

Organized Crime in the Western Balkans¹

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The author analyses the overall situation of organized crime in the Western Balkans, deals with the un/successful policies of the respective governments and presents one possible perspective on the OC groups in the region.

I. Introduction

Crime has always been present within society; the origins of European organized crime (OC) may be traced back to the rise of the Italian Mafia at the end of the 19th century. As with organized crime in Russia, which evolved after the break-up of the Soviet Union, Balkan organized crime is a new phenomenon, which evolved during the wars on the Balkan Peninsula during the last decade of the 20th century. These wars with their economic blockades, the presence of weak states in the post-war context, the legal vacuum and the coexistence of organized crime groups within the state, provided a favourable environment for this phenomenon to bloom. Although less notorious than Russian or Chinese organized crime, the Balkan region may currently be depicted as one of the most important epicentres of organized crime – a transnational and global phenomenon.³

The regional organized crime networks focus mainly on drug trafficking, trafficking of stolen vehicles, cigarette smuggling, petrol, money-laundering and, last but not least, on human trafficking. Two of the most common routes used for human trafficking start in the Ukraine, Moldova and Romania and run through Serbia heading for Western Europe or into a country of

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³ Gyarmati, Istvan, *Security Sector Reform as a Contribution to Crime Prevention in South Eastern Europe*, in: Connections (Volume II, Number 2), Partnership for Peace Consortium of Defense Academies and Security Studies Institutes, June 2003, pp. 55-60, at p. 55; Riegler, Henriette, *Contextualizing Criminality and Security in South Eastern Europe*, in: Connections (Volume II, Number 2), Partnership for Peace Consortium of Defense Academies and Security Studies Institutes, 2003, pp. 51-53, at p. 51.

destination in the Balkan region such as Bosnia and Herzegovina (BiH), Kosovo or Macedonia.⁴ The International Organisation for Migration (IOM) estimates that about 400.000 women each year are trafficked through the Balkan into the EU countries, while another 170.000 women end up in the Balkan region.⁵

Organized crime negatively impacts official financial streams, the market environment and relations with the countries of Western and Central Europe, and presents a threat at the regional as well as global levels.⁶ Organized crime threatens the stability of every state. The structures of weak states encourage the threat of criminal activities and their profitability, due to the ease with which criminal organizations are able to penetrate the state and its institutions. The high level of infiltration by organized crime into state structures threatens democracy, democratic institutions and public confidence. Corruption enables the infiltration of organized crime into society because corrupted political elites do not effectively fight organized crime - very often because of mutual interest.⁷

The aim of this article is to provide an analysis of the state of organized crime in the Western Balkans.⁸ The analysis is elaborated on the basis of a model developed by Klaus von Lampe and

⁴ BiH, Kosovo and Macedonia are countries of destination for trafficking in human beings mainly due to the presence of international missions, the presence of whose personnel increases the demand for sexual services. See Amnesty International Kosovo (Serbia), *The UN in Kosovo – A Legacy of Impunity*. Available online at: <http://web.amnesty.org/library/Index/ENGEUR700152006?open&of=ENG-393> (All websites in this essay were last checked on 11 May 2007); Amnesty International, *Trafficked Women and Girls have Human Rights*, 2004. Available online at: <http://news.amnesty.org/index/ENGEUR700122004>; Terdevci, Fatmire, *Kosovo: Placing the Blame*, in: *Transitions Online*, 13 May 2004; Harrington, Carol, *Peacekeeping and Prostitution in Bosnia-Herzegovina and Kosovo*. Available online at: http://www.5thfeminist.lu.se/filer/paper_607.pdf.

⁵ Lindstrom, Nicole, *Regional Sex Trafficking in the Balkans. Transnational Networks in an Enlarged Europe*, in: *Problems of Post-communism* (Volume 51, Number 3) M. E. Sharp, USA, 2004, pp. 45-52, at p. 46. Available online at: http://www.ceu.hu/polsci/Illicit_Trade-CEU/Week10-Lindstrom.pdf.

⁶ For an analysis of Kosovo-Albanian organized crime in Germany see: Lemmel, Holger, *Kosovo-Albaner in Deutschland. Eine Bedrohung für die innere Sicherheit?* (Translation: “Kosovo Albanians in Germany. Security Threat for the Internal Security of the State?”), Schmidt-Römhild, Lübeck, 1997.

⁷ Gyarmati, Istvan, *Security Sector Reform as a Contribution to Crime Prevention in South Eastern Europe*, at pp. 55-59.

⁸ “Western Balkans” is the official *terminus technicus* created by the European Union and does not correspond to a geographical notion. The author uses the term “Western Balkans” following the EU terminology and not in geographical or other terms: the author therefore focuses on Croatia, Bosnia and Herzegovina, Serbia, Kosovo, Montenegro, Macedonia and Albania. Even though Kosovo is *de iure* an integral part of Serbia, its development has been diverging from Serbia politically, and *de facto* constitutes an independent political system; it will therefore be analyzed separately from Serbia. Furthermore, the author has chosen the term ‘Kosovo’, since it is more commonly used in English than ‘Kosova’ or ‘Kosovo and Metohija’. This does not mean the author supports any particular side in the conflict. The constitutional name of the Republic of Macedonia is used rather than the name FYROM, usually preferred in the English texts. The determination of sources was problematic: the author had to face poor accessibility of the primary literature, which literature is also often conflicting. Official data very often present a subjective view and the secondary literature on Balkan issues is very often partisan. Moreover, access to the archives and governmental documents is problematic and the sources very often contradict each other. Summing up, when reading one must always bear in mind the author's sources, or rather the state of perception of the *enemy*. The sources used were printed, oral and electronic. Governmental documents were used as

includes: the actors who cooperate in rational, non-impulsive criminal activities, the structures that connect these actors, the criminal activities these actors are involved in, society, government and the realm of public discourse.⁹ This model also enables the reader to acquire an overall picture of the OC situation in the region, discern varying manifestations of OC in relation to country-specific features (political situation, history, ethnic differences) and helps identify the main obstacles in the fight against groups of organized crime.

II. Organized Crime in Croatia

Crime in Croatia is at a relatively low level compared to those countries which had to face the embargo. The TRANSCRIME report (*Joint Research Centre on Transnational Crime*), presented to the Special Coordinator of the Stability Pact, states: “*Organised crime may not have reached the level of other countries in the region, but the overall trend seems to be upwards. The post-war situation has been exploited by criminal groups to carry out a variety of activities, which produced dirty money to be laundered in the licit economy. Experts estimate that the number of organised crime groups in Croatia ranges between 1 and 10. As far as the internal structure is concerned, criminal groups in the Republic of Croatia cannot be considered criminal organisations or criminal associations in the classical sense of those terms, because there are no hierarchical relationships between members of the groups. The members are only related as personal acquaintances and have common interests in acquiring illegal material gain by the commission of one or several offences.*”¹⁰

Similar to other regional crime groups, the Croatian groups participate in drug trafficking from Asia to Western Europe. In terms of human trafficking, post-Soviet and post-Yugoslav states are usually the countries of origin of the women and children trafficked, while the country of destination is Italy.¹¹ The common report of the UN and OSCE mentions the trafficking of male prostitutes and states that in recent years, a substantial decrease has been observed in illegal migration into Croatia which is attributable to laws adopted by the Croatian government and

primary sources, while the analysis of organized crime elaborated by the EU structures, NGOs and INGOs served as secondary sources. The analysis of regional security experts served as supplementary material.

⁹ Von Lampe, Klaus, *The Use of Models in the Study of Organized Crime*, Paper presented at the 2003 Conference of the European Consortium for Political Research, Marburg, Germany 19 September 2003. Available online at: <http://organized-crime.de/modelsofoc.htm>.

For definitions of organized crime see also: <http://www.organized-crime.de/OCDEF1.htm>; Chatterjee, Jharna. *The Changing Structure of Organized Crime Groups*, Royal Canadian Mounted Police, 2005. Available online at: http://www.rcmp-grc.gc.ca/ccaps/organized_crime_structure_e.htm.

¹⁰ Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE Countries. Final Report for the Office of the Special Coordinator of the Stability pact for SEE*, 2004. Available online at: <http://unpan1.un.org/intradoc/groups/public/documents/UNTC/UNPAN019080.pdf>. Council of Europe. *Organised Crime Situation Report 2001*, at p. 95. Available online at: http://www.coe.int/t/e/legal_affairs/legal_co-operation/combating_economic_crime/8_organised_crime/documents/Report2001E.pdf.

¹¹ U.S. Department of State. *International Narcotics Control Strategy 2003*, March 2004. Available online at: <http://www.state.gov/p/inl/rls/nrcrpt/2003>. U.S. Department of State Bureau of Democracy, Human Rights, and Labor, *Croatia. Country Reports on Human Rights Practices*. Available online at: <http://www.state.gov/g/drl/rls/hrrpt/2003/27831.htm>.

stricter migration regimes in BiH and in Serbia. Croatia is, above all, a transit country, and only to a limited extent the country of origin or destination.

When it comes to the proliferation of small weapons, Croatia is a country of origin as well as transit: “In 1999, 71 persons were reported for arms trafficking. In the same year, the authorities detected a large quantity of illicit weapons: 6978 firearms 107,589 explosive weapons, 219,995 pieces of ammunition and several kilograms of explosives. On 31 October 2002, a ship transporting 208 tons of explosives was stopped at a Croatian port.”¹²

Transparency International (TI) states that Tudjman’s death and the inauguration of the new government signified a considerable improvement in the level of corruption. Regarding the corruption index (91 countries listed), Croatia moved from 74th position in 1999 to 47th position in 2001. Privatization scandals and related corruption slowed the positive momentum, and in 2005 Croatia once again placed 71st with a corruption index of 3.4. In 2006, a slight improvement could be seen. Croatia rose to 69th position, with, however, the same score of 3.4.¹³ Although there has been a pronounced regression among the countries analyzed, Croatia is the state with the lowest level of corruption and holds the position of the least corrupted in the region.

Organized crime in Croatia is among the weakest in the region and the situation may be compared to that in Macedonia. The heyday of Croatian organized crime was during the war. The criminals were engaged by paramilitary units and official security forces in ethnic cleansing. “Promoted into war heroes many of them continued their criminal deals after the war to this day. When they were caught in the act, they were punished symbolically and only a few of them ended up in prison for longish sentences because they were so deeply involved in crime that even their protectors from the state and judicial authorities could not protect them and take them out of prison any more.”¹⁴ The termination of the war meant only the transition towards the new authoritarian regime led by Franjo Tudjman under which all former criminals were protected as national heroes by the state authorities. Crime and corruption was hushed up under the Tudjman regime and the political elites in Croatia did not avoid contact with organized crime groups. The most notorious criminals protected by the Zagreb government were Mladen Naletilić, known as *Tuta*, and Vinko Martinović, known as *Štel*, who had served as intermediaries for the participation of the Croatian Ministry of Defence in arms trafficking. Interestingly, as Daskalović states, Miodrag Luković *Legija* (the main suspect in the assassination of the former Serbian prime minister, Zoran Djindjić) possessed a Croatian passport, which was allegedly one

¹² Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE countries*, at p. 135.

¹³ 159 states are covered in the analysis; the corruption perception index ranges from 0 (most corrupted) to 10 (least corrupted). *Transparency International Corruption Perception Index 2005*. Available online at: http://www.transparency.org/cpi/2005/dnld/media_pack_en.pdf.

¹⁴ Daskalović, Zoran, *Corruption and Organized Crime. Croatia: Crime and Corruption Continue*. Available online at: <http://www.aimpress.ch/dyn/dos/archive/data/2003/30725-dose-01-02.htm>. See also: Hedl, Drago, *Links between Organized Crime and Croatia’s Top Brass*, Alternative Information Network, 11 April 2004. Available online at: <http://www.aimpress.ch/dyn/trae/archive/data/200104/10416-001-trae-zag.htm>.

of 930 passports that had disappeared from the Croatian consulate in Mostar and which were most probably distributed among the local OC groups.¹⁵

The beginning of the new transition dates to Tudjman's death.¹⁶ One of the first steps of the new government, after the regime change, was (besides democratization and national reconciliation) to launch programmes to fight crime and corruption. These initiatives had an endogenous as well as exogenous character (among them, the Stability Pact for South Eastern Europe and other programmes were launched mainly by the EU). It is still very hard to assess how successful the Croatian fight against OC is. Nevertheless, the EU granted Croatia official candidate status in June 2004 and accession negotiations began in October 2005. Therefore the new Croatian government, led by HDZ (the Croatian Democratic Union), has to stay on track if it wishes to join the European Union in the near future.

Not much public discussion took place in the media during the reign of Tudjman. That notwithstanding, after the end of his regime the media began to focus upon some of the cases connected with the previous government. The public discourse about organized crime continues in the same direction. However there is no real discussion about the so-called patriotic war and crimes committed during wartime.

III. Organized Crime in Bosnia and Herzegovina

In contrast with Croatia, BiH has been affected by crime to a greater extent; organized crime and corruption are the gravest problems in the country. While corruption used to be, and still is, one of the typical features of the Balkan administration, organized crime gained importance in the last decade of the 20th century. War, the related market collapse, the lack of basic economic resources and the economic sanctions imposed by the international community against the Fed-

¹⁵ Daskalović, Zoran, *Corruption and Organized Crime. Croatia: Crime and Corruption Continue*. Available online at: <http://www.aimpress.ch/dyn/dos/archive/data/2003/30725-dose-01-02.htm>. See also: Hedl, Drago, Links between Organized Crime and Croatia's Top Brass, Alternative Information Network, 11 April 2004. Available online at: <http://www.aimpress.ch/dyn/trae/archive/data/200104/10416-001-trae-zag.htm>.

¹⁶ Even though it may sound cynical to some, the process of transition and consolidation of the political system was eased by the expulsion of the Serbian national minority. The current ethnically homogenous Croatia could be labeled according to the conditions set by Juan Linz and Alfred Stepan as a semi-consolidated democracy. However, one must always bear in mind that the Croatian democracy is the only game in town for Croatian nationals and that the opposition was marginalized via expulsion. The acceptance of Croatia by the international community was facilitated by the fact that the Croats were seen in the international arena as the *Good Guys* while the Serbs as the *Bad Guys*. Nevertheless, there has been no real discussion in society regarding the operations *Flash* and *Storm*. Despite the national reconciliation announced by Iвица Račan and his government, according to UNHCR sources only 132,500 refugees of Serbian origin out of an expected 250,000 have returned to Croatia.

See: United Nations High Commissioner for Refugees, *Home again, 10 Years after Croatia's Operation Storm*, 5 August 2005. Available online at: <http://www.unhcr.org/news/NEWS/42f38b084.html>.

The existence of the Government of Republika Srpska Krajina in exile is also worth mentioning. According to one member of government, Slobodan Jarčević, the government has been working for two years and has 10 members. Discussion with the author, Belgrade 4 May 2007. See also online: <http://www.krajinaforce.com/sajt/index.html>.

eral Republic of Yugoslavia (FRY) compromised economic development in all the Balkan states and created ideal conditions for grey economy, corruption, illegal trade and the appearance of criminal conduct in the highest political structures.

An extraordinary organized crime network was established during the war. Practically, a kind of 'triangle' emerged in all ethnic communities. Political elites and their police and armed forces, pre-existing criminal groups and paramilitary units formed this triangle.¹⁷ Almost all criminal groups were formed on an ethnic basis and operated only in those areas where their ethnicity accounted for the majority of the population. However, ethnic affiliation did not prevent criminal groups from active cooperation with other groups coming from the hostile camps in BiH or from other states in the region.

The end of the war did not mean the ending their activities - on the contrary, it meant their expansion. The termination of the conflict enabled and facilitated their activities. The international units IFOR (Implementation Force) and later SFOR (Stabilisation Force) focused on the termination of hostilities, peacekeeping, and later, on the arrest of war criminals – the fight against organized crime was not considered a priority.¹⁸ The local structures were either unable to solve the problem or were part of the criminal network and were involved in its activities. Criminal groups operating on the supranational level achieved a stronger structure during peacetime. After the end of the war, specific groups interested in renewing the pre-war Balkan route started to come to Bosnia. In addition to the Serbian and the Croatian groups, Kosovo-Albanian groups and Bosnian gangs from Sandjak set up shop in the country.¹⁹

According to Transcrime, there are between 1 and 10 groups operating in BiH with an average of 3-10 members. The internal situation of organized crime may be defined as one structured in terms of local networks which carry out projects, rather than being organized in a strict pyramidal hierarchy.²⁰ Therefore the current structure of the groups is quite loose and flexible and their members adhere to particular groups only for the fulfilment of particular operations.

The fight against organized crime faces many problems: the two most noxious have already been mentioned – the reluctance of local organs to deal with the criminal structures and involvement by the elite in illegal activities. The third was until recently the non-existence of a common Ministry of the Interior (Ministry of Security), which would operate on the state-wide

¹⁷ About the relations between politics and organized crime see: Lopusina, Marko, *Tajni ratnici EX-Jugoslavije* (Translation: "The Secret Warriors of Ex-Yugoslavia"), Evro, Belgrad, 2003; Tesař, Filip, *Epilog* (Translation: "Epilogue"), in: Matvejević, Predrag, Vidosav Stevanović and Zlatko Dizdarević, *Strijci války a míru* (Translation: "The Instigators of War and Peace"), G plus G, Praha, 2003, pp. 137-147; Vasić, Miloš, *Atentat na Zorana Djindjića* (Translation: "Assassination on Zoran Djindjić"), Politika-B92-Vreme-Narodna knjiga, Beograd, 2005, at pp. 206-207.

¹⁸ Institute for War and Peace Reporting, *Balkan Crisis Report N. 531*, 2 December 2004. Available online at: <http://iwpr.net>.

¹⁹ The Institute for War and Peace Reporting estimates that the profit from trafficking in goods makes 150-300 million per year; that amount is equal to the BiH state budget. Criminal activities present the biggest threat, which could bar BiH to access the EU. (Institute for War and Peace Reporting, *Balkan Crisis Report N. 531*).

²⁰ Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE Countries*, at p. 73.

level. The Ministry of Security was only established in 2004 with a mandate to cover and coordinate the activities of all police agencies in Bosnia and Herzegovina. However, police structures operate under the framework of their entities and reform moves at a slow pace. The state security forces do not cooperate in the fight against organized crime, even though the international community ordered the creation of three common security structures: the border service, the state security and an intelligence agency and counter-intelligence security agency.²¹ However, police structures alone cannot be blamed; one must also examine the work of the local judiciary. State prosecutors usually charge suspects without solid evidence, which leads to minor charges or withdrawal of the case. The international community left responsibility concerning organized crime up to the local structures. European Union Forces (EUFOR) were supposed to have a stronger mandate in this field so that they could fight against organized crime actively. The current mandate encompasses only assistance for local organs when dealing with organized crime.²²

Looking at Transparency International's figures, among 159 countries, BiH was in 90th position in 2005 with a corruption index of 2,9, which was, after Croatia, the best result of any of the Western Balkan countries. In 2006 the corruption index remained the same, while BiH was placed at 93rd position.²³ Also, the international mission's personnel became engaged in criminal activities or corruption. In 2001 there were big corruption scandals in which representatives of the international missions played their role. According to Transparency International, some foreign subjects operating in the region 'acclimatized' and performed activities for which they would be prosecuted in their home countries. The same report states that the main cause for non-transparent activities and the increase in corruption among local and international institutions was the existence of a parallel government in these organs, creating an environment in which local and international institutions blame each other for their faults and inactivity.²⁴

²¹ As IWPR states "the Bosnian deputy police minister Jozo Leutar was blown up by a car bomb in March 1998. It is believed the assassins were part of an organised crime ring – linked to senior Bosnian politicians – which Leutar was investigating prior to his death."

Institute for War and Peace Reporting, *Balkan Crisis Report N. 531*.

²² Institute for War and Peace Reporting, *Balkan Crisis Report N. 542*, 18 February 2005. Available online at: <http://iwpr.net/>.

²³ BiH inhabitants perceive corruption as the second gravest problem in the country. The first is unemployment; criminality is in 5th place. Very interesting figures arise as well when looking on the perception of corruption among political parties. In 2004, almost 30% of respondents saw the SDA (Party of Democratic Action) as the most corrupt, while nearly 20% awarded that distinction to the HDZ (Croatian Democratic Union). Around 16% of the respondents perceived SDS (Serbian democratic party) as the most corrupt. Transparency International, *Studija percepcije korupcije. Bosna i Hercegovina* (Translation: "Study of the Perception of Corruption in Bosnia and Herzegovina"), Banja Luka/Sarajevo, June 2004, at p. 28 and 70 Available online at: <http://www.ti-bih.org/Articles.aspx?ArticleID=0a6f03f5-8f45-4b29-9a33-0ccc052278e0>.

Quite interesting are British estimates that Bosnian organized crime obtains an average of 266,536,116 Euro a year from its criminal activities, mainly due to customs officer corruption. Taken from Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE countries*, at p. 73.

²⁴ Most of the articles from that time are available at Transparency International BiH: <http://www.ti-bih.org/Media.aspx?y=2001>. See e.g.: *Ni medjunarodna zajednica nije imuna na korupcionu kugu* (Translation: "Even the International Community is not Immune to Corruption"), Dnevni avaz, 25 August 2001 Available online at: http://www.ti-bih.org/documents/2001_02/Ni_MZ.jpg; *Javno pričaju, tajno rade*

The interlinking of the local elites with organized crime groups is quite evident. One of the most scandalous events took place in April 2002, when five politicians of the SDA were arrested on suspicion of organizing training camps for terrorists in Mt. Pogorelica in 1996.²⁵ The media paid frequent attention with stories about the corrupt officials being involved in money laundering or having friends on the traffickers' side. Organized crime is no taboo topic in Bosnian society, due to its extensive media coverage. However one must always bear in mind that the media belongs to entities of a particular ethnic background and whose viewpoint may be subjective.

The political as well as social landscape in BiH remains largely divided along ethnic lines. Bosnia and Herzegovina is not a functioning state, but a weak state. Dysfunction has a direct impact on the fight against organized crime. As already mentioned, all interested parties blame each other for inactivity, while the local police and administration are in the hands of local ethnic parties. Therefore the question is always: by whom you were caught – is that an enemy or a friend? Even though the Constitutional Court as far back as 2000 declared some nationalist articles in the Constitution of the Republic of Srpska²⁶ to be invalid and the so-called Sarajevo agreements were signed, no real progress could be seen.²⁷ Bosnia Herzegovina remains a quasi-state, split *de iure* into two entities and *de facto* in three areas controlled by their respective nationalities, which are not willing to cooperate with one another. Surprisingly, this is not the case among the organized crime groups – they do not mind inter-ethnic cooperation at all, which always leaves them the winners.

Even though the situation in BiH is not among the worst in the region, the prospects are rather pessimistic. No progress in the fight against organized crime may be expected until the situation in Bosnia and Herzegovina has been solved. Some see its future in an unrealistic, idealistic multiethnic state based on inter-ethnic tolerance, mutual respect and cooperation. Others would rather see two (three??) independent states (perhaps attached to their neighbour states??). Which scenario wins is irrelevant – the only thing of significance is what results it will bring.

IV. Organized Crime in Serbia

The economic embargo which started with the boycott of Slovenian products in Serbia returned in the form of United Nations Security Council sanctions imposed on Yugoslavia in 1992, last-

(Translation: “*They Publicly Speak and Secretly Do*”), Glas srpski, 25-26 August 2001. Available online at: http://www.ti-bih.org/documents/2001_02/javno-tajno.jpg.

²⁵ The case was special because they were released on bail just before the elections and therefore could have claimed to be martyrs and victims of the 2000 government.

²⁶ “*The RS is a state of the Serbian nation.*“ “*Taking the natural and democratic right, will and determination of the Serb people from Republika Srpska into account to link its State completely and tightly with other States of the Serb people*“. The Constitutional Court decided that RS wants to secede and integrate with Serbia.

²⁷ The Sarajevo agreement unprecedently modified the Dayton Peace Agreement with Article 4: The national representation in all the institutions must reflect the proportion of the population according to the census from 1991. This article is being ignored by all sides.

ing 1.253 days.²⁸ The international embargo and the engagement of the FRY in the Bosnian conflict were the causes of the Serbian OC bloom and the creation of a widespread environment of corruption.²⁹ Serbian organized crime lived in symbiosis with the state and both players profited from this symbiosis.

As in the case of Bosnia and Herzegovina, the state special units were formed from criminals attached to the OC underworld. Being engaged in state security forces, they were practically immune, no matter what they did. Furthermore, they were regarded as useful in the fight against “state enemies”. The Unit for Special Operations (*Jedinica za specijalne operacije*), known as the Red Berets (*Crvene beretke*), was formed in 1991. The same unit was also operating in Croatia, BiH and Kosovo and most of its fighters were recidivist criminals. The most famous member of this unit was Milorad Luković, known as *Legija*, who had served in the French Foreign Legion.

These units survived even the fall of the Milošević regime and were not affected by the change of regime. Because of personal animosities and ambitions, conflicting themes (e.g. cooperation with ICTY), the fragmentation of the political scene, and other cleavages, no real debate about abolishing these forces took place. The assassination of Prime Minister Zoran Djindjić was the impulse for starting to “hunt” criminals. The Serbian government decided to dissolve the Red Berets on 23 March 2003 as a result of the indictment of one of its members for the assassination of Djindjić. Another member of the unit was indicted for the assassination of Ivan Stambolić and was accused of having relations to the so-called Zemun clan.³⁰ In spite of the fact that the reform of the security forces started in 2001, their relations with organized crime persist, and this also applies to the intelligence services. Milosavljević states that the security services are engaged in organized crime activities and are the last surviving example of undemocratic institutions of this type in Europe. The structure of these institutions is according to him based on the model of the KGB, Stasi or Securitatea.³¹

²⁸ Durić, *The Economic Development of Montenegro*, in: Bieber, Florian (ed), *Montenegro in Transition. Problems of Identity and Statehood*, Nomos Verlagsgesellschaft, Baden-Baden, 2003, pp.139-159, at p. 140.

²⁹ Transparency International placed Serbia and Montenegro at 102nd place in 2005 (3rd among the countries of the Western Balkan) with a corruption perception index of 2.8. *Transparency International Corruption Perception Index 2005*. Available online at: http://www.transparency.org/cpi/2005/dnld/media_pack_en.pdf.

³⁰ The secret services were spying not only on the regime’s opponents but on its collaborators as well – most of them were subject to assassination. The ten most monitored people were: Vuk Drašković, Zoran Djindjić, Vesna Pešić, Jovica Stanišić, Mihalj Kertes, Željko Ražnatović Arkan, Vladan Nikolić, Vojislav Šešelj, Ivan Stambolić and Slavko Čuruvija. It is still not clear whether the animosity between gangs or a state order for liquidation was behind these assassinations (or attempts). For example, after Arkan’s assassination, there was a rumour that he was killed by the CIA and Albanian terrorists.

Lopušina, Marko, *OVK protiv Jugoslavije. Kako smo izgubili Kosovo i Metohiju* (Translation: “*KLA against Yugoslavia. How we Lost Kosovo*”), LEGENDA, Čačak, 2001, pp. 140-160.

Djindjić was allegedly killed by the Serbian secret services. (Vejvoda in Batt, *The Western Balkans: Moving on* (Chaillot Paper N. 70), Institute of Security Studies, Paris, 2004, at p. 44. Available online at: <http://www.iss-eu.org/chaillot/chai70.pdf>.

³¹ Milosavljević, Bogoljub, *Reforme obevaštajno-bezbednosnih službi: slučaj Srbije* (Translation: “*Reform of the Secret-Security Services*”), in: Hadžić, Miroslav (ed), *Reforma sektora bezbednosti* (Translation “*Reform of the Security Sector*”), G 17 Institut i Centar za civilno-vojne odnose, Beograd, 2003, pp.

During Milošević's era, the process of politicization and militarization of the police was present side by side with an increase in crime, rising and widespread corruption in the state administration, tolerance for criminal activities, legal anaemia and total moral decay in society.³² The idea of militarization stemmed from the presumption that this organ would be a loyal partner to the army.

The high rate of criminality in Serbia is caused mainly by veterans from the Croatian and Bosnian wars, who fought within the framework of the paramilitary groups supported by the Serbian government. The most common crimes they commit are assassinations, kidnapping, trafficking, robberies, money laundering, and racketeering or illegal software production. The high profits from criminal activities, the corrupt environment and the possibility for money laundering are a source of concern for the international community, which believes that the capital gained will be invested in terrorist activities.³³

The Serbian democratic opposition has not shunned involvement in illegal activities and its relations with organized crime continue even after the fall of the Milošević regime.³⁴ The Transcrime report states that there are around 50 criminal groups in Serbia and Montenegro, with at least 10 members in each. The groups are mainly organized in a horizontal manner. There is no strict hierarchy within the groups and "mid-level" members are not coordinated by a leader, but have a high degree of independence in their activities.³⁵ In the 1980's, the region of Southern Serbia, near Bujanovac (inhabited mainly by ethnic Albanians) and the village of Veliki Trnovac, between Serbia and Kosovo, gained in importance.³⁶ Goods were trafficked through Kosovo and Macedonia further to West. The wars in Croatia and in BiH interrupted the traditional trafficking route and it is said that 60% of the heroin did not reach its intended destination. The Balkan route had to be diverted and shipments started to be trafficked from Macedonia to the Albanian harbour Dürres, and further to Italy.

55-62; Milosavljević, Bogoljub and Aleksandar Resanović, *Državno nasilje nad građanima u Jugoslaviji* (Translation: "State Violence Directed at the Inhabitants of Yugoslavia"), Centar za antiratnu akciju, Beograd, 2001, at p. 50. Available online at: http://www.caa.org.yu/index.php?page_id=23.

³² Milosavljević, Bogoljub. *Dvogodišnji bilans i perspektive reformi policije u Srbiji* (Translation: "Two Years Balance and Perspectives of Police Reform in Serbia"), Centar za proučavanje odbrane i bezbednosti, G 17 Institut, Beograd, 2003, at p. 49. Available online at: <http://www.ccmr-bg.org/rezultati/knjige/prikaz3.htm>.

³³ Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE Countries. Final Report for the Office of the Special Coordinator of the Stability Pact for SEE*, at pp. 262-263. E.g.: Ratko Mladić is still allegedly protected by the state security forces.

³⁴ Mappes-Niedek, N., *Balkan – Mafia. Staaten in der Hand des Verbrechens – Eine Gefahr für Europa* (Translation: "Balkan-Mafia. States in the Hands of Criminals – Security Threat for Europe"), Ch. Links Verlag, Berlin, 2003, at p. 57.

³⁵ Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE Countries. Final Report for the Office of the Special Coordinator of the Stability Pact for SEE*, at pp. 258-259.

³⁶ Lopusina, *Balkanska smrt. Šiptarska narkomafija* (Translation: "Balkan Death, Albanian Narco-Mafia"), LEGENDA, Čačak, 2000, at pp. 50-52; Mappes-Niedek, N., *Balkan – Mafia. Staaten in der Hand des Verbrechens – Eine Gefahr für Europa* (Translation: "Balkan-Mafia. States in the Hands of Criminals – Security Threat for Europe"), at pp. 73-74.

In dealing with the media, the Milošević regime strove to limit (or liquidate) pluralism. However, before 1998 this effort was only partially successful; with the Kosovo war and a new media law, the regime achieved better results in controlling the media sphere.³⁷ In any event, the media only disseminates common knowledge – society is quite well informed about the inter-linking between state structures and criminals and is apathetic to this kind of information.

Transparency international placed Serbia in 90th position, with a corruption perception index of 3.0 in 2006, which represents a slight improvement from the 2005 rate: a corruption perception index of 2.8, at 97th position.³⁸ However, any claim this change was brought about by the Montenegrin separation is open to dispute.

The prospects for the fight against OC groups in Serbia are fairly pessimistic. The country still has to deal with its problematic past; the Kosovo issue and cooperation with the ICTY remain the hot issues in the political debate. There has been no national reconciliation in the country and even the politicians would rather deal with the past than with the future. Animosity is quite high, while opinions differ. Current Prime Minister Koštunica, who has a strong personality, hinders any progress towards national reconciliation while giving no space to the less nationalistic president Boris Tadić. There has been no real effort yet to transform the security forces and move from the security of the state to the security of state citizens. Until this reform is complete, there can be no real discussion about fighting OC groups.

V. Organized Crime in Kosovo

The Europol report for 2004 states that Former Yugoslavian organized crime groups are “involved in many types of property crimes such as burglaries, ram-raids and armed robberies...Members of former Yugoslavian organized criminal groups have also been involved in motor vehicle crime in Spain (mainly Croatians and Bosnians) and The Netherlands (mainly Serbs), the transport of alcohol to the Nordic countries and the transport of chemical drugs from The Netherlands for their local market using Austria and Slovenia as transit countries. Most Member States report on nationalities rather than on ethnicity”.³⁹ The last fact makes the case a bit more difficult: having so many ethnic groups in the state, organized crime cannot be spoken of as being based upon ethnicity. However, even though the report notes the aforementioned difficulties, it still puts ethnic Albanian organized crime (OC) in first place among non-EU organized crime groups. “Ethnic Albanian OC groups have established themselves in many Member States. The criminal activities are controlled by OC groups in Albania, Kosovo and FYROM. They continue to extend their role from facilitators for other OC groups to achieving full control in certain crime areas, such as drugs trafficking, illegal immigration and trafficking

³⁷ *Večernje Novosti* was put under the control of state controlled *Borba*, the broadcasting equipment was removed by the police from the *Studio B*, local *Lav TV* (Vrasac), *Radio Boom 93* (Pozorvac), *Radio Tir* (Cupria) *TV Nemanja* (Cuprija) and *Radio Golf* were closed. *Studio B*, *Radio B2-92*, *Radio Indeks* and the editorial office of *Blic* were closed or controlled by the regime.

³⁸ Transparency International, *The 2006 Transparency International Corruption Perceptions*. Available online at: <http://www.infoplease.com/ipa/A0781359.html>.

³⁹ Europol, *European Union Organized Crime Report 2004*, Luxembourg, 2004. Available online at: <http://www.europol.eu.int/publications/EUOrganisedCrimeSitRep/2004/EUOrganisedCrimeSitRep2004.pdf>.

in human beings, in specific regions. Ethnic Albanian OC groups are hierarchal, disciplined and based on exclusive group membership. The significance of ethnic Albanian OC groups in the overall EU context is further increasing. Italy and Greece consider ethnic Albanians to be the largest non-indigenous OC group in their countries. Albanian OC is considered an increasing threat to the Member States".⁴⁰ The Europol Organized Crime Threat Assessment for 2006 explicitly states that the EU shall focus on Turkish and Albanian OC groups.⁴¹

In contrast to the Serbian gangs, the Albanian OC groups in Kosovo emerged out of official state structures. Albanian gangs took over control of the Balkan route from their Turkish counterparts, which emerged during the 1970's. However, the OC groups closely cooperated with the Kosovo Liberation Army (KLA, alb. acronym UÇK), whose warriors stepped into politics after the war and their cooperation continues in the situation of the *de iure* autonomous province and the *de facto* independent state.

The Albanian diaspora in Western Europe plays a big role in the scenario. As Phil Williams states, the communities of different ethnic origins may be perceived as an important source of organized crime; they are provided with new members and support. The recruitment of new members based on ethnicity is facilitated in the region where the immigrant groups were not accepted into the new society.⁴² Albanian emigrants in Western Europe did not integrate into the Belgian, German or Dutch societies and the Albanian diaspora serves as the ideal basis for the Albanian organized crime network, which spreads from Eastern Europe through Kosovo, Macedonia and Albania into Western Europe and the United States of America (USA) and is inter-linked even with the Colombian mafia.⁴³ An expert on security issues in South-Eastern Europe, Biljana Vankovska-Cvetkovska, stated in an interview with the Macedonian weekly *Puls*, that Kosovo has become a land of desperadoes, gangs and paramilitary organizations, while the Yugoslavian security forces no longer have control over the development of this autonomous province.⁴⁴ This situation persisted even after 1999, under the supervision of the international community. Part of the former KLA joined the organized crime network and committed ethnically, politically or economically motivated crimes.⁴⁵

Demilitarization and the creation of political parties and military and police forces has provided only a partial solution to the question of the existence of the KLA. The whole of the former KLA could not integrate into these structures and due to the long conflict, their engagement in

⁴⁰ Europol, *European Union Organized Crime Report 2004*.

⁴¹ Europol, *Organized Crime Threat Assessment, 2006*. Available online at: <http://www.europol.eu.int/publications/OCTA/OCTA2006.pdf>.

⁴² Williams, Phil, *Combating Transnational Crime. Concepts, Activities and Responses*, Frank Cass, London, 2001, at p. 61.

⁴³ Transcrime, Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE Countries. Final Report for the Office of the Special Coordinator of the Stability Pact for SEE*, at pp. 42 and 261.

⁴⁴ Interview with Biljana Vankovska - Cvetkovska. Implications of the Kosovo conflict for Macedonia. *Puls*, Skopje, 16 April 1999. Available online at: <http://jurist.law.pitt.edu/acad-com.htm#Biljana>.

⁴⁵ Mappes-Niedek, N., *Balkan – Mafia. Staaten in der Hand des Verbrechens – Eine Gefahr für Europa* (Translation: „*Balkan-Mafia. States in the Hands of Criminals – Security Threat for Europe*”), at pp. 80-100; Lopusina, M., *Balkanska smrt. Šiptarska narkomafija* (Translation: “*Balkan Death. Albanian Narco-Mafia*”), at pp. 72-73.

normal civil life is complicated. High unemployment and the low standing of the law are the reasons most former KLA fighters have found it easy to slide into organized crime. An inter-connection, or more precisely symbiosis, between criminal and terrorist activities may be observed, hampering efforts to establish multiculturalism and stability in Kosovo. In 2003, the Serbian government published a new White Book called *Albanian Terrorism and Organized Crime in Kosovo and Metohija*, in which it is stated that between June 1999 and August 2003, Albanians in Kosovo and South-eastern Serbia allegedly committed 6571 attacks, of which 5.962 were against Serbs and Montenegrins, 207 against Albanians and 335 against other ethnicities. 1.206 people were killed, 1.396 civilians and 15 policemen were injured, and the destiny of 846 of the total 1.146 people kidnapped remains unknown.⁴⁶

Transparency International placed Serbia in 90th position, with a corruption perception index of 3,0 in 2006. However, there is no corruption perception index for Kosovo. An interesting table is provided in the *Report on the Transparency International Global Corruption Barometer 2005*. When the question “*In the past 12 months, have you or anyone living in your household paid a bribe in any form?*” was asked in Kosovo, only nine participants out of 101 answered yes, 89 said no and three did not know, while in Serbia out of 100 respondents, 19 respondents answered yes, 74 said no and seven did not know.⁴⁷

The Albanian and Montenegrin societies are the only ones in the region which are based on clans and kinship. As the Albanians say “Blood cannot be changed into water (*Gjaku nuk bëhet ujë*) therefore the ethnicity (being Albanian) is rather irrelevant in the context of the clans.⁴⁸ There are ten clans in Kosovo and the animosities among them must be noted⁴⁹. Those animosities were reflected in the formation of two armed forces – FARK (Armed forces of the Republic of Kosovo initiated by exile government of Bujar Bukoshi) and the KLA. Even though the KLA was transformed into four entities (political, military, police and organized crime) after its disbandment, they may not be seen as separate entities due to the above mentioned kinship. Therefore, the OC lives symbiotically with society. This can hardly be overcome if one lacks the ambition to change the structure of society.

In speaking about OC in Kosovo, something that must be mentioned is the interlinking between the future status of Kosovo and the state of OC groups. If the international community were to favour the Serbs and proclaim Kosovo an autonomous province of Serbia, there would be an

⁴⁶ Government of Republic of Serbia, *Albanian Terrorism and Organized Crime in Kosovo and Metohija*, BIA, Belgrade 2003. Available online at: <http://www.apisgroup.org/pr.html?id=64>.

⁴⁷ Transparency International, *The 2006 Transparency International Corruption Perceptions Index*.

⁴⁸ The Albanians differentiate the blood lineage (*lisi i gjakut*), therefore the patrilineal line into which belongs the brotherhood (*vllazni*) and clan (*fis*); milk lineage (*lisi i tamblit*) therefore the matrilineal line; territorial units: village (*katund*), region (*flamur* or *bajrak*). Neke, Michael-Schmidt, *Der Kanun der albanischen Berge: Hintergrund der nordalbanischen Lebensweise*. (Translation: „*Kanun of the Albanian Mountains: Reasons for the Northern Albanian Lifestyle*”), in: Elsie, Robert, *Der Kanun. Das albanische Gewohnheitsrecht nach dem sogenannten Kanun des Lekë Dukagjini* (Translation: „*Kanun. Albanian Traditional Law after the so called Kanun Lekë Dukagjini*”), at p. xviii. Available online at: [http://www.elsie.de/pdf/B2001Der Kanun.pdf](http://www.elsie.de/pdf/B2001Der%20Kanun.pdf).

⁴⁹ The most medialized was the blood revenge between Musaj and Haradinaj families. Brother of former prime minister Ramush Haradinaj – Daut Haradinaj – got engaged in the murder of Sinan Musaj in 1999. The last victim of vendetta is Enver Haradinaj who was killed in April 2005.

immediate response in the form of an Albanian offence led by the current military and police Kosovo structures. The state of OC would remain on the same level or could potentially increase due to the state of war. If the international community were to favour the Albanians and proclaim Kosovo independent, they would face no imminent war threat from the Serbian side. The threat would rather be a long-term one – the gradual radicalization of Serbian society.

The declaration of independence could help decrease the level of OC. Kosovo would become an independent sovereign state responsible for its actions, and would be forced to eradicate the OC groups. Whether this is a feasible idea in a state in which politicians are somehow interlinked with the OC groups because of the clan basis of society is difficult to answer. Independence would be disadvantageous for Albanians in the sense that there would be no real hindrance for ICTY to surrender war criminals to the Hague. However, the entire party system would need to be revamped.

The plan for a “non-independent, non-autonomous province” is quite advantageous for the Albanians. They have no need to act responsibly and can blame the international community for failures, while maintaining the flow of money into Kosovo. The international community has to side with someone; therefore Carla del Ponte cannot demand the surrender of the Albanian war criminals to the Hague. This could be advantageous for the Serbs – if they were to finally abandon the idea of Kosovo as part of Serbia (rather unrealistic), they might do business with the EU and exchange Kosovo for a better visa regime, international aid, foreign investments and the rapid integration of Serbia into the EU. However, this last option foresees no real improvement in the state of OC groups in Kosovo.

VI. Organized Crime in Montenegro

Similarly as with Serbia, Montenegro had a strong police force in the 1990s; the police had strong ties to the political arena, as well as to the underworld. At one time, Montenegro had one of the strongest police forces per head of total population in Europe. In 1997, the Montenegrin police had 5.000 employees, while in 2000, there were 18.000, and the number of police per capita was higher than in Serbia. The police were very often engaged in illegal activities and Montenegro then became a paradise for all kinds of trafficking. Above all, it also became famous for the import of stolen motor vehicles, not only from Western Europe, but also from Serbia.

Security expert Lopusina states that one cannot claim the mafia was built in Montenegro by the police, but one can say that the mafia has always collaborated with the local police, either manifestly or invisibly. Montenegro is highlighted not only for the number of policemen but for the number of weapons per capita as well. The population in Montenegro used to be very well armed: Montenegrin inhabitants⁵⁰ at the end of the 20th and the beginning of the 21st century had a total 79.866 weapons, which means one weapon per eight inhabitants, including children and the elderly. Between 1999 and the beginning of 2002, Montenegrin police confiscated 6.367

⁵⁰ According to the 2003 census: 620.145 inhabitants. Statistical Office of Montenegro, *General Data*, Available online at: <http://www.monstat.cg.yu/EngsrCGuBrojkama.htm>.

weapons, 67.874 rounds of alive ammunition, 446 bombs and 93 kg of explosives in illegal possession.⁵¹

The OC groups in Montenegro are famous for human trafficking and the smuggling of stolen vehicles, arms, drugs and cigarettes. Similar to Serbia, the groups are organized in horizontal fashion, with no strict hierarchy and a high degree of independence.

Reform of the police started in 2003 and according to the former Minister of Interior, Milan Filipović, the reform is based on respect for human rights, depolarisation, decentralisation, appropriate training of personnel, accountability, efficient internal control, international cooperation by the police and harmonization with modern democratic values with a goal of creating a safe and secure society.⁵² It is very difficult to say how successful police reform has been up to this point.

When it comes to issues to do with organized crime, the Montenegrin government adopted a strategy for fighting corruption and organized crime in 2005, approving a set of anti-corruption laws and establishing a number of institutions. These include the Agency for Anti-Corruption Initiative, the Anti-Money-Laundering Agency, the Public Procurement Commission, the Commission for Establishing Conflict of Interest and a Special Prosecutor for the Fight against Organized Crime.⁵³ Montenegro is striving to become an EU member before Serbia, and trying to fulfil all the requirements of the European Union. Although it is very unlikely that Montenegro will become an EU member before Serbia, Montenegrin politicians are more willing and eager to fulfil EU requirements than their Serbian counterparts.

Transparency International placed Serbia and Montenegro at 97th position with a corruption perception index of 2,8 in 2005.⁵⁴ However, they did not include the Montenegrin figures for the year of 2006. According to the results of the Agency «Damar»'s Survey, gotten in March 2004, 76,4%, 50,9% and 49,9% of citizens recognize corruption and crime, poverty and unemployment, respectively, as the three biggest social problems in Montenegro.⁵⁵

The declaration of independence last year (2006) should help the fight against OC groups in the country. Montenegro is now responsible and accountable to the EU for its own actions. If Montenegro wants to join the EU as soon as possible, it will have to speed up the process of fighting OC groups. This could, however, prove quite problematic, keeping in mind that Montenegrin society is clan-based.

⁵¹ Lopušina, *Crnogorski klan* (Translation: "Montenegrin Clan"), Alfa, Beograd, 2003, at p. 29.

⁵² *Interview with Milan Filipović, Minister of Interior of the Republic of Montenegro*, in: OSCE Police Reform. Developments in Serbia and Montenegro (Number 3), 2003, at p. 2. Available online at: http://www.osce.org/publications/fry/2003/10/18199_540_en.pdf.

⁵³ UNDP, *Assessment of Development Results. Evaluation of UNDP's Contribution*, UNDP, Montenegro, New York, 2006. Available online at:

http://www.undp.org/eo/documents/ADR/ADR_Reports/ADR_Montenegro_web.pdf

⁵⁴ Transparency International, *The 2006 Transparency International Corruption Perceptions Index*.

⁵⁵ Government of the Republic of Montenegro, *Programme for the Fighting against Corruption and Organized Crime*, 2005. Available online at: <http://www.gom.cg.yu/files/1125055411.doc>.

VII. Macedonia and Organized Crime

Organized crime in Macedonia does not present such a big problem as in neighbouring Albania. There are around 10 influential criminal groups in which both Macedonians and inhabitants from neighbouring countries are engaged and which operate on transnational level. The structure of these groups is mainly hierarchical. Macedonia is a transit country mainly for heroin from Southeast Asia, Afghanistan, and to a lesser extent, for cocaine from South America bound for Western Europe. Drug production in Macedonia is not a *sui generis* problem and we can only talk about marijuana production for personal use.

Regarding human trafficking, up until recent times Macedonia was only the country of origin and transit; lately it has become a destination country as well. The reason could be the activities of the international community in this country - the operation of the international organisations and the related increase in demand by a wealthy clientele for prostitution. In addition to local prostitutes, there are around 1500 to 2500 foreign women under the control of the Albanian gangs.⁵⁶ These women come into Macedonia via Bulgaria and are further trafficked to Albanian and to the Western European markets of the sex industry.⁵⁷

Similarly as with neighbouring countries, Macedonian organized crime deals in car theft, trafficking of human beings and cigarettes. Money laundering and the engagement of state officers and security forces⁵⁸ in organized crime activities is quite common. Nevertheless, Macedonia is among countries in the region with the lowest number of organized crime groups and the situation is comparable to that in Croatia.

Transparency International placed Macedonia at 105th position, with a corruption index of 2.7. This is second-to-last position, ahead of Albania, among the Western Balkan countries in 2006.⁵⁹ In 2004 the murder rate declined and there was not a single murder which was politically or ethnically motivated.⁶⁰

Unlike in the other states in the region, on the Macedonian side there were no (para) military forces with a majority membership from the criminal population. The only disputable groups were Lions (*Lavovi*), some of whose members allegedly had connections to the OC groups. However, the same may not be said about the Albanian side, where the National Liberation Army (NLA, Albanian acronym UÇK) was living off the profits of OC activities.

⁵⁶ UNICEF, UNOHCHR and OSCE, *Trafficking in Human Beings in South Eastern Europe*, UNDP, Sarajevo, Warsaw, 2003, at pp. 105-122. Available online at: http://www.osce.org/documents/odihr/2003/12/1645_en.pdf.

⁵⁷ Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE Countries. Final Report for the Office of the Special Coordinator of the Stability Pact for SEE*, at p. 459.

⁵⁸ Macedonian borders were checked till May 2004 by the army; since then the police have taken over border control.

⁵⁹ Transparency International, *Transparency International Corruption Perception Index 2006*.

⁶⁰ International Crisis Group, *Macedonia: Not out of the Woods yet*, Europe Briefing N. 37, 25 February 2005, at p. 9. Available online at: <http://www.crisisgroup.org/home/index.cfm?id=3295&l=1>.

The situation in Macedonia is closely connected to developments in the Kosovo issue. Even though the Albanians from Macedonia achieved everything they had demanded during the 1990's with the Ohrid Peace Agreement, one could still observe from time to time the activation of some radical groups demanding the formation of Greater Kosovo or even the almost forgotten Greater Albania.⁶¹ Unless the Kosovo issued is solved, the country cannot start its way towards consolidation and implementation of tough policies aimed at eradicating OC groups in the country.

VIII. Organized Crime in Albania

The geographical position of Albania, the Kosovo war, the non-existence of a state of law and the lack of remedies needed for fighting organized crime have transformed the country into the principal route for the illegal trade from West to East.⁶² In addition to the strongest clan, *Kula*, which controls drugs, arms and human traffic from Turkey, the *Abazi* and *Boriçi* families hold important places.

Car theft is quite popular in Albania and reflects the state of legal awareness in Albanian society. Under the *Hoxha* regime, car ownership was a privilege granted to selected beneficiaries; after the fall of the totalitarian regime, the country was swamped with stolen foreign cars and Albania climbed to first place in the per capita ownership of Mercedes, even though there was not a single official dealership importing the car. The exact number of people accused of theft is untraceable, because national law does not recognize this type of criminal activity.⁶³

Organized crime is widespread in the North as well as in the South of Albania; blackmail, intimidation and racketeering are very common practices.⁶⁴ During the Kosovo conflict, the number of armed robberies increased, and even humanitarian workers and the escorts of humanitarian aid convoys were victims. The Kosovo conflict enabled further expansion of human trafficking. Many of the Albanians left Albania pretending to be Kosovo Albanians in order to gain political asylum or a temporary stay in Western Europe.

Immigrants of non-Albanian origin (mainly Chinese or Kurds) came to Albania from Montenegro, Macedonia or Greece and then travelled further to Italy and other Western European states.

⁶¹ The best-known is the Albanian national army (ANA, alb. acronym AKSh), which wants to create Greater Albania; the Macedonian division fights against the Ohrid peace agreement.

⁶² United Nations Development Program (UNDP), *Albanian Human Development Report*, UNDP, 2000, at p. 29. Available online at: <http://www.al.undp.org/download/pdf/nhdr2000.pdf>; Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE Countries. Final Report for the Office of the Special Coordinator of the Stability Pact for SEE*, at p. 42.

⁶³ United Nations Development Program (UNDP), *Albanian Human Development Report*, at p. 30.

It is worth mentioning that the Albanian government was using cars stolen in Western Europe. The media broadcasted the case of the Minister of Public Order, Spartak Poci, who went to Greece for an official visit in a car stolen right in Greece, and was detained at the border by the Greek police.

⁶⁴ Intimidation applies to staff in international missions as well. In 2000 the official OSCE spokesman left Albania after his life had been threatened.

Crampton, *The Balkans since the Second World War*, Personal Education Limited, London, 2002, at p. 307.

Trafficking in women and children presents a big profit not only for organized gangs but for the corrupt Albanian police, as well. Around 37% of male and female prostitutes are underage. It is estimated that the number of the Albanian women working as prostitutes amounts to about 15.000 and Italy, 5.000 in Greece in 100 in France.⁶⁵

According to official data, are around 1.000 Albanians are being detained in Swiss prisons on drug trafficking charges; around 300 youngsters from *Vlora* are being detained in Italy and Greece, charged with the same crime. According to the World Customs Organisation (WCO), together with Morocco, Albania is the largest exporter of *cannabis sativa* to Western Europe. In 1999 around 104 kg of heroin coming from Albania was confiscated in Western Europe. In the same year, police caught two cocaine traffickers on a flight from New York -Tirana.⁶⁶ There are suspicions that four or five Albanian families have established close relations with Colombian drug traffickers. A small amount of cocaine has come from South America to Western Europe via Albania's capital.⁶⁷

Up to the 1990s, Kosovo Albanians served only as couriers for the Turkish gangs. The rapid increase in Albanian emigration and the settlement of Albanian migrant workers in Western Europe altered the situation. The Albanians created widespread organized crime networks and took over control from Turks over the Balkan route, or rather control of the entire illegal trade coming to Western Europe via the Balkans. "*Albania is the paradise for the illegal trade. Neither state nor police present problem for the drug chiefs: you can buy politicians and it is not rare when a leader of the criminal gang works in some state institution.*"⁶⁸

In 1999, it was estimated that between 25 and 100 organized criminal groups were present in Albania, with a total number of participants ranging from 500 to 2.500. Transcrime states that the typical structure of Albanian criminal groups is hierarchical and clan-like. Most of the networks are based on loyalty (with strict codes of conduct), honour and clan traditions, and are relatively "old fashioned", similar to the structure of the Italian Mafia of forty years ago. In

⁶⁵ United Nations Development Program (UNDP), *Albanian Human Development Report*, at pp. 31-32.

⁶⁶ According to police sources, police effort in the fight against organized crime is increasing. In this period, the police killed 40 men, whereas the Albanian mafia allegedly killed 160 policemen. United Nations Development Program (UNDP), *Albanian Human Development Report*, at p. 30.

⁶⁷ Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE Countries. Final Report for the Office of the Special Coordinator of the Stability Pact for SEE*, at p. 43.

⁶⁸ Mappes-Niedek, N., *Balkan – Mafia. Staaten in der Hand des Verbrechens – Eine Gefahr für Europa* (Translation: „*Balkan-Mafia. States in the Hands of Criminals – Security Threat for Europe*”), at p. 79; Trimçev, E., *Organized Crime in Albania: An Unconventional Security Threat*, in: *Connections* (Volume II, Number 2), June 2003, pp. 61-68; Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE Countries. Final Report for the Office of the Special Coordinator of the Stability Pact for SEE*.

Mappes-Niedek states that in 1997, the chief of the most influential mafia family, Arben Ben Hasani, became the chief of the local police in the town of Dürres. Furthermore he mentions the town of Vlora, governed by gangster kingpin Myrteza Caushi, who became the director of the local police. Nor are politicians above organized crime: in February 1999, police found a large number of weapons in the South African residence of Leka Zogu, the leader of the monarchist political party, who is eager to restore monarchy and become Albanian king. Zogu was charged with arms trafficking. The Former Minister of Defence, Safet Zhulalij, was charged with drug, oil, and cigarette trafficking and proliferating small arms.

However, it is highly questionable how effective these programmes by the Albanian government could be. Albanian society works on the kinship or friendship system and one is only arrested when one has no friends either in the police or at the state administration. Police salaries are very low and correspond to the level of the Albanian economy. Bribery has a long tradition extending back to the Ottoman Empire, and bribes are generally accepted. Looking at the figures of Transparency International, Albania was placed in 2005 at 126th position, with a corruption perception index of 2.4. In terms of this scale, Albania is the most corrupt country in Europe. There is a lack of institutional arrangements to fight organized crime. Organized crime lives in symbiosis with the state institutions and there is a real threat that OC groups could rule the state, leading to the long-term deformation of the Albanian political system.⁷³ The official proclamations of corrupted politicians and the Action plans of the Albanian governments⁷⁴ do not give us a real picture about the state of the fight against organized crime in the country, where it presents a real threat.

The Albanian political scene is controlled by the *Southerners* (Tosks as the main ethnic group, two minor groups: Labs and Chams) and *Northerners* (Gegs). The Albanian political scene was dominated during the reign of King Zogu I by Gegs, and during the Hoxha regime by Tosks (Hoxha himself was Lab). After the fall of the regime, there emerged two main political parties: the Democratic Party of Albania (PDSH) of Sali Berisha supported by the Northerners, and the Socialistic Party of Albania (PSSH). PDSH controlled the political scene till the pyramid scheme crisis in 1997 and came back to power in the latest elections in 2005. This sub-ethnic affiliation contributes to the fact that once a political party enters the government, it replaces all people on all state administrative levels with its "own sub-ethnic".⁷⁵ The dissatisfaction with the political (economic) reality may even lead to armed revolt, as happened in 1997.⁷⁶ The country came close to revolt a year later (1998) in the context of the assassination of the prominent politician Azem Hajdari.⁷⁷

Ministers are quite often replaced due to accusations that they are engaged in OC activities or are corrupt. Several examples may be mentioned; e.g., minister of finance Genc Ruli had to resign in 1993 due to accusations of cigarette smuggling and participation in a financial scandal with French national Nicolas Arsidi. In 2001, three members of the PSSH government had to

⁷³ Trimçev, E, *Organized Crime in Albania: An Unconventional Security Threat*, at p. 63.

⁷⁴ Ministry of Foreign Affairs of the Republic of Albania, *Action Plan for the Prevention and Fight against Corruption 2002-2003*. Available online at: <http://www.mfa.gov.al>.

⁷⁵ The activities of the governments are limited by scandals on the Albanian political scene and by the opposition blaming the governing party for nepotism and corruption. For example, Sali Berisha stated for the delegation of the European popular party (EPP) in Albania that the "kleptocratic government of Fatos Nano is linked to the drug trafficking coming from Afghanistan and misuses 2/3 of the taxes to its own benefit."

Berisha, *Nano ka lidhje me kontrabandën e drogës* (Translation: „Berisha: Nano having Connections with the Drug Trafficking“), *Fakti*, 22 June 2004, at p. 13.

⁷⁶ The revolt in 1997 was initiated by the Tosks, armed generals who dominated the political scene till 1991 and then lost their jobs.

⁷⁷ Berisha blamed the Socialists for the murder, however speculation emerged that Berisha ordered the assassination in order to provoke unrest and rebellion in which he could regain political power.

resign due to accusations of corruption and abuse of authority. The new government very often prosecutes representatives of the previous regime.⁷⁸

The Albanian political system is significantly marked by a great instability of governments, which usually last only one year.⁷⁹ Albania is the weak state par excellence; there is no real political and social consensus which would eliminate the use of force in politics. Albania is not able to implement its laws, formulate and implement long-term governmental policy, does not really offer its citizens public services, and the state does not fulfil one of its basic functions – protection of its citizens. The administrative vacuum which emerged after the fall of the Hoxha regime was not filled; Albania is not capable of controlling its own territory and armed gangs rule some areas of the land.⁸⁰ The latest elections (2005) demonstrated that Albania is far from being a consolidated country. The elections were marked by corruption, vote counterfeiting, intimidation and violence.

Organized Crime in the Western Balkans – Conclusion

The Balkans, tormented by two wars, have become penetrated by parallel structures of organized crime. Armed conflicts and embargos on goods and strategic materials have caused the flowering of the Balkan OC, which was not eliminated even after the end of the wars. Organized crime's structures are interlinked with the state apparatus and present a real threat not only for individuals, but for the state - the main actor of security. Criminal gangs attached to political elites in the various states threaten their transformation, their democratization and the process of integration into Euro-Atlantic structures. The Western Balkans is the case where organized crime presents the biggest threat in the sector of economic security.

Organized crime presents a relevant security threat not only for the Western Balkan states but for the whole of Europe. The series of conflicts in the Balkans during the final decade of the last century set ideal conditions for the growth of organized crime, which is currently present at all levels of the administration in most of the countries of South-eastern Europe. The end of the conflicts did not mean a decrease in organized crime activities; organized crime was not a priority for international units while the arrival of international missions entailed a higher demand for trafficked women, weapons and goods. Moreover, in Bosnia and Herzegovina, there was the special environment with two parallel administrations emerging, in which each blames the other for its passivity and failures.

⁷⁸ E.g. the leader of PSSh Fatos Nano was imprisoned in 1993 with the accusation that while in government he misappropriated 8 mil. USD. Former prime minister Vilson Ahmeti was sentenced to two years imprisonment for the misuse of power.

⁷⁹ E.g. between 1997-2002 there were six inaugurations of governments (without counting the changes in ministerial posts).

⁸⁰ The Italian helicopter was attacked by the local villagers in the south of Albania on 18.8. 2004. The villagers started to shoot at the helicopter, which was monitoring with the approval of the Albanian side the territory of southern Albania in the framework of anti-drug operations. The cameras of the helicopter had managed to notice that the village Lazarat and its surroundings are a prospering region for cultivating and processing marijuana.

As Bruno Schönfelder states, in South-eastern Europe more than half of the working age population is engaged in illegal trade. But it is not such that local inhabitants would participate in illegal activities only sporadically – the substantial part of their income comes from the grey economy. Most of the people engaged perceive illegal activities as their second job which complements their main employment. Some groups deal exclusively with illegal trade, which is mainly the case with Albanians.⁸¹

Looking at the corruption perception index (CPI) prepared by Transparency International in the countries under analysis: the CPI is lowest in Albania (2,6 and 111th position out of 163 analysed countries in 2006) followed by Macedonia (2,7, 105th position in 2006), Montenegro (2,8, 98th position out of 159 analysed countries in 2005 together with Serbia), Bosnia Herzegovina (2,9, 93rd position in 2006) while the best results were achieved by Serbia (3,0, 90th position in 2006) and Croatia (3,4, 69th position in 2006). Even though the CPI score relates to the perception of the degree of corruption as seen by business people and country analysts and does not give us clear data about the state of corruption, it may still give us some insight into the corruption situation in the region.

Croatia, Macedonia and Bosnia and Herzegovina have the lowest number of the OC groups in the region (between one and ten). The worst situation seemed to be in Albania (25-100) and in the territory of Serbia and Montenegro (50). Notwithstanding, the figures for Albania are the estimate for the year 1999, only two years after the armed uprising, and therefore do not really show the current state of affairs. Regrettably, there were no separate figures available for Kosovo and Montenegro. The structure of the groups in Croatia, Bosnia and Herzegovina and Serbia is not hierarchical – they are quite loose and flexible and have a great deal of independence. This is not the case with the Albanian groups, which are strictly hierarchical and clan-like, operating according to conservative codes of conduct. However, the new Albanian groups emerging have similar (loose) structures to their Slavic counterparts.

There is no real specialisation among OC groups by “country of origin” – in all states of the region, the OC groups focus mainly on drug trafficking, trafficking in human beings, arms trafficking, trafficking of stolen vehicles and the smuggling of cigarettes and petrol. The regional OC groups do not organize themselves according to strict “ethnic rules” and one group may encompass more than one ethnicity. The operations of organized crime groups cross ethnic dividing lines – criminal gangs cooperate without regard to nationality – the main incentive is profit. Criminal gangs coming from mutually hostile ethnic populations cooperate without regard to officially declared animosity and ethnic origin. The idea of Yugoslavian unity and cooperation embodied in the motto *Bratstvo i jedinstvo* (*Brotherhood and unity*), was paradoxically only maintained in organized crime activities.⁸²

⁸¹ Hatschikjan-Troebst, *Südosteuropa. Gesellschaft, Politik, Wirtschaft, Kultur. Ein Handbuch* (Translation: “*Southeast Europe. Society, Politics, Economy, Culture. Handbook*”), Verlag C.H.Beck, München, 1999, at p. 342.

⁸² For example, the commander of the special unit of the Serbian Ministry of Interior and the war veteran Milorad Ulemek Legija took part in drug trafficking and was in the past protected by the Croatian policemen Vladimir Milanković, who was responsible for the massacre of 80-120 Serbs in the town of Sisač.

Kolko košta? (Translation: “*How much Does it Cost?*”), in: Kurir, 12-13 June 2004, Beograd, 2004, at p. 3. Available online at: <http://www.kurir-info.co.yu/Arhiva/2004/jun/12-13/V-01-12062004.shtml>.

During the wars, most of the OC groups were interlinked with state security forces and they nourished the (para) state apparatuses. In most countries, there has been only slight improvement in the restructuring and reform of the state security forces. The best situation is probably in Croatia, where the death of Franjo Tudjman meant change of the regime and coping with the legacies of the past. The worst situation is probably in Serbia, where the reform of the state security forces and the rupturing of the links to the OC groups is still only an idealistic vision, as shown clearly in the Ratko Mladić case. None of the countries analysed avoided the scandals of politicians linked to OC. The cases usually come out with the change of the government or are medialized by the oppositional (different ethnic) groups. OC is not a taboo in the local media; they all focus on OC activities and/or involvement of the politicians in dirty business (which was not a real case under the Tudjman, Milošević and Berisha regimes).

The Albanian OC groups seem to be the most active in the region, with possible impact in Central⁸³ and Western Europe. The Albanians gradually set up an organized crime net, controlling the illegal trade heading towards Western Europe. OC is the main source of finances and it has high recruiting potential for the Albanian 'national liberation' formations. Two EU member states – Italy and Greece - declared a couple of times that ethnic Albanians make up the biggest groups of criminal gangs of foreign origin in their countries. Europol states that Albanian organized crime is still perceived as the most significant security threat, with rising risk potential for the member states of the EU.⁸⁴

The strong exogenous factor – the European Union – pushes for regional cooperation in the fight against OC groups. There have been several initiatives (e.g. SECI – Southeast European Cooperative Initiative, Stability Pact etc.) organizing several roundtables, which would lead to further cooperation throughout the region. These are the first steps in regional cooperation and hopefully we may see some improvement in the future. However this all depends on the situation of the countries per se.

What are the prospects for OC in the Western Balkans then? Croatia is far ahead of the rest of the group. The change of regime has helped to launch reforms (even though not fully implemented yet and below EU standards) and Croatia is seen as the first candidate from the region for EU membership. The situation in Bosnia and Herzegovina is not very good; the state does not work as a united body, everything rather functions separately at the entity level. The borders are porous while border patrol officers are highly involved in trafficking. There is no short- or even midterm prospect for the situation in the country to improve. Serbia still has not broken

⁸³ For example, in the Czech Republic, the Kosovo Albanians control the drug trafficking while the Bulgarians run the market of prostitutes and the Serbs and Montenegrins took over the market of car theft. Transcrime, *The Contribution of Data Exchange Systems to the Fight against Organized Crime in the SEE Countries. Final Report for the Office of the Special Coordinator of the Stability Pact for SEE*, at p. 332.

⁸⁴ SEE online, *Europol: Bulgaria, Romania and Albania Remain Important Source of Women Trafficking*. Available online at:

http://www.southeasteurope.org/subpage.php?sub_site=2&id=13702&s_word=organized%20crime;
O'Rourke, Breffni, *Europe: Council of Europe Report Says Organized Crime Poses Threat to Democracy*, Radio Free Europe. Radio Liberty, 26 January 2005. Available online at:
<http://www.rferl.org/featuresarticle/2005/01/f7753263-8c4f-4f41-9bfa-d3b2ff06cdf.html>.

free from its past, and one cannot talk about any real reform in the security forces. Unbelievably, the Serbian OC groups cooperate not only with the state security apparatus but with the Albanian OC groups in Kosovo. As regards Kosovo – if the current state of affairs is preserved (*de iure* autonomous province, *de facto* independent) the OC will only flourish. If independence is proclaimed, we may see (long-term) improvement - the state will have to bear responsibility, plus ICTY will be more willing to get the former KLA fighters (who were involved in OC activities) to the Hague. For the time being, it all depends upon Russia, which has not yet given a clear “veto/not veto”. The poor prognosis remains for the state of OC in the clan societies – Montenegro and Albanian. The existence of clan relations ensures continued interlinking with the state and no will to fight the groups in the respective countries. (The only exception might be Macedonia, due to the lower representation of Albanians in the state administration.) The fight against OC groups in the clan society can only be compared to the eternal struggle of the Sisyphus and we may therefore only keep our fingers crossed.