Global Crime
Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/fglc20

Organized crime, political transitions and state formation in post-Soviet Eurasia, by Alexander Kupatadze

Ararat L. Osipian

Department of Leadership, Policy, and Organizations, Peabody College of Education, Vanderbilt University, Nashville, TN, USA


To cite this article: Ararat L. Osipian (2013): Organized crime, political transitions and state formation in post-Soviet Eurasia, by Alexander Kupatadze, Global Crime, DOI:10.1080/17440572.2012.755123

To link to this article: http://dx.doi.org/10.1080/17440572.2012.755123

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: http://www.tandfonline.com/page/terms-and-conditions

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae, and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand, or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.
BOOK REVIEW


Organized Crime, Political Transitions and State Formation in Post-Soviet Eurasia is a dissertation project converted into an excellent book, completed by a promising scholar who comes from a volatile region of Caucasus. Kupatadze focuses on three struggling post-Soviet democracies – Ukraine, Georgia, and Kyrgyzstan – in order to discover and explain possible variations among these emerging and fragile democracies by concentrating on the political–business–criminal nexus of organised crime. The detailed description of this unholy alliance of state, market, and crime points to the high level of expertise possessed by the author and his understanding of this supra-national and diverse geographic mega-region under investigation. Given the amount of attention paid to corruption and the number of times this term is used in the text, it is surprising that the term itself is not included in the title of the book. The three countries selected for the study represent three different regions – Eastern Europe, Caucasus, and Central Asia – which makes this volume even more interesting. The book also gives us a wealth of data that come from all kinds of different sources, some of which are reliable and others less.

Ukraine, Georgia, and Kyrgyzstan went through so-called coloured revolutions in the 2000s. Nevertheless, in many ways their paths are divergent. Kupatadze suggests that the post-Rose Revolution Georgia transformed from a state dominated by professional, organised crime to a repressive state with excessive centralisation in law enforcement agencies. In Kyrgyzstan, the state–crime nexus is alive and well whereas the anti-corruption and anti-crime campaigns are of meagre effectiveness and the so-called Tulip Revolution failed. The Orange Revolution in Ukraine failed as well, with the crime and corruption levels remaining unchanged or even increasing. The author uses a number of contextual and intermediate variables to explain these processes.

Despite the obvious merits of the book and its contribution to our understanding of the role of organised crime, corruption, and state bureaucracy and their linkages in post-Soviet transition economies, the book is not without certain shortcomings. In fact, from the very start of the book, there are worrying signs the methodology the author uses to collect the data. When it comes to analysing corruption, its immanent secrecy makes the task of devising the proper research methodology and collecting data a constant challenge. The methods with which the author conducts interviews and collects the data remind one more of a mixture of espionage and guerrilla warfare, rather than what are known in the scholarly community as ethical methods with full disclosure and informed consent of the participants. Such methods may be accepted when considering the secrecy and delicacy of the topic of the research and the ambition with which the author took on this task. On the one hand, methods used by the author to obtain information may be considered as questionable, while, on the other hand, we, as readers, may applaud the author for his courageous attempts to disclose some of the darkest sides of the post-Soviet transition,
which many scholars try to avoid and just a few try to investigate. Some of the tricks used by Kupatadze can fit into the model: ‘get him drunk and make him talk’. The question that comes to mind next is who paid for the drinks in pubs and bars? Finally, even with this method of collecting the data, the results of the interviews are presented very modestly in the book. It would have been helpful if the author had tried to paint a more colourful picture of organised crime and corruption in Ukraine, Georgia, and Kyrgyzstan by using the results of the interviews more extensively.

Another weak side of the work by Kupatadze is the obvious lack of a good cohesive theoretical frame. The work is rich on facts, but not nearly as rich on theory. The author presents a nice literature review of relevant theories and approaches at the start, but does not offer his own well-elaborated theory. In the concluding section, Kupatadze attempts to compensate for such a shortage, but achieves this goal only partially. In addition to being rich on facts, the text also has many personalities, special terminology, slang, and jargon. Moreover, it uses a lot of conceptual terms. A good example would be the following passage: ‘Centralization also facilitates the construction of pyramids of corruption. The authorities can dismiss regional and local officials much more easily if they disobey by underpaying the required sums to illicit “cash desks” or “feeding” political competitors’ (p. 112). Here, the author touches on the concepts of corrupt vertical hierarchies, vertically integrated structures of channelling corruption proceeds, sharing benefits of corruption with superiors, feeding from the service, and loyalty as rent, all in just two sentences. Unfortunately, Kupatadze does not pursue these concepts, nor does he explain or elaborate on these conceptual approaches.

Of the three cases – Ukraine, Georgia, and Kyrgyzstan – the discussion of Georgia is most interesting. This is explained by the fact that the author is an insider to this small mountainous nation. To the author’s credit, he shows the true face of Saakashvili’s regime, instead of presenting it as a new-type progressive democratic leadership. Kupatadze states that under Saakashvili’s government, ‘anti-crime and anti-corruption policies went largely unsupervised by public or non-governmental bodies. As a result, the steps taken were sometimes quasi-legal but with little respect for the rule of law’ (p. 130). Observers note that under the new political regime, police misconduct extended to extra-judicial killings, unjustified violence, torture, and other forms of abusive behaviour.

In contrast from Georgia, the discussion of Ukraine brings little new information. While the author entitles the chapter ‘Ukraine – Privatization and Re-privatization: From Shadowy Takeovers to Corporate Raiding’, there is much more information on crime and corruption, and very little on hostile takeovers. The author should have given more attention to corporate raiding. Instead, he extensively comments on corruption, which one can find in large numbers in numerous media reports and previously published scholarly works. Kupatadze shows how political changes are reflected on businesses and illicit activities by using the example of Ukraine’s notoriously corrupt customs: ‘In Odessa, the stavka for one sea borne container rose from 3000 USD in January 2010 to 4–5000 USD in May 2010, according to local businessmen and customs brokers, a change that coincided with the transition from Yushchenko to Yanukovich’ (p. 114). He offers a passage by Ukraine’s Prime Minister Mykola Azarov, who ‘publically admitted that Ministers steal; he reported that when working as Finance Minister (2002–4 and 2006–7) he said to them: “Have a conscience. [Steal] five per cent and the hell with you because there is no way you can track this money down, but please, don’t steal 50 per cent. Show some conscience”’ (p. 111). The author continues by saying that Azarov’s statement indicates that ‘corruption is not only tolerated, but even encouraged by high-ranking officials’ (p. 111). This is a clear exaggeration on the side of the author, a speculation. It is obvious that Azarov’s claim may be...
interpreted as a warning to his subordinates from the Cabinet of Ministers, admission of a high level of corruption among Ukraine’s top bureaucrats, or even a call upon them to be reasonable in their corrupt appetites, but in no way it is an encouragement to undertake corruption.

Here is yet another missed opportunity to build upon the issue of corporate raiding. While comparing Ukraine to Kyrgyzstan, and the Orange Revolution to the Tulip Revolution in particular, Kupatadze mentions the list of private enterprises scrutinised by the new incoming elites, which replaced Askar Akaev’s clan. These companies were claimed to be privatised illegally, without any evidence to substantiate this serious allegation. The author asserts that ‘this list was a racket, and businesses were paying to be removed, . . . The others fell into the hands of incoming elites’ (p. 169). This clear case of blackmail and corporate raiding manifests the large-scale use of the state machine for hostile takeovers. The immanently unjust privatisation of the 1990s is used as a ground for this type of corporate raiding.

Kupatadze likes comparisons and finding similarities between the three nations in focus, including commonalities in trajectories of development. For instance, the author asserts that in the conditions of limited state capacity, inefficient law enforcement and a corrupt court system, business disputes in all three countries were often resolved outside legal institutions when businessmen started establishing connections with the criminal underworld in order to collect debts and enforce contracts (p. 82). Criminals, in turn, were seeking connections with law enforcement. According to the author, economic transition in Ukraine resulted in ‘strong linkages between police generals and criminals, the latter frequently relocating alongside their protectors’ (p. 85). In organisational theory, this kind of symbiosis is called ‘tight coupling’. Kupatadze also notes that in the Soviet era, Georgia was in some sense a Sicily of the USSR, referring to Sicilian mafia. At the same time, he refers to Ukraine’s industrial hub of Donbass as the best illustration of the political–criminal–business nexus (p. 99).

Kupatadze warns that the success of the anti-corruption campaign in Georgia is reversible unless the cultural and mental revolution is consolidated: ‘The entrenched culture of corruption is now the key challenge and, if the state weakens or if the ruling elites change and less committed leadership comes to power, it may re-emerge as the key corrupting factor in the political system’ (p. 18). The process of societal transformation, with its cultural and informal institutions’ component, takes time. While hitting hard on bribery, including in health care, law enforcement, and state bureaucracy, other forms of corruption may be left unattended by the anti-corruption campaigns and indeed flourish. Kupatadze notes that, ‘cases of favouritism still arise and appointments are granted for political loyalty. Nepotism is considered a moral obligation to relatives, friends and family, rather than an illicit act’ (p. 18). It would be fair to say that the same is true for Ukraine, Kyrgyzstan, Russia, and other former Soviet states. In fact, nepotism, cronyism, blat, favouritism, and preferential treatment are not even considered corruption. Although, not less detrimental than bribery, these forms of corruption are routinely perceived both by the public and by the perpetrators as something usual and quite normal, certainly outside the scope of criminally prosecuted corruption. In the post-Soviet space, bribery remains the only universally recognised form of corruption. And, even this is normally in the case of bribes being paid in cash. All other types and forms of illicit behaviour are considered as acceptable as long as money does not change hands.

The author concludes, without exception, that ‘the greater the divisions between the elites and the political opposition, the more opportunity existed for organized crime’ (p. 191). In regard to competing political groups, ‘such competition by any means increases
corruption and perpetuates illegality, suggesting that an essential condition for eradicating corruption is centralized power with the political will to establish uncorrupt government’ (p. 192). But doesn’t absolute power corrupt absolutely? This may be a bit confusing for the reader. On the one hand, Kupatadze talks about the monopolisation of power and pyramids of corruption. On the other hand, he suggests centralisation of power in order to achieve a government free of corruption. If the solution is in the centralisation of authority, then the fact stands that the level of corruption, including in the state apparatus, was much lower during the Soviet era. What we have seen with the removal of the state, set by the Soviet Power, is inept bureaucracy and complete corruption in Ukraine, tribalism balancing on the brink of a civil war in Kyrgyzstan, and criminalisation of all spheres of life, including the economy and politics, in partially disintegrated Georgia. The logical question that emerges is what was the transformation for? If it was for strengthening crime and corruption, then it was clearly a success. However, if it was for the betterment of society, then it has been a failure.

Despite the shortcomings pointed above, the book is highly recommended to all who are interested in the post-Soviet transition and its darkest, most intriguing and fascinating aspects, such as organised crime and corruption and their influence on the process of state-building. The book is also a must for those who want to work with the governmental agencies in Ukraine, Georgia, Kyrgyzstan, and other post-Soviet states through international or bilateral projects of exchange and cooperation. Finally, this book is an invaluable resource for foreign businessmen who consider investing in these countries or opening businesses in the region. The knowledge shared by Kupatadze with readers will help them become better prepared for many possible surprises that wait on them in the emerging democracies located in the post-Soviet space.

Ararat L. Osipian

Department of Leadership, Policy, and Organizations, Peabody College of Education, Vanderbilt University, Nashville, TN, USA

Emails: ararat.osipian@vanderbilt.edu; araratos@yahoo.com

© 2013, Ararat L. Osipian

http://dx.doi.org/10.1080/17440572.2012.755123