

**CHAPTER 23**

**ORGANIZED CRIME:**

**THE RUSSIAN AND WORLD PERSPECTIVE**

by  
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**1. Introduction**

Despite the numerous publications in press and scientific literature (see: **Note 1-4, etc**), the topic of organized crime remains quite latent. Organized crime constantly expand spheres of the influence. Crime organizations are interested in access to state structures, determining a rate of economy and policy. The criminal structures have much riches, capital, they save richest experience of work with business, economy, separate political parties. On the one hand the organized crime is the serious danger for society, on the other hand the stripping of a cloak of mystery and myths of mafia and organized crime is highly topical. This topic is particularly important for the Russia.

It is impossible to single out any one reason for the extremely serious and total crisis currently affecting Russian Society. Much of it stamps from historical roots: the lack of a democratic tradition; Russia's eastern, and therefore marginal, proximity to the west; the nature of Orthodox religious ethics as opposed to Protestant; the centuries long tradition of despotism etc. The immediate source of today's problems begin in October 1917 with the unique social experiment to forcibly establish a social utopia (the slogan on the gate of the Solovki labour camp read "Happiness Everyone Through Violence").

The attempt to build utopia was accompanied by an unprecedented

process of negative selection which saw those, most proficient in their field begin repressed, exiled or destroyed whilst the grey, mediocre (often criminally minded) elements of society were championed. The repression of the people became nothing short of genocide.

This eventually pushed the Soviet State and society into an unavoidable catastrophe, the main symptoms of which are; 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 lumpensation of the people; the lack of and non-development of a middle class which might provide some kind of stable social base; 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 of spirituality and morality; the increase in various forms of deviant behaviour (crime, drug addiction, suicide etc.); and the growth of Mafia type organized 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 did not turn out to be fully satisfactory. All those symptoms of socio-economic catastrophe mentioned above, remained untreated. Power is continually returned to the ruling nomenclature; the corruption, usual 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 masses of deaths; nationalist, anti-Semitic and neofascist groups have formulated and meet with no resistance(5). The criminal war in Chechnya is terrifying evidence of the neototalitarianism. The ever growing economic polarisation of the population, visible in the stark contrast between the poverty stricken majority and the "New Russians", a criminalised nouveau rich minority, is a source of very real social conflict.

The country is permitting mass human rights abuses, particularly in army and penitentiary institutions where tyranny and torture dominate. Confirmation of this may be found in the international research material compiled by Amnesty International and native research(6). The economic reform under way in Russia, the transition from planned state-run economy to market is beyond doubt of progressive nature. Side by side with it, some

“criminogenic” consequences are traceable. The redistribution of property is being carried into effect with not only legal, but also with illegal methods (bribery, murders, threats) resorted to.

A sharp stratification (economic and social) of the population into a pauperised majority and minority, that have grown rich. The differentiation between the incomes of the 10% least prosperous and the 10% most prosperous stood at 1:4.5 in 1991; 1:8 in 1992; 1:10 in 1993; 1:15 in 1994. Emergence of overt (explicit) unemployment and of partial (incomplete) employment. The official unemployment rate in Russia is by no means very high: 1992 - 4.7% of able-bodied population, 1993 - 5.5%, 1994 - 6.3%; 1995 - 7.7%. With all that still fewer have the official status of an unemployed, 0.5-0.7% receiving an unemployment allowance.

However, firstly the Soviet people are not accustomed to unemployment. Secondly, a considerable part of able-bodied population are only partially employed (incomplete working day, incomplete working week, compulsory “leaves”). Thirdly, structural unemployment is growing. Fourthly, the economic setback, a low per capita income a majority of population, the tendency towards unemployment rate growth result in a relatively mass-scale psychological fear of becoming jobless.

Technological backwardness and incompatibility of the native production and services spheres, that have manifested themselves in the course of reforms. As a consequence of this - the inferiority complex of their staff, their disqualification, marginalization and lumpenization.

The disintegration of the services sphere and of the social infrastructure that have entailed further difficulties for the population. Virtual neglect of children and teenagers, whose parents are busy with acquisition of subsistence means, while out-of-school centres for children and teenagers are closed down because of the lack of state financing, with private ones charging exorbitant tariffs, which very few can afford. With all that the amount of “temptations” (fashionable youth clothes, audio - and video - appliances, sweetmeats) has grown sharply, thus provoking illegal means for acquiring them. The radical changes in the system of values and norms, a state of anomie (E. Durkheim). Numerous mistakes and abuses of the country’s leadership (authorities) by carrying the economic reforms into effect are also accompanied by criminogenic processes: corruption, incompetence, “nomenclatural” privatisation (a privatisation in whose course federal and local functionaries - “nomenclature” - primarily lay their hands on ex-state-owned property), etc.

## 2. Nature and Extent of Organized Crime

### A. General Problems

Organized crime is the functioning of stable hierarchical associations, engaged in crime as in business and setting up a system of protection from a public control by means of corruption. Criminal associations are a kind of social organization of a "working (labour) collective body" type. The growth of crime organizational degree is a natural process, it is a manifestation of the social systems as well as their subsystems organization degree growth (economy, policy, etc). It is a world-wide process. The high degree of criminal associations adaptivity (strict selection of the staff, strict labour discipline, high rate of profit-making, etc) ensures their great vital capacity. "Mafia is immortal".

The members of the criminal gangs - professional criminals - are not heroes, but they are neither scums of the earth. These are the people engaged in their own business. G.Becker, a Nobel Prize Winner in the field of economy speaks about it in the following way: "Criminal activity is just the same profession or trade as joining, engineering or teaching which people devote their time too". It is chosen when the profit (the revenues minus the production costs) exceeds that which legal occupations fetch(7).

Certainly, what they do is not in line with moral or juridical laws of society. But their activity is also aimed at satisfying social needs. Are we always in a position to draw a distinction between the legal and criminal business abiding by the criteria of morality and legality? In Russia it is hardly possible.

I suppose, that the three models of organized crime acknowledged (hierarchical, local, ethnic models; organized crime as a business enterprise) (4.p.78-87) complement each other, "business enterprise" being the content of the organized crime activities, whereas hierarchical, local and ethnic models manifest organizational forms of this activity. The world's literature is more and more often laying emphasis on organized crime as a kind (form) of a business enterprise (1- 4, etc).

The criminal organizations (syndicate) building up the system of organized crime (industry) are defined by the following indispensable traits: a stable association of people, designed for long-term activity; criminal kind of the activity; deriving maximum profit as the key goal of the activity; complex hierarchic structure of the association (organization) with the functions delimited (leaders, groups of supply and security, experts, etc.); cor-

rupting power bodies and law-enforcement ones as the main means of the criminal activity; aspiration for monopolization in a certain sphere of activity or on a certain territory.

Criminal organizations like other social ones strive to exert influence on the state power and to exercise control over it (lobbying, bringing, infiltration of their representative into power structures, etc).

The high efficiency of business enterprise of criminal organizations can be put down to it, that their “professional selection”, their “personnel selection” are done better, their “labour discipline” is strict, youngest, bravest, most enterprising people with the greatest strength of character are involved, with a “with pay for labour” offered (for instance, in the organized crime the remuneration is several times as high as in similar structures of the Russian police).

### **B. The Organized Crime in Russia**

The organized crime in Russia after 1917 existed primarily in form of gangsterism, and later on since 1930s a peculiar well-organized association of “thieves-in-law”(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 “thief’s law” a special code of criminals - and observing and protecting it (the “thief’s law”) in the sites of imprisonment); “tzechoviki” [groups within professions] in the 50’s; the merging of “Tyenyeviki”[shady dealers] with state structures and the beginnings of institutionalised corruption in the 70’s; and the forming of Mafia type criminal societies from the 70’s to the 90’s.

The contemporary criminal organization (syndicate) building up the system of organized crime (industry, criminal enterprise). Contemporary organized crime is entrepreneurship in form (an economic enterprise, criminal syndicates, criminal industry). Three basic kinds of criminal organizations are singled out with respect to content: criminal (racket, narcobusiness, etc.), economic and political (terrorism, striving for seizing power). The term mafia is widely-spread, though is not strictly scientific. In a broad sense the word “mafia” serves as a synonym of criminal organization (association). In a narrower (more specific) sense mafia is treated as criminal organization, characterised by: a high degree of organization and hierarchy and restoring to force for attaining the goals.

Three levels of criminal organizations exist; firstly a criminal group, secondly a criminal organization or association, thirdly a criminal society

or community. For instance, there are in St.Petersburg four criminal communities mafia type (so-called Tambov's, Azerbaijan's, Chechen's, Kazan's) some dozens criminal associations (for example, Komarov's) and the hundreds groups. The Centre of Deviantology of St.Petersburg Branch of the Institute of Sociology of the Russian Academy of Sciences (Head of the Centre Prof. Dr. Y.Gilinskiy) take up a criminological study into black market economy and organized crime since 1993. The business sphere of St.Petersburg and other regions of Russia is divided between mafia groups. Excellently organized informational service enables them to track and monitor all the commercial structures and the moment, when the new commercial structure begins making profit and, consequently, arouses the interest of mafia. As the businessmen - respondents asserted, "100% of commercial structures are embraced by racket... Racket penetrated all the enterprises except those of military - industrial complex and some foreign firms".

There exist two levels of racket: imposing tribute on small kiosks and on commercial organizations. In the latter case, except outright, extortion of tribute ("black racket") one can face various indirect, disguised types: for "guarding", for "rendering services in the field of marketing", in compliance with the contract for "joint work", for "services" (for example, recovering debts), etc. The structures of mafia "taking care" of the commercial structures include their representatives in their administrative and managerial bodies. One cannot object, as firstly, the criminals have power, and secondly, who else can force a debtor to pay, even with the decision of the arbitration court on hand?

Our interviewers describe the contemporary situation: "One cannot do without illegal dealing": "legal and illegal methods are interlocked"; etc. Heads of the police special units side with them: "The medium of the businessmen is extremely criminalized... 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 is a inevitability in the sphere of business... The tax inspection is highly corrupted... Mafiosi can be not infrequently found among members of the boards of banks"; etc. Going by our interviewers stories, one is in position to single out the typical situations, when businessmen are forced to commit crimes.

Firstly, one has to bribe in the following situations: when registering enterprises, when taking lease of premises from state bodies, when acquiring licences for its utilisation with state bodies, for obtaining a low rate bank credit, when reporting to the tax inspection, for customs formalities,

etc. Secondly, one has to cancel revenues, for with the current taxation rate, amounting to 80-85%, one cannot survive in the competition with other firms honestly revealing all the revenues. Thirdly, most of non-state-owned enterprises in the contemporary conditions find themselves "under the protection" of gangsters (mafia): they are "guarded" by some gang against others and have to pay "tribute" for that and render services (obligatory). In particular, mafia include their "representatives" into councils of directors, boards of enterprises, organizations and banks. Thus legal and criminal business merge. Fourthly, the rigid normative regulations of some kinds of economic activity and the absence of such regulation on other fields of businessmen to ignore the law in some cases and make their own "laws" in others. Fifthly, the synthesis of legal and illegal elements in the country's economy engenders such monsters as faked goods, services, forged securities.

The main fields of activity of St. Petersburg and Russia criminal organizations are follow: bank machinations (shady transaction) with Faced-up letters of advice; fictitious transactions with real estate; hi-jacking and re-selling of cars; illegal export of nonferrous metals; black market transactions with the "humanitarian aid" (braiding city functionaries for a wholesale purchase); production and traffic of faced-up hard drinks; arms sale; counterfeiting money. A control over gambling, agencies for supplying sexual services, narcobusiness are taking shape. In 1995-1996 years the Centre of Deviantology spends a numbers of interview to the representatives of the criminal world (Y. Kostjukovski). In a course of interviews the tendency to increase of professional skills of criminals has come to light.

Hi-tech crimes are connected to computer engineering, bank frauds, but new technologies connected to such prosaic areas as falsification of spirits drinks, drugs manufacture, hi-jacking of automobiles, development of the new weapon. From a certain share of reliance it is possible to tell, that all new development in the field of computer engineering pass first of all through criminal structure. All growing attention is given to attraction of the scientific staff (the chemists, programmers, economists, lawyers, etc), who today is engaged in criminal business.

Narco-business is one of the most latent, well organized forms of organized criminality in Russia. The polices do not manage to be opened the chiefs of Russian narcomafia. «The plunder» of police till now become either drug consumers or ordinaries distributors (lowest part of narcomafia). Only to indirect attributes we can judge about activity of criminal organiza-

tion in sphere of narco-business: catching by police or customs service large drug-sets, wide web of drug distributors the revealed ways of drug transit and drug-traffic through territory of Russia, etc. Struggle against narcomafia complicated by total corruption of law-enforcement and authority structures and political games of Russia with the countries exporters of drugs: Azerbaijan, Chechnia, states of Middle Asia.

Mafia displays a keen interest in privatisation. As our respondent puts 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 distribute who buys what property and at what price. The active rivals from legal business are requested to keep from the purchase to avoid trouble. More and more information is supplied about lobbying some representatives of state bodies of power by mafia. Consequently we confront criminalization of business in combination with economization and politization of the crime.

At last there are some official data of organized crime in Russia: criminal organizations committed 23820 crimes in 1995; police bring criminal organizations to light 785, 1990; 952, 1991; 4352, 1992; 5691, 1993 (8, 9). But the organized crime is very latency.

### **3. Comparative Evaluation of Various Anti-Organized Crime Measures Including Legislations to Combat Organized crime**

The measures of struggle with organized crime varied simultaneously with change of the forms of organized crime in Russia. 1918-1921 years the struggle with ganging, gangsterism (steady criminal groups, making murders, robberies and other heavy crimes) came true by the revolutionary and military tribunals, and also bodies of VChK (the All-Russia Extreme Commission), which was given the right of direct punishment (including execution). The non-court punishment was applied widely and severely.

In the Criminal Codes of Russian Federation 1922 (Art.76), 1926 (Art.593), 1960 (Art.77) years ganging meant organization of armed gangs for robberies of the enterprises, establishment, organizations, transport, citizens, and also for participation in gangs and robberies managed by them. In the criminal legislation the most severe measures of punishment for ganging (gangsterism) were provided: in the Criminal Code 1922 (Art.76) - execu-



tion with confiscation of property, at presence softening circumstances - deprivation of freedom for the term of not less three years with strict isolation and confiscation of property; Art.593 Criminal Codes 1926 - deprivation of freedom for the term of not less three years with confiscation of property and strengthening of punishment at hard circumstances down to execution with confiscation of property; Art.77 Criminal Codes 1960 - deprivation of freedom from three till fifteen years of deprivation of freedom or death execution with confiscation of property.

In all criminal codes the increased punishment for crimes of which was provided were accomplished by group. However the real organized criminality frequently on the character, forms of organization and kinds of crime activity did not fall under formal legal concepts ("gang" or "group"). And judicial punishment and non-court reprisal pursued first of all political ends of the soviet totalitarianism state. On the other hand, from the moment of proclamation USSR by the country "winning socialism" has stopped practice of application Art.77 Criminal Codes ("there is no ganging in socialistic state.").

The struggle with "thieves in law" was also conducted in basic of non-law ways. During the Second World war many "thieves in law" participated under threat of execution or from patriotic reasons in war with fascist Germany. Being demobilized majority from them early or lately again got in penitentiary. But as the persons having "cooperation to authority" they have appeared "traitors" of their's tradition, of the thief's law, so-called "bitch" (the word is used as the oath, insult) and did not admit new young "by thieves the law". The penitentiary administration has used it and has provoked "bitch's war" in all camps of archipelago GULAG. In bloody war was lost of very much old and new thieves. On some time their number was sharply reduced. But, certainly, it could not "to liquidate" organized crime.

In 60's, 70's were generated steady crime clans on the basis of association of "thiefes" (professional criminality), "tzechoviki's", "tyenyeviki's" (white collar crime) and corruption of the government, officers, police including the highest lead of the Communist Party of Azerbaijan, Georgia, Kazakh, Moldavia, Uzbekistan, Moscow etc, the highest leads of Ministry of Internal Affairs of the Soviet Union.

The attempt of struggle with the new forms of organized crime was undertaken in years of government by the country Y. Andropov (1983-1984) and proceeded at M. Gorbachev. To police, prosecutor's office, courts it

was authorized (!) to investigate and to consider criminal cases against some highest officers, oilier were dismissed, some of them have finished life by suicide (for example, former Minister of Internal Affairs USSR the general N. Schelokov). Radical political, economic, social reforms, which beginings M. Gorbachev (so-called "perestroika") have removed on the second plan struggle with organized crime. However organized crime in these years could be put forward on the first plan.

From the end 80's, beginning of 90's the Russian society has become all better to realize economic, social, political danger of organized crime. However the real struggle from it has appeared very complexity.

First, had time to be generated well organized criminal communities, ensuring the safety by corruption of power structures and law-enforcement bodies. Secondly, long time empty discussions on a theme "is there the organized crime in Russia? Thirdly, the legislative base, criminal law have appeared insufficient for successful counteraction to criminal organizations. The projects of the laws "On the Fighting Organized crime", "On the Fighting Corruption" are not till now accepted by Russian parliament. And the Decree of the president of Russian Federation No.1226 of June 14, 1994 "About urgent measures on protection of the population from ganging and other displays of organized crime" contradicts the Constitution RF, working criminal law (it is confirmed by the resolution State Duma<sup>1</sup> of Federal Assembly RF of June 22, 1994 "About protection of the constitutional rights and freedom of the citizens at realization of measures on struggle with criminality". State Duma is a name of the Parliament of the Russian Federation.).

The new Criminal Code, which is accepted by Parliament and is signed by the president, comes into effect on January I, 1997. In the Code many novels should ensure a legislative basis of struggle with organized crime (definition of concepts "organized group", "criminal community", Art.35; an establishment of the criminal liability for organization criminal of community, participation in it, Art.210; criminalization of actions, made by criminal organizations - kidnapping of the person, washing of money and other; amplification of the criminal liability for a some crimes - murder, grievous bodily harm, rape, theft, swindle, robbery, extortion and other, which accomplished by organized group; etc). Which practice of application will be of the new Criminal Code will show future. Fourth, technical, financial and personnel equipment of special police unite (first of all Regional Board of Organized Crimes) is insufficient.

Fifth, political games and the corruption prevent development of sci-

entific strategy and tactics of effective struggle with organized crime.

At last, main: difficulty to expect on real and successful counteraction to organized crime in conditions of economic, financial, social, political crisis and instability at total corruption of power structures (federal and regional), police and courts.

#### **4. Proposed Measures Including New Legislations to Combat Organized Crime**

International experience of struggle with organized crime (in Italy, USA, Japan and in other countries) shows, that the repressive measures of police and criminal justice are not so effective. It concerns even to the well financed programs (for example, so-called "Pennsylvanian" in USA). Especially it is difficult to struggle with organized crime in modern Russia for the reasons, stated above.

I think, the economical, social, political measures are more important. For instance: Economical, social, political support and development of legal business enterprise, of legal human activity. It is necessary to remember, that the person is in need of material, financial, technical and other means of satisfaction of the natural, social and spiritual requirements. If the person does not find legal means, he will resort to illegal, including criminal means. The higher is the degree of "responsive" societies (A. Etzioni), the more is probability legal and less probability of illegal behaviour of the people for satisfaction of the requirements. Unfortunately, degree 'responsive' of the modern Russian society is very low.

The economic policy of the state should ensure large profit of legal business, in comparison with illegal; Decrease of unemployment. The unemployed, especially young, are main social base of organized crime. The share non-working and non-pupil of the persons of able-bodied age has grown in total of criminals revealed in Russia from 11.8 % in 1987 up to 45.2% in 1995(8; etc); Reduction of corruption through political methods. "Corruption is global phenomenon" (10.P.2). But it is particular evil of Russia. The total corruption is main obstacle to combat organized crime in Russia.

Moreover the juridical measures are necessary. For example: Complete of legislation about "combat organized crime", Law "On the Fighting Organized Crime" (Law "On the Fighting Corruption", Law "On the Money Washing", etc); Activity of the special police unit with high professional staff, equipment, etc.; Information, operational international connection of

police; etc.

Criminal Organizations are inevitable element of contemporary society. Criminal organizations are well adapted to society. So, may we have to adapt ourselves to organized crime?

### 5. Conclusion

The following traits of organized crime of Russia are typical: A wide extent to which contemporary it is spread (control over 40-60% of the country's enterprises and banks); A very high profit ("superprofit") derived from criminal activities; Organized crime performs functions of law-enforcement bodies: "arbitration", "enforcement of rulings (verdicts)", guarding so called "krysha" (roof), etc.; Total corruptness of power, administrative and law-enforcement bodies at all the levels; A wide social basis for organized crime, because, firstly, many idle hands are available among the youth, secondly, in contemporary Russia a legal business activity is impossible due to total corruptness, highest taxes (up to 80-85%), criminal mentality, social anomy; A wide extent to which violent methods are spread; The organized crime politization, the policy's and economy's criminalization.

Russia is going farther and farther along the way of the state's and society's criminalization. The democracy and the economic reform are jeopardised.

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