

CONCLUSION

The war in former Yugoslavia had an enormous impact on development of trans-border organized crime and the spread of corruption in Southeast Europe. The "heritage" of the communist regimes, the sudden complete liberalization of trans-border trade, which was not accompanied by necessary regulation, the fact that due to the small size of regional economies, **state borders became the main mechanism for redistribution of national wealth**, as well as the region's geographic position all contributed significantly to this development. Yet, the impact of the conflicts in the Western Balkans in this regard was essential. Unlike in Central European and Baltic states, which established effective control over their borders fairly quickly and where criminal structures involved in trans-border organized crime worked past state institutions, **in most Southeast European countries and especially in the former Yugoslavia, these structures often operated through state institutions**. Ruling elites were thus actively involved in setting up and conducting illegal trade operations.

In those parts of former Yugoslavia, which were actively involved in the war, **smuggling networks (predominantly for illegal import of arms and oil) were set up by state institutions like Ministries of Defence and Interior, secret services and customs agencies**, and run by people from within or closely associated with these institutions.

- In this initial stage, smuggling and illicit trade were widely perceived as essential contribution to promoting national interest.
- They were thus viewed as legitimate state-organized covert operations, rather than criminal acts.
- For this reason, the distinction between "national heroes" and "criminals" was often blurred to such an extent that many people could not differentiate between these two sides of the same coin. In some cases, this is relevant even today.

The smuggling and illicit trade in warring Yugoslav republics would not be possible without the outer ring (Albania, Macedonia, Bulgaria, Romania, but also Hungary and Slovenia, which were not discussed in this research). These countries have **played the role of mediators in the trans-national system of smuggling and trafficking** in violation of international sanctions.

- The proximity to the war zone and the possibilities the sanction-busting offered to well-placed individuals and groups influenced the rapid development of smuggling and other illegal activities.
- Yet, these countries in their own turn also became important centres of international smuggling schemes, stipulated both by the supranational processes of the globalization of organized crime, and by national political and economic changes, occurring during the transition.

The smuggling channels, set up semi-officially with the knowledge, if not even active participation of highest-level state officials, **were soon "privatized" by structures, closely connected to the ruling elites**. Smuggling networks were expanded to include various consumer goods, especially those with high excise taxes, as well as illegal drugs and even human beings.

- The region became one of the most important links in the European cigarette smuggling business. The EU loses billions of USD annually in unpaid taxes because of the cigarettes smuggled to its territory through the Balkans. The losses of the regional countries are measured in hundreds of millions of USD.
- Southeast Europe is a natural bridge between Middle Eastern and Central Asian drug producers and Western European drug consumers. It is estimated that up to 80 percent of the heroin sold in the EU travels through the Balkans.
- In recent years, the region has become the most important European entry point for thousands of illegal immigrants from Middle East, Africa and Asia. Even more alarming is the constantly growing sex trade with women and girls. Regional states are involved as countries of origin, transit countries, as well as destination countries.

Smuggling and illicit trade started to seriously undermine the normal functioning of the states. Yet, in those states, where involvement in the war created extreme socio-political environments in which the change of the ruling regimes was almost impossible, virtually no attempts to counter illegal trade were made. But even in countries, where governments did change in this period, the measures undertaken were largely ineffective and led only to the change of structures, involved in the smuggling and which were now patronized by the new political elites.

Smuggling and other forms of trans-border crime, as well as the corruption they generated, have been among the most important obstacles to the successful transition to democracy and market economy, and have substantially hampered numerous political, economic and legal reforms.

- A vicious circle was formed where corruption generated more opportunities for smuggling and other forms of organized crime, these generated instability and created fertile ground for eruption of conflicts, and these in turn hindered efforts to stem corruption.
- Promises to fight corruption and smuggling have been regularly an important part of electoral campaigns in all Southeast European countries.
- Despite such promises, little has changed in the 1990s.
- In cases when governments were changed, some smuggling channels were usually broken, and some of those involved arrested or sacked from their positions. Yet, the smuggling itself was rarely affected, with new smuggling channels taking over.
- Under these circumstances, the prospects for a successful transition were seriously undermined.
- Many of those in charge with fighting smuggling and trafficking had been making enormous profit out of prolonging the status quo.
- Due to the wide-spread pauperization in Southeast Europe, there was also very little grass-root pressure to terminate smuggling, due to the lower cost of smuggled goods on the market.
- Furthermore, a significant segment of the population was actively involved in the "suitcase trade," the small-scale smuggling, largely tolerated by authorities, since it represented a form of a safety valve for the pressure the ever-increasing army of the unemployed represented.

By the end of the year 2000, governments of all regional countries became involved in effort to counter smuggling and corruption. Apart from several important political changes in the region, one of the most important reasons for such development was the ever increasing international pressure on regional governments to do more to curb smuggling and corruption.

- Numerous special counter-smuggling and counter-trafficking police units were established.
- A number of new laws, dealing specifically with smuggling and trafficking were adopted and penalties for perpetrators of these acts increased.
- Work of customs officers and border police was assessed and in some countries, some of the necessary reforms and changes were undertaken. Hopefully, the rest will follow soon. In many regional countries, drug seizures, for example, sharply increased as a result.
- Numerous shelters for victims of human trafficking have also been opened.

Even more important is the fact that regional and international cooperation in the fight against trans-border crime in the region is constantly increasing. European Commission's Customs Assistance Missions in the region, the efforts of Organization for Security and Cooperation in Europe (especially in the fight against human trafficking), the Stability Pact, the Southeast European Cooperative Initiative and its Regional Centre for Combating Trans-border Crime, the Southeast European Legal Development Initiative, as well as several other projects have made substantial progress in the last few years.

Regional cooperation in countering smuggling and trafficking has also improved, as demonstrated by numerous bilateral and multilateral treaties and joint programs, involving regional states. These developments prove that regional governments now finally understand that no country can fight trans-border crime on its own, and that this is possible only if a genuine and effective regional cooperation takes place. For the first time in 12 years, it now seems that the vicious circle, troubling the Southeast Europe since the beginning of the transition, can finally be broken. Yet, this is only the beginning and given the scope and persistence of the problem, which this research attempted to highlight, there is still an enormous task lying ahead.