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RED-COLLAR CRIME: ELITE CRIME IN THE USSR AND POLAND

Maria Los
Associate Professor of Criminology
University of Ottawa

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In recent years Western criminologists have been increasingly preoccupied with "white-collar" and "corporate" crime. These terms refer to individual and corporate violations of the law in capitalist countries. The term "red-collar crime"* is a paraphrase of the Western concept of white-collar crime and refers to those economic crimes that tend to be committed by members of the *nomenklatura*--those who occupy important positions of responsibility and power in communist countries.

The sources of information for this paper range from academic publications to press reports published in communist countries, unpublished documents, and underground publications. Because the present paper is intended as a summary of a larger project, it offers general conclusions illustrated by examples rather than the details of research.[1] What follows is a brief discussion of three types of red-collar crime: top-level corruption, crimes against the central plan, and crimes against the principles of state production.

Top Level Corruption

The best example of red-collar crime is corruption by top party officials within the network of ruling cliques--a process of reciprocal bribing among officials in order to maximize individual profit, secure support, and keep other officials in check. During the legal existence of Solidarity, the issue of elite corruption gained special attention at practically all levels of Polish society. Polish media reports on top-level corruption published during the Solidarity period, when censorship was

*This term was coined in 1983 by Ms. Ellen Gottheil, a graduate student at the University of Ottawa.

relatively relaxed, show the complexity and omnipresence of such corrupt networks.[2]

According to these reports, top officials involved in the economy, public administration, law enforcement, media, and party apparatus, on both central and regional levels, had virtually unlimited access to state resources. Many reports described how, for example, luxurious villas and mansions for the powerful were routinely erected and lavishly furnished by state enterprises in place of other projects that were originally included in the official plan.

The list of private possessions of the director of the Polish radio and television network well illustrates the greed of the elite. This list included two yachts, three airplanes, seven cars, one stable with seven horses on a large farm, one mansion near Warsaw, an elegant apartment house in central Warsaw, a 25-room house in the country, and a villa near Warsaw. This villa was equipped with a swimming pool, sauna, and four prostitutes. The director also had a residence in Nairobi because he was fond of safaris. Next to his office at the television headquarters, he had a private swimming pool, sauna, beauty parlor with special masseurs, and a small cinema with 900 pornographic video cassettes.[3] This case gives some idea of the elite's mentality and its access to wealth. Mr. Szczepanski, whose corruption was well publicized during the Solidarity period, received an eight-year sentence, but was released from prison and partially rehabilitated under General Jaruzelski.

By December 1981, when the state of war was introduced in Poland, criminal charges were brought against 263 prominent officials, and investigations were completed in 235 other cases. Among those charged were

ministers and deputy ministers, heads and deputy heads of regions, directors of large industrial organizations and ministerial cabinets, and party apparatus officials.[4] Edward Gierek, the former general secretary of the Polish Communist Party, and two deputy premiers were under investigation.[5] An official press report on police activities revealed that relevant information had been systematically collected on some of these people since 1971. The article claimed that the files in question contained dates on numerous "omnipotent people--that is, criminals who used methods of corruption, abused their official positions, and made illegal multi-million dollar fortunes. As early as 1973 these lists already included more than 2,500 names."[6] In the early 1980s, some of these officials received prison sentences, but most--Gierek included--have never been tried and have quietly retired on high pensions. Many lower level functionaries, however, have been sentenced for abuses of office and economic crimes.

These closed networks of privileged cliques, alienated from the rest of society, have acquired a feudal mentality, treating the country as their own property and the citizens as their serfs. The pattern of corruption subsists mainly through the unhampered use of public resources. These top officials seek to organize relationships in such a way that every member of the clique has an opportunity to take advantage of the resources controlled by other members. They never pay for favors out of their own pockets. The bribes they offer to each other include public money, state property, political privilege and protection, access to restricted goods and services, and the free labor of employees of state enterprises and prisons, who are forced to perform various private tasks for members of the elite and their families. In this sense, the elite's management of the country is

synonymous with ownership of the country. This leads to the virtual reprivatization of the state economy, but without the obligations and responsibilities normally involved in private ownership.[7]

More recent reports published in the Soviet press regarding corruption indicate that personnel replacements and the imposition of criminal sanctions have brought little change in the corrupt habits of the ruling cliques. While these press articles are clearly politically motivated and are prompted by periodic anti-corruption campaigns, they still can be treated as a fairly reliable indication of the persistence of corruption in the highest circles of power in the Soviet Union. For example, in 1979, only a few years after the thorough reorganization of the hierarchy of the Azerbaidzhan Republic, heads of three ministries were dismissed from their posts for, as *Pravda* reported, "bribery, defrauding the state, and embezzlement."[8] The Minister of Public Health and several executives of the ministry were found guilty of flagrant violations, notably "favoritism, nepotism and localism," as well as the toleration of "embezzlement, bribery, extortion and use of official positions for mercenary purposes," all of which crimes are widespread in the medical establishment.[9]

Another large-scale bribery scandal that involved many local functionaries was exposed in 1982 in a district of Azerbaidzhan. In addition to an official of a district soviet executive committee and local managers, "several officials of the people's court and the district internal affairs department were guilty of flagrant violations and abuse of office."[10] Although the report did not name any party apparatus officials, it suggested the party's direct involvement and responsibility:

> [The] district party committee knew about all this, but took no effective steps to stop the violations .... Because exacting

> party control and devotion to principle were lacking in the district, little was done to combat manifestations of a petit bourgeois, consumer psychology, private-ownership tendencies, and other negative phenomena.[11]

As in Azerbaidzhan and several other republics, the disclosure of a high-level criminal ring in Soviet Georgia in early 1979 and the dismissals and trials resulting from that disclosure have not had any visible deterrent effect. For example, in 1982 the finance ministers and two other senior officials in Georgia were found guilty of corruption. Clearly, they were part of a large-scale criminal network including many high-ranking officials, who managed to escape prosecution.[12]

Uzbekistan is also notorious for widespread corruption. For instance, in 1982 a vigorous anti-corruption campaign resulted in a major purge. In January 1984, a plenary session of the Uzbekistan party organization "pointed out flagrant violations of the Leninist principles of selecting personnel that has often been supplanted by considerations of kinship, local favoritism and personal loyalty, and sometimes by mercenary motives."[13] A subsequent plenary session held in 1986 removed two members and three candidate members from the Central Committee for "misdeeds and behavior incompatible with membership in the Uzbekistan Communist Party Central Committee." Five members and two candidate members were expelled from the CPSU (Communist Party of the Soviet Union) for "flagrant violations of the principles and norms of party life, abuse of office, bribe-taking, report padding and hoodwinking." The vice chairman of the Uzbek Republic Supreme Court was relieved of his duties for committing "flagrant violations of socialist legality." Two members of the Supreme Court also were removed.[14] Party Report and Election Conferences in various Uzbek provinces brought more detailed accounts of the prevailing mechanisms of corruption. Among

them, Dzhizak Province was singled out as a leading example of rampant "family and clan nepotism."

> What could one expect, when half the members of the province party committee's bureau were related? A lack of supervision, local favoritism and mutual protection were the soil in which embezzlement, report padding and bribery became widespread .... The moral degeneration touched a sizable number of officials, including members of law-enforcement, soviet and party agencies.[15]

The Soviet media has consistently projected the message that the Caucasian and Central Asian republics have a special proclivity for corruption. Indeed they seem to have a greater share of high-level officials prosecuted for abuses of office than other republics. This tendency, however, is not easy to interpret given the purely political criteria that guide the selection of cases for prosecution. An argument could be advanced that the disproportionate focus on these republics serves to provide a convenient scapegoat whenever one is needed--for example, in the face of declining economic performance--without creating the impression that corruption is prevalent throughout the Soviet Union and therefore endemic to the Soviet system; to create the impression that something is being done about corruption without jeopardizing republic elites that have political clout and direct connections to central power; and to project the view that these "culturally backward" republics are not able to internalize "superior" Soviet ethics. This argument provides an excuse for tougher policies to enforce Russian-language training and eradicate religious traditions.

The latter point is supported by many official statements. At a 1984 Uzbek Central Committee plenum, for example, concern about corruption was accompanied by calls for an intensified struggle against "reactionary vestiges in people's consciousness ... consumer mentality ... backward

customs and traditions, and excessively sumptuous weddings and funeral banquets," as well as instances in which communists take part in religious ceremonies and do not conduct atheistic propaganda.[16] A provincial party conference held in 1986 in the Kirghiz Republic devoted to officials' corruption concluded that:

> in the province, whose inhabitants are mainly people of the indigenous nationality, too little attention has been devoted to the study of the Russian language. This could not help but have an effect on the development of general culture, education and technical progress. Isn't this why harmful vestiges of the benighted past and religious prejudices have proved to be especially tenacious here?[17]

While the difference in the volume of corruption in the Caucasian and Central Asian republics and the rest of the Soviet Union might be exaggerated, it is nonetheless understandable that the nature of corrupt practices and the organization of corruption networks varies in economically and culturally different republics. For example, it has been pointed out that people in sunny regions have considerable opportunities to increase their income illegally and semi-legally by privately producing and selling large quantities of fruit and vegetables, and providing some services to tourists. This practice in turn "leads to the corruption of controlling agencies that cover up such activities."[18]

A 1983 study by Mars and Altman demonstrated that the second economy in Georgia is highly influenced by the core values of Georgian culture, such as honor and shame, family responsibility, peer approval, competition, trust, network building, and risk taking. These traditionally strong cultural motives might in fact not only shape corrupt responses to Soviet conditions but facilitate them as well. This does not mean, however, that officials in other republics are subject to cultural pressures that prevent them from

responding in the same way, through corruption and nepotism. Still, strong ethnic identification and an emphasis on family and peer networks in Georgia and adjacent regions can lead to the emergence of such a tight web of corrupt elite networks that those involved lose perspective and virtually cease to pay attention to the commands of the central powers in Moscow. At that point, outside intervention becomes imperative in order to reinstate the subordination of these local elites and to restrain their penchant for autonomy.

Cultural differences notwithstanding, these illegal mutual favor networks seem to represent a common pattern of operation among Polish and Soviet elites. In addition, local elites tend to develop extensive links with organized crime networks and accept exorbitant bribes for the promise of protection. Bribes and regular protection pay-offs are often paid by members of local cliques lacking direct political influence. In his article on corruption in the USSR, Simis refers to the events in Kirghizia in the 1970s when the entire leadership had been found to be "in the pay of a highly ramified network of black marketeers and underworld racketeers for many years."

> It had been established that the latter had set up dozens of clandestine factories, collective farms and plantations of opium and connabis, which were not officially registered, for which no state taxes were paid, and the income from which was shared out between those engaged in these criminal operations and the rulers of Kirghizia.[19]

Such arrangements are by no means uncommon in other Soviet republics and Poland, although the details differ depending on regional characteristics.[20] A Polish journalist wrote in 1981 in the popular weekly *Polityka*:

> [The] scope of privileges enjoyed by the power elite is strongly

> influenced by the "second economy" activities. The latter has undoubtedly contributed to the widespread pattern whereby corruption becomes a practical means of settling matters to the "mutual advantage." ... Some members of the power elite have developed close links to the money elite, including leading second economy figures. It is enough to peruse membership lists of some hunting clubs.[21]

A combination of factors appears to be responsible for the omnipresence of elite corruption in the societies under study. While some measure of corruption is perhaps endemic to human society, certain unique features of the politico-economic organization of the Soviet Union and Poland can account for the peculiar style of corruption prevalent in these countries. One obvious cause of top level corruption is a lack of accountability among the elite in a one-party state that lacks legally guaranteed mechanisms for transferring power (for example, democratic elections). In addition, those who occupy chief offices within the official hierarchy--*nomenklatura*--are presented as representatives and indeed priests of the communist party. Thus, any criticism raised against them is viewed as an attack on the party. Any criticism of the party is synonymous with a critique of communism itself, an action that calls for the most severe penalties. Moreover, direct political control of the legal system makes it easy for those who occupy influential positions to manipulate the law in order to obtain material gain with impunity. Another cause of top-level crime is that the nationalized economy, which is subordinated to political management, is an arena of contest between political figures. Access to material resources serves to enhance the prestige and dictatorial powers of the political management. Absolute political power gives party officials a sense of omnipotence and leads them to believe that the economy will respond to their wishes and expectations, because all individuals at all levels of the

economic hierarchy must comply with their orders.

Finally, in a centrally planned economy money does not carry the same weight as in a capitalist economy, either as a means of satisfying needs or as an indicator of the position and prestige of individuals or classes. Consumption is therefore the main avenue for displaying and confirming one's success; it is the only unequivocal indicator of the individual's or group's ability to take care of its interest. Access to various goods and services is almost as important as money, and access is "arranged" through usually reciprocal "connections." Moreover, money cannot be reinvested in any legitimate way. The natural response to this emphasis on consumption and the rigid economy ridden with restrictions is to form networks. Common people organize networks also. In order to secure access to needed goods and services people need "contacts" in various stores, local offices, medical establishments and so forth. Status within these networks depends on the ability to provide others with "access" to state commodities.[22] Frequently, the only way to secure commodities is to divert them illegally from the places of state production and distribution.

This informal networking among common people is not entirely different from what is happening at the top of the political hierarchy, but the level of power and nature of "access" is on an incomparably grander scale. The truth is that the elite--not unlike those at the bottom of the social structure--could not really manage without these reciprocally structured informal networks. And once involved in a web of mutual favors and services, members soon realize that there is no line that they cannot overstep and no visible limit to the opportunities for exploitation of the state economy. Feelings of total immunity and mutual bonds among the

powerful are, however, tenuous because they are involved in never-ending political competition and power struggles. The criminal justice system is used occasionally as a weapon in these games. Those who become its targets are usually selected by their more powerful and usually equally corrupt associates and superiors. The final choice of scapegoats, who are criminally prosecuted, is essentially politically motivated.[23]

The central plan facilitates the communist party's political management of the economy. The plan corresponds neither to actual production nor to real social needs, and does not have to do so long as there remains a symmetry between officially expected and reported figures. Because the central plan has the status of law, however, all economic deviations from the plan are potentially criminal. Those who work in production are thus caught in a closed system, where both failing to fulfill an unrealistic plan and providing false information about its fulfillment can be treated as criminal offences or anti-state activities. The central plan, however, is neither binding nor sacred to top officials, who tend to adjust it flexibly to their private needs and political purposes.

An excellent example of private interests interfering with economic planning is the case of the gigantic, modern, Katowice Foundry, which was the largest industrial project of the 1970s in Poland. The location of this important plant was not based on rational advice. Critically minded experts were quickly and ruthlessly silenced. In truth, the deputy minister of the metallurgical industry wanted to leave a lasting monument to his career and chose his place of birth as the site for this gigantic construction. Economically, it was an absurd decision. The Katowice Foundry has devastated the green belt created for the purpose of improving air in the

mining district; it deprives the neighboring, highly populated area of drinking water; and it produces dangerous dust that is blown to Cracow, the beautiful former capital of Poland. In addition, the choice of Katowice was most inappropriate from the point of view of transportation. This highly congested region is located far from the sea and the Soviet border. What is perhaps most astonishing is that the Katowice Foundry was never included in the central plan. Thus in order to build the Foundry, funds had to be diverted illegally from planned projects, introducing even more chaos into the already disorganized economy.[24]

At a recent plenary session of the Uzbekistan Communist Party Central Committee, concern was expressed about a common practice whereby province party committees, province soviet executive committees, and ministries construct unplanned facilities without any architectural designs and with extravagance. This practice applies especially to administrative buildings, various sorts of dachas, and private residences. The state bank and the capital investment bank are not curbing these flagrant violations of state discipline.[25]

In addition to the unlawful diversion of funds from planned projects, many officials falsify and manipulate information concerning the fulfillment of the plans for economic units or regions. Under Soviet criminal law, a deliberate distortion of accounting data on the fulfillment of plans constitutes a crime punishable by a sentence of up to three years. While no section of the Polish penal code refers directly to this practice, a more general section can be applied in such cases. Falsification involves misrepresenting the quantity, quality or nature of economic output. Such acts often generate substantial profits for the managers, other officials,

and occasionally workers, by making them eligible for special financial bonuses, which result from fulfilling or overfulfilling the plan. Also, report padding is frequently committed to cover up or facilitate the large-scale theft of state property, illegal production, or the illegal sale of produced goods.[26] Report padding appears to be widespread in practically all Soviet bloc countries. Numerous controls initiated by Solidarity during its relatively short legal existence confirmed that virtually all economic reports were false. Some factories that year after year reported successful fulfillment of the plan did not exist, or existed but produced something other than what they were supposed to be producing, or produced nothing because of a lack of necessary materials, parts or machinery, or because of uselessness of the product.[27]

These findings suggest that the common practice of false reporting not only results in illegal profits, but also prevents realistic planning and leads to an escalation of falsehood. As a rule, central planning gradually leaves "the terrain of reality and creates a fictitious reality which becomes autonomous from the real production."[28] It would be false, however, to claim that the "fictitious" functioning of the economy is caused by the prevalence of report padding. Crimes against the central plan might contribute to the perpetuation and escalation of falsehood, but they are necessitated by the organization of a centrally planned economy.

The actual prosecution of cases of report padding appears to be remarkably rare in communist countries for two major reasons. Practically all important local officials have an interest in fabricating reports because they are responsible for seeing that the economic plans for a given region are fulfilled. Moreover, local officials want to be left alone by

their superiors in order to continue their illegal or semi-legal schemes. Reporting unsatisfactory results threatens to bring outside controllers or investigators into their communities, but because local networks usually include representatives of the police and other control agencies, covering up illegal reporting is not difficult. More vigorous law enforcement would inevitably harm the interests of the central authorities. A truly comprehensive program of law enforcement would lead to the criminalization of a very large group of executives on whom the party has to rely for everyday exercise of power. Party leaders could hardly afford such a move. Thus, although the central plan creates tension and conflict within the communists, it cannot be abolished because removing the centralized structure of the economy would dangerously weaken the party's control over society.

Crimes Against Communist Production Principles

Well known characteristics of state economies--lack of incentives, waste and ineffective organization of production--create opportunities for the introduction of illegal incentives and increased productivity, the fruits of which are illegally appropriated. For example, greater quantities of various end products can be produced by improving the organization of the production process or lowering the quality of the goods produced. Additional raw materials can be bought on the black market or obtained by bribing state employees, and then processed at state plants to be sold privately. And state machinery and tools can be used to introduce lines of private products. In each case, surplus goods are sold privately at a great profit because of the free use of state resources and inflated black market

prices. Illegal parallel enterprises are very common within state economic units in the Soviet Union and Poland. They consitute the most feasible solution to the profit-seeking habits of many executives in communist countries. While some of these people hold very important positions in the state economy, many are middle or lower level managers. But to carry out their schemes, these entrepreneurs need the cooperation of their superiors and other influential officials, as well as workers, drivers, convoyers, guards, accountants, and numerous others. Bribes, "protection money," special payments, profit sharing, and blackmail are all routinely used to secure this cooperation.[29]

Several socioeconomic factors of communist countries make such operations possible. Parallel enterprises and double record keeping practices for state and private production are possible only because of the typical occurrence of complicated patterns of spurious activity and false record keeping in communist enterprises. For example, a *Pravda* report on the sales of unrecorded output by a special design and technology bureau in Tallinn, where nearly one million rubles were misappropriated, notes, for example, that "bookkeeping was so muddled that the investigation had trouble determining the channels through which money flowed into the racketeers' pockets."[30]

In a centralized communist economy, the only officially relevant and clearly formalized dimension of management is vertical, and the only officially recognized activity is planning and reporting on the fulfillment of the plan. These activities occupy much of the energy of enterprises, but are practically irrelevant from the point of view of effective production. Thus in order to carry out productive tasks and cooperate with other

enterprises, different types of relationships must develop, namely, horizontal networks of contacts, agreements and exchanges. These networks, which are largely informal, skillfully evade impractical and inconvenient inplications of centralized, hierarchical command.[31] Illegal efforts to deceive or neutralize control agencies are perceived by insiders as justified and necessary for the survival of enterprises and the fulfillment of productive tasks. Under these circumstances, the line between legal and illegal, private and public, becomes blurred. As a result, one form of illegality breeds another. Huge, unsatisfied consumer demands, resulting from notorious shortages of consumer goods and industrial materials and parts, creates an outlet for illegal products. Practically anything produced is easily sold. Finally, the use of quantitative indicators in the state plan, which makes quality of secondary importance, provides an easy way to make illegal gain. The sense and purpose of any economic activity is lost when its importance is reduced because the indicators do not correspond to actual production. As a result, genuine economic activity even if illegal must gain some social support.

The Leadership Changes in the 1980s and Red-Collar Crime

Yurii Andropov's anti-corruption campaign was part of a broader morality campaign. Andropov understood that people were fed up with the general moral decay around them, and he hoped that his campaign would gain popular support. As Nikita Khrushchev earlier saw Stalin's personality as the sole cause of the problems of Stalinism, Andropov, with his KGB mentality, saw the problems of the Brezhnev era to be slack moral standards and weak, corrupt personalities, abundant at all levels of society.

Alcoholism, corruption, and lack of discipline were to blame for the sluggish economy and social disorganization. No major structural changes were needed, just more stress on discipline, reponsibility, and improving organization. In the process, many officials, on whom the KGB had long kept files documenting their corruption, were removed from their posts, thus making room for Andropov's supporters.

Unlike Andropov, who chose to appeal to rather traditional social values, Mikhail Gorbachev rules under the banner of a new era of modernization, embracing a new style, new approaches, and new technology. A political mode has been created to replace the "old," even though it is neither clear why the old political mode should be replaced, nor with what it should be replaced. The change is therefore taking place mainly in the sphere of rhetoric, where "restructuring of the style of work" has become one of the most overused slogans. Even some official reports seem to betray a veiled impatience with this enigmatic wave of undisclosed reforms, as shown by the following statements from the proceedings of province party conferences. While the "new" is never defined in these reports, it is constantly invoked in a rather Kafkaesque manner as an absolute criterion by which party performance is to be measured.

> ... one cannot find an executive who would not pay lip service to the idea of restructuring. But the time has come to learn to distinguish people who are really changing the style of their work from those who are only simulating changes. (Pavlodar province)
>
> In analysing ideological and mass-political work, the conference participants noted that so far it does not meet today's requirements. ... Speakers at the conference named those who are prisoners of stagnation and routine, who have lost their sense of the new and who do not want to or are unable to understand the essence of the present turning point. (Namagan province)
>
> The feverish activity of restructuring work with cadres remains at the province's upper levels; it has barely touched the foremen and

brigade leaders. (Dzhizak province)

> Worse yet, it was noted at the party conference, is the fact that the old habit of being satisfied with too little is sometimes transmitted even to those collectives where something new and promising is being developed. ... The times demand that a very serious lesson be drawn from all this. (Adzaria province)
>
> The restructuring of the style of work is proceeding slowly in a number of party committees. (Irkutsk province)[32]

Because Gorbachev does not seem to offer any really new ideas concerning desired economic and structural reforms, his politics of change are expressed above all in a frantic quest for new faces. In numerous institutions and communities, a majority of people who had *nomenklatura* posts have been "relieved of their duties," that is, demoted, transferred, or retired. Countless others have been reprimanded. Press reports on these massive personnel purges give the impression that something completely senseless is going on, as if a certain quota of dismissals has been set. The official reasons for many of the publicized dismissals are vague and seem to be applied quite mechanically. They include nepotism; mismanagement; carelessness; lack of vigilance, principles or modesty; political immaturity; and violations of socialist legality, norms of party life, or Leninist norms. Clearly, any official can easily be charged with such violations. The process suggests a ritualistic, "wholesale" approach, and a naive faith that replacing people without reforming structures will bring about meaningful changes. But judging by their former posts, the "new" people are bound to be quite well adjusted to the demands and necessities of life within the present structure. There can be no doubt that the network principle and red-collar crime will survive.

Unlike the Soviet Union, where periodic anti-corruption campaigns have become commonplace in recent decades, corruption has never been given much

official attention in Poland. Perhaps the lack of a distinct tradition of corruption makes it more difficult to blame Polish corruption on vestiges of the past. Tough measures against economic crimes, introduced during Khrushchev's campaign in the mid-1960s, did not affect high-level corruption and crime. In Poland, the anti-corruption campaign of 1980-81 was launched by supporters of Solidarity, not by the authorities, and popular demand played an important role in initiating criminal investigations against many top officials.

Stanislaw Kania viewed public condemnation of corruption in the Gierek regime as a useful explanation of the sources of the crisis. But General Jaruzelski, Kania's successor as party general secretary, has chosen to dwell not on the corruption issue, but rather on orchestrating a gigantic anti-speculation campaign, which had been started already by his predecessor. New, tough legislation was passed, and special anti-speculation squads were created, manned by policemen, soldiers, and so-called "volunteers."[33] This well publicized war on speculation was expected to convince the public that economic recovery of the country, tormented by food shortages and general economic collapse, depended mainly on suppression of black markets. It was implied that this could be accomplished only by the full mobilization of the repressive forces of the society, not by a free union movement. Thus, the stage was set for the army's take-over.[34]

Following the introduction of the "state of war" in December 1981, a very high proportion of *nomenklatura* positions were entrusted to military officials, who have tended to be incompetent and inexperienced in civilian posts. Army officials, accustomed to taking and transmitting orders, seem to assume that state administration and the economy should operate according

to an ideologically correct, vertically organized command structure. While these officials tend to avoid direct involvement in corruptive activities, they seem to be blind to corruption around them. They see only what they are told to see. Corrupt networks have simply been forced to readjust to the new situation to carry on their usual patterns of corruption and theft of state property.

No anti-corruption campaign has been initiated in Poland or is likely to emerge in the near future. The generals who crushed Solidarity in December 1981 and have ruled Poland ever since, would be embarrassed to admit that their rule has not put a stop to these practices. Instead, they have found a new target for their law and order zeal--the private sector of the economy, which was revitalized after the onset of the state of war in an effort to stimulate production, and is seen as an ideological threat. A massive control apparatus has been organized, and the mass media have been called upon to launch yet another politically expedient anti-crime campaign.

Conclusions: Red-Collar Crime and its Control

Both bribery and large scale appropriation of state property are punishable by death in the Soviet Union. The latter crime also constitutes a capital offence in Poland. It might seem inexplicable that the party elite, which controls all relevant decisions in these societies, would pass such harsh legislation directed against itself. Apparently, the party elite believes that it can control the application of the law, and thus they are relatively unconcerned about the actual letter of the law. While this belief is by and large justified, it is worth noting that some Soviet officials are from time to time singled out for well publicized executions

or prison sentences, which are intended to serve as an example for other officials. For instance, according to official Soviet information, five high-level officials were executed for corruption and malversations in Soviet Azerbaidzhan in the late 1970s. A Soviet deputy minister of the fish industry was sentenced to death for extortion and bribery in 1982, and the chairman of a borough soviet executive committee in Tbilisi was sentenced to death for heading a gang of influencial bribe-takers and speculators. A number of executions of enterprise and *kolkhoz* (collective farm) directors has also been reported. In Poland, by contrast, there have not been any executions for economic crimes or corruption since the mid-1960s. Such isolated cases of disclosure and punishment fail, however, to weaken the general faith of the elite in its immunity. This faith is strengthened by the fact that any potentially criminal charges against party members are first considered by special party commissions and are brought to the attention of the prosecutor's office only in exceptional cases.

Criminal law is officially portrayed as a useful instrument for controlling the economic process in communist countries which rejected market laws but have not replaced them with any other self-regulating mechanism. This use of criminal law clearly represents an individual approach to a global organizational problem. Recurring campaigns against corruption and abuses in the state economy are designed to divert attention from defects in the organization of the economy and consequences of its subordination to political power centers. Both the campaigns against these crimes and their definitions focus on activities of individuals and private gain, and not on systemic causes and conditions that generate and indeed necessitate the widespread occurence of crimes.

Moreover, there is little concern about crimes affecting the population that are committed daily on an enormous scale by communist industries. These crimes include the emition of lethal levels of pollution, lack of consideration for safety standards, and disregard for the needs of workers and consumers. Only crimes against ideological, economic dogma such as the central plan or state ownership of the means of production are given any official publicity or political visibility. It is evident that well publicized cases of prosecution of this type of crime are expected to reinforce these fundamental, ideological principles rather than improve the lives of the citizens of communist countries.

Finally, it must be stressed that legislation concerning elite economic crime is influenced by fundamental conflicts between the ruling communist party and workers, central planners and production units. The main goal of these laws is the symbolic neutralization of the conflicts in question and the preservation of the political and ideological status quo.

Notes

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9. "In the Azerbaidzhan Communist Party Central Committee," *Bakinsky Rabochy*, June 16, 1979, in *Current Digest of the Soviet Press* 31 (31), p. 14.

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17. "More Uzbek Officials Are Removed," *Pravda Vostoka*, January 10, 1986 and January 15, 1986, *Sovetskaia Kirghizia*, December 14, 1985, December 15, 1985, December 17, 1985, and December 24, 1985, *Izvestiia*, January 6, 1986, in *Current Digest of the Soviet Press* 38 (2), pp. 9-10 and 31.

18. A. Katsenelinboigen, "Corruption in the USSR: Some Methodological Notes," in M. Clarke, ed., *Corruption, Causes, Consequences and Control* (New York: Frances Pinter Publishers, Ltd., 1983), pp. 220-238; see also G. Grossman, "The 'Second Economy' of the USSR," *Problems of Communism* 26 (5) 1977, pp. 25-40.

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26. For more detailed information see St. Pomorski, "Crimes Against the Central Planner," pp. 291-317; Los, "Economic Crimes in Communist Countries," in *Comparative Criminology*, I. L. Barak and E. H. Johnson, eds. (Beverly Hills: Sage Publications, 1983), pp. 40-45; V. Artemko, "For Serious Shortcomings," *Pravda*, October 11, 1984, in *Current Digest of the Soviet Press* 36 (41), p. 23; "Corruption, Mismanagement in Uzbekistan," *Pravda Vostoka*, June 24, 1984, in *Current Digest of the Soviet Press* 36 (26), pp. 3-5; V. Demin, "Report Padding," *Pravda*, December 14, 1984, in *Current Digest of the Soviet Press* 36 (50), p. 21; G. Dimov, "Dzhizak: Nepotism, Report Padding, Bribery Help Lower Cotton Output," *Izvestiia*, December 30, 1986, in *Current Digest of the Soviet Press* 37 (52), p. 16; "More Uzbek Officials Are Removed," *Pravda Vostoka*, January 10, 1986 and January 15, 1985, *Sovetskaia Kirghizia*, December 14, 1985, December 15, 1985, December 17, 1985, and December 24, 1985, *Izvestiia*, January 6, 1986, in *Current Digest of the Soviet Press* 38 (2), pp. 9-10, 31; V. Petukhov, "Problems and Opinions: Getting Along Without the 'Expediter'," *Pravda*, April 9, 1984, in *Current Digest of the Soviet Press* 36 (14) p. 18; "They Award Us Bonuses for Defective Output," *Izvestiia*, April 5, 1984, in *Current Digest of the Soviet Press* 36 (50), p. 21; "The Press Group of the USSR Prosecutors Office Reports," *Izvestiia*, December 13, 1984, in *Current Digest of the Soviet Press* 36 (50), p. 21.

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