

Crime in Russia: Causes and Prevention

NINEL F. KUZNETSOVA

Important criminological axioms are as follows: the state of criminality reflects the society's spiritual health; crimes have deep roots in social contradictions; crime can be effectively prevented if the necessary informational, legal, material and technical support are provided.

A new stage in the history of the former Soviet Union and Russia began after August 1991. The agreements concluded in Belovezhsky forest between Ukraine, Belarus and Russia in December of 1991 dissolved the USSR and launched the Commonwealth of Independent States (CIS). Major social and economic changes followed almost immediately. Since January 1992, price liberalization, freedom to export and import, removal of restrictions on domestic trade, privatization of public property, the emergence of a bourgeoisie and the impoverishment of one-third of the entire population all took place simultaneously. Slowly but surely the state changed its course from state socialism to state capitalism, from Soviet to presidential power. An overwhelming political, ideological, social and economic crisis set in. The criminal situation worsened; a consequence of social and state contradictions. The change in crime is characterized by a phenomenal rise in the number of offenses, an increased aggressiveness, and a disproportionate increase in juvenile, economic, organized, repeat and professional crimes. But even more dangerous is the politization of crime and the criminalization of politics which have very grave and hardly reversible consequences.

In 1992 there were 2.7 million reported offenses in the Russian Federation. In comparison with 1991, the crime rate increased by 27%. During this same period serious crime increased by 33%. In 1993, 2.8 million crimes were reported. The growth rate for all categories of crime was 1.4% but for serious crimes it was 23.6%. Since 1989, we have witnessed a two-fold increase in crime. During the first five months of 1994, 1.094 million crimes have been registered including 216,000 grave ones. Within the group of most serious crimes there is an unprecedented rise in the number of murders (30,000; +27%), malicious grave bodily injuries (66,900; +24%), assaults related to robbery (40,000; +32%), and others.

According to statistics, only half of the reported offenses are solved. During the seventeen months starting from January 1993, 300,000 serious crimes have not been cleared (the offenders apprehended), including 8,500 murders. Between one-fourth and one-third of reported crimes result in court cases. Previously this was explained by the fact that there was diversion of minor cases. Many were forwarded to comrades' courts and

petty offenders were let out on to the care of labor collectives (up to 37%). A characteristic feature of the current pseudo-democratization is the total destruction of the system of social measures for crime prevention. Presently, neither comrades' courts, nor care of labor collectives, nor volunteer citizen public-order squads operate in the country. Therefore, the question as to the disposition of two-thirds of reported offenders is not a rhetorical one since the long-standing forms of diversion are no longer operative. Thus, out of 53,169 drug crimes reported in 1993 merely one-third were taken to court. While gangsterism was raging in 1993 only 15 bandits were convicted.

Criminal Sanctions

Judges are now sentencing individuals to less severe punishments. Although the number of legal proceedings for murders, grievous bodily injuries, arms misappropriation and drug trade is growing for understandable reasons (by 33%, 28%, 85% and 85% respectively), judicial punishments for economic crimes, counterfeiting, major embezzlements, service crimes and bribery are unreasonably lenient. Among those convicted only half are sentenced to imprisonment (53% in 1993) and about 50% of the latter receive a punishment more lenient than the minimum one proscribed by the Criminal Code. Forfeiture of property in conjunction with their offence was applied to 65% of the convicted, confiscation of the right to continue in office or pursue a certain activity was applied to 45%. The courts are ready to break the criminal law at the time when crime is jeopardizing the national economy and the success of market reforms.

The Constitution and Penal Code of the Russian Federation define capital punishment as a temporary exceptional measure pending its abolition. It can be applied only for murders. However, with an annual figure of 30,000 murders and armed terrorist acts there should have been wider application of capital punishment, especially when taking into consideration that the Russian Penal Code does not provide for life sentences and that the term of imprisonment cannot exceed 15 years. Nevertheless, in 1989 there were 93 death sentences carried out, in 1990—76, in 1991—59, and in 1992—18. In 1993, 157 people were sentenced to death of whom 54 have already been pardoned.

The Market Transition and New Forms of Criminality

Recently, the emergence of the "market" has introduced some new features into the nature of crime: embezzlement, corruption and smuggling caused by the contradictions of the poorly implemented transition to a market economy. Accordingly, new chapters on economic, organized and professional crime have been added to textbooks for higher education. Law-enforcement bodies have formed special structures to fight economic and organized crime as well as crime in the sphere of credit and monetary relations.

Criminal business also penetrates other criminal offenses, murder for example. Until recently, the proportion of mercenary murderers against particular individuals was not significant, though incidences of un-premedi-

tated murder during a crime against property did occur. Now, special bodies within the procuracy and Ministry of Internal Affairs have been established to struggle against the so-called "mercenary crimes." These are murders ordered by rival commercial structures or those that occurred during fights over spheres of influence or during vendettas. This category also applies to the seizure of hostages, racketeering and kidnapping.

Organized Crime

Economically lucrative crime is very closely connected with organized crime. The first stages of this economic crime occurred at the end of the 1960s and it reached its height in the early 1990s.

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channels through which organized crime is formed: legalization of the shadow economy accompanied by the participation of professional criminals; recidivists; and those engaged in frauds, contraband, counterfeiting and currency violations. Organized crime's spheres of influence include both licit and illicit activity. It runs illegal trade in pornography, drugs, and sex businesses. It infiltrates legal activity by penetrating into the privatization campaign, the oil and gas industry, the credit and monetary system, the conversion process, export-import business and trade. In 1992, banking crime assumed the first place in organized crime activity. Millions in hard currency were collected on the basis of forged documents, with the assistance of personnel in the banking structures.

According to the Ministry of Internal Affairs, over 150 criminal associations operate currently on the territory of Russia. Official government sources assert that they control up to 40,000 public enterprises and over 90% of private enterprises. Information of the Russian Academy of Sciences Analytical Center shows that 55% of joint-stock companies and 80% of voting shares were acquired by criminal capital.

Russian organized crime shares the tendencies of other international crime groups. FBI Director Louis Freeh said that 24 criminal associations from Russia operate now in the United States. They launder criminal money through health institutions and drug smuggling. Narcotics trafficking is now acquiring the scale and structural characteristics of big business. Sociological research shows that a new narco-situation has developed in Russia. It is now a transshipment area for drug trafficking from Asian countries to Europe. Special centers have been established in Warsaw and Prague. The narco-business boom has only been limited by the non-convertibility of the ruble. Youth and women are assuming a larger role in drug crimes. The share of synthesized drugs produced in underground laboratories is growing (more than 300 laboratories have been disclosed).

Another structural feature of organized crime is its connections with lucrative bureaucratic crime. Organized crime has even merged with officials, with members of the Ministry of Internal Affairs, organs of the

judiciary and procuracy, and control bodies. Their interconnection is realized with the help of an age-old tool: corruption. Between 30% and 50% of criminal income passes into the hands of corrupted officials. It should be noted that the percentage of undetected bribes is very high (about 98%), according to research. Only 70% of registered bribery cases led to criminal proceedings; 50% of these ended in sentencing, and in 19% of the cases offenders were imprisoned.¹ Every sixth organized crime group has corrupt associations with government officials often at the highest echelons of power. The Ministry of Internal Affairs, including its top officials, is thoroughly corrupted. Opinion polls and interviews indicate with certainty that only one-third of its employees are not corrupted.

A very dangerous feature of organized crime at the present time is its politization and active access to the levers of power through elected deputies, top officials, lobbyists and law-enforcement officials.² When asked about the immediate threat to state security, the director of the Federal Counterintelligence Service (former KGB) Sergei Stepashin answered that there were four kinds of threats, the most serious being the criminalization of the political system. Some people tried to get elected to the State Duma for only one reason: not to be put in jail.³

The Federal Program of the Russian Federation to Strengthen the Struggle Against Crime, approved by presidential decree in 24 May 1994, states that among the main tendencies of the present criminal is "the striving of criminal structures to penetrate the economy and politics." In the process of competing for control of profitable businesses and territories, criminals obtain all kinds of weapons, involve themselves in the state apparatus, and penetrate the structures of power and administration.

The basic reasons for the rise of crime during the last three years is the on-going crisis in Russia, the sharpening of the old contradictions left by the command-administrative system and also of new ones resulting from mistakes during the market reform campaign.

The Current Crime Situation

"National and ethnic" crime has deep roots in the violation of legality during the Stalinist period when entire nations were repressed for "treason" and geopolitical borders were arbitrarily reconfigured. Major armed conflicts and confrontations are occurring today in many of these affected areas including the Caucasus, Moldova, Crimea and Tajikistan. These clashes result from national-ethnic and geopolitical conflicts. Several crimes have been committed in these areas, including incitement of mass disorders, murders, bodily injuries and even genocide, illegal weapons trade and misappropriation of weapons, smuggling and other grave offenses. In these regions penal codes are not applied; impunity has become the normal practice. Crime and its causes exist, but the punishments are absent. One hopes that those guilty will be judged not only by history but also by the International Court of Justice and other courts of law.

There were serious psychological and economic consequences of the wage policies of the Soviet period. Many economic crimes resulted, including

mismanagement, irresponsibility, loss of material stimuli, commodity shortages, false reports, etc. When the economic conditions are favorable, these criminal offenses are amplified, leading to mass embezzlements, speculation, lucrative service crimes, corruption and a parallel economy.

Perestroika, which began in 1985 and was ardently supported in the USSR and abroad, was supposed to solve these problems. It brought the long-awaited freedom of speech, glasnost, and opened up crime statistics which had remained secret since the 1930s. The first steps towards the denationalization of small businesses in the trade and service spheres were made. Perestroika also led to a national referendum about the future of the USSR.

Crime statistics provide an accurate picture of the spiritual, social and economic state of the society. They indicated a positive response to the progressive innovations of perestroika. For the first time in a long period, crime decreased (4.6% in 1986). There was a decline in murders (21%), grievous bodily injuries (24%), robberies (25%) and even personal thefts (13%). Criminology textbooks boasted that the level of serious crime in the USSR was 17 times lower than in the U.S. Alas, today Russia alone among industrialized countries has overtaken the U.S. murder rate (the corresponding ratio for 100,000 population is eleven in Russia vs. nine in the U.S.).

Social and economic contradictions were worsened primarily due to the destruction of economic ties among the Union republics, the policy of separatism pursued by top politicians and an explosion of nationalism—all of which directly influenced the crime situation. The year 1989 saw a record number of crimes in the USSR. From then on crime has grown steadily and has reached the figure of three million in Russia alone.

Crime and Politics

It is well known that the word democracy means the rule of the people. The popular will concerning the destiny of the Soviet Union was expressed in the March 1991 referendum: where three-fourths of those who voted decided to maintain the USSR. In December of the same year, the Russian president decided to annul the USSR and form the CIS, composed initially of three republics. Now, two years later, it is obvious that the disintegration of the USSR damaged all the former constituent republics. The only winner is crime: it is a parasite on inter-state conflicts, it makes money through arms and drug sales, speculates on basic consumer necessities, it embezzles humanitarian aid, and much more.

In Russia, the political conflict between the legislative and executive branches, more precisely the conflict between the Security Council and the Congress of People's Deputies on the one hand, and the government and president on the other, exacerbated the power crisis. The presidential decree No. 1400 of 21 September 1993 which dissolved the Supreme Soviet and the Congress of People's Deputies was viewed as anti-constitutional by the Constitutional Court. On October 4, the building of the Supreme Soviet was destroyed by armored carriers. Many of the deputies and personnel inside perished. According to official data, obviously understated, 143 persons died

and hundreds were wounded. Material loss was estimated at billions of rubles. CNN made it possible for TV viewers all over the world to watch the events of that fatal day for Russia. The chairman of the Supreme Soviet Ruslan Khasbulatov, Vice-President Alexander Rutskoi and other defendants of the White House were sent to prison.

From the point of view of criminal legislation, the Lefortovo prisoners were quite lawfully accused of organizing mass disorders and illegal possession of arms. However, Article 79.1 of the Penal Code of the Russian Federation provides punishment

for forceful actions directed towards prevention of lawful activity by the constitutional organs of power. That is why the lawyers of the arrested have the right to demand that the violators of the law should be called into account. Opinion

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polls conducted among Moscow University students showed that most of them blamed both sides in the events of September 21-October 4, 1993. One could hardly disagree with this opinion. But in accordance with the international principle of equality of citizens under the law, we cannot agree with the fact that only one side was held criminally responsible for these events.

The spring 1994 parliamentary amnesty for the participants in the October conflict was just in the Biblical sense, though not from the legal point of view. The fateful presidential decision of October 1993 attempted to reconstruct a disintegrating society. However, a “minor” question remains to be answered: Will they be able to fulfil their aim and ease the crisis of power? The lack of confidence in authority and criminal law have always been a powerful factor in the growth of crime.

The crisis of power and legality during the transition to a market economy became the foundation of Russia’s socio-economic crisis. This explains why two-thirds of all registered crimes belong to the economic sphere. Seven years ago these offenses contributed only half of them. What we have now in Russia is a criminal market instead of a civilized market contributing to the prosperity of the nation. It is difficult to agree with the advocates of private property that such a situation is natural. There were attempts to instruct the procuracy not to investigate cases of embezzlement, corruption and other economic offenses in order to smooth the advance to the market economy.⁴

The last three years have seen rapid and deep economic and income disparities in the population, but not as a result of the principle, “from each according to his ability, to each according to his work (Stalin).” Even the Church is disturbed by this increasing differentiation and raises its alarm. In economically developed countries where capitalism is over three hundred years old, the rich are six to seven times wealthier than the poor. In Russia, according to official data, in 1994 the difference between them is eleven-

fold. The researchers also claim that the gap between the 10% of the richest and 10% of the poorest is 28-fold. And it must be remembered that this happened not in the course of two or three centuries of capitalist development as in the U.S. or Europe, but in three years.

According to official statistics for the first four months of 1994, the extremely rich (those with a monthly income of 20,000 dollars and over per family member) make up 0.6%-0.7% of the population, or 1.1 million people. The next 3.4%-3.6% (5.6 million people) have about 1,000 dollars a month for each family member. Thus, the rich make up 9%-10% of the entire population (16 million people).

The so-called middle class comprises 27%-31.5% of the population (44-51 million people) whose monthly income per family person varies from 21 to 185 dollars. The poor constitute 27%-28% of the population (44,000,000 people) with the corresponding income from 10 to 20 dollars. The poorest 52,000,000 people (33.5%-34.5% of the population) have a monthly income of less than 10 dollars per family member. Sixty percent of the population, or over 100 million people, also belong in the last two groups. It should also be noted that the middle group is too wide, since the incomes in it differ almost ten-fold. If divided into three groups, we find that over 100 million people have incomes below the subsistence level.

The question is: Where does the shower of gold that pours upon the heads of the *nouveau riche* come from? There are two ways to become rich: to get an inheritance or to commit crimes. Wages in both the Soviet and post-Soviet periods had not much influence on incomes. Inheritance was eliminated in 1917. But theft still exists. In academic terms it is called the "expropriation of socialist property." After October 1917, expropriated private property became state and collective property. Since August 1991, state and collective property has been turning rapidly into private property. In place of the confiscation of private property of the 1920s, we have privatization of state property in the 1990s.

Privatization

State officials and economists have diametrically opposed opinions on the first stage of privatization which ended on 30 June 1994. In his address to the officials of the State Property Committee, the president praised the transition stating that 70% of state property had moved into private hands and 40 million Russians had become shareholders. The Institute of Economics and the Reforma International Fund gave an extremely negative appraisal to Privatization Minister Anatoly Chubais' program. In their opinion, it has not fulfilled its aims; the only effect was a destructive blow to the over-monopolized state sector. Commenting on the Institute of Economics' conclusions, Academician Stanislav Shatalin challenged the assertion that 40 million people had become owners of state property.

Social justice turned into social injustice. This is confirmed by official data on the rich and the poor. Shatalin, who became famous in 1990 with his radical "500-Days" Plan to privatize the Soviet economy, believes the organizers of the privatization effort pursued purely ideological and political

aims. Now two years later, it is obvious who lives well in Russia.

Sociological opinion polls confirm scientific conclusions: 61% of those questioned said that privatization was window-dressing, 20% hesitated to answer and just 10% were satisfied with it.

Following the results of the initial privatization campaign in Moscow the government slowed down the process. The world called it plundering and corruption. The same opinion is held by 80% of administrative heads within the Russian Federation.

We noted earlier that the so-called "economic crimes" occupied first place among criminal offenses in 1992-1993. The Ministry of Internal Affairs and the procuracy have thoroughly examined the main means and forms of privatization—embezzlement and bureaucratic crimes. They have learned that the most common and easiest way to embezzle state property is to underestimate the book value of the enterprise being privatized. A shop costing 500 million rubles would be sold to 18 shop assistants for 200,000 rubles. Presidential decrees facilitate such machinations in several ways: They fix a two-week term for the calculation of capital assets irrespective of the size of the enterprise. Should the evaluation not be challenged within this time, it is deemed valid. Property can be leased with the right to ownership conveyed after 18 to 24 months. This has led to mass reorientation in the trade and services spheres. One fine morning people learn that instead of their local shop selling milk and bread, it is now stocking chewing gum and foreign-made canned food. Auction sales of privatized enterprises caused great excitement among criminal elements, leading to armed clashes among them, requiring the intervention of the OMON shock troops. If not major embezzlement what else should the privatization of two big industrial enterprises in Izhevsk be called? In Izhevsk the overestimation of wear-and-tear to capital assets cost the state 200 million rubles of damage. It has been estimated that the average piece of federal property was being valued the equivalent of three Volkswagens. Fake funds and joint-stock societies have stolen over 10 billion rubles from the people.

Privatization is subdivided into three categories: "wild," "nomenklatura" and "directors." Directors of many privatized enterprises quickly conceived of themselves as owners, and began to pay themselves 15-million ruble salaries—ten times as much as the employees.

With great difficulty, public prosecutors managed to address cases of crime in privatization, although the officials from the State Property Committee would not allow them to do so. In 1993, 3,000 proceedings were initiated in the privatization sphere. Surely, this is just a tiny portion of the overall crimes committed in privatization, including embezzlement, abuses of authority, and corruption.

Crimes in the foreign trade sphere, as well as in the credit and financial systems, have also become commonplace. The facts cited at the seventh Congress of People's Deputies (November 1992) are shocking. But they also raise questions: How come Russia still exists? Surely, its economic potential must be great indeed considering the fact that in 1991-1992 approximately one-fifth of national income left in the form of capital flight. Every fourth

Russian export dollar is left abroad in foreign banks. Tax evasion is also rampant. Although civil servants are prohibited from working in private firms, 90% of them do despite the presidential decree against corruption, which outlaws this employment.

Thus, Russian private capital of the early 1990s rests on three groups: the new criminal bourgeoisie, traditionally corrupted officials and the organized crime claiming to be a "state within a state."

Crime Prevention

What should the system of crime prevention be like to check crime growth? It needs to become more aggressive and professional. As usual, the overall social and economic structure provide the basis for crime prevention measures. First of all, we need to change the strategy of market reforms, not

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their tactics. The reforms are meant to serve common people, not millionaires. The government and Parliament should adopt de-nationalization, price liberalization, privatization and other innovative strategies only if they are socially oriented. Otherwise they should be resolutely rejected.

The second most pressing and necessary direction for crime prevention is its support by legal measures. New penal and criminal codes should be urgently adopted, as was stipulated in the decision of the State Duma on 24 June 1994. Federal programs to fight against crime need to be supported at all governmental levels.

The seventh Congress of People's Deputies in its resolution "On Strengthening the Struggle Against Crime and Corruption," approved a national program to combat crime. It provided for the following measures: the introduction of legal critiques of bills, the re-evaluation of the capital assets of privatized businesses, the adoption of regional programs designed to struggle against crime, and the allocation of one percent of the value of legally confiscated property and of fines to the extra-budgetary fund to increase material and technical support to law-enforcement bodies. Unfortunately, none of the aforementioned measures were ever implemented.

The Federal Program for the Intensification of the Struggle Against Crime in 1994-1995 was approved by presidential decree on 24 May 1994. It comprises nine areas for crime prevention:

- 1) basic organizational and legal measures;
- 2) war against organized crime and terrorism;
- 3) struggle against personal and property crimes;
- 4) struggle against economic crimes and corruption;
- 5) struggle against crimes in the armed forces;
- 6) international cooperation in the struggle against crime;
- 7) crime-prevention measures;
- 8) provision of personnel, material and technical means, and;

9) control over the Program's implementation.

The Program has been developed thoroughly and competently. Its only fault is that it is two years too late. Had it been adopted earlier in 1992, crime growth could have been slowed. Perhaps in that case the enormous criminalization of the economy, and many aggressive crimes against the individual and the growth of juvenile crimes could have been avoided.

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However, lack of money will remain an obstacle to its realization. Immediately after its adoption, the MVD claimed that the necessary five billion rubles necessary for its implementation had not been allocated. Some urged that a special fund be established under the Government where natural and juridical persons would contribute money and where a new, specially created individual income tax would be paid. We have said earlier that without proper material and technical support, even the best of programs is not worth the paper it is written on.

To execute the Federal Program, the presidential decree “On Urgent Protective Measures Against Banditism and Other Organized Crimes” was adopted on 14 June 1994. The decree evoked a stormy and diverse response. The State Duma’s recommendation was to suspend its implementation because it did not agree with the Constitution. In the opinion of this author, the decree is well-grounded and timely, because today only two alternatives exist: crime or the state. The procuracy, the Ministry of Internal Affairs and the Federal Counterintelligence Service have elaborated special instructions on its implementation. The State Duma reiterated its decision basing it on the supremacy of constitutional norms over presidential decrees. In case law-enforcement bodies act in contradiction to the Constitution, they would be immediately stopped by the procuracy which would cite the Constitution, the Penal Code and the Criminal Code of the Russian Federation.

Certain businessmen are concerned about audits of their income and their inability to cite “commercial secrets” as a pretext to hide their financial positions. Even before the June decree, they had to declare their incomes to the tax services and law-enforcement bodies. Article 162.1 of the Penal Code defines criminal penalties for those who evade taxes; Article 162.2 punishes those who conceal their profits and other taxable income; Article 162.3 deals with cases of noncompliance of tax service demands; Article 162.4—with unlawful business activity; Article 162.5—with illegal trade. Should these norms of the Penal Code be observed, no such decree would be needed.

Sometime in 1994, the Parliament will adopt two important laws for crime prevention: “On the Struggle Against Organized Crime” and “On the Struggle with Corruption.” They have already been prepared, and their delay plays into the hands of dangerous criminals.

There is an acute need for the development and adoption of penal and criminal codes within the CIS countries. The transparency of borders between the former Union republics is very favorable to criminals, helping them to evade responsibility for crimes committed on the territories of other republics. That is why agreements between the republics are needed—to protect inter-republic interests from such grave crimes as banditry, organized crime, smuggling, counterfeiting and computer crimes.

The system of crime prevention also needs legal systematization. For instance, a law “On the Prevention of Crimes and Offenses” is necessary. Its drafts have already been elaborated by criminologists.

The third very urgent direction of crime prevention activity is cooperation with international law-enforcement systems. This would help to restrict international crimes, which as is well known, do not recognize borders. The July 1994 agreement on cooperation against organized crime between the Ministry of Internal Affairs of Russia and the FBI is worthy of strong support and approval. The FBI’s seventy years of experience in this direction and America’s legislation against organized crime will serve as a good model for Russia to emulate.

Notes

¹ See “Latent Crime: Facts, Policy, Strategy,” Symposium of the materials of an international seminar, Moscow, 1993; and “Organized Crime—2: Problems, Discussions, Proposals,” transcript from a round table of the Criminological Association, Moscow, 1993.

² This fact is now obvious to journalists. See S. Govorukhin, *A Great Criminal Revolution* (Moscow: 1993) and *Moscow Octopus* (Moscow, 1993); G. Podlesskikh and Tetreshonok, *Thieves-in-Law: A Rush for Power* (Moscow, 1994).

³ *Literaturnaya Gazeta*, No. 24 (1994).

⁴ See *Changes in Crime and Issues of Law and Order* (Moscow: 1994).