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Episode 26: Post-Soviet Crime and Its Impact Abroad

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VOICEOVER

Welcome to Melbourne University Up Close, a fortnightly podcast of research, personalities, and cultural offerings of the University of Melbourne, Australia. Up Close is available on the web at upclose.unimelb.edu.au That!|s upclose.u-n-i-m-e-l-b.edu.au.

Hello and welcome to Up Close, coming to you from Melbourne University, Australia. I!|m Sian Prior. When the Soviet Union began the transition from communism to democracy back in the late 1980s there was great optimism in the international community about the future of a free and democratic former eastern block. Almost two decades later though that optimism has been replaced by a growing anxiety about the rise of crime and corruption in the post-communist states. We!|ve seen increasing crime rates in Central and Eastern Europe and the former Soviet Union, and the emergence of the so-called Russian and Albanian Mafia since the collapse of Communist power. And according to our guest today in Melbourne University Up Close, the growth of organised crime and corruption could pose a serious threat, both to economic stability and to democratic governments in the region. Professor Leslie Holmes has been researching corruption for more than 20 years. He!|s the deputy Director of the Contemporary Europe Research Centre and a Professor of Political Science, here at the University of Melbourne, Australia. He!|s been teaching and writing about Eastern Europe for over two decades and in 2006 he published a book entitled *Rotten States, Corruption, Post Communism and Neo Liberalism*. In recent times Professor Holmes!| research has focused on collusion between corrupt officials and organised crime gangs. Leslie, welcome to Melbourne University Up Close.

LESLIE HOLMES

Thank you Sian.

SIAN PRIOR

Now there!|s been some fairly sensationalist media reporting of organised crime in

Eastern Europe and about the activities of the so called Russian and Albanian Mafia, and I guess it would be easy to dismiss this as a perpetuation of Cold War myths about evil former communists, but Leslie your research would indicate that the increase in criminal activity is a reality, not a myth and should be taken seriously.

LESLIE HOLMES

Absolutely. I'd have to say that the situation has plateaued a little in the last 5, 6 years, but in the nineties it escalated dramatically. One has to be very careful of statistics. They often only show the tip of the iceberg, and as you say, the threat has not just been to the countries of the former Soviet Block, but because of the greater ease with which criminals can cross borders nowadays, that problem has spread to Western Europe and North America.

SIAN PRIOR

So, what sort of criminal activities are we talk about? Is it a broad spectrum from petty corruption, all the way up to major crimes?

LESLIE HOLMES

It is. There different groups involved, the petty corruption is more effecting local citizens, whereas the grand corruption involves presidents and prime ministers in the region, and the organised crime that is both local and transnational.

SIAN PRIOR

So what kinds of major crimes are we talking about?

LESLIE HOLMES

Okay. In the early stages one of the big issues was drug trafficking and I've just downloaded, this is late 2007, the latest official Russian statistics, and they show that of all the categories of crime that they report that, far and away, the largest group has been of drug trafficking. And that has transnational implications. More recently another form of trafficking is people trafficking, where women mainly, but also increasingly children and to a much lesser extent men, are being trafficked for prostitution, for begging, for illegal work, mainly in IV in western Europe, but not exclusively. Of course the third area which is of real concern and has been ever since the collapse of the Soviet Union is of arms trafficking. The one we know most about on which we have the most evidence concerns more conventional weaponry, AK47s and so on, but of course one of the real concerns is that nuclear material is being smuggled by crime gangs, but who are in collusion with corrupt officials, mainly in the military.

SIAN PRIOR

And which of the former communist states are grappling with the worst of IV of these criminal activities? Where have crime rates risen the most, either officially or IV or unofficially?

LESLIE HOLMES

Okay well we'll take the arms trafficking. Fairly obviously, the biggest dangers are

from the countries that had nuclear weapons before. And in terms of storage that would be three of the former Soviet Republics which are now states, Russia itself, Ukraine and Kazakhstan. Russia and Ukraine are the ones that most of the international police community is watching most carefully. The people trafficking affects most parts of western Europe. The biggest recipients we know of prostituted women from Central Eastern Europe are Germany and the Netherlands, with the UK as a third recipient. In terms of the post-Communist countries themselves, the highest rates of organised crime as you mentioned in your introduction would be in Russia and Albania. The countries most affected by the organised crime certainly in terms of transnationalism would be Ukraine, Moldova, to some extent Rumania and Bulgaria, the two newest members of the EU. Corruption is a different situation. We know from perception indices the countries that are best, in other words where there is the least corruption, tend to be the little and better off countries, so Slovenia and Estonia. The worst are countries like Azerbaijani, Uzbekistan, Ukraine, these are the really bad ones. Russia is certainly towards the lower end, in other words with the higher rates of corruption.

SIAN PRIOR

Obviously it is difficult to generalise because we're talking about a, you know, very different nations here but you mentioned what is your explanation for why there has been such a disturbing growth in crime and you mentioned I guess such a failure of state policing systems to control this crime in these newly democratised nations.

LESLIE HOLMES

I think a lot of it would be explained simply in terms of unrealistic expectations in the earliest days of post communism, not only unrealistic on the part of the citizens of those countries, but also on the part of western analysts. The fact is that you had very centrally planned economies which overnight wanted to become well functioning marketing economies, looking after the consumers well in the way the Communist states never had done. And that just wasn't a possibility. You've got to bear in mind that the west itself was in recession in the late 80s, early 90s, and then you had so many countries. I mean nowadays the number of Central East European post-Communist states is 27, and the number is rising if Kosovo breaks away from Serbia. And all of these countries are wanting foreign investment. None of them have much in the way of domestic capital, and that kind of situation led to weak states because they were poor states. Now the weak states couldn't afford good policing, nor could they afford good welfare systems. They didn't actually have welfare systems in place in the way that you and I, or most westerners would understand that. You add to that the violent break ups in one or two of these countries, most notably in former Yugoslavia which of course encourages people to seek a better life elsewhere as you and I would if we were in those war torn countries. You get all those factors coming together and you're going to get a natural tendency for people to want to get out of their situation, and crime gangs come in and say well we'll help you, you've got to have to pay us, if you can't pay us up front then you're going to have to work when you get to the other end. Unfortunately they don't mention the fact that very often the kind of work you would have to do is prostitution.

SIAN PRIOR

So there's a correlation there obviously between the level of I guess poverty in those states in how much crime has been able to flourish. Is there also, Les, a correlation between the level of rigid state control and security in those places under communist rule. I guess I'm thinking of places like Albania which you know compared to everywhere else in the former Soviet block, you know they were so much worse.

LESLIE HOLMES

Yeah there's various ramifications, various effects of that highly controlled state system that they used to have. One is that the post communist politicians, not all of them, but a number of them have been very reluctant to use what they see as excessively heavy handed tactics. Because they associate that with the communist period, some of the rather tougher lines that they really should be taking, they've been avoiding because they think oh that just smacks of totalitarianism. So they're in a bit of vicious circle. Another reason is that with the decline of those police forces and the secret police and so and so forth, there are a whole bunch of former police officers who knew how to monitor other people, who knew how the system worked, who knew how to break the rules in a fairly invisible way, who were now redundant. They'd been retrenched, and they had a

SIAN PRIOR

And they've got a skill set just ready and waiting for criminal activity.

LESLIE HOLMES

Exactly, exactly, they knew how criminals worked before, and if they're desperate then they use the experience and the knowledge they have.

SIAN PRIOR

And why is the international community so concerned. I know there've been reported comments from Scotland Yard officials in the UK for example about the threat to their inner cities from Russia and Eastern European criminals. You've mentioned drug and human trafficking into countries like the UK, how serious is that problem.

LESLIE HOLMES

Some of the West European countries are now taking very radical approaches to this. One of them is Sweden. Sweden like many countries had been treating prostitutes as the criminals. They now have a policy of treating so-called Johns, the men that use the prostitutes as the criminals. And that has a huge effect we believe again you have to be careful with statistics, but all the indicators suggest that there's been a marked decline in the amount of prostitution in Sweden and I read the Russian press and Russian newspapers are saying that their organised crime gangs have switched from Sweden to other parts of Europe precisely because the market's declined. It's a straight forward market situation. If there's no demand, then the supply either dries up or switches to other countries. Now that's one threat. The other threats to currencies. It's interesting that when the Euro was being

introduced, the Belgium economics minister or finance minister, I can't quite recall, he pointed out that the introduction of the Euro was a temptation or incentive to European, he meant primarily

East European, crime gangs for a very simple reason and that is that the highest value of the Euro is more than the highest value of the greenback, of the US dollar. So that if you've got a suitcase of money, it's in Euros, you can take a lot, lot more illegally across borders than you can US dollars in the same sized suitcase. The biggest threats though are these nuclear and other forms of weapons smuggling, particularly since the September attacks of 2001 in the United States. The whole world is much more aware of the terrorist threat and the dangers of dirty bombs or even more sophisticated forms of nuclear weapons, chemical weapons, biological weapons, all these problems are dramatically exacerbated if you've got corrupt officials providing organised crime gangs with the materials needed for these weapons.

SIAN PRIOR

Yeah, and indeed one US security agency member has been quoted as saying that Russian organised crime constitutes a direct threat to the national security interest of the United States.

LESLIE HOLMES

That's absolutely right. Most western states have taken rather a long time, unfortunately, to realise that security has changed its face in recent years. Western governments are finding it very difficult to re-orient, but at least governments have begun to realise that there is this collusion between corrupt officials, organised crime gangs, sometimes even corporations.

SIAN PRIOR

I'm Sian Prior and my guest today in Melbourne University Up Close is Professor Leslie Holmes, Deputy Director of the Contemporary Europe Research Centre and Professor in the Department of Political Science here at the University of Melbourne, Australia. And we're discussing the internationalisation of crime and corruption in post Soviet Russia and Eastern Europe. Well, what about the democratic process, Leslie? In countries where democracy is still a fairly new and strange thing I guess, what effect might it have on the legitimacy of elected governments if they seem unable to maintain the rule of law?

LESLIE HOLMES

In theory that should be highly de-legitimatising. In practice I ran a survey of post-communist states and actually some western states about three years ago and asked people what they thought about corruption and whether it de-legitimatised the system and so on. And completely, as one would expect they said yes if a so-called democratic government was seen to be corrupt it undermines their picture of democracy. However I put a sting in the tail question at the very end of the survey and said, there is an election, it's a very simple election, there are only two candidates. One candidate is known to be rather corrupt but gets things done, quite dynamic. The other one is squeaky clean, is not corrupt but is far less dynamic. He'll

keep things going but hasn't got the vision of that first one. Who do you go for. Now it was fascinating to see the results that so many respondents who had said they were horrified by corruption in this particular situation would go for the corrupt dynamic official. Having said that, the country in which that phenomenon was the most marked, was France. The Germans were the least likely to go for the corrupt dynamic candidate, but the Bulgarians, Poles, Russians and Italians were all much of a muchness, it's interesting.

SIAN PRIOR

And how much of that do you think is to do with the fact that corruption existed before communism collapsed as well. It's same, same but different, it's OK they're used to it in a sense.

LESLIE HOLMES

That's right and that's why they are used to it. The surveys we have suggest that most citizens don't realise just how widespread that corruption was and that was partly just because the media hardly ever referred to it. They are much more aware of it now and that's maybe part of the reason why the corruption perception indices suggest that it's got much worse. I'd believe it has got worse, but whether it's got so much worse or it just appears to have got a lot worse because people are much aware of it, we don't know. But yes, you are absolutely right, there was a lot of corruption in the communist era. And another thing we found from surveys, I mean I'm not criticising respondents because we know from citizens around the world on all sorts of issues that most of us have somewhat contradictory views. But another one is people who say they're against corruption, if asked well if your child was ill and you thought you would need to bribe a doctor, would you pay. And the answer of course in most cases is Yes. Take a less extreme example, if you wanted to build a house and you wanted to get on with it and you'd know that if you went through the regular channels it could take 12 to 18 months, and if you paid a bribe, 2 to 3 weeks, which would you do. And again the citizens, the same respondents who said I'm very hostile to corruption will say, Oh yes I'll pay the bribe.

SIAN PRIOR

Let's mention tactics from the Swedish government in criminalizing prostitution in order to try and do something about human trafficking to Sweden. Is there anything else that the governments of western liberal democracies, places like Western Europe, north America, even Australia perhaps? Is there anything those governments can do to help with this problem? Presumably, it's in our interests to ensure that organised crime is brought under control in the east.

LESLIE HOLMES

The first thing we need to do, sounds ridiculous to an outsider, to someone who's not involved in legislation, but that is to get countries to agree on what we mean by organised crime and what we mean by corruption. You would not believe how many cases get side-tracked, put on the back burner because two or more countries cannot agree on the nature of the crime, or indeed, whether it is a crime. Second and

It's and partly related to that is we need to standardise and develop extradition laws. All too often we know that it's that a transnational gang is based in a country from which we cannot extradite them even though they're committing crimes in our country. So, that's something else we need to do. Now beyond that, we need to improve information exchanges. Again it's not just a matter of the software isn't compatible across countries, sometimes it's a technical issue which in theory should be readily solvable. It's not only that, it's also sometimes that police forces and so on are a bit secretive about their information. That also needs to be addressed.

SIAN PRIOR

A cynic might say that perhaps it's in our interests to leave these former Eastern Block countries in it's in various states of chaos and you know political and economic instability, so that they don't pose economic or security threats to us.

LESLIE HOLMES

I can see where that argument's coming from but unfortunately it's naive. It's unstable and weak states that are most likely to generate international criminals, terrorists and so on. You don't get nearly so many being created in affluent western societies, in societies where even the poor are basically looked after and so on.

SIAN PRIOR

Well many thanks for joining us today Leslie.

LESLIE HOLMES

Thank you.

SIAN PRIOR

I'm Sian Prior and my guest today in Melbourne University Up Close has been Professor Leslie Holmes deputy Director of the Contemporary Europe Research Centre and a lecturer in the department of political science, here at the University of Melbourne, Australia.

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