Global Anomie, Dysnomie, and Economic Crime: Hidden Consequences of Neoliberalism and Globalization in Russia and Around the World

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Introduction

Transnational crime has recently acquired a prominent place in public debates. It is commonly presented as the most significant crime problem at the turn of the millennium (Myers, 1995–1996; Shelley, 1995). Many have even suggested that it represents a serious domestic and international security threat (Paine and Cillofo, 1994; Williams, 1994). The argument is also made that a wave of transnational crime undermines neoliberal policies and the functioning of an increasing number of market economies around the globe (Handelman, 1995; Shelley, 1994). As a consequence, the proposed remedies are often quite drastic and involve undercover operations, privacy-piercing approaches, and the participation of intelligence services in the fight against global crime (Andreas, 1997; Naylor, 1999; Passas and Blum, 1998; Passas and Groskin, 1995).

Yet, little attention and virtually no systematic research has been devoted to understanding the causes, structure, extent, and effects of serious cross-border misconduct (Passas, 1998). The risks it poses may be grossly exaggerated (Naylor, 1995; Lee, 1999). The draconian measures being contemplated and implemented in different countries, therefore, are essentially an exercise in shooting in the dark. Chances are good that the target will be missed and substantial “collateral damage” may be caused by ill-conceived policies in this “war” on crime. This risk is
particularly high in countries in transition toward a market democracy. It would be much wiser, thus, to carefully study the problem before taking ineffective and possibly damaging actions.

This article seeks to make a contribution by concentrating on the causes of transnational economic crime. The main argument is that, contrary to conventional wisdom, neoliberalism and globalization contribute to processes leading to global anomie, dysnomie, and, ultimately, economic misconduct. They do so by activating the criminogenic potential of economic, political, legal, and cultural asymmetries, as well as by creating new such asymmetries (Passas, 1999). These asymmetries cause crime by furnishing opportunities for misconduct, by generating motives for actors to take advantage of such opportunities, and by weakening social controls. More specifically, means-ends disjunctions are systematically created, as neoliberal policies foster new needs and desires that are all too often left unfulfilled. Promises of more freedom, prosperity, and happiness for a larger number of people have turned out to be chimerical. Economic and power inequalities have widened within and across countries in the last two decades. The number of poor has reached unprecedented levels, while welfare programs and safety nets are reduced or abolished. Enormous populations have become more vulnerable to exploitation, criminal victimization, and recruitment in illicit enterprises or rebel and fundamentalist groups. Normative standards and control mechanisms are weak or completely absent exactly when they are needed the most.

This article begins with some basic conceptual clarifications and outlines the theoretical framework so far applied to the analysis of U.S. organizational and individual deviance. Then, the main features of globalization and neoliberalism are presented, followed by a contrast of promises made by proponents of neoliberal policies and their actual consequences. Attention then shifts to specific criminogenic effects of these outcomes and the case of Russia, which illustrates the different stages in the processes leading up to serious misconduct and anomie. The chief policy implication of this analysis is that the recently unleashed forces of neoliberalism need to be reined in and held in check, while government policies ought to better shield the least privileged from the adverse effects of globalization.

Some Conceptual Clarifications

Although there is no universally accepted definition of transnational crime, many commentators seem to think of it as a globalized form of the stereotypical "organized crime." This, however, leaves out corporate and governmental crimes, whose effects can be far more harmful than those of "professional" criminals and ethnic groups involved in the business of illegal goods and services. We therefore need a definition that is inclusive enough without becoming too relativistic and subjective. For our purposes, transnational crime refers to cross-border misconduct that entails avoidable and unnecessary harm to society, is serious enough to
warrant state intervention, and is similar to other kinds of acts criminalized in the
countries concerned or by international law. Crime will be viewed as transnational
when the offenders or victims are located in or operate through more than one
country (Passas, 1999).

Globalization is another term that is often used without clear definition. In the
simplest sense, it refers to a growing interconnectedness and multilateral linkages
across national borders. According to Keohane and Nye (2000: 104),

globalism is a state of the world involving networks of interdependence
at multicontinental distances. The linkages occur through flows and
influences of capital and goods, information and ideas, and people and
forces, as well as environmentally and biologically relevant substances
(such as acid rain or pathogens).

Globalism has several dimensions, such as economic, cultural, environmental,
or military, not all of which take place at the same time. So, whenever globalism
increases and becomes thicker or more intense, we can speak of globalization.
When globalism decreases, we can speak of de-globalization.

Finally, the term “criminogenic asymmetries” refers to structural discrepan-
cies and inequalities in the realms of the economy, law, politics, and culture. Such
asymmetries are produced in the course of interactions between unequal actors
(individual or organizational) or systems with distinctive features. All asymme-
tries contain some criminogenic potential. Durkheim argued that crime cannot be
eliminated, because we are and always will be different from each other. Even in
a society of saints, minor deviations would be considered serious offenses. In
modern societies, crimes are those behavioral differences (asymmetries) that have
been outlawed by legislative bodies. There is always the opportunity for powerful
actors to victimize less privileged ones (economic, political, and power asymme-
tries). This potential is not always materialized. Criminal opportunities are not
necessarily taken advantage of. Mostly this is because actors do not always seek
or wish to make use of illegal opportunities. They may not regard such action as
appropriate (due to socialization, internalization of norms) or fear adverse conse-
quences. The criminogenic potential is most likely to be activated when opportu-
nities, motives, and weak controls are all present.

For example, a combination of legal/regulatory asymmetries with economic
and political asymmetries has given rise to a huge illicit market for toxic waste
disposal. Many Third World countries either did not regulate toxic waste or did so
much less rigorously than did industrialized states. This provided an opportunity
for maximum-profit-seeking companies to get rid of their hazardous waste in areas
where rules were lax or nonexistent (Center for Investigative Reporting and
Moyers, 1990; Critharis, 1990). Power and economic asymmetries between rich
and poor countries have led waste recipients to allow this to go on because of their
dependency on foreign investment, the need for cash to service external debt, or
the desire to create jobs (Korten, 1995). Economic and knowledge asymmetries also shaped the motivation of local participants in this questionable trade. The decision to go along reflects an incomplete understanding of the extent or nature of the hazard, their desperate need for additional income, an effort to be competitive and attractive to foreign companies (race to the bottom), or corruption.

**Anomie and Deviance**

Both Durkheim (1983) and Merton (1968) have stressed how high rates of deviance should be expected when social expectations are out of balance with realistic opportunities to reach the desired goals. According to Durkheim, this means-ends discrepancy is caused by society’s inability to regulate people’s naturally limitless desires. This problem was particularly acute in the commercial and business sector, in which anomie was chronic during the industrial revolution, opening up new horizons and undermining society’s ability to contain aspirations. A similar situation can be observed in contemporary societies, where electronic, information, and biological technologies constantly redefine what is possible and break new ground.

According to Merton, unrealistic hopes and expectations are not simply natural, but socially constructed and promoted. Structural problems are at the heart of the means-ends disjunction. The U.S. culture and the ideology of the American Dream encourage lofty expectations, while society fails to provide equal access to legal opportunities. Meanwhile, there is a cultural overemphasis on success goals at the expense of normative behavior (as further elaborated by Messner and Rosenfeld, 1994). Both of these factors make for deviance and anomie.

Without ignoring the differences between the two sociologists, it has been possible to use an elaborated version of their anomie theories to explain corporate crime in the context of capitalist economies (Passas, 1990). Regardless of whether people strive for “more” due to natural drives or because of cultural encouragement, the point is that market economies cannot perform without lofty aspirations, consumerism, emphasis on material/monetary goals, and competition. All this leads to the pursuit of constantly moving targets and systematic sources of frustration. A synthesis of anomie theory with reference group analysis made clear how means-ends discrepancies are socially generated and experienced by people in all social strata. It also showed how this theoretical framework is applicable to the analysis of crime without strain or problems (i.e., anomie theory is not a strain theory) and to “organized crime” even after discrimination or blockage of legitimate opportunities no longer affects minority groups (Passas, 1997).

**In brief**, the dynamic social process leading to structurally induced strain, anomie, and deviance without strain is as follows. Means-ends discrepancies are caused by a strong cultural emphasis on monetary or material success goals for all members of society, while a good number of them do not have a realistic chance to attain them. Socially distant comparative referents are constantly introduced.
and sustained through the school, family, politics, workplace, media, advertising, and even religion (Passas, 1994). Regardless of their social background and the social capital available to them, people are urged to desire more than they have. Success stories of going from rags to riches make the American Dream even more believable. As this cultural theme is internalized, competitive forces and consumerism foster normative referents on what is “normal” and appropriate. The widely internalized egalitarian discourse clashes in practice with widespread inequality (power and economic asymmetries). Consequently, those members who fail to meet such comparative and normative standards are likely to experience relative deprivation and frustration. This strain, combined with the culturally induced overemphasis on goals and the concomitant underemphasis on the proper methods, makes for deviance of various types (see Merton’s typology). A good part of the deviance is an individual search for a solution to these structural problems. If the deviant solution is successful (i.e., perpetrators are not caught or adequately punished), this adaptation may become normative for others in a similar social context. To the extent that this solution is available to them (demand for illicit goods or services, access to illegitimate opportunity structures), they may adopt this role model — and may be expected by their significant others to follow this path — even though the original source of strain has by now been eclipsed. Unless effective control measures are taken, this process continues in a vicious circle toward higher rates of deviance and widespread anomie (for a schematic representation of this process, see Figure 1 at the end of the article).

In the literature, anomie is often conceptually confused with its causes or effects. To keep its explanatory potential, this mistake should be avoided. Anomie is a withdrawal of allegiance from conventional norms and a weakening of these norms’ guiding power on behavior. This is caused by structural contradictions and affects deviance in two ways. One is associated with strain, the other is not. The former is caused by relative deprivation, frustrations, and the almost obsessive focus on goals. This makes deviance thinkable, as conventional norms are regarded as nonbinding, at least temporarily. Rationalizations enable departures from otherwise accepted/internalized social rules, as actors convince themselves that in their particular circumstances an exception is acceptable (Aubert, 1968; Sykes and Matza, 1957). Through interactive processes, techniques of neutralization and rationalizations contribute to a context in which newly socialized actors may adopt normative referents and deviant behavior as a matter of course. If “this is the way business is done around here,” people may engage in price fixing or misleading advertising without experiencing any prior frustration or problem.

**Globalization and Neoliberalism**

These structural problems have been most prominent in the USA. However, a very similar process is now being reproduced throughout the world through globalism and neoliberalism. Promises are made that are not fulfilled. People’s
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expectations are exalted at a time when economic and power asymmetries increase and become less justifiable and intolerable in the eyes of the people affected. The logic of the market permeates popular thinking and introduces rationalizations, making the adoption of a criminal or unethical solution more acceptable. The horizontal lines in Figure 1, rather than representing controlling influences, at the global level point to the criminogenic impact of globalization and neoliberal policies.

Nowadays, globalism and neoliberalism seem to be indistinguishable empirically or even conceptually (Cox, 1993; Stewart and Berry, 1999). Nevertheless, I think it is useful to try to separate them analytically. As noted earlier, globalism refers to the degree of interconnectedness and the increase or decrease of linkages. By contrast, neoliberalism refers to an economic and political school of thought on the relations between the state on the one hand, and citizens and the world of trade and commerce on the other. Because it espouses minimal or no state interference in the market and promotes the lifting of barriers to trade and business transactions across regional and national borders, it certainly becomes a motor of globalization.

Globalization in the last two decades shows clear signs of deeper and thicker interconnections that affect many more people than ever before. The effects are now much faster, as shown by the financial crisis in Thailand in 1997. The world has shrunk and become “one place,” with global communications and media, transnational corporations, supranational institutions, and integrated markets and financial systems that trade around the clock (McGrew, 1992; Sklair, 1995). The cultural landscape has changed under the influence of mass media. Through their ads, TV programs, movies, and music, they contribute to cultural globalism, target young children, and foster consumerism (e.g., “Image Is Everything,” “Just Do It,” or “Coke Is It”). Information technology is making for “distant encounters and instant connections” (Yergin and Stanislaw, 1998). Fresh normative and comparative ideals are thus promoted, legitimated, and presented as attainable. Scholars attribute the momentum of this process to the forces of capitalism (Wallerstein, 1983), technology (Rosenau, 1990), the presence of a hegemon (Gilpin, 1987), or a combination of them all (Giddens, 1990).

Neoliberalism, in particular, has made a major contribution to the dynamic and contradictory processes of globalization since the elections of Ronald Reagan, Margaret Thatcher, and Helmut Kohl. During the 1950s and 1960s, the dominant concerns revolved around distributive justice, neocolonialism, and dependency theory. These were displaced in the 1980s and into the 1990s by discourses of “free markets,” individualism, and self-help (Woods, 1999). Policies of deregulation, privatization of state assets, and removal of tariffs implemented the doctrine that the state should get out of the way of free enterprise. Unemployment, inequality, and poverty were no longer explained by structural contradictions or constraints. The problems became individualized and blamed on corrupt administrations or on
the poor themselves. The proposed medicine was more liberalization of the economy, free competition, privatization of inefficiently managed government agencies, abolition of capital controls, and permitting foreign capital to enter all markets.

The ideological underpinning of globalization, thus, has been the primacy of economic growth, which is thought to be benefiting the whole planet. Consistent with that prime directive, country after country has been persuaded (or forced) to promote “free trade” and consumerism, to reduce government regulation of business, and to adopt the same economic model regardless of local specificities and differences between industrialized and developing countries (Bello, 1999; Mander, 1996).

More specifically, shifts in the North, the East, and the South have been quite remarkable. In the North, the welfare state that used to care for citizens “from cradle to grave” has been replaced by a “pay as you go” social service system. Even public utilities have been privatized and have begun to charge “economic prices,” as former subsidization systems were abolished. Further, “industrial interventionism and labour protection have given way to laissez-faire; and...tax systems whose major purpose was to correct inequalities have been transformed into systems mainly intended to promote incentives and economic efficiency” (Stewart and Berry, 1999: 151).

In developing countries, similar shifts took place as a result of hegemonic influences from the North. Western-educated Third World “technocrats” returned to their home countries eager to introduce neoliberal policies (Burbach et al., 1997: 86; Newsweek, June 15, 1992). As the bandwagon of liberalization took off, few countries wished to be left out. As a World Bank official warned, “lagging countries risk being left farther behind.... For economies that remain inward-looking, the risk of being marginalized is greater than ever” (cited in Klak, 1998: 21).

Yet, the shifts have not always been voluntary. A host of measures and conditions consistent with the neoliberal agenda were imposed on countries through international institutions, such as the International Monetary Fund (IMF), the World Bank, the OECD, the European Union, the G7, etc. Countries drowning in external debt sought additional loans to pay off their older ones — chiefly to banks from the industrialized world. Billions of dollars were made available to them, but only if they introduced Structural Adjustment Programs (SAPs). Despite important differences among the various economies, SAPs shared the same basic elements: long-term “structural” reforms to deregulate the economy, liberalization of trade, removal of restrictions on foreign investment, promotion of an export orientation of the economy, wage reductions and controls, privatization of state enterprises, and short-term stabilization measures such as cutbacks in government spending, high interest rates, and currency devaluation (Bello, 1996; 1999).

Changes along these lines also took place in the East, where the switch from state-managed economies toward "free market" and parliamentary democracy has
been quite drastic and swift (Glinkina, 1994; Woods, 1999). The problem is that the introduction of global neoliberalism has brought about enormous economic and political asymmetries, as its promises and theoretical expectations remain unfulfilled.

The Promises of Global Neoliberalism

The supporters of global neoliberalism make a series of claims. For instance, the world is shrinking following greater connectivity (IBM claims to offer “solutions for a smaller planet”). The distinction between core and periphery states is presumed to be getting fuzzier and irrelevant, as there are only winners from now on. Investment, trade, and development opportunities are more widely distributed around the world. There is a marked convergence into one world economy, in which everyone can find a market niche. Media and cultural influences are more widespread and multilateral, as foods, music, and art are imported to the North and integrated into local cultures. Finally, people are more integrated thanks to telecommunication technologies and immigration (Klak, 1998).

To economists, all these trends are positive, even if short-term hardship is deemed necessary for some parts of the population. Global welfare is expected to be enhanced, as the forces of free competition within and between countries will encourage more efficient resource allocation and bring about higher productivity (Oman, 1999). A more open, trade-creating world should, therefore, benefit everyone, if unevenly. Trickle-down effects of wealth creation would ensure that virtually everyone will participate in this welcome trend (Korten, 1996).

The objective of SAPs was to render developing economies more efficient, drive up growth rates, and provide foreign exchange that could be used to repay debt. Higher growth rates are empirically associated with comparatively more equal income distribution (Alesina and Rodrik, 1994). Hence, neoliberal policies would bring about not only more economic growth, productivity, a better division of labor (multistate production and wider participation), lower unemployment, more wealth and prosperity, but also more democracy, less poverty, and fewer inequalities. Unfortunately, in most countries, these virtuous circles did not occur.

The Consequences of Global Neoliberalism

Throughout the world, the expectations raised by neoliberal theorists have not materialized despite the extensive application of their policy recommendations. Instead, most economies “fell into a hole” of low investment, decreased social spending and consumption, low output, decline and stagnation. Both the World Bank and the IMF retreated from SAPs and acknowledged their failure (Bello, 1999; Katona, 1999; Multinational Monitor, June 2000; Watkins, 1997).

In the North, GDP growth was lower in the 1980 to 1990 period than in the 1950s and 1960s. We also witness a higher volatility in growth (e.g., booms and
busts). Lost in all the talk about huge technological advances ushering in the computer and Internet era is the fact that productivity growth now is half that of levels in the 1950s and 1960s. Unemployment in OECD (Organization for Economic Cooperation and Development) countries has risen from eight million in 1970 to 35 million in 1994. In the midst of U.S. prosperity and economic expansion, inequalities increased. The number of people living under the officially defined poverty level grew from 11.4% of the population in 1978 to 13.5% in 1990. Almost one in four new babies in the U.S. are born into poverty, while the top one percent of Americans saw their real income shoot up by 50% (Levy, 1998; Wilterdink, 1995). Also noteworthy is that U.S. and Western European international trade relative to GDP was greater a century ago than in recent years (Hirst and Thompson, 1996).

Neoliberal dreams proved to be even more chimerical in the South. Role models, like South Korea, Malaysia, and Indonesia plunged into crises in the 1990s. Mexico and Brazil, which faced their own scary periods, experienced growth of three percent in the last two decades, whereas that rate was six percent during the dirigiste period of 1950 to 1980. Wage gaps widened. Even in Costa Rica and Chile, models of success in Latin America, the results have been an unmitigated disaster for the lower social classes. The number of Costa Ricans below the poverty line rose from 18.6% in 1987 to 24.4% in 1991, while 42% of all Chileans are also living in poverty (Burbach et al., 1997: 86). Half of the investment flows to developing countries went to just three countries (China, Mexico, and Argentina). In addition, some investments had negative local effects. For instance, as diverse agriculture was converted into monocultures or to export-oriented flower plantations, self-sufficiency was undermined (Clinard, 1990; KIak, 1998).

Moreover, the core-periphery distinction is as relevant as ever. Its real meaning relates to power, authority, and the accumulation of wealth, where the gaps (asymmetries) are increasing. Although production (of certain items) is more dispersed, the concentration of power, control, and benefits has become more pronounced. In 1991, 81% of the world stock of direct foreign investment was in the core triad of the USA, the European Union, and Japan — up from 69% in 1967. The appearance of integrated markets also obscures the fact that 80% of all world trade is within the core triad, in which resides less than 20% of the planet’s population (Hirst and Thompson, 1996; Klak, 1998).

In Latin America, debt jumped from $230 billion in 1980 to $600 billion in 1997. Capital had been fleeing those countries up to the early 1990s, when net inflows were the result of casino capital — seeking short-term gains and likely to abandon those countries at the first hint of trouble. Consequently, new debts were created with a new round of borrowing (Robinson, 1998–1999). An important reason why developing countries cannot pay off their debt is that trade protectionism in the North has kept them from penetrating those markets. Trade liberaliza-
tion has been inconsistent in that rich countries demand more open markets abroad, while continuing to subsidize their own economic sectors, such as agriculture (Andreas, 1999; UNDP, 2000; Watkins, 1997). Compounding these problems, aid to poor countries has been cut back. Whatever assistance is offered comes with strings attached, including the reduction of state intervention, which could have softened the effects for the most vulnerable (Watkins, 1997; Woods, 1999). These policies further undercut food security, cause poverty, and increase economic and power asymmetries. For instance, the cost of living in the Caribbean and the U.S. is quite comparable. In 1997, however, per capita income in Trinidad and Tobago, the richest Caribbean state, was less than half that of Mississippi, the poorest U.S. state. The gap between skilled and unskilled workers widened even more: Haitian workers made clothing with Disney logos for less than 60 cents per hour, while Disney’s CEO made S9,700 per hour (Klak, 1998).

The claim of multilateral and even cultural influences also masks tremendous asymmetries. Even though we listen to reggae in the North, 95% of TV programs in St. Lucia come from the U.S. The most widely read newspaper in the Caribbean is the Miami Herald. Consequently,

U.S. affluence and opportunity, often romanticized, is especially well-known, deeply ingrained, and alluring to the Caribbean...[where] people are prone to set their living standard goals in accordance with what the U.S. media ascribe to the United States. And the imbalance in media flows is increasing with the Caribbean’s economic crisis and neoliberalism, as local media have been slashed (Klak, 1998: 11).

As dreams of consumption are disseminated, 86% of total private consumption expenditures is accounted for by 20% of the world’s people in industrialized countries (UNDP, 1998). For the people who live outside the consumption geographical area, big banks offer credit to only 10% of the people in developing countries, whereas ads for credit cards and consumer items are omnipresent (Barnet and Cavanagh, 1994). Well over one billion people are deprived of basic consumption needs. For hundreds of millions, basic sanitation, clean water, adequate housing, and health services are unattainable luxuries. Two billion people live on less than two dollars a day and 1.3 billion on less than one dollar a day (ICFTU, 2000). Struggling to survive, some decide to sell their body parts to make ends meet, which is the ultimate symbol of commodification (Schepere-Hughes, 2000).

A negative effect of the Internet is that it alters the relationship between our place of residence and our cultural preferences, experiences, and identities. A spreading global virtual reality disconnects locality from culture, weakens the bonds to particular communities, and estranges people from each other (Minda, 2000). Ladakh, a Himalayan province that prospered for a millennium despite harsh weather conditions, illustrates how (especially cultural) globalization dev-
astated local communities (Norberg-Hodge, 1996). In 1962, isolated Ladakh was linked to the rest of India by an army-built road. The modernization that began in 1975 took about a decade to change the pride Ladakhis felt until then into a collective inferiority complex. Tourism and the media conveyed a picture of wealth, technology, power, and work that was alien and irresistible to them. Village life by comparison began to appear “primitive, silly, and inefficient” (Ibid.: 35). Ladakhis felt ashamed of their culture and strove for consumer items that symbolize modern life, such as sunglasses and Walkmans. As Western educational standards penetrated Ladakh, the intergenerational learning experience that helped them provide for themselves in their rough terrain gave way to schools that used texts imitating Indian and British models that were completely irrelevant to their lives (e.g., figuring out the angle of the Tower of Pisa and learning how to keep a London-like bedroom tidy). There used to be no such thing as a “paying job”; there was no money economy. Gradually, however, unemployment — previously nonexistent — became a serious problem, because naturally available resources were abandoned, cheap imports made local farming redundant, and people flocked to the cities to compete for scarce jobs. Radios and TVs chased away the traditions of singing together and group story telling. The points of reference ceased to be real people living nearby, but geographically and socially remote ideals. Consumerism bred new “needs,” which could hardly be materialized. Family and other bonds disintegrated and divisions emerged between old and young, Buddhists and Muslims. The result was unprecedented violence, community breakdown, and anomie.

Criminogenic Effects: Systemic Strains and Global Anomie

What makes the ideology of the American Dream unique is a focus on money and material goods, a strong emphasis on “winning” (often, by all means), and success for everyone in a society where many opportunities for material advancement are available and plenty of “rags to riches” stories lend legitimacy and credibility to the egalitarian discourse. Legal opportunities, however, for achieving the lofty goals are inaccessible to most Americans. In such a consumption-driven culture, which highly values competition and individualism, the means-ends disjunction has entailed a significant criminogenic risk, much greater than in the rest of the world. Crime has been the flip side of economic growth, innovation, and better living standards for certain segments of the population. What sheltered other countries from this negative potential were things absent or minimized in the USA, such as rigid social stratification, low rates of social mobility, less materialism and time spent before TV boxes, safety nets for the underprivileged, more emphasis on other priorities (e.g., solidarity), etc.

This made it possible to explain the higher crime rates in the U.S. compared to other developed or developing countries. These protective factors, however, are now being gradually lost. Disjunctions between socially induced goals and legal
means are few in societies that do not encourage high social mobility. In such societies, people may not feel that they are lacking anything, even when they are "objectively" deprived. Economic or other asymmetries are unknown or not experienced and perceived as intolerable. Global neoliberalism breaks down societal barriers and encourages new needs, desires, and fashions. It promotes the adoption of nonmembership reference groups for comparisons that can be unfavorable and upsetting. New normative reference groups define what is "cool" to do. People’s ideals in the South and the East may not be about getting from "a log cabin to the White House." However, they are being systematically driven to abandon old ways and values in order to consume. They do not necessarily think that they can be "like Mike," but they do fancy those pricey athletic shoes. So, fresh normative and comparative models create new "needs," together with the expectation that the fulfillment of such needs is vital and achievable.

Yet, as needs and normative models are "harmonized," people become conscious of economic and power asymmetries, and directly experience their impact. Globalization and neoliberalism heightened this awareness, further widened the asymmetries, and fostered the interpretation of them as unnecessary and changeable. In the end, most people realize that the attainment of their lofty goals and lifestyles is beyond reach, if they are to use legitimate means. The success in spreading neoliberalism has brought about a series of failures: more poverty, bigger economic asymmetries, ecosystem deterioration, slower and unsustainable growth patterns. At the time that societies most needed the shield of the state to cushion these effects, welfare programs, safety nets, and other assistance to the poor (individuals, companies, and states alike) forcibly declined or disappeared. Thus, global neoliberalism systematically causes relative deprivation as well as absolute immiseration of masses of people. In effect, it has generated new sources of criminogenesis and removed existing antidotes to it.

All this provides multiple motivations for criminality, as many would turn left and right for solutions and illicit opportunity structures become more international and accessible. At the same time, many weak states lose their autonomy, come to depend more on international organizations and transnational capital, and are unable to cope with emerging crime threats from criminal enterprises and powerful corporations. So, globalization and neoliberalism replace the "egalitarian discourse" of the American Dream in the scheme represented in Figure 1 in a process occurring in the industrialized world, developing countries, and those in transition from Communism to market democracies. Nowhere are these results more clearly visible than in the former USSR.

**The Case of Russia**

No one argues that there was no appetite for consumer goods in the years of the USSR or that such goods were widely available. Crime, corruption, illegal markets, and even underground factories could be found behind the official facade

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of the command system before glasnost and perestroika, although black marketers were not numerous and lived modestly. The government turned a blind eye to these activities, because they served as a safety valve in an inefficient system (Gleason, 1990; Handelman, 1995; Naylor, 1999b). Discontent, enormous structural problems, and an inability to deal with them characterized the pre-transition years. This is particularly true for the 1960s, when Khrushchev pledged that the USSR would overtake the U.S. in the production of industrial goods by the 1980s. Yet, as inefficiencies precluded such progress, demands for more consumer items “from an increasingly educated, by now self-assured, population, started to put pressure on government...as a loyal expression of the citizens’ request for the gradual delivery of promised well-being” (Castells, 2000: 25).

In the 1990s, however, the rates of fraud, prostitution, drug trafficking and abuse, alcoholism, smuggling, white-collar crime, violence, and corruption skyrocketed (Castells, 2000; Handelman, 1995; Holmes, 1997; Lee, 1994; Shelley, 1994). To be sure, Russia is unique in the degree of chaos and disintegration that accompanied the transition to a market economy and the implementation of neoliberal reforms. Few countries have experienced the speed and intensity of privatization, deregulation, and the lack of political leadership and administrative skills we witness in Russia. Indeed, it is the closest we can come to a social state of anomie, without a total collapse and anarchy. This does not mean that Russia is atypical. Very similar, albeit less intense, processes have occurred throughout the world (Lee, 1999; Mander and Goldsmith, 1996; van Duyne et al., 2000). Nevertheless, precisely because it is such an extreme case, it illustrates the theoretical points made here and the process toward anomie and economic crime.

Enter Neoliberalism

In the 1985 to 1989 period, reforms took place while the Communist Party was still in control. The Law on Cooperatives (1986) and the Law on Individual Labor Activity (1987) paved the way for further reforms, such as legalization of small businesses in 1989. Between 1990 and 1991, the USSR Supreme Soviet, with Yeltsin as chairman, introduced laws that made state and private enterprises equal, allowed state companies relative independence from government managers, abolished most restrictions on property bought by citizens, promoted privatization, and allowed foreign companies to operate in Russia. Such reforms did not take place at the same pace throughout the USSR. This set Russia apart from the Union and Yeltsin from Gorbachev. Legal asymmetries made the task of law enforcers impossible, as they did not know which laws to prioritize and apply (Afanasyef, 1994). Up to the 1991 coup and the collapse of the USSR, reforms were cautious and gradual, and had not challenged the core of the command economy system. Following the failed coup and under Yeltsin, however, this changed dramatically. Demagogy and erroneous judgments on the feasibility of a swift transition to a market democracy compounded the problem. The Russian government was
warned of the dire consequences of a speedy transition to a market economy without previous establishment of the necessary institutions and legal infrastructure. The chairman of an international advisory committee, which repeatedly issued warnings in 1992, was told that “forces in the Kremlin” favored a less “regulatory approach that would provide greater freedom of manoeuvre. Gaidar, supported by the IMF, believed firmly in the intrinsic capacity of market forces to remove obstacles by themselves, and people could use their vouchers to acquire shares” (Castells, 2000: 188). Prices were liberalized, imports and exports became free, domestic trade restrictions were abolished, government intervention was minimized, and public property was massively privatized. By June 1994, officials were self-congratulatory over the fact that 70% of state assets had passed into private hands (Kuznetsova, 1994).

New Normative and Comparative Referents

The reforms initiated by Andropov and Gorbachev (perestroika and glasnost) allowed some freedom of speech and openness that let globalization and media influences into the USSR. The post-1991 changes, however, offered new hope out of the severe problems people were facing. Russian leaders fostered heightened aspirations by declaring that the country would soon be modernized and join the “civilized world.” Authorities in the former Soviet republics made the same promise, arguing that “'since we got rid of the Russians,' all obstacles to prosperity have been removed and Western standards are within reach” (Burbach et al., 1997: 118). There were forceful and impressive presentations of consumerist lifestyles as “desirable,” “modern,” and feasible. Distant comparative and normative referents were thus promoted by the media and advertising. Indeed, the yearning for Western lifestyles and consumption items made the initial acceptance of neoliberalism by the population much easier (Ibid.). Neoliberalism strengthened that desire and made consumerist dreams appear realistic. Even young Russians now would like to be like Mike and wear the same type of shoes or eat the same breakfast. As Glinkina (1994: 385) put it, an important factor contributing to the criminalization of the economy has been “a drastic stratification of the population’s standard of living with a simultaneous loss, in a considerable part (especially among the youth), of socially important goals — replacing them with consumption ideals....”

It must be noted that the normative shift was far more radical in the former USSR and Eastern Europe than it was in Third World countries. The transition from socialism to capitalism by overzealous authorities espousing the new dogma of neoliberalism has had its own direct anomic effects, as will be seen below.

The Consequence: Means-Ends Discrepancies

The worldwide consequences of neoliberal policies were replicated in Russia. However, the effects have been far more disastrous than elsewhere: lower
productivity, high unemployment, much steeper inequalities, increased levels of absolute poverty, disappearance of familiar safety nets, and administrations paralyzed by ineptness and corruption. The ensuing means-ends discrepancies are far more than a theoretical construct. They are painfully experienced by large numbers of people who realize that they simply cannot attain their goals. Within one year, inflation wiped out most people's life savings, while the buying power of most wages dropped to the level of the 1950s. In the winter of 1993, funds were often insufficient to heat residential buildings (Burbach et al., 1997; Handelman, 1993).

As a new bourgeoisie emerged from the ashes of the Communist regime, one-third of the population became impoverished. The gap between the rich and the poor opened up suddenly and grew out of proportion. Official data indicate that in 1994 the difference between them was elevenfold. Researchers argue that the difference between the top 10% and the bottom 10% is 28-fold (Kuznetsova, 1994). Even the chair of the Privatization Commission admitted that the process created “pauper-proprietors” who “cannot survive without state protection” (cited in Burbach et al., 1997: 120).

Relative and Absolute Deprivation

The rising expectations of the 1960s led to disenchantment with Communism and paved the way for radical social change. The abandonment of the Soviet conservative model and very rapid implementation of neoliberal policies fueled hopes that a much better future was within reach. Russians rejected rigid stratification and strove for a socially mobile ideal. As has been noted,

[the middle classes] believed that capitalism could offer even more. Thus, the modernization that had been promised by the neoliberals was perceived by the majority of the population as the modernization of consumption.... The Western model of consumption has finally triumphed, at least in the main cities. But for the majority of the people, the price is that even the former Soviet way of life has become an unattainable dream (Burbach et al., 1997: 124).

The aspiring yuppies have ended up as “dummies,” while a growing polarization makes them see a few of their compatriots enjoy luxuries attained by looting the remnants of the former USSR.

Thus, the post-Soviet Russian dream turned out to be a nasty nightmare (Handelman, 1995). As happened in many other countries, austerity, belt tightening, and lower (in some cases, no) salaries were imposed as consumerism took hold. The impact of these experiences on personal feelings is much more widespread, intense, and unpleasant due to the higher expectations. Even people who are not objectively deprived now feel relatively deprived. Comparisons between their present and past situations are unfavorable: “Formerly privileged
sections of the Russian population, such as teachers, doctors, miners, and workers in the oil and gas industry, went on strike, for they could no longer survive on 50 to 70 dollars per month salaries" (Burbach et al., 1997: 125–126).

East-West political and administrative asymmetries, economic asymmetries, and relative deprivation in the aftermath of the collapse of the USSR and disillusionment with Western policies and capitalism have been clearly crimino- genic (Handelman, 1994; Shelley, 1994). Motives for various types of crime became abundant, illegal opportunity structures multiplied, and control systems have been seriously damaged and undermined. The Mertonian category of "conformity" has almost become a rarity, as crime rates increased sharply. Even worse is the problem of economic crime. Recorded economic crimes rose almost 23% during the first seven months of 2000, compared with the same period in 1999 (Radio Free Europe/Radio Liberty, August 17, 2000). Strains and discontent have translated into a range of predatory misconduct, corruption, political violence, a variety of illegal markets, and expressive misconduct.

Search for Solutions and Anomie

In this context, many can be expected to "innovate," to employ illegal methods for survival or the satisfaction of their basic and newly acquired needs. Methods range from petty property crimes and prostitution to criminal enterprises and white-collar crime, depending on the social position of the offender. An electronics engineer, for example, could not live on his three dollars per month and moonlighted as a taxi driver. When his taxi broke down, he turned to selling poppy straw (OGD, 1996). Unpaid and depressed professionals with access to more valuable commodities, such as nuclear material, pose an even more serious threat (Lee, 1999). Consumerist teasing increased demand for goods made unavailable (e.g., cars or electronics) by the economic collapse, fueling smuggling operations, black market networks, and associated illegal enterprises. Shortages of other desired goods are artificially created by quickly adapting entrepreneurs.

Similar conditions outside Russia explain the illegal car trade between Eastern and Western Europe (van Duyne et al., 2000) and the illegal trade in various commodities between China and Hong Kong before unification (Vagg, 1992). In Russia, many took advantage of such supply-demand asymmetries, including the *vory v zakonye* (commonly described as "thieves in law"), who had been the dominant type of professional offenders in the USSR. Structural changes and globalization, however, brought about more competition from ethnic groups (Armenians, Azeris, Chechens, Georgians, etc.) in drugs and arms trafficking, as well as from loose and ad hoc associations of criminals in certain locations or industries. Unsettling reports assert a symbiotic relationship between criminal groups and active or retired intelligence officials. Deteriorating economic conditions have facilitated recruitment for employees in growing illegal markets.
Criminal enterprises, for instance, have “...invested heavily in the opium business, financing much of the new cultivation by hiring peasants and even entire villages to plant and protect the poppy crops” (Lee, 1994: 401).

Another source of criminal opportunities sprang from the disintegration of institutions and the disarray in law enforcement. Legitimate businesses are exposed to blackmail and other criminal victimization, but the authorities are unable to assist them. Consequently, many domestic and foreign companies deal with criminal groups and seek their protection, rather than rely on the government (Lee, 1994). Not surprisingly, the majority of Russian experts consider the strengthening of criminal groups to be a “very significant” social consequence of the market reforms introduced in 1992 (Afanasyef, 1994).

Other illicit opportunities were furnished by the privatization process, such as selling state assets at extremely low prices or driving down the prices of privatized companies so as to cheaply purchase vouchers owned by individuals desperate to make ends meet. Privatization in countries with an existing bourgeoisie and experienced managers and entrepreneurs facilitated certain corporate crimes and abuses of power by respected professionals. In Russia, the mix of offenders was different: former company directors, the nomenklatura, professional criminals, and new entrepreneurs with a black market background (Glinkina, 1994; Kuznetsova, 1994; Shelley, 1994). The attempt of former Communist officials to dominate this field did not prove lasting. Many were not competent to run private businesses and had to sell them or lose control. The main beneficiaries seem to be former black marketers and outsiders to the old order (Naylor, 1999b). The abuse of privatization has had an anomic effect as the impunity of offenders became widely known, to the point that Russians began to refer to privatization (privatizatsiya) as prikhvatizatsiya, which means “grabbing” (Handelman, 1995: 104).

Crime and corruption in the midst of privatization fervor are not unique to Russia. (On other previously Communist states, see Popescu-Birlan, 1994; on Latin America, see Saba and Manzetti, 1996–1997.) As a former World Bank official put it, “everything we did from 1983 onward was based upon our new sense of mission to have the south privatized or die; towards this end we ignominiously created economic bedlam in Latin America and Africa” (cited in Katona, 1999). Another similarity with other parts of the world is the degree of authoritarianism that accompanied neoliberal policies. While stimulating rapid accumulation of private capital, the role of the state is reduced to implementing financial austerity. When people started to oppose such measures, “Yeltsin resorted, with Western support, to establishing a semi-authoritarian regime. Making Russian ‘reformers’ invincible to political and legal challenges inside the country contributed to further criminalization of the Russian State, which acquired an oligarchic character” (Beare, 2000: 6). As similar processes occurred around the world, from Pinochet’s Chile to Suharto’s Indonesia, one wonders if such reforms would have been possible in a democracy.
Legal organizations also "innovate" by cutting corners and breaking the law due to the environment created by unsystematic legal reforms. Unable to navigate a sea of legal gaps and inconsistencies, "...most managers of private as well as state-owned enterprises cannot run their businesses without committing crimes" (Afanasyef, 1994: 437). Many companies cannot handle the competitive challenges generated by globalism and require state protection. The subsidization of privatized companies, however, introduces further regulatory and price asymmetries that foster the smuggling of goods across newly created borders within the former USSR (see below on nonferrous materials). Enterprises that do not enjoy state intervention are at a disadvantage and may be forced into bankruptcy or crime as a last resort. This is analogous to the situation in all countries that abolish trade barriers, let transnational corporations in, and eliminate preferential treatment for domestic industries.

High-level corruption and banking crimes have become quite common, as the networks of mobsters, financiers, businessmen, and high-level officials extend beyond Eurasia (Beare, 2000). The ongoing investigations into billions of dollars (possibly IMF-provided funds) laundered through the Bank of New York have expanded to include British, Swiss, and Italian entities and actors.

Moreover, pyramid schemes and other frauds have devastated gullible investors, as is the case with other post-Communist countries. Independent Oil, Lenin Trade and Financial Corporation, Aldzher (a security corporation), and other companies defrauded more than a million depositors and investors. Just as the Lincoln Savings and Loan frauds were committed in midst of obsessive deregulation in the U.S. against "the weak, the meek, and the old," Russian pensioners have been the main fraud victims (Glinkina, 1994).

Economic asymmetries among countries produce another set of criminal opportunities, as many become strongly motivated to flee the problem and search for a better future in the West, where the "goodies" are available. However, neoliberalism has promoted the free movement of everything but labor. Quotas and restrictions in promised lands generate demand for illegal services such as the smuggling of humans (Chin, 1999). This leads to opportunities for criminal exploitation, corruption, child/cheap labor, slavery, and forced prostitution.

Women, who are increasingly breadwinners but make up two-thirds of the newly unemployed in Russia, are even more vulnerable in this respect. Economic desperation drives many of them to prostitution or high risk taking. Lack of opportunity makes Russians and East Europeans softer targets for human traffickers. They are more likely to be lured to the West with promises of well-paying, respectable jobs only to end up blackmailed, beaten up, and forced into prostitution (Bruinsma, 1999; Shelley, 1994). The same problems faced by Thai, Mexican, and other women in the U.S. have led to a public hearing before the House Subcommittee on International Operations and Human Rights (September 14, 1999).
Relative deprivation and experience of injustice have a revolutionary potential too. International communications convey the message that injustice and inequality are avoidable. Events in one corner of the earth affect feelings and encourage people elsewhere to rebel against aggression. This may inspire change and foster rebellion. Just as the ideals of the French Revolution led to rebellions in the Balkans against the Ottoman rule (Hovannisian, 1994), the independence of the Baltic states and the U.N. response to Iraq’s invasion of Kuwait inspired the East Timorese to fight against the Indonesian autocratic rule (Dunn, 1994). The uprising of Zapatistas in Mexico was deliberately started on January 1, 1994, the day NAFTA went into effect, “as a highly symbolic way to protest neoliberalism and globalisation in Mexico and Latin America” (Robinson, 1998-1999: 123–124).

Repressed nationalism, globalism, and bad times have jointly contributed to several armed conflicts and rebellions in the former USSR (the Caucasus, Moldova, Crimea, Tajikistan, and Chechnya). Rebellion and illegal markets become interconnected, as armed conflicts necessitate training, weapons, intelligence, and financing. The cases of Chechnya, Tajikistan, Afghanistan, and Colombia show how political revolts are associated with corruption, money laundering, the traffic in arms, drugs, and even nuclear material and other crimes that go unpunished (Kuznetsova, 1994: 445; Lee, 1999; Naylor, 1999b; OGD, 1996). Chechnya, which survives thanks to donations from criminal organizations based in other parts of Russia, has become such a paradise for these activities that some depict the war there as “a crusade against a ‘mafia republic,’” while others think of it as “a conflict between opposing criminal elites for the control of oil and the financial resources held by the government in Grozny” (Politi, 1998: 44).

Finally, “retreatism” is the only option left to those lacking access to illegal opportunities or who are unwilling to assume the associated risks of violence and arrest. Hence, expressive crimes could be expected. More important, the rates of alcohol and drug abuse (further facilitated by the decriminalization of drug use in Russia in 1991) increased geometrically, especially in the cities, and fueled the demand for things provided in illegal markets (Lee, 1994; OGD, 1996).

Anomie

The transition from a command to a market economy practically legalized large parts of the black market and made legal business dependent on criminals’ protection. The dismantling of borders and increased contact among previously isolated ethnic groups contributed to the formation of new, wider networks of illegality (Politi, 1998). The result was that one could hardly tell criminals from businessmen, particularly when some outlaw groups act on instructions from government officials or the police (Handelman, 1993). Given official efforts to ensure that the transition to a market economy would occur before substantial opposition could build and that the changes would be irreversible, too many shady
actors were allowed to take advantage of this official shield (Glinkina, 1994; Naylor, 1999b). In this light, common views on government-criminal interfaces and symbiosis are plausible, although difficult to prove. Surveys in 1994 showed that the concern of Russians over organized crime was second only to their fears of triple-digit inflation (Afanasyev, 1994). At the perceptual level, therefore, this interface is real and has real consequences: demoralization and anomie.

The corrupted process of privatization has generated widespread rationalizations, such as, "it is OK to steal from the state" or "everyone is doing the same thing." Taking an example pointing to international security risks, Lee (1999: 21) has noted that, "perhaps the most serious problem is the growth of a privatization mentality within the nuclear complex. Economic reform has meant a license to steal. This has resulted in broad systemic corruption and a variety of insider threats and conspiracies."

An additional sign of anomie is what has been described as a "culture of urgency" among young killers:

For them there is no hope in society, and everything, particularly politics and politicians, is rotten. Life itself has no meaning, and their life has no future…. So, only the moment counts, immediate consumption, good clothing, good life, on the run, together with the satisfaction of inducing fear, of feeling powerful with their guns (Castells, 2000: 210).

Only effective social controls can halt the process toward further deviance and a higher degree of anomie (deviance without strain). Unfortunately, in Russia and elsewhere, a decreased level of autonomy for certain states, the increased power of international organizations and transnational corporations, and dysnomie add to the fuel.

Dependence, Deregulation, and the Race to the Bottom

"Just between you and me, shouldn't the World Bank be encouraging more migration of the dirty industries to the LDCs (lesser developed countries)?" "I think the economic logic behind dumping a load of toxic waste in the lowest wage country is impeccable and we should face up to that…. I've always thought that underpopulated countries in Africa are vastly under-polluted; their air quality is vastly inefficiently low compared to Los Angeles or Mexico City" (1991 memo attributed to World Bank official Lawrence Summers, who later became U.S. Secretary of Treasury; it is widely believed that he did not write it, even though he has accepted responsibility for it. At any rate, this illustrates the neoliberal mindset).

The loss of autonomy and reduced sovereignty of the state relative to capital referred to earlier (Korten, 1996; Watkins, 1997) is particularly acute in the former
Communist countries. Speculative capital will quickly flee each country at the first sign of trouble or wavering over neoliberal reforms. External debt grew in all former Communist countries, but especially in Russia, which bears the marks of African-like dependent capitalism and "colonial subjugation. The country exports fewer and fewer industrial products and more and more raw materials. Meanwhile, it imports low-quality mass consumption goods, obsolete and hence cheap technology, luxury items and radioactive waste" (Burbach et al., 1997: 120–121). An instance of the direct and blatant interference of foreign governments and transnational corporations in domestic matters was when Chase Manhattan urged the Mexican government to crush the Zapatista rebellion to calm down U.S. investors (Silverstein and Cockburn, 1995; see also Clinard, 1990).

Ironically, the higher degree of dependency in the South and East has lowered the accountability of politicians and corporations. They can now blame globalization for the loss of jobs and lower wages, and prescribe more "efficiency," deregulation, short-term austerity, and declining levels of public spending so as to keep capital in place or attract more. Thus, economic and political leaders appear to be protectors of the public interest and a stabilizing force, while they dismantle existing safety nets (economic neoliberalism has also undermined political liberalism; Klak, 1998).

The Russian government's aversion to regulation (Glinkina, 1994) is observable in other countries, where deregulation turned into competitive deregulation and a race to the bottom. Even in the U.S., the savings and loan disaster and the asymmetric regulation of hazardous wastes demonstrate how criminogenic this process has been. This made it possible to dump legally in Pennsylvania what was prohibited in New Jersey, in what has been termed "crimes without law violations" (Passas, 1999). Such crimes are most likely in the global context given the overwhelming influence of TNCs over national laws and macroeconomic policies. This has prompted some to speak of "rationalized corporate colonialism" (Mander, 1996). Such asymmetries of power make for legal norms that allow overseas that which is, for good reason, criminalized in the baseline (e.g., toxic waste dumping, testing drugs on humans, bribery, tax evasion, as well as the patenting of life forms by biotechnology companies and other outrageous practices) (see King and Stabinsky, 1998–1999; Shiva, 1997). The legal asymmetries and uneven power of transnational corporations that create or perpetuate these and other asymmetries give rise to crimes without law violations. Thus, entire countries become vulnerable to victimization by TNCs, a significant problem that is often neglected in conventional discussions of transnational crime. The volatile combination of low wages, bad working conditions, tax breaks only for the rich/corporations, lower environmental standards, deregulation, and less corporate and political accountability with the government relegated to the protection of the international free trade system has predictably made for crises (e.g., Korea, Malaysia, Indonesia, Mexico, and Brazil). It also makes for dysnomie.
Dysnomie and Further (Global) Anomie

Dysnomie literally means "difficulty to govern" and obtains when the following three conditions are present: a lack of a global norm-making mechanism, inconsistent enforcement of existing international rules, and the existence of a regulatory patchwork of diverse and conflicting legal traditions and practices. Russia is in this respect a microcosm that reflects what is happening in the entire world.

Since reforms took place at an uneven pace in each Soviet Republic, an asymmetry grew wider following the collapse of the USSR. In addition, this collapse suddenly created thousands of miles of new borders that had to be policed, just as state resources were diminished. This made for porous borders that offered no resistance to smugglers. This is how Estonia became the largest exporter of nonferrous materials, even though it does not produce any (Glinkina, 1994). Extensive legal changes accelerated the transition to a market economy, but they were marked by inconsistencies and lacked the necessary legal and institutional infrastructure (Handelman, 1995). For example, the law against private entrepreneurship and commercial mediations was repealed only on December 5, 1991. The law against black market transactions, which defined them as "the buying up and reselling of goods or other items for profit-making," was first amended in February 1990 to increase penalties for certain offenses, was then officially reinterpreted to refer only to trade in commodities sold at state-fixed prices (October 1990), and was finally repealed in February 1991 (Afanasyef, 1994: 429). Lack of resources made the problem worse, as underpaid, ill-equipped, and outgunned police could not be expected to do an effective job.

Weak controls allow criminals to get away and to regard themselves as successful. Deviant "solutions" came to be seen as keys to "success." Successful deviance then becomes a normative referent, contributing to a wider normative breakdown and overemphasis on goals at the expense of normative means. In the context of massive cultural shifts — from the criminalizing of private profit and the hiring of labor outside the household to making them central values for a new social order — the sense of right and wrong became fuzzy. As the deputy minister of Internal Affairs admitted at a 1992 press conference, "even our specialists find it difficult to determine the legal from the illegal — to determine, for instance, what is profiteering and what is honest trade" (cited in Handelman, 1993). Corruption grew so much that up to 30% of illegal gains are reportedly paid to government officials (Glinkina, 1994; Lee, 1999). In the end, distinctions between white-collar crime, organized crime, corruption, and legitimate business are almost impossible to make. Lawbreaking behavior and success are fused. As a businessman told Handelman (1995: 139), "the truth is, everything you see around you, all our success, is not thanks to our wonderful economic laws. It's thanks to the fact that we do not obey them."
Dysnomic conditions also bring about anomie at the global level. As argued elsewhere (Passas, 1999), international law is more essential now than ever for the maintenance of world order and security. Yet, big powers are reluctant to contribute to the required pooling of sovereignty and have been blocking the development of an international criminal code and specific legislation to restrain their corporations. Dependent on rich countries for its operations, the U.N. has not been overly aggressive in pursuing these aims or in establishing a permanent international criminal tribunal. Globalism has thus run ahead of the creation of a desperately needed normative and enforcement infrastructure.

Existing international laws are applied selectively and never against one of the permanent members of the U.N. Security Counsel. This ad hoc approach and the extraterritorial application of national laws undermine the legitimacy of current laws and procedures. We are left with a legal patchwork of inconsistent and conflicting rules. An example of the effect of such asymmetries is the secrecy and anonymity available in certain jurisdictions that hinder investigative work by covering the tracks and proceeds of global offenders, de facto shielding them against prosecution and punishment. By exploiting the cracks between diverse state rules, companies continually commit crimes without law violation. Globalism also leads to a relativization of norms and facilitates law violations with a clear conscience (rationalizations and techniques of neutralization).

Finally, the border-policing problem in the former USSR is not unique, even if the underlying causes were specific to it and other European countries (Yugoslavia, Czechoslovakia). More generally, borders become porous, as technology and mobility enabled people, money, goods, and ideas to travel quickly and cheaply. Criminals can take advantage of this shrinking world, but law enforcement agencies are constrained by parochial laws and procedures. Though the reasons for the porosity may differ, the process and results are the same.

Conclusion

Tremendous structural strains have overwhelmed even the usually patient and submissive Russians. The economic situation deteriorated further, hopes were dashed, opportunities for criminal gain and for looting the USSR’s assets multiplied, and the anomic societal context offered no assistance to anyone seeking to restore some law and order. In Russia and around the world, the neoliberal operation was successful, but the patients are being systematically frustrated, are starving, and subject to exploitation by corporations, criminal enterprises, and corrupt politicians. In short, globalization and neoliberalism spread analytically similar criminogenic processes that were once unique to the U.S. culture of the American Dream in a context of structural inequalities. Just as the world supposedly became freer, wealthier, more democratic, more enjoyable, and more equal, people find themselves poorer, more exploited, and facing increased hardships. Just as the need for strong normative guidance grows, norms break down or lose
their legitimacy. Just as effective controls become necessary to slow down or stop the vicious cycle leading to higher rates of crime, a dysnomic regulatory patchwork remains in place largely because of nationalist insistence on sovereignty and states' unwillingness to allow the introduction of common principles and law enforcement mechanisms.

Two main points need to be reiterated here. First, it appears that global neoliberalism and serious crime go hand in hand. However, it would be erroneous to argue that stereotypical organized criminals are giving capitalism a bad name and undermining neoliberal policies. The implication is that, were we to rid ourselves of some very bad apples, everything would be fine. Rather, it appears that serious organizational misconduct is a consequence of such policies. Second, when we discuss transnational crime, we should bear in mind that it is not just the stereotyped ethnics who cause most problems. It may be that the biggest threat emanates from legitimate corporations and other organizations.

Detailed discussion of policy implications is beyond the scope of this article. The horizontal arrows in Figure 1 hint at the points of possible policy intervention. Myriad concrete ideas can be found in the literature, ranging from legal changes to informal controls, grass-roots movements, integration of economic growth with environmental and social protection, relocalization of production and consumption, etc. The most important ray of hope, however, is implicit in the foregoing analysis. Neoliberal policies and globalization are largely the fruit of (some) governments. They affect and are affected by governance. Therefore, governments have the ability to reverse some of these processes and to mitigate their adverse consequences. Otherwise, the current processes of globalization and neoliberalism will prove to be unsustainable and at a huge cost.

**Figure 1:**

**Social Processes Leading to Anomie and Deviance**

- Egalitarian discourse, consumerism, competition
- Socially distant comparative and normative reference groups
- Ends-means discrepancy (power/economic asymmetries)
- Perception of injustice, relative deprivation, strain
- Anomie: rationalizations, deviant solution (overemphasis on goals)
- Anomie: deviant subculture (normative referents)
- Deviance without strain

The horizontal lines point to policy implications. This is where interventions can be attempted in order to block this process and prevent misbehavior. In the context of neoliberal globalism, they represent criminogenic influences.
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