky). In the course of the interviews, a tendency for criminals to develop their professional skills has come to light.

Hi-tech crimes are connected to computer engineering, such as bank frauds, but new technologies are also used in such prosaic areas as the falsification of alcoholic beverages, the manufacture of drugs, the theft of automobiles, or the development of new weapons. To some extent it is possible to show that new developments in the field of computer engineering initially pass through criminal structures. Growing attention is being given to attracting scientific staff (chemists, programmers, economists, and lawyers), who today are engaged in criminal business.

The narcotics business is one of the least visible, well-established forms of organised criminality in Russia. The police are not able to uncover the leaders of the Russian narcotics mafia and only succeed in catching drug consumers or ordinary distributors (the lowest level of the narcotics mafia). Only by indirect indicators can we estimate the activity of criminal organisations in the sphere of the narcotics business, such as when the police or the customs capture large quantities of narcotics, or when examining the world wide web of drug distributors, or by looking at the revealed ways of drug transportation and drug-traffic through the territory of Russia. The struggle against the narcotics mafia is complicated by widespread corruption within the law enforcement and power organisations and the

political games Russia plays with the countries which export drugs (Azerbaijan, Chechnya, and the nations of Middle Asia).

Mafia displays a keen interest in privatization. As one of our respondents put it: "Their goal is to take hold of real estate". They obtain information about forthcoming auctions, come to the auctions with their armed men and decide who buys what property and at what price. Active rivals from legal business are requested to abstain from buying in order to avoid trouble.

More and more information is also becoming available on the lobbying of some representatives of state bodies by the mafia.

Consequently, we confront a criminalization of business in combination with an economization and a politicization of crime.

Finally, some official data on organised crime in Russia: Criminal organisations committed 23,820 crimes in 1995; the number of such organisations uncovered by the police has grown as follows: 785 (1990), 952 (1991), 4352 (1992), 5691 (1993). Yet, organised crime is for the most part invisible.

Comparative evaluation of various measures against organised crime, including legislation to combat organised crime

The measures applied in combating organised crime have varied in step with the changes in the forms of organised crime.

In the years 1918-1921, banditry or gangsterism (established criminal groups committing murders, robberies and other serious crimes) was combated by the revolutionary and military tribunals, and also by bodies of the VChK (the All-Russia Extreme Commission), which was authorized to impose direct punishment (including execution). Non-court punishments were applied widely and harshly.

In the Criminal Codes of the Russian Federation for the years 1922 (Art. 76), 1926 (Art. 59/3), 1960 (Art. 77), banditry meant the organisation of armed gangs for the robbing of businesses, establishments, organisations, transport services, or

citizens, and also referred to participation in gangs and robberies committed by them.

In the criminal legislation, the most severe measures of punishment were provided for banditry (gangsterism): The Criminal Code of 1922 (Art. 76) imposed execution with confiscation of property, while the presence of mitigating circumstances reduced the sentence to deprivation of freedom for a term of not less than three years with strict isolation, and confiscation of property; Art. 59/3 of the 1926 Criminal Code authorized deprivation of freedom for a term of not less than three years, with confiscation of property and harsher punishment in aggravating circumstances up to execution, with confiscation of property; and Art. 77 of the 1960 Criminal Code imposed deprivation of freedom from three to fifteen years, or capital punishment with confiscation of property.

In all the criminal codes, crimes committed by groups were grounds for increased punishment.

However, although phenomena that by their character, their forms of organisation and/or kinds of activity revealed them as group criminality, they often did not fall under the formal legal concepts of "gang" or "group". Also, judicial punishment and non-court reprisals primarily pursued the political ends of the Soviet totalitarian state. On the other hand, from the moment of the proclamation by the country "winning socialism", the practice of applying Art. 77 of the Criminal Code stopped ("there is no banditry in a socialist state!").

The struggle against the earlier mentioned "thieves-in-law" was also conducted in non-judicial ways. During the Second World War, many "thieves-in-law" participated under the threat of execution or for patriotic reasons in the war against Fascist Germany. When demobilized, the majority of them were, sooner or later, imprisoned again. But as persons having "cooperated with the authority", they appeared as "traitors" of the thieves' tradition, of the "law of the thieves", as so-called "bitches" (a word that is used as a curse or insult).

The penitentiary administration used this fact and provoked "the war of bitches" in all camps of the GULAG archipelago. In this bloody war, very many old and new thieves were lost. For some time, their number was sharply reduced. But, obviously, this did not "liquidate" organised crime.

In the 1960s and 1970s, stable crime groupings were built up from existing "thieves" (professional criminals), and "tsekhoviki's", "teneviki's" (white collar criminals) and were based on corruption in the government and the police, including the top leadership of the Communist Party of Azerbaijan, Georgia, Kazakh, Moldavia, Uzbekistan, Moscow, etc. as well as the highest level leaders of the Ministry of Internal Affairs of the Soviet Union.

The attempt to struggle against the new forms of organised crime was undertaken in the years of government by Yu. Andropov (1983-1984) and continued under M. Gorbachev. Police, the prosecutor's office, and courts were authorized (!) to investigate and to consider criminal charges against some of the highest officials, others were dismissed, and some committed suicide (for example, the former Minister of Internal Affairs USSR, General N. Schelokov).

From the end of the 1980s and in the beginning of the 1990s, Russian society has become increasingly aware of the economic, social, and political dangers of organised crime. However, the struggle against it appears to be tortuous.

First, well-organised criminal communities have developed, securing their operations by the corruption of power structures and law enforcement bodies.

Second, time has been wasted on long, empty discussions concerning the theme, "Is there organised crime in Russia?"

Third, the legislative base. Criminal law has proved inadequate for successfully countering criminal organisations. The laws "On Combating Organised Crime" and "On Combating Corruption" were adopted by the Russian Parliament only recently. And the Decree of the President of the Russian Federation (No. 1226 of June 14, 1994) «On urgent measures for the protection of the population against banditry and other manifestations of organised crime» is in

contravention of the Constitution of the Russian Federation. (This is confirmed by the resolution of the Federal Assembly of the Parliament of the Russian Federation of June 22, 1994 "On the protection of the constitutional rights and freedom of the citizens in the struggle against criminality").

The new Criminal Code, adopted by Parliament and signed by the President, came into effect on January 1, 1997. In the Code many innovations should ensure a legislative basis for the struggle against organised crime. Examples include the definition of the concepts "organised group", "criminal community" (Art. 35); establishment of criminal liability for organising a criminal community, or for participating in a criminal community (Art. 210); criminalization of actions committed by criminal organisations - kidnapping of persons, money laundering and other activities; increasing the criminal liability for certain crimes - murder, grievous bodily harm, rape, theft, swindling, robbery, extortion and others - if they are committed by an organised group; etc.

Fourth, the technical, financial and personnel equipment of special police units (in particular, the Regional Board of Organised Crimes) is insufficient.

Fifth, political games and corruption prevent the development of a scientific strategy and of tactics for effectively combating organised crime.

And finally, the main problem: It is unrealistic to expect real and successful action against organised crime in conditions of economic, financial, social and political crisis and instability, and in conditions of widespread corruption in the power structures (federal and regional), in the police and the courts.

Proposed measures including new legislation to combat organised crime

International experience of combating organised crime (in Italy, the USA, Japan, and in other countries) shows that the repressive measures adopted by the police and the criminal justice system are not particularly effective. This is true even in respect to well-financed programs (for example, the so-called "Pennsylvanian" in the USA). It is particularly difficult to combat organised crime in modern Russia for the reasons stated above.

I consider economic, social, and political measures to be the most important.

For instance:

- Economic, social, and political support for and development of legal business enterprises or legal human activities. It is necessary to remember that people are in need of material, financial, technical and other means of satisfaction of their natural, social and spiritual needs. If people do not find legal means, they will resort to illegal ones, including criminal means. The higher the degree of "responsive" societies (as put by A. Etzioni), the greater is the probability of legal behaviour, and the lower is the probability of illegal behaviour by the people for the satisfaction of their needs. Unfortunately, the degree of "responsible" of modern Russian society is very low. The economic policy of the state should ensure large profits to legal businesses, in comparison to illegal ones.
- Decrease of unemployment. The unemployed, especially young unemployed people, are the main recruitment sources for organised crime. The proportion of non-working and non-student persons of those in the able-bodied age range has grown among all criminals apprehended in Russia from 12 % in 1987 up to 45 % in 1995 (Crime and Delinquency 1994; Abramkin 1996).
- Reduction of corruption through political methods. "Corruption is a global phenomenon" (TI Newsletter: 2), but it is a particular evil in Russia. Widespread corruption is the main obstacle to combating organised crime in Russia.

Moreover, legal measures are necessary. For example:

- Improving the legislation for combating organised crime (the laws "On Combating Organised Crime", "On Combating Corruption", "On Money Laundering", etc);
- Supporting the activity of the special police unit with high-level professional staff and equipment;
- Providing for information, through international police connections.

Criminal organisations are an inevitable element of contemporary society. They are well adapted to society - may we have to adapt ourselves to them?

Summary

The following elements are typical of organised crime in Russia:

- Its extent (it controls over 40-60 % of the country's business enterprises and banks);
- Its very high profits ("super profit");
- It performs the functions of law enforcement bodies: "arbitration", "enforcement of verdicts", "security";
- Widespread corruption of power in the administrative and law enforcement bodies at all levels;
- Broad social basis for organised crime. Many idle hands are available among juveniles, and legal business activity is very difficult owing to widespread corruption, extremely high taxes (up to 80-85 %), criminal mentality, and social anomie;
- Widespread use of violent methods;
- Growing politicization of organised crime; criminalization of policy and the economy.

Russia is going farther and farther along the road to the state and society becoming involved in crime. Democracy and economic reforms are jeopardized.

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Note

- * This term is used by the author on several occasions. Not found in dictionaries, it is nevertheless quite illustrative of the message, if understood to refer to «lumpenproletariat»... (Ed.)