

Political-criminal-business nexus in Georgia and Kyrgyzstan

Comparative analysis

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Introduction

The ‘coloured revolutions’ in post-Soviet Eurasia raised much debate in international society and have been called democratic processes or the fourth wave of democratisation. However the level of democracy of these events, as well as the use of the term ‘revolution’ still need to be determined. For instance, Georgia has witnessed unprecedented pressure on its free press and a deterioration in the human rights situation after the ‘Rose Revolution’ of 2003, while increased corruption and more active organized crime has become evident in Kyrgyzstan since the ‘Tulip Revolution’ in 2005. Furthermore it is still not clear whether there has been a radical break with the past in the post-revolutionary period, especially in Kyrgyzstan.

In the post-revolutionary chaos, the Kyrgyz government faced the problem of unlawful seizures of land and private businesses.¹ Allegedly over 1,300 businesses were damaged during the revolution, resulting in losses of at least one billion som (around 24 million US dollars).² Besides, the increasing violence and assassinations of MPs and consequent protests with the demand for the resignation of the Kyrgyz Prime Minister have no analogy in the case of Georgia. In Kyrgyzstan three parliamentary deputies have been killed along with a top Kyrgyz wrestler who was shot in January 2006 in an apparent contract killing.³

¹ Koichumanov T., Otorbayev J., Starr F.S., Kyrgyzstan: the path forward, Silk Road Paper, November 2005, Central Asia – Caucasus Institute, Silk Road Studies Program. p. 17

² Kyrgyzstan recalls the day Justice Triumphed, *Institute for War & Peace Reporting*, Reporting Central Asia, No. 439, March 20th 2006

³ Press freedom fears in Kyrgyzstan, *Institute for War & Peace Reporting*, Reporting Central Asia No. 431, January 22nd 2006

In August 2005, Sherqozi Mirzokarimov the First Deputy Minister of Internal Affairs of Kyrgyzstan acknowledged an increase in crime since the revolution and commented that “the old leadership didn't know how to govern in new ways... and the new leadership hasn't firmly established its control yet”.⁴ A number of figures with widely known criminal reputations have displayed an interest in participating in state politics.⁵ Prime Minister Kulov has mentioned the intertwining of criminals and law enforcers.⁶

On the other hand in Georgia new anti-corruption legislation has been passed and several laws modelled on the American RICO⁷ and Italian anti-mafia legislation have also been enacted. The law criminalized the fact of being a 'thief in law' (*vor v zakone*) and also stipulated confiscation of property illegally owned by professional criminals. As a result, many thieves have been sent to prison and more than 127 criminal cases under this law are under investigation.⁸ The assets of some influential criminals have already been confiscated, for instance those of Shakro Kalashov and the assets of more than 16 'thieves in law' will be seized in the near future, according to the Ministry of the Interior.

This article is an attempt to explain the variations between the two cases. The crucial questions are why organized crime has skyrocketed in the post-revolutionary setting in Kyrgyzstan and why the reverse has happened in Georgia? Why has the re-distribution of the spoils been a violent process in Kyrgyzstan and not in Georgia? This paper concentrates on the political-criminal-business nexus in Georgia and Kyrgyzstan and discusses the impact of the revolutions on this nexus. It is argued that the strength/weakness of political opposition to pre-revolutionary elites, instability of the political scene and involvement of organized crime in the revolutionary processes among others, are the main factors explaining the post-revolutionary developments in the two countries.

The 'Rose and Tulip' revolutions

⁴ Mirzokarimov quoted in *Kyrgyzstan: A Faltering State*, Asia report N 109, December 16th 2005. p.16

⁵ Marat E., Impact of the Drug Trade and Organized Crime on the Functioning of the State in Kyrgyzstan and Tajikistan in *The China and Eurasia Forum Quarterly*, Volume 4, No. 1, Central Asia-Caucasus Institute & Silk Road Studies Program, February 2006. p. 98

⁶ Kulov quoted in *Kyrgyzstan: A Faltering State*, Asia report N 109, December 16th 2005. p.17

⁷ The Racketeering Influenced and Corrupt Organizations Act, a federal statute originally enacted in 1970 in the USA

⁸ Interviews with police officers, August 2006 Tbilisi, Georgia

Both the 'Rose' and 'Tulip' revolutions were considered anti-corruption movements and mainly rampant corruption, clan structures and well-established organized crime, prompted the mobilization of the masses against the ruling elites, ultimately bringing down the regimes and replacing them with opposition leaders. Thus the very nature of the revolutions themselves implies increased pressure on subsequent governments to fight crime and corruption.

For analytical purposes, the 'Rose' and 'Tulip' revolutions will not be treated as revolutions but as regime changes. Regimes here refer to the formal and informal organization of the centre of political power, and of its relations with the broader society. A regime determines who has access to political power, and how those in power deal with those who are not.⁹ People studying regime changes differentiate between first and second transitions: the first implies a transition from authoritarian rule and the second, a transition to the consolidation of democracy.¹⁰ The second transition in terms of the conditions facilitating its enactment seems to be helpful in explaining the Kyrgyz and Georgian cases, what this paper calls "transitions after transitions". However it is still unclear if the regime changes in these countries will lead to the consolidation of democracy. As one Kyrgyz scholar mentioned "it is difficult to judge in a few years whether it was a revolution. The long-term consequences have to be taken into account".¹¹

The significant factor having implications for post-revolutionary developments in organized crime is the extent to which organized criminals have been involved in the revolution. If in Kyrgyzstan the key role of several influential criminals and drugs barons in organizing and financing anti-Akaev demonstrations is apparent, in Georgia these kinds of cases are confined to low-level complicity. For instance in Georgia a person linked to organized crime helping the anti-government uprising in Kutaisi, Western Georgia became a Deputy Mayor shortly after the revolution.¹² On the other hand in Kyrgyzstan, Rysbek Akmatbaev and Bayman Erkinbaev, notorious criminals and the key players in the 'Tulip Revolution', gained unprecedented power and influence in the post revolutionary setting.

Some analysts viewed the 'Tulip Revolution' as a battle between pro-Akayev regional clan and family groups, which together constituted the political and economic elite, and other

⁹ Fishman R., Rethinking State and Regime: Southern Europe's Transition to Democracy, *World Politics* 42, April 1990: 428

¹⁰ O'Donnell G., Transitions, Continuities and Paradoxes in Mainwaring S., O'Donnell G. and Valenzuela J.S., *Issues in Democratic Consolidation, the New South American Democracies in Comparative Perspective*. University of Notre Dame Press, 1992; p.18

¹¹ Interview with Bakit Beshimov, Deputy Rector of the American University in Central Asia, May 3rd 2006, Bishkek, Kyrgyzstan

¹² Interview with a representative of the Ombudsman's Office of Georgia, August 2006, Tbilisi, Georgia

regional, clan and family groups that felt deprived of their share of political and economic power.¹³ Experts argue that this event was more “a reshuffling of elites with the ineffectual and insufficiently resolute Akayev regime being shouldered aside”.¹⁴ Allegedly, with the support of a number of southern political figures, including an adviser to the President Usen Sydykov, Bakiyev was lobbied to head the opposition bloc in November 2004. As another opposition leader Roza Otunbayeva claims, the eldest Kyrgyz statesman from southern Kyrgyzstan, Absamat Masaliyev, informally promoted Bakiyev.¹⁵

Most of the respondents the author interviewed in Kyrgyzstan noted that the events of March 2005 showed strong signs of a *coup-d’etat*. Furthermore no significant reforms have been implemented and no major changes have been observed in Kyrgyzstan unlike in Georgia and that is also reflected in the peoples’ attitude and indicates a pure ‘reshuffle of the elites’ rather than a radical break with the past.

The nature of the Georgian 'Rose Revolution' is also contested. Some experts, especially from the legal field, argue that it was a *coup-d’etat*¹⁶, however in Georgia significant transformation can be seen in all branches of public life and reforms are underway, some of them quite successfully. For instance in Georgia GDP increased from 3,937 to 5,091 million USD in 2004,¹⁷ and the economic growth rate was 9.4 % in 2006,¹⁸ while in Kyrgyzstan GDP shrank in 2005 and the GDP growth rate was only 2.7% in 2006 compared to 7.0% in 2004.¹⁹ As a result Kyrgyzstan could not cope with its economic problems and in March 2006 the Kyrgyz government addressed international financial institutions expressing its readiness to join HIPC²⁰ placing Kyrgyzstan on a par with Africa’s poorest countries.²¹ Thus Georgia has done fairly well, while the economic growth of Kyrgyzstan has slowed.

Both the Georgian and Kyrgyz revolutions followed rigged parliamentary elections. Georgia held new parliamentary elections, while Kyrgyzstan kept its old legislature. As a result, some of the “criminal bosses have remained free and continue to enjoy parliamentary

¹³ Nichol J., *Coup in Kyrgyzstan: Developments and Implications*, Congressional Research Service, April 14, 2005

¹⁴ S. Blank, Kyrgyzstan’s weakness and Central Asia’s security, Central Asia-Caucasus Analyst, Wednesday / November 1st 2006

¹⁵ E. Marat, 2006, p.90

¹⁶ See for instance L. Esadze, Georgia’s Rose Revolution: a people’s anti-corruption revolution? In L. Shelley et al., *Organized crime and corruption in Georgia*, Routledge 2007, forthcoming

¹⁷ Newnations.com, Georgia country profile

¹⁸ Georgia profile, economic indicators; http://www.investinggeorgia.org/georgia/economic_indicators

¹⁹ Interview with Rakhat Khasanov, Investment Adviser to the President of Kyrgyzstan, March 29th 2007, Bishkek, Kyrgyzstan

²⁰ Heavily Indebted Poor Countries Initiative

²¹ Kyrgyzstan grapples with huge debt, Institute for War & Peace Reporting, Reporting Central Asia No. 440

immunity”.²² The Kyrgyz Parliament consisted of cronies of former President Askar Akayev and local potentates who simply bought themselves seats and were linked to illegal business and organized crime.²³ The new political elite opposed the idea of dissolving the parliament comprised predominantly of pro-Akayev figures. Dissolving the parliament formed during Akayev's time would result in a rapid deterioration in domestic security due to some of the lawmakers' connections with the criminal world.²⁴ Hence, the new authorities avoided further destabilization on the political scene and decided to keep the existing Jogorku Kenesh (Kyrgyz Parliament).

In Georgia the parliament was re-elected, however the results of the majority ballot have not been annulled and the deputies elected to city councils in the November 2003 elections have remained in parliament. Some unconfirmed allegations suggest that as a result several MPs may be linked to Tariel Oniani (an influential 'thief in law').²⁵ The large business group in Georgia comprised of former criminals and getting stronger financially in the post-revolutionary setting is linked to at least one member of the Georgian Parliament through a personal friendship network.

In Kyrgyzstan 5-10 members of Jogorku Kenesh have connections with organized crime groups and are either direct leaders of these groups or provide *kryshas* (roofs or protection) for them.²⁶ According to various estimates, at least 10 MPs and two high-ranking officials are linked to organized crime.²⁷ In early 2006 the speaker of the Jogorku Kenesh, resigned after President Bakiev criticised parliament saying that the deputies were corrupt and obstructing the work of his administration.²⁸ However, ironically some of the representatives of Bakiev's administration are themselves linked to organized crime.²⁹

Certainly the reforms in Georgia have not been free of problems and have had their side effects. Two of the most important and related to the subject of this paper are: firstly, the dismissal of 16 thousand policemen without any social security guarantees. Many of these former policemen later joined criminal networks.³⁰ Secondly, the human rights situation has

²² Revolution of Criminal Bosses, *Life/Kommersant Daily*, October 26th 2005; www.kommersant.com

²³ Cornell S.E, The Narcotics Threat in Greater Central Asia: From Crime-Terror Nexus to State Infiltration? In the China and Eurasia Forum Quarterly, Volume 4, No. 1, Central Asia-Caucasus Institute & Silk Road Studies Program, 2006 p. 64

²⁴ Marat E., 2006. p. 99

²⁵ Former governor of Imereti region quoted in the *Akhali Taoba* Newspaper January 13th 2004

²⁶ Interviews with Kyrgyz experts, March-May, 2007 Bishkek, Kyrgyzstan

²⁷ Interview with a policeman, March 27th 2007, Bishkek, Kyrgyzstan

²⁸ Kyrgyzstan gets new speaker, *Institute for War & Peace Reporting*, Reporting Central Asia No. 437, March 2006

²⁹ Interviews with Kyrgyz experts, March-May, 2007 Bishkek, Kyrgyzstan

³⁰ For more information see A. Kupatadze, G. Siradze, G. Mitagvaria, Policing and police reform in Georgia in *Organized crime and corruption in Georgia*, Routledge 2007, forthcoming

deteriorated.³¹ Cases of the arrest of criminals with planted drugs and arms have been widely reported by human rights' watchdogs in the post-revolutionary period. On the other hand, the efficiency of the criminal justice system in terms of fighting crime has significantly increased and police have earned the public's trust.³² In general trust in government institutions, especially law enforcement structures, is crucial in successfully combating organized crime.

The staff policies of the post-revolutionary governments are also flawed. The appointment of government officials based on nepotism and cronyism is still a problem in both countries. Moreover the Georgian government, frequently referred to as the kindergarten, is very young and lacks experience. New officials are frequently not competent enough to deal with the problems. Furthermore, the activists of the Kmara (Enough) movement that played a crucial role in the Rose Revolution and under-educated supporters of the new ruling party infiltrated the middle level of government shortly after the Rose Revolution. Kel-kel, the youth resistance organization to Akaev's regime is not greatly represented in the government unlike Kmara in Georgia,³³ and only single cases have been reported - for instance the head of the Kel-Kel youth group became the Director of KOORT (a television channel) after it was re-privatized.³⁴ However, the Georgian government has managed to make state institutions prestigious places to work thus attracting many Western educated professionals and this has also been reflected in the better performance of state structures. The latter observation is not true for Kyrgyzstan. According to one Kyrgyz expert, government institutions are not attractive to highly educated young people who prefer either to work abroad or seek employment in the private sector or international organizations based in Kyrgyzstan.³⁵

In Kyrgyzstan, the appointment policy and tribalism in politics is especially strong.³⁶ According to many interviewees, the people from the South, especially from Batken, Bakiev's birthplace, are being promoted to key state positions.³⁷ The significant distinction between the cases is that loyalty to the new ruling political party and nepotism based on friendship and family links are the main determinants of appointments in Georgia, while in Kyrgyzstan these are

³¹ See for instance Country reports on human rights practices Georgia 2006, <http://www.state.gov/g/drl/rls/hrrpt/2006/78813.htm>; and Amnesty International Report 2007 available at <http://thereport.amnesty.org/page/1679/eng/>

³² For instance the public survey implemented by Gallup international and GORBI, 2005, Tbilisi, Georgia

³³ Nichol J., *Coup in Kyrgyzstan: Developments and Implications*, Congressional Research Service, April 14th 2005

³⁴ E. Marat, *The Tulip revolution: Kyrgyzstan one year after, March 15 2005-March 24th 2006*, The Jamestown Foundation, 2006, p.67

³⁵ Interview with Emil Kalamatov, freelance analyst, April 3rd 2007, Bishkek, Kyrgyzstan

³⁶ T. Koichumanov, J. Otorbayev, S.F. Starr, *Kyrgyzstan: the path forward*, Central Asia-Caucasus institute and Silk Road studies program, November 2005, p.32

³⁷ Interviews with Kyrgyz experts, March-May 2007, Bishkek, Kyrgyzstan

tribalism, regionalism and most significantly, bribery. For instance, as Kyrgyz journalists and NGO representatives have alleged, the illegal payment for the position of Minister has increased from 100 thousand USD to 300 thousand.³⁸ Another NGO leader also reported that some 300 thousand USD were distributed to deputies of the Jogorku Kenesh to approve the appointment of a high-level official.³⁹ Other estimates include: USD 30-50 thousand for the position of judge depending on the region and district; USD 20 thousand for a position in the tax department (USD 5 thousand in the region) etc.⁴⁰ The following section outlines the general trends of corruption in Georgia and Kyrgyzstan.

Corruption

The reports suggest that bribery has increased in Kyrgyzstan while the opposite is true for Georgia. In the latter case, petty corruption has been successfully eliminated,⁴¹ however some experts suggest that high-level bribery is still a problem. In the former case, the volume and extent of bribery is greater than before the Tulip Revolution. Entrepreneurs and representatives of the non-governmental sector, media and academia report that the value of illegal payments requested by officials is higher now.⁴² The following data of international organizations also confirm these trends.

The chart below shows the corruption perception indices of Transparency International for the two countries.⁴³

Chart 1. Corruption perception index of Georgia and Kyrgyzstan

³⁸ For instance, an interview with a Kyrgyz scholar, April 18th 2007, Bishkek, Kyrgyzstan

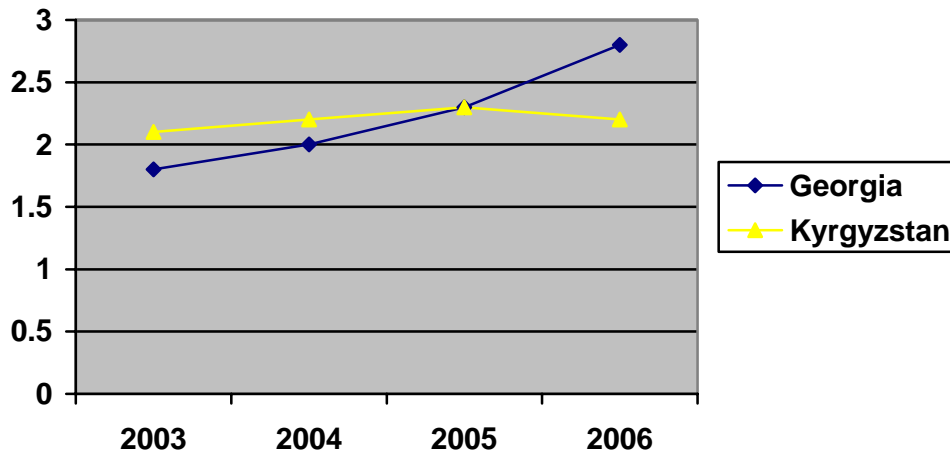
³⁹ Interview with an NGO leader, April 5th 2007, Bishkek, Kyrgyzstan

⁴⁰ Interview with the representative of Transparency International Kyrgyzstan, May 10th 2007

⁴¹ See for instance Dolidze A., A closer look at the progress of reform in Georgia in the Economic Reform Feature Service, Center for International Private Enterprise, March 31st 2007

⁴² Interview with a Kyrgyz expert, April 18th 2007, Bishkek, Kyrgyzstan

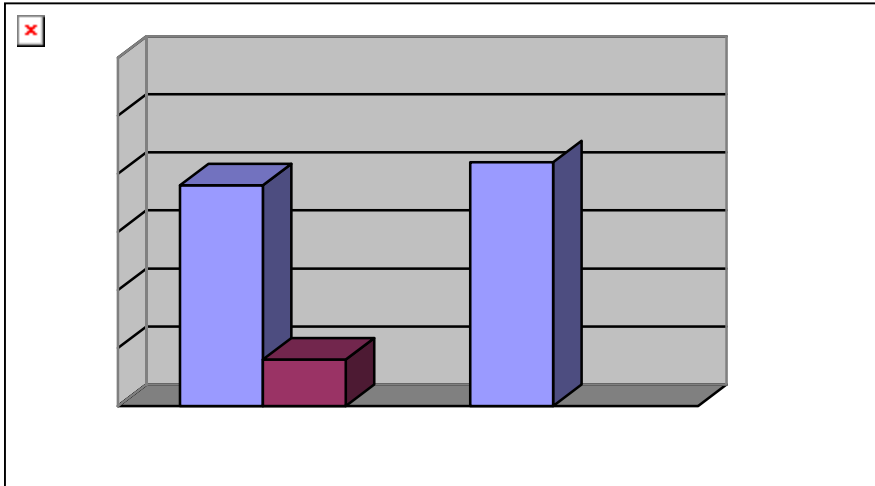
⁴³ Source: Transparency International, <http://www.transparency.org/>



The chart suggests that Georgia was a more corrupt country before its revolution than Kyrgyzstan however, the situation is virtually unchanged and has even got worse in Kyrgyzstan while Georgia has made rapid progress since November 2003.

An EBRD survey, showing the percentage of firms stating unofficial payments are frequent, demonstrates the difference between the cases.

Chart 2. Frequency of bribes in Georgia and Kyrgyzstan ⁴⁴



Thus the number of unofficial payments has decreased in Georgia, while it has increased in Kyrgyzstan.

Steps have been taken in both countries against corruption, though to varying degrees: in Georgia, several Ministers of the Shevardnadze era and other high-ranking officials have been arrested and prosecuted for misuse of public office and corruption. The list includes, but is not

⁴⁴ EBRD, BEEPS, Georgia, Kyrgyzstan, 2006

limited to: a former Minister of Energy, former Minister of Transport, former head of the Chamber of Control, former head of Georgian Railways etc. Tens of million of US dollars have been confiscated from the corrupt representatives of Shevardnadze's era.

In Kyrgyzstan, Prosecutor General Azimbek Beknazarov promised a full audit and to return "to the people" institutions found to have been acquired illegally.⁴⁵ He estimated corruption by Akaev's family cost the Kyrgyz economy more than USD 50 million and 80 criminal proceedings have been launched since the revolution.⁴⁶ However no real steps have been made and no high-ranking officials have been prosecuted or their property returned to the state. Unlike in Georgia, two main factors have prevented the new Kyrgyz government from fighting the Akaev era corrupt officials: firstly, the continuing influence of the previous government considering "how readily the interim government returned some of his personal belongings to Akaev"⁴⁷ and secondly, anti-corruption efforts in Kyrgyzstan are undermined by the weakness or unwillingness of Bakiev's administration to confront criminal networks.

Thus the problem of corruption is still high on the agenda in Kyrgyzstan. The most common explanation corroborated by the majority of respondents is that the new people who have come into the government are 'hungry' for money and try to earn as much illegal revenue as possible. This is exacerbated by the frequent change of officials in every government structure. Under conditions of uncertainty and chronic risk of dismissal, officials try to earn a fortune as quickly as possible. Thus the staffing policy of the authorities coupled with low salaries in government agencies and the absence of the rule of law (legal basis and enforcement of law) have created favourable conditions for corruption in 'post-tulip revolution' Kyrgyzstan. On the other hand, the new authorities in Georgia have increased salaries for government employees, passed new anti-corruption legislation and are trying to enforce the law in a much more efficient way than before. However, this also had implications for the volume of bribery, since the risk of being arrested for misuse of office increased and the value of bribes extorted from citizens fell.

The immediate effect of the revolutions in both countries was that corruption schemes became disorganized. However, the strictly centralized corruption pyramids survived in Kyrgyzstan after temporary confusion while in Georgia these pyramids no longer exist. In

⁴⁵ Kyrgyzstan: A Faltering State, Asia report N 109, December 16th 2005. p.4

⁴⁶ E. Marat, The Tulip Revolution: Kyrgyzstan one year on March 15th 2005-March 24th 2006, The Jamestown Foundation, 2006, p.46

⁴⁷ *ibid.*, p. 41

Kyrgyzstan only particular individuals have changed while the mechanisms of bribery are still in place. Simply put “one family has been substituted by another”.⁴⁸

In Kyrgyzstan, during Akaev’s tenure of office the corruption schemes were quite straightforward. Aidar, Akaev’s son and Adil Toigonbaev, Akaev’s son-in-law were running or receiving illegal shares from the majority of the companies operating in the country. All illegal payments and presents in exchange for appointments in government structures were allegedly going to Mairam, Akaev’s wife.⁴⁹ Reportedly foreign companies planning to do business in Kyrgyzstan, for instance in the gold mining sector, were also paying Mairam Akaeva for getting a favourable decision from the government.⁵⁰ Thus the informal channels of illegal payments have been institutionalised. Immediately after the revolution these channels were temporarily disrupted and businessmen were confused to whom, how much and when they should pay regular illegal shares.⁵¹ However, since then those channels have been restored in Kyrgyzstan. In Georgia, one month after the revolution a businessman appeared in the state chancellery bringing a bribe payable monthly to the previous authorities and he was trying to find an official in the new government that would accept the money.

It’s noteworthy that according to many respondents Article 303 of the Criminal Code of Kyrgyzstan is not working. This article sets 8-20 years imprisonment together with confiscation of property for white-collar corruption (receipt of bribes by representatives of the state). However only a few criminal charges have been brought under this article and even fewer has reached court according to legal experts.⁵² This also points to the entrenched political-criminal-business nexus and the high level of corruption in government structures. Most of the interviewees think that the most corrupted state structures are the Customs, tax department and police. Ironically, the department of the Ministry of the Interior fighting white-collar crime brought only 8 criminal charges against Customs employees and 26 - against representatives of the tax department in first 8 months of 2006, as compared to 68 cases against employees in the education, cultural and scientific sector (!).⁵³ The head of the same department stated “there has

⁴⁸ Interview with Kyrgyz experts, March-May 2007, Bishkek, Kyrgyzstan

⁴⁹ Interview with Elena Avdeeva, Chief editor, Newspaper *Belyi Parakhod*, March 28, 2007, Bishkek, Kyrgyzstan

⁵⁰ See for instance K. Isaev, *Vastok dela tonkae ili litso kirgizskoi vlasti glazami achevidtsa*, Bishkek, 2006, p.41

⁵¹ Interview with Nur Amorov, a lecturer in political science, Kyrgyz-Slavic University, April 18, Bishkek, Kyrgyzstan

⁵² Interview with Azamat Kerimbaev, Senior staff attorney, American Bar Association (ABA CEELI), May 13, 2007, Bishkek, Kyrgyzstan

⁵³ The statistics of the Department fighting white-collar corruption, MIA, retrieved May 2007, Bishkek, Kyrgyzstan

been no corruption in Kyrgyzstan since the revolution”.⁵⁴ The relatively low number of criminal cases against highly corrupted structures can be explained by two main factors: high level connections of the Customs and tax department employees (often members of influential families work in these structures) that are used to avoid investigation and their willingness and capacity to pay bribes to police officials to solve criminal cases, as well as rampant corruption in the criminal justice system.

Political-business-criminal nexus (PBCN) before and after the “coloured revolutions”

The immediate result of post-communist transition in newly emerged independent states was the emergence and establishment of powerful political-criminal clans that managed to gain control of the political and economic life in these countries. The Soviet *nomenklatura* managed to keep its power in the post-communist period in most countries, and where it failed to do so immediately after the break-up of the Soviet Union it returned to power after a short interval, as happened in Georgia after the ouster of Zviad Gamsakhurdia, a former dissident and democratically elected President. At the same time, powerful criminals managed to penetrate the governments in covert or overt ways, for instance the infamous professional criminal, *vor v zakone* (thief in law) Jaba Ioseliani became President Shevardnadze’s deputy. In Kyrgyzstan government officials resorted to working with the criminal world in the mid-1990s. State officials used mafia bosses to bully their competitors, thus creating a connection between the state and the criminal underworld.⁵⁵

Privatisation and opening up of the markets produced numerous opportunities for former *nomenklatura* representatives to monopolize the influence over certain business actors. As one scholar argues, former *apparatchiks* became new *entrepreneurchiks*, what Holmes calls nomenklatura-gangster networks.⁵⁶ In other words, the post-communist transition resulted in collusion between official and unofficial, licit and illicit and the distinction between legal and illegal business, politicians, entrepreneurs and criminals became highly blurred. In other words the political-criminal-business nexus has become institutionalised. As Handelman argues: crime

⁵⁴ Interview with Manas Akmatvekov, head of the Department fighting white-collar corruption, MIA, May 2007, Bishkek, Kyrgyzstan

⁵⁵ E. Marat, The State-Crime Nexus in Central Asia: State Weakness, Organized Crime, and Corruption in Kyrgyzstan and Tajikistan, Silk Road paper, Central Asia and Caucasus Institute, Silk Road studies program, October 2006, p.129

⁵⁶ Holmes S., Crime and Corruption after Communism in *Eastern European Constitutional Review*, Volume 6, Number 4, Fall 1997

in the post-Soviet era is often a continuation of politics by other means⁵⁷ and private sector crime interweaved with public sector corruption.⁵⁸ Thus the politicisation of the economy and criminalisation of governance were simultaneous processes in the former Soviet Union and this represents the basis of major organized criminal activity. These trends can also be seen in the significant presence of shadow economies in Georgia and Kyrgyzstan, especially Georgia, being one of the richest republics in the USSR with a highly developed hidden economy. In the post-Soviet period the shadow economy of Kyrgyzstan made up around 25 percent of Kyrgyzstan's GDP in the late 1990s according to official sources, however, unofficial sources estimated that the shadow economy equals the official GDP.⁵⁹ The estimate for Georgia in the same period is 85 percent.⁶⁰ Nowadays the shadow economy of Kyrgyzstan is estimated to be 53 % of GDP,⁶¹ while in Georgia the law, 'On Support for Banning the Legalisation of Illegal Incomes' adopted in 2004 helped push 2.6 percent of the shadow economy into the legal economy in the first quarter of 2004 alone.⁶²

At the same time, the intermingling of politicians and entrepreneurs has to be stressed here. Enterprises having direct (owned by) or indirect (being protected by, based on family/friendship or other form of patron-client relationship) connections with powerful politicians are better off as they can secure the most lucrative government contracts and remain undisturbed by law enforcement structures. This kind of businessmen can often develop links with criminals as well, because in the conditions of unfair and fierce competition and the Soviet legacy of shadowy deals, disagreements are often settled outside the legal institutions, such as the courts. Thus the alliance between politicians and businessmen that frequently cross the lines of legality is already institutionalised and is a significant condition for the development of the state-market-crime triangle. Interestingly enough, the research group of the Graduate Institute of International Studies when doing a survey, the aim of which was to find out what groups in

⁵⁷ Handelman Stephen, The Russian "mafia" (organized crime), *Foreign Affairs*, March-April 1994, Vol.73, No2, p83(14)

⁵⁸ Holmes S., 1997

⁵⁹ Koichumanov T., Otorbayev J., Starr F.S., 2005, p.13

⁶⁰ Williams P., *Criminalization and Stability in Central Asia and South Caucasus* in Olikier O., Szayna T.S., *Faultlines of conflict in Central Asia and the South Caucasus, Implications for the U.S. Army*, RAND, 2003. p.90

⁶¹ The shadow economy in the Kyrgyz republic: trends, estimates and policy options, UNDP, Bishkek, 2006, p.10 www.undp.kg

⁶² Sh. Machavariani, *Overcoming economic crime in Georgia* in L. Shelley et al., *Organized crime and corruption in Georgia*, Routledge 2007, forthcoming

society were most likely to have firearms, found that the respondents in Kyrgyzstan did not always differentiate between criminals and businesspeople.⁶³

In Georgia some changes can be observed in this respect, demonstrated by the case of Koba Bekauri, MP from the ruling party and a close associate of the Deputy speaker of the Parliament who left the legislative body due to a scandal over his alleged property. In August 2005 a journalist of an independent TV station was arrested after an attempt to blackmail MP Bekauri, demanding USD 100,000, in exchange for not airing compromising footage, which allegedly dealt with Bekauri illegally acquiring shares in the Opiza customs terminal.⁶⁴ The journalist was imprisoned on extortion charges and Bekauri voluntarily left parliament under pressure from the opposition and representatives of the ruling party. With this move, the key message sent by the authorities was that influential politicians illegally running businesses wouldn't be tolerated anymore. However up to now, many MPs and government officials have private businesses that are officially operated by their close relatives or dummy persons. In Kyrgyzstan around 70-80 percent of the members of the Jogorku Kenesh have their own businesses.⁶⁵ Despite debates in the Kyrgyz Parliament, the draft laws on financial disclosure and conflict of interest have never been passed.⁶⁶ The intermingling of politics, business and crime is best illustrated by the ownership structure of the infamous Karasuu market in the south: three MPs (all of them allied to crime groups in the south), the wife of a murdered drug baron (she also works in the political secretariat of one of the major opposition political parties), the daughter of a high-ranking court official and a close relative of a top level official.⁶⁷

Thus the blurred line between politics and business, the post-Soviet legacy of informal dealings and entrenched corruption has significantly contributed to the development of the political-business-criminal nexus in the countries being studied. In line with the theoretical framework developed by Roy Godson, the factors catalyzing or hindering the formation and evolution of a political-business-criminal nexus is grouped into three clusters: political, economic and social.⁶⁸ These groups of factors explain the relative persistence of PBCN in Kyrgyzstan and the opposite effect in Georgia.

⁶³ N. MacFarlane and S. Torjesen, Small arms in Kyrgyzstan: Post-revolutionary Proliferation, Small Arms Survey and Graduate Institute of International Studies, March 2007, p.41-42

⁶⁴ Civil.ge, August 30th 2005, <http://www.civil.ge/eng/article.php?id=10642>

⁶⁵ Interviews with Kyrgyz experts, March-May, 2007 Bishkek, Kyrgyzstan

⁶⁶ G. Gleason, Markets and politics in Central Asia, structural reform and political change, Routledge, 2003; p. 73

⁶⁷ Interviews with experts, journalists and observers, March-May 2007, Bishkek, Kyrgyzstan

⁶⁸ Godson R., Menace to society: political-criminal collaboration around the world, National Strategy Information Centre, US, 2004; p. 8-15

Firstly, political factors comprise such variables as competitiveness of states, weakness/strengths of bureaucracy, the presence/absence of pre-modern institutions, personal and/or patronage systems, the prevalence of informal mechanisms in decision-making etc. The unwillingness or inability of the government to fight entrenched criminal networks is apparent in Kyrgyzstan while Saakashvili's government has shown a willingness to fight organized crime. However it should be mentioned that in Georgia this fight was selective since some new groups with a criminal past having links with the new elites have emerged while in Kyrgyzstan the efforts to counter the PBCN are almost non-existent. Strange argues that, when either "the established hierarchy of power in the state collapses" or "when a rival (non-state) authority's power is perceived to threaten the state... then state policy changes from peaceful coexistence to suppression."⁶⁹ By the same token, Schulte-Bockholt states that if the services of organized crime "are no longer required, or are perceived as a threat, elites can and do turn against organized crime using the power of the state."⁷⁰ The latter statement is relevant for Georgia, while the weakness of the Kyrgyz elites has resulted in the alliance of the "revolutionary forces" with organized crime figures. In other words, the services of criminal figures have been and continue to be used by political elites in Kyrgyzstan while in Georgia since the revolution this collaboration has not been systematic and has been confined to single cases.

Thus, the weakness of political opposition to Akaev and the relative strength of opposition to Shevardnadze is a very important factor. As already mentioned, the reason for the increased organized criminal activity in post-revolutionary Kyrgyzstan is related to the role it played during the revolution that, on its side, was delineated by the political and financial weakness of the opposition to President Akaev. As Svante Cornell argues, southern Kyrgyzstan's drug barons played a key role in the emergence of the popular movement that ended up overthrowing the Akayev government. Initially, the opposition did not want to align themselves with organized criminal figures, but they lacked substantial funds and a wider popularity among the important informal networks of the south of the country. Furthermore, the lack of a clear structure within the opposition made it possible for criminal leaders to infiltrate the movement and provide financial or logistical support, for instance through their paramilitary forces, under the guise of martial arts sport clubs - Alysh (traditional wrestling) clubs. After the rigged elections, 2,000 young people from these clubs were gathered and fed for 25 days. They stormed

⁶⁹ Strange S., *The retreat of the state*, Cambridge university press, 1996, p.117

⁷⁰ Schulte-Bockholt A., *The politics of organized crime and the organized crime of politics, a study in criminal power*, Lexington books, 2006, p. 35-36

state offices in Jalal-Abad and Osh.⁷¹ On the other hand, the Saakashvili-Burjanadze-Jvania alliance in Georgia possessed significant political and financial resources to counteract the ruling regime.

The relative strength of the new elites and consequent determination of the government also helps explain the absence of violence linked to the re-distribution of the spoils in ‘post-revolutionary’ Georgia, while several important criminal and political figures have been eliminated in Kyrgyzstan due to the rearrangements. For instance, the “post-revolutionary” re-division of Karasuu market in the Ferghana Valley has resulted in at least 3 contract killings of people linked to the market. On June 10th, MP Jirgalbek Surabaldiev, one of the most successful businessmen in Kyrgyzstan and owner of two automobile markets was killed in Bishkek.⁷² A Ministry of Interior spokesperson stated that his assassination was related to the re-distribution of property.⁷³

The two cases share one common mechanism of property redistribution: in both countries the businessmen linked to the new elites and some representatives of the political elites (this includes close relatives and friends of the new authorities) tried to get (and succeeded in many cases) desired assets through the ‘hands of the state’ using government structures and acting on behalf of the state. Thus some of the properties owned by the associates of the previous elites fell into the hands of the associates of the new elites. However in Kyrgyzstan the state failed to take the initiative into its hands and a lot of non-state actors, among them criminal groups, were involved in redistributing the spoils: firstly some representatives of the political elites used non-state actors to get their share of the spoils and secondly, much of the redistribution was managed by the non-state actors themselves, the government was unable or unwilling to play a role. Thus the process was mainly outside of any formal regulations and almost every transfer of shares has happened as a result of informal negotiations, corruption and violence and the threat of violence.

On the other hand, in Georgia the new political elites played a key role and the process was more centralized with involvement and control from the highest level of bureaucracy. Saakashvili showed great determination in re-nationalising a lot of illegally privatized property. What is truer for Georgia is the new quasi-legal role of the state: those who managed to keep their businesses were obliged to make large payoffs to the new government. Much of the money

⁷¹ Cornell S.E, 2006 p. 64

⁷² Newspaper Delo N, 23(600), June 15th 2006

⁷³ Tazar news agency, May 24th 2007, <http://www.tazar.kg/news.php?i=3514>

paid by businessmen for their past wrongdoings went to newly-established special state funds, the operations of which were far from transparent and accountable. Allegedly some of the money went to the new ruling party, the rest for financing different off-budget activities. Moreover, business circles have been continuously reporting pressure from the state. Hence in post-revolutionary Georgia ‘state racketeering’ has been enacted while professional criminals, such as ‘thieves in law’, have lost their ability to extort money from businesses. Thus the crucial distinction here is that the process of re-distribution in Georgia was better managed by the new authorities than in Kyrgyzstan where many of the deals remained in the shadows, with non-state, among them criminal, groups playing a key role. This was a major reason for the large-scale violence related to the re-distribution of the spoils in ‘post-revolutionary’ Kyrgyzstan.

Secondly, economic factors include the presence/absence of illegal markets coupled with “the demand for illegal goods and services and efforts to supply the demand”, also the level of efficiency and “speed, simplicity and confidentiality” of the services provided to legitimate actors by criminal organizations and their collaborators together with the poor performance of government institutions.⁷⁴ The continuing problem of smuggling through the conflict zones of Abkhazia and South Ossetia contributes to the prevalence of the PBCN in Georgia. The immediate result of the ‘Rose Revolution’ and subsequent reforms in Georgia was the decrease in organized smuggling. Several significant actors were quickly removed from the smuggling chain such as corrupt Georgian police officials and guerrilla groups, although the demand for smuggled, hence cheaper, products has remained the same on the internal market of Georgia. As a result petty smuggling has increased to satisfy the demand. However, the increasing number of arrests of former and serving policemen on charges of smuggling indicates that this important contraband actor is re-emerging.⁷⁵ A police official dismissed for allegations of involvement in smuggling was later re-appointed to a higher position in the Georgian government. The same happened in Kyrgyzstan where members of the Jogorku Kenesh, together with criminals, own shares in the regional and central bazaars and consequently have an interest in continuing smuggling activities. At least one MP from the south is directly implicated in smuggling and the son-in-law of a high-ranking official is involved in smuggling legal goods from China and drug trafficking through Kyrgyzstan.⁷⁶ Given the extreme poverty of the population, smuggling is considered ‘normal’: a financial police officer has been urged by the Governor of one Southern

⁷⁴ Godson, 2004, p. 14-15

⁷⁵ See: Alexandre Kapatadze, The Impact of the Rose Revolution on Smuggling through Abkhazia and South Ossetia in *Insight Turkey*, Volume 7, No. 4, October-December 2005.

⁷⁶ Interview with Kyrgyz expert, March 27th 2007, Bishkek, Kyrgyzstan

region “to give the green light to smuggled goods”, justifying his position by the relatively low prices of smuggled goods and low purchasing capacity of the population.⁷⁷

Thirdly, cultural factors are strong family and cultural conditions, widespread public perception that corruption is “normal” and criminals are cultural heroes.⁷⁸ Informal institutions like patronage and favouritism can be put in the same category as “patterns of behaviour that place much more emphasis on contacts and favours as a means of getting ahead and accumulating wealth than on the norms, standards of behaviour or the rule of law. Such a cultural climate easily condones criminal activities so long as they succeed in acquiring resources.”⁷⁹

Criminals in both countries are frequently regarded as protectors of social justice. They participate in charity activities, especially in constructing religious buildings (mosques in Kyrgyzstan and churches in Georgia). Moreover, they are frequently called local “Robin hoods” since many poor people in their neighbourhood get help from them. This kind of popularity of criminals frequently makes politicians use them for their own ends.

Here it is useful to use another categorization developed by John Bailey and Roy Godson. They differentiate between centralized-systemic and fragmented-contested schools. The former sees a coherent, centrally guided system linking the political system to organized crime, where political leaders control the network from the top down, while the latter sees a much more fluid, complex set of relationships between the political system and organized crime. In a fragmented-contested system criminal-political alliances are dynamic and constantly changing and control may be assumed by government officials, as well as criminals.⁸⁰ Both cases fall into the second category. Here “the balance within the political-criminal nexus goes back and forth. Sometimes the politicians dominate, sometimes the criminals. Regardless of who is dominant, the coalition of forces influences many aspects of government.”⁸¹ It is argued that “second transitions” may have a double effect: first, they may change the balance of power in favour of criminals, as in the case of Kyrgyzstan, or secondly, the state gains the upper hand as the case of Georgia suggests.

In both countries the informal relations between the government and organized crime existed even before the ‘revolutions’. The two sides frequently overlapped and sometimes criminal figures even penetrated high politics, as the case of Jaba Ioseliani in Georgia suggests.

⁷⁷ Interview with Financial police officer, May 3rd 2007

⁷⁸ Godson., 2004, p. 12-13

⁷⁹ Williams P., and Godson R., *Anticipating organized and trans-national crime* in Crime, law and social change 37: 311-355, 2002; p. 316-7

⁸⁰ Bailey J. and Godson R., *Organized crime and democratic governability, Mexico and the US-Mexican borderlands*, University of Pittsburgh Press, 2000, p.3

⁸¹ Godson R., 2004, p. 5

One theory says that President Akaev himself promoted Rysbek Akmatbaev in the early 1990s and the police and special forces helped him in order to oust other criminals and consolidate control over the criminal world and intimidate political rivals.⁸² In more than a decade, Akmatbaev gained strength and great wealth that prompted his interest and willingness to go into politics. After the ‘Tulip Revolution’ Akmatbaev declared his political ambitions, formed the Tinchnik political party and won seat in Parliament.

Hence on the one hand, organized crime was trying to co-opt politicians and on the other, politicians were seeking the services of organized crime. As Marat argues, in Kyrgyzstan the two sides cooperated when their interests converged.⁸³ The ‘revolutions’ disturbed the existing balance between the political and criminal world and due to the aforementioned reasons the latter gained the upper hand in Kyrgyzstan while in Georgia organized crime groups now play a more discreet role and keep a low profile.

The continuing instability of the political scene has formed ideal conditions for criminal gangs to further consolidate power in Kyrgyzstan. Numerous anti-government demonstrations have created the conditions when many politicians, in government as well as in opposition, are still in need of the services of criminal groups. Marat argues “today, most parliamentarians are able to gather the instant support of 100 to 400 sportsmen to organize mass demonstrations to secure their own political positions”.⁸⁴ A local observer noticed several criminals participating in the April 2007 demonstrations organized by opponents of President Bakiev.⁸⁵ The following section outlines some of the commonalities and differences between the criminal networks in the two countries and proposes a theoretical approach that best explains the organized crime groups there.

Criminal networks in Georgia and Kyrgyzstan

The factor having an important influence on organized crime that is peculiar to Kyrgyzstan, unlike Georgia, is tribalism. Tribalism has had a significant impact on the formation of the political, business and criminal networks in Kyrgyzstan. At the same time, other divisions

⁸² Interview with a foreign journalist, May 24th Bishkek, Kyrgyzstan

⁸³ E. Marat, Criminal state of play - An examination of state-crime relations in post-Soviet Union Kyrgyzstan and Tajikistan, Jane’s Intelligence Review, February 2007

⁸⁴ *ibid*

⁸⁵ Interview with a local observer, April 2007, Bishkek, Kyrgyzstan

are also present such as ethnicity and regionalism for instance.⁸⁶ In Georgia, mainly ethnic and sub-ethnic differences prevail, for instance Abkhazian, Ossetian and Svanetian crime groups. Likewise in Kyrgyzstan there are Chechen and Uighur criminal groups. Sportsmen are playing a key role in organized crime in both countries. Successful wrestlers and/or boxers can frequently be found in criminal groups.

It should be noted that clans or tribes in Kyrgyzstan should not be equated to organized criminal groups. However it can be argued that tribalism provides a context for the formation of criminal networks. According to the majority of respondents in Kyrgyzstan, the determining factor for the formation of criminal networks is *zemliachestvo* meaning that people from the same village/tribe/region often tie up into illegal networks. In Georgia family connections are also important, however other “connecting nodes” such as the old school tie and friendship are more prevalent.

However, the network approach is most helpful in explaining the organized crime in Georgia and Kyrgyzstan, as opposed to other models, such as the traditional Mafia model⁸⁷, also referred as the “Godfather model”⁸⁸ or market paradigm model, mainly advocated by Peter Reuter and R. Thomas Naylor. Georgian and Kyrgyz organized crime can best be understood as a web of affiliations including people in state institutions, including law enforcement structures, political parties, the business sector and criminal groups.⁸⁹ It can also be argued that contemporary organized crime in Kyrgyzstan is not a ‘parallel power structure’ but acts in alliance with the government and is symbiotic with the official power structures. Sometimes the representatives of the state are more engaged in organized crime than purely criminal groups. State and criminal structures frequently overlap, and sometimes it is difficult to draw the line between representatives of criminal organizations and the state. For instance, a high-ranking official of the Drugs Control Agency of Kyrgyzstan was providing a *krysha* for drugs trafficking through the Northern routes of the country before the ‘Tulip Revolution’.⁹⁰ Now allegedly at least three mid-level officials of the same agency are involved in drugs trafficking.⁹¹

⁸⁶ It should be noted that the North-South divide of organized crime in Kyrgyzstan is not clear.

⁸⁷ Williams P., *Organizing trans-national crime: networks, markets and hierarchies* in Williams Ph. And Vlassis D., *Combating trans-national crime*, Frank Cass publishers, 2001, p. 72

⁸⁸ Naylor R.T., *From Cold War to Crime War: the search for a new “national security” threat in Trans-national Organized Crime*, vol. 1, No 4, Winter 1995, p. 39

⁸⁹ Chambliss, 1988 quoted in Schulte-Bockholt A., 2006, p. 7

⁹⁰ Interview with Elena Avdeeva, Chief editor, Newspaper Belyi Parakhod, March 28, 2007, Bishkek, Kyrgyzstan

⁹¹ A statement by a former officer of the Kyrgyz law enforcement structures, at a roundtable dedicated to corruption issues, May 2007, Bishkek, Kyrgyzstan

The criminal groups in the two countries often comprise law enforcement officials, often at the highest levels. For instance, Kakha Targamadze, the Minister of Interior under Shevardnadze was allegedly linked to some of the influential Georgian 'thieves in law'. In Kyrgyzstan, Rysbek Akmatvaev was protected by the Minister of Internal Affairs, his cousin from the same tribe.⁹² Almaz Bokushev, the leader of the Karabaltinskay group is also linked with the former Minister of Interior who is now in political opposition to President Bakiev and his brother is a member of the Jogorku Kenesh from Karabalta region.⁹³ The two brothers and the criminal leader are relatives from the same village.

The following two cases are interesting demonstrations of the network nature of organized crime in Georgia and Kyrgyzstan:

The group of Rysbek Akmatbaev accused of various crimes in 2005, had 6 members, among them Erkin Mambetaliev, a former member of a special purpose unit and officer in the Presidential Guard, who later worked as a bodyguard to Almaz Atambaev, businessman and politician, now Prime Minister of the country and Murat Djumagalov, Colonel of Police, who occupied several high-level positions in the Ministry of Interior before his arrest, including the head of the Bishkek criminal investigation police and chief of section in the main criminal investigation directorate of the MIA.⁹⁴

In 2005 a group of wrestlers was arrested in Georgia that was part of an organized crime group chaired by influential 'thieves in law', including Tariel Oniani who had ties with former policemen, such as Davit Kachkachishvili, former head of the Anti-corruption Unit of the Ministry of Interior dismissed after the Rose Revolution.⁹⁵

Apart from close ties with law enforcement and other government structures, the links of criminal leaders with politicians are also interesting. As already mentioned, several MPs are linked to organized crime groups. For instance, recently several deputies of the Jogorku Kenesh wrote a joint official letter to the regional prosecutor of Osh in defence of a notorious criminal figure.⁹⁶ Moreover, allegedly Askar Akaev resorted to Rysbek's services from time to time. He was seen with Rysbek several times.⁹⁷ Some respondents speak about links between Bayman

⁹² Interview with Edil Baisalov, March 26th 2007, Bishkek, Kyrgyzstan

⁹³ Personal communication with foreign scholar, May 2007, Bishkek, Kyrgyzstan; also see *Komsomolskaia Pravda*, Kto ubil Rysbeka Akmatvaeva? May 12th 2006; <http://www.bishkek.kp.ru/2006/05/12/doc115365/>

⁹⁴ *Asnavnoi abvianiemii v roziske*, June 2nd 2005; <http://www.kg-ordo.net/system/article/printarticle.php?sid=322>

⁹⁵ Based on the data of Special-Operative Department of the Ministry of Interior; July 2nd 2005

⁹⁶ Agim Newspaper, Is Parliament a patron of criminal authorities? N 10, February 13th 2007

⁹⁷ Interview with Edil Baisalov, March 26th 2007, Bishkek, Kyrgyzstan

Erkinbaev and Bermet Akaeva⁹⁸ and Aibek Mirsidikov, a criminal leader from Jalalbad and brother of President Bakiev.⁹⁹

Hence both Georgian and Kyrgyz organized crime are networks drawing on representatives of the political and business elites. If needs be, they recruit members of the ‘upperworld’ such as lawyers, economists, bankers etc. This flexibility makes organized crime groups difficult to fight: if a criminal leader is assassinated another leader emerges, if the *krysha* is removed another one is found. However, as already mentioned the criminal networks have been kept at bay in ‘post-revolutionary’ Georgia while numerous factors have made this impossible in Kyrgyzstan.

Conclusion

The chart below outlines the main variables, which the author thinks are crucial for the predominance or retreat of the political-business-criminal nexus.

Comparison of the PBCN since the revolutions

	Georgia	Kyrgyzstan
The strength of political opposition to ruling regimes during the revolutions	Strong	Weak
The role of organized crime groups in ‘revolutionary processes’	Minor	Important
The influence of ‘pre-revolutionary’ elites in the ‘post-revolutionary’ setting	Weak	Strong
The intermingling of politics with business	Average	High
Stability of the political scene in the ‘post-revolutionary’ setting	Relatively stable	Unstable

⁹⁸ Interview with a journalist, April 2007, Bishkek, Kyrgyzstan

⁹⁹ *Deputat parlamenta Kirgyzyi abvinil brata prezidenta strani v “krishevani” apasnava prestupnika*, June 4th 2006, <http://www.ferghana.ru/article.php?id=4431>

Re-distribution of the spoils	Non-violent	Violent
Corruption	Petty corruption has decreased, Corruption pyramids have been disrupted	Political and administrative corruption has remained the same, and even increased in some sectors
Strength of organized crime	Organized crime is keeping a low profile and playing a discreet role	Organized crime is getting stronger, criminal figures have political ambitions
Connecting nodes	Covert, based mainly on personal friendship	Overt, based on tribal relationships, blood kinship, family connections and friendship
Combatting PBCN	Selective	Absent

The Soviet legacy and the tradition of informal dealings are not included in the list, although both these variables are very important. The two countries still have a long way to go in terms of coping with the entrenched political-business-criminal nexus. The fact that in Georgia powerful organized crime has been successfully confined to a lower profile does not mean that it has been eradicated and it may resurface again soon.