

Südosteuropa Gesellschaft

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Economic and Organised Crime in South-eastern Europe

Framing the issue: some hypotheses



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1 The United Nations Convention on Transnational Organised Crime provides for a globally agreed upon definition of organised crime groups.

Nevertheless: OC remains an ambiguous concept.

Historical: Changes over time
Social construction
Distinct from other serious crime?
Crime continuum from less to more organised?

CoE/EU Criteria for organised crime

Mandatory criteria:

1. Collaboration of three or more people
2. For a prolonged or indefinite period of time
3. Suspected or convicted of committing serious criminal offence
4. With the objective of pursuing profit and/or power

Optional criteria:

5. Having a specific task or role for each participant
6. Using some form of internal discipline and control
7. Using violence or other means suitable for intimidation
8. Exerting influence on politics, the media, public administration, economy by corruption or any other means
9. Using commercial or business-like structures
10. Engaged in money laundering
11. Operating on an international level.

OC vs terrorism?

UNTOC Article 2:

- (a) 'Organized criminal group' shall mean a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit;
- (b) 'Serious crime' shall mean conduct constituting an offence punishable by maximum deprivation of liberty of at least four years or a more serious penalty;
- (c) 'Structured group' shall mean a group that is not randomly formed for the immediate commission of an offence and that does not need to have formally defined roles for its members, continuity of its membership or a developed structure;

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2 Organised crime is a sub-set of the broader category of economic crime



Economic crime

Fraud, fiscal, financial, competition and similar offences with an impact on economic systems and beyond individual victims

(CoE Rec (81) 12 on Economic Crime)

OC

- Aimed at illegal profit
- Criminal enterprises
- Legal and "illicit" markets
- Investment in legal business

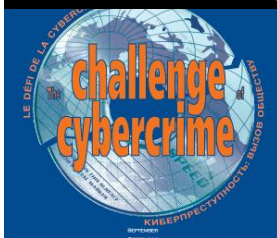
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3 Current EC/OC in Europe is shaped by its environment:

- Terrorism and feeling of insecurity
- Enlargement of European Union
- Corruption
- Globalisation
- Asymmetries
- Information and communication technologies
- International regulatory framework

Some more and some less corrupt countries

Crime and democracy - Political finance



Asymmetries in human development and governance among 46 member States of the Council of Europe - push and pull factors - human beings a commodity of OC

Globalisation - economic crime at transnational levels - limited capacities of national governments - international regulatory framework not fully developed/implemented

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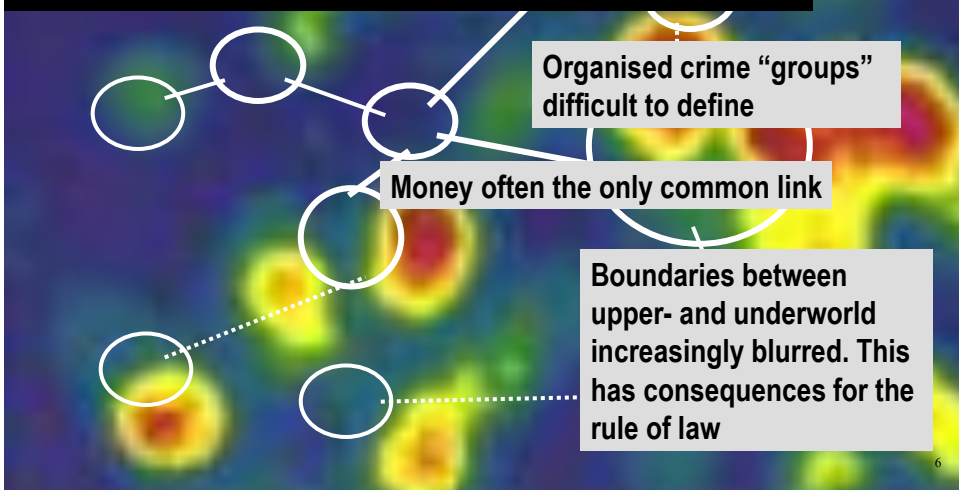
4 Key activities (“markets”) of EC/OC in Europe are:

- Economic crime
- Drug trafficking
- People as commodity (trafficking in human beings, smuggling of persons)
- Cybercrime
- Money laundering



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5 Organising for EC/OC increasingly takes the shape of network-type criminal enterprises engaging in symbiotic relationships with legal structures of society



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Economic crime/organised crime in S/south-eastern Europe:

What are the specifics?

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6 EC/OC in South-eastern Europe is shaped by a common context and environment

- Geography: "Balkan route" etc.
- Asymmetries: medium human development (except Croatia),
- New institutions, legal and criminal justice systems
- Continuing links within region
- Corruption
- "Heritage" of break up of Yugoslavia and subsequent wars, conflicts, violence
- Internal and external pressure for change
- Adoption of European standards
- Links with EU countries
- EU accession prospects

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7 The main EC/OC threats in South-eastern Europe are:

- Drugs (domestic market, financial power, role of criminal networks in other parts of Europe)
- Economic crime (impact on region)
- Trafficking in human beings (reduced levels/visibility but domestic market)
- Corruption (impact on crime, democracy, rule of law, economic prospects)



Fraud
Fiscal offences/tax evasion
Privatisation
Public procurement

TI CPI 2005:

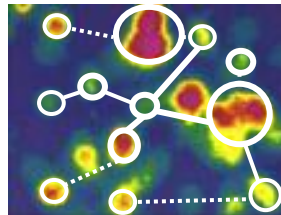
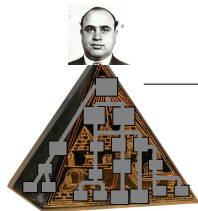
- Albania 126
- BiH 88
- Croatia 70
- Serbia and Montenegro 97
- "the former Yugoslav Republic of Macedonia 104



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8 Organising for crime perhaps more structured in South-eastern Europe

- All types of organisations, from pyramids to loose networks, some ethnically homogeneous others not
- Structure depends on crime market: drug trafficking with strongest vertical and smuggling of persons strongest horizontal structure
- Strong regional ties/dimension and links abroad
- Money laundering



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9 Modi operandi: EC/OC in South-eastern Europe is marked by more frequent use of violence and intimidation as well as corruption and influence

Violence and threats against politicians, criminal justice and law enforcement officials

Violence in particular in connection with THB

Most organised criminals have ties to politicians or the administration at different levels

More prosecutions of corruption cases and convictions for abuse of office

Anti-corruption strategies
GRECO

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10 Stronger integration of South-eastern Europe into European structures will help prevent and control EC/OC.



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