

**The Criminality of Transition**

**By Sam Vaknin, Ph.D.**

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Human vice is the most certain thing after death and taxes, to paraphrase Benjamin Franklin. The only variety of economic activity, which will surely survive even a nuclear holocaust, is bound to be crime. Prostitution, gambling, drugs and, in general, expressly illegal activities generate c. 400 billion USD annually to their perpetrators, thus making crime the third biggest industry on Earth (after the medical and pharmaceutical industries).

Many of the so called Economies in Transition and of HPICs (Highly Indebted Poor Countries) do resemble post-nuclear-holocaust ashes. GDPs in most of these economies either tumbled nominally or in real terms by more than 60% in the space of less than a decade. The average monthly salary is the equivalent of the average daily salary of the German industrial worker. The GDP per capita – with very few notable exceptions – is around 20% of the EU's average and the average wages are 14% the EU's average (2000). These are the telltale overt signs of a comprehensive collapse of the infrastructure and of the export and internal markets. Mountains of internal debt, sky high interest rates, cronyism, other forms of corruption, environmental, urban and rural dilapidation – characterize these economies.

Into this vacuum – the interregnum between centrally planned and free market economies – crept crime. In most of these countries criminals run at least half the economy, are part of the governing elites (influencing them behind the scenes through money contributions, outright bribes, or blackmail) and – through the mechanism of money laundering – infiltrate slowly the legitimate economy.

What gives crime the edge, the competitive advantage versus the older, ostensibly more well established elites?

The free market does. When communism collapsed, only criminals, politicians, managers, and employees of the security services were positioned to benefit from the upheaval. Criminals, for instance, are much better equipped to deal with the onslaught of this new conceptual beast, the mechanism of the market, than most other economic players in these tattered economies are.

Criminals, by the very nature of their vocation, were always private entrepreneurs. They

were never state owned or subjected to any kind of central planning. Thus, they became the only group in society that was not corrupted by these un-natural inventions. They invested their own capital in small to medium size enterprises and ran them later as any American manager would have done. To a large extent the criminals, single handedly, created a private sector in these derelict economies.

Having established a private sector business, devoid of any involvement of the state, the criminal-entrepreneurs proceeded to study the market. Through primitive forms of market research (neighbourhood activists) they were able to identify the needs of their prospective customers, to monitor them in real time and to respond with agility to changes in the patterns of supply and demand. Criminals are market-animals and they are geared to respond to its gyrations and vicissitudes. Though they were not likely to engage in conventional marketing and advertising, they always stayed attuned to the market's vibrations and signals. They changed their product mix and their pricing to fit fluctuations in demand and supply.

Criminals have proven to be good organizers and managers. They have very effective ways of enforcing discipline in the workplace, of setting revenue targets, of maintaining a flexible hierarchy combined with rigid obedience – with very high upward mobility and a clear career path. A complex system of incentives and disincentives drives the workforce to dedication and industriousness. The criminal rings are well run conglomerates and the more classic industries would have done well to study their modes of organization and management. Everything – from sales through territorially exclusive licences (franchises) to effective "stock" options – has been invented in the international crime organizations long before it acquired the respectability of the corporate boardroom.

The criminal world has replicated those parts of the state which were rendered ineffective by unrealistic ideology or by pure corruption. The court system makes a fine example. The criminals instituted their own code of justice ("law") and their own court system. A unique – and often irreversible – enforcement arm sees to it that respect towards these indispensable institutions is maintained. Effective – often interactive – legislation, an efficient court system, backed by ominous and ruthless agents of enforcement – ensure the friction-free functioning of the giant wheels of crime. Crime has replicated numerous other state institutions. Small wonder that when the state disintegrated – crime was able to replace it with little difficulty. The same pattern is discernible in certain parts of the world where terrorist organizations duplicate the state and overtake it, in time. Schools, clinics, legal assistance, family support, taxation, the court system, transportation and telecommunication services, banking and industry – all have a criminal doppelganger.

To summarize:

At the outset of transition, the underworld constituted an embryonic private sector, replete with international networks of contacts, cross-border experience, capital agglomeration and wealth formation, sources of venture (risk) capital, an entrepreneurial spirit, and a diversified portfolio of investments, revenue generating assets, and sources of wealth. Criminals were used to private sector practices: price signals, competition, joint venturing, and third party dispute settlement.

To secure this remarkable achievement – the underworld had to procure and then maintain – infrastructure and technologies. Indeed, criminals are great at innovating and even more formidable at making use of cutting edge technologies. There is not a single technological advance, invention or discovery that criminals were not the first to utilize or the first to contemplate and to grasp its full potential. There are enormous industries of services rendered to the criminal in his pursuits. Accountants and lawyers, forgers and cross border guides, weapons experts and bankers, mechanics and hit-men – all stand at the disposal of the average criminal. The choice is great and prices are always negotiable. These auxiliary professionals are no different to their legitimate counterparts, despite the difference in subject matter. A body of expertise, know-how and acumen has accumulated over centuries of crime and is handed down the generations in the criminal universities known as jail-houses and penitentiaries. Roads less travelled, countries more lenient, passports to be bought, sold, or forged, how to manuals, classified ads, goods and services on offer and demand – all feature in this mass media cum educational (mostly verbal) bulletins. This is the real infrastructure of crime. As with more mundane occupations, human capital is what counts.

Criminal activities are hugely profitable (though wealth accumulation and capital distribution are grossly non-egalitarian). Money is stashed away in banking havens and in more regular banks and financial institutions all over the globe. Electronic Document Interchange and electronic commerce transformed what used to be an inconveniently slow and painfully transparent process – into a speed-of-light here-I-am, here-I-am-gone type of operation. Money is easily movable and virtually untraceable. Special experts take care of that: tax havens, off shore banks, money transactions couriers with the right education and a free spirit. This money, in due time and having cooled off – is reinvested in legitimate activities. Crime is a major engine of economic growth in some countries (where drugs are grown or traded, or in countries such as Italy, in Russia and elsewhere in CEE). In many a place, criminals are the only ones who have any liquidity at all. The other, more visible, sectors of the economy are wallowing in the financial drought of a demonetized economy. People and governments tend to lose both their scruples and their sense of fine distinctions under these unhappy circumstances. They welcome any kind of money to ensure their very survival. This is where crime comes in. In Central and Eastern Europe the process was code-named: "privatization".

Moreover, most of the poor economies are also closed economies. They are the economies of nations xenophobic, closed to the outside world, with currency regulations, limitations on foreign ownership, constrained (instead of free) trade. The vast majority of the populace of these economic wretches has never been further than the neighbouring city – let alone outside the borders of their countries. Freedom of movement is still restricted. The only ones to have travelled freely – mostly without the required travel documents – were the criminals. Crime is international. It involves massive, intricate and sophisticated operations of export and import, knowledge of languages, extensive and frequent trips, an intimate acquaintance with world prices, the international financial system, demand and supply in various markets, frequent business negotiations with foreigners and so on. This list would fit any modern businessman as well. Criminals are international businessmen. Their connections abroad coupled with their connections with the various elites inside their country and coupled with their financial prowess – made them the first and only true businessmen of the economies in transition. There simply was no one else qualified to fulfil this role – and the criminals

stepped in willingly.

They planned and timed their moves as they always do: with shrewdness, an uncanny knowledge of human psychology and relentless cruelty. There was no one to oppose them – and so they won the day. It will take one or more generations to get rid of them and to replace them by a more civilized breed of entrepreneurs. But it will not happen overnight.

In the 19th century, the then expanding USA went through the same process. Robber barons seized economic opportunities in the Wild East and in the Wild West and really everywhere else. Morgan, Rockefeller, Pullman, Vanderbilt – the most ennobled families of latter day America originated with these rascals. But there is one important difference between the USA at that time and Central and Eastern Europe today. A civic culture with civic values and an aspiration to, ultimately, create a civic society permeated the popular as well as the high-brow culture of America. Criminality was regarded as a shameful stepping stone on the way to an orderly society of learned, civilized, law-abiding citizens. This cannot be said about Russia, for instance. The criminal there is, if anything, admired and emulated. The language of business in countries in transition is suffused with the criminal parlance of violence. The next generation is encouraged to behave similarly because no clear (not to mention well embedded) alternative is propounded. There is no – and never was – a civic tradition in these countries, a Bill of Rights, a veritable Constitution, a modicum of self rule, a true abolition of classes and nomenclatures. The future is grim because the past was grim. Used to being governed by capricious, paranoiac, criminal tyrants – these nations know no better. The current criminal class seems to them to be a natural continuation and extension of generations-long trends. That some criminals are members of the new political, financial and industrial elites (and vice versa) – surprises them not.

In most countries in transition, the elites (the political-managerial complex) make use of the state and its simulacrum institutions in close symbiosis with the criminal underworld. The state is often an oppressive mechanism deployed in order to control the populace and manipulate it. Politicians allocate assets, resources, rights, and licences to themselves, and to their families and cronies. Patronage extends to collaborating criminals. Additionally, the sovereign state is regarded as a means to extract foreign aid and credits from donors, multilaterals, and NGOs.

The criminal underworld exploits the politicians. Politicians give criminals access to state owned assets and resources. These are an integral part of the money laundering cycle. "Dirty" money is legitimized through the purchase of businesses and real estate from the state. Politicians induce state institutions to turn a blind eye to the criminal activities of their collaborators and ensure lenient law enforcement. They also help criminals eliminate internal and external competition in their territories.

In return, criminals serve as the "long and anonymous arm" of politicians. They obtain illicit goods for them and provide them with illegal services. Corruption often flows through criminal channels or via the mediation and conduit of delinquents. Within the shared sphere of the informal economy, assets are often shifted among these economic players. Both have an interest to maintain a certain lack of transparency, a bureaucracy (=dependence on state institutions and state employees) and NAIRU (Non Abating

Internal Recruitment Unemployment). Nationalism and racism, the fostering of paranoia and grievances are excellent tactics of mobilization of foot soldiers. And the needs to dispense with a continuous stream of patronage and provide venues for the legitimization of illegally earned funds delay essential reforms and the disposal of state assets.

This urge to become legitimate - largely the result of social pressure - leads to a deterministic, four stroke cycle of co-habitation between politicians and criminals. In the first phase, politicians grope for a new ideological cover for their opportunism. This is followed by a growing partnership between the elites and the crime world. A divergence then occurs. Politicians team up with legitimacy-seeking, established crime lords. Both groups benefit from a larger economic pie. They fight against other, less successful, criminals, who wish to persist in their old ways. This is low intensity warfare and it inevitably ends in the triumph of the former over the latter.

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## Why Schedule a Transition Phase?

By Matt Russ

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The transition phase may be referred to as “off season” training but is not a time to take “off.” Actually, there is no “off” season. The transition phase is the time of year to let your body fully recover, both mentally and physically, while maintaining a level of fitness. It is the time to let those nagging little injuries heal up. The transition phase can last 4-6 weeks and occurs directly after the final peak of the season.

I usually give my athletes a week of rest or very limited training following peak, and then start the transition phase. I give them the most flexibility and autonomy during this period. I tell the athlete to take extra rest days if needed and we schedule a few weeks with consecutive days off. Cross training and other activities are encouraged, especially for runners. I like to give the joints and connective tissue a break from the impact of running and will schedule runs as little as 2x per week. I do not encourage racing during the transition phase other than at a base or non-competitive level. I discouraged a race that requires preparation or volume increase.

A typical transition week will have the athlete working out 4-5 days per week with rest days in between. There is no progression. Volume can be greatly reduced as long as there are brief bouts of intensity. I will cut interval volume way down but never eliminate higher intensities completely to maintain aerobic capacity. I do encourage one longer work out per week at a base level to maintain endurance. Some light strength training can occur, mainly to acclimate the body for resistance training. Reps are high, weight low, and the number of sets small. Core work is emphasized.

Mentally it may be hard for you to transition for the first time following peak. If you are used to higher volume and high intensity and you may feel they are going to lose too much fitness. I have found that athletes who transition a few seasons actually look forward to it and may train even harder leading up to transition. It is the light at the end of the tunnel. I like my athletes coming out of transition feeling a bit under trained and ready for the increased volume in base.

Conversely: taking time off completely means spending a majority of your base season making up for lost ground. Each season should build on the last. If you take 8 weeks off you may find your race times are similar to last years (or worse).

The transition phase is an important part of an annual training plan and should not be overlooked. Be sure you end your season with a transition before you begin the next.

Matt Russ has coached and trained athletes around the country and internationally. He currently holds licenses by USAT, USATF, and is an Expert level USAC coach. Matt

coaches athletes for CTS, is an Ultrafit Associate, and owner of  
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