

About the Author:

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Further Reading:

- Emil Danielian, "Armenian Customs Chief Denies Sensitive Equipment Sales to Iran," *RFE/RL Armenia Report*, 22 May 2002.
- Jim Nichol, "Armenia, Azerbaijan, and Georgia: Political Developments and Implications for U.S. Interests," *Congressional Research Service*, 13 July 2009.
- Elena Sokova, William C. Potter, and Cristina Chuen, "Recent Weapons Grade Uranium Smuggling Case: Nuclear Materials are still on the Loose," *CNS Research Story*, Monterey Institute of International Studies, James Martin Center for Nonproliferation Studies, 26 January 2007. <http://cns.miis.edu/stories/070126.htm>
- Transparency International, *Corruption Perception Index 2008*, www.transparency.org/publications/
- U.S. Department of State, "2008 Trafficking in Humans Report," Under Secretary for Democracy and Global Affairs, Office to Monitor and Combat Trafficking in Persons, 4 June 2008.
- U.S. Department of State, "2009 International Narcotics Control Strategy Report," Bureau of International Narcotics and Law Enforcement Affairs, 27 February 2009.
- Anar Valiyev, "Al-Qaeda in Azerbaijan: Myths and Realities," *Jamestown Terrorism Monitor*, Volume 4, Issue 10, 18 May 2006.

Analysis

The Georgian Mafia

By Gavin Slade, Oxford, UK

Abstract

Amongst post-Soviet countries, Georgia has a reputation as a stronghold for a certain type of criminal, known in Georgian as *kanoneri qurdebi* (literally translated as thieves-in-law meaning thieves living by their own code). These figures have sometimes been mythologized as steel men alloying elements of the harsh penal subculture of the Soviet Gulag with the ancient cultural values of the Georgian *abrag*, the honest, honorable outlaw living by the informal laws of the mountains. Trying to move past the romanticized image, this article goes into some detail about what the *qurdebi* are, what they do and how they have changed in Georgia in the 1990s up to the Rose Revolution.

Introduction

The *qurdebi* are not simply involved in organized crime where this term denotes any coordinated activity between two or more individuals that attempts to monopolize the production and distribution of a certain commodity in the illegal sector – drugs, prostitution, stolen cars, fake documentation, trafficking in humans and so on.

Instead, as detailed below, the *qurdebi* arbitrate and enforce decisions, protect and extort from legal actors, and act as a vital lubricant for the cogs of organized criminal activity, lowering transaction costs for the actors involved and enabling trust relationships in a naturally volatile underworld. In short, the Georgian *qurdebi* are not an ordinary organized crime group, the *qurdebi* are a mafia.

Arbitration, Protection, Extortion

In conditions of low trust where the state is too weak to protect property rights and enforce legal decisions, two parties hoping to perform a transaction may often require a third party enforcer to guard against defection by either or both of the parties. The candidates for the role of third party enforcer need to have certain attributes and qualities that are easily signaled to all parties involved. In Georgia in such situations the *qurdebi* monopolized this role. But why them – what gives them a competitive advantage?

Firstly, to become a *qurdi* is no easy task, candidates have to prove themselves worthy of the title by such things as prison experience, evidence of living according

to the rules of the thieves' world, such as paying money from illicit activities into a communal fund, the so-called *obschak*, and refusing to work and wear uniforms. The title and nicknaming are bestowed by already made *qurdebi* during an initiation ritual and act as a brand of quality that signals honesty, manliness, fairness in decision-making and a, at least latent, capacity for violence. Moreover, the history of the *qurdebi* in Georgia, as noted above, goes back a long way, allowing the carriers of the title to draw upon a mythologized past.

Secondly, perhaps due to the extraordinary size of the second economy and the demand for informal dispute resolution in Georgia prior to 1991, the *qurdebi* already had vast experience in meeting this demand better than any bandits, robbers or paramilitaries who were, in Russia for example, often able to usurp the role of the thieves in the underworld through pure violence.

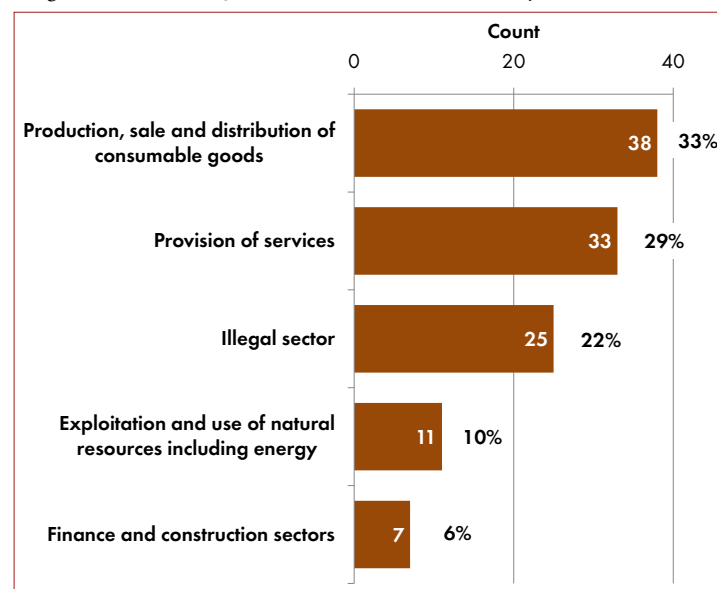
An example serves to illustrate the role of the *qurdi*. Around Kutaisi in Western Georgia there are fertile lands for growing various types of agricultural produce, including easily grown herbs and greens such as dill and tarragon. Two businessmen involved in the export of these herbs to the market in Moscow got into a conflict over a payment of a substantial sum of money, \$8,000, owed to one of them. They turned to a *qurdi* K. for help resolving the issue. K. was only too happy to arbitrate for a percentage agreed upon beforehand but once the dispute was settled the businessmen had evidently not guessed what would happen next:

K. asked them, "sorry guys, but where are you making so much money from?" and they told him about their herb business ... After that they found themselves paying \$2 for every kilogram to the *qurdebi* ... the *qurdebi* had no idea that people could make so much money from herbs! But when you are dealing with 90 tonnes of it going to Moscow to market and you are getting \$2 per kilo, it turns out it's not bad business ... they controlled it here, at source in Kutaisi and on arrival in Moscow. It worked out the *qurdi* here took \$1 per kilo and another *qurdi* \$1 per kilo in Moscow.¹ This case reveals certain interesting features, firstly that the businessmen turned to the *qurdi* to resolve their dispute, secondly, that dispute resolution evidently is a mechanism for the *qurdebi* to collect information on businesses, thirdly, that once the businessmen turned to the *qurdebi*, they had no choice but to allow them a regular share of the profits, and finally that even though the business crossed borders the easy transplantation of the Georgian *qurdebi* to Russia (as evidenced by the anxiety

in Moscow about Georgians carving up the city in the present day) meant they had no problem dealing with the business at both ends. Though this looks like a case of straightforward extortion, we may suppose that the businessmen acquired some service for this fee as it is now in the *qurdebi's* interests both materially and in terms of reputation to make sure that the herbs are produced, exported and sold trouble-free.

This type of story with both illegal and legal ventures being racketeered by a network of criminals who live by a certain set of informal norms is repeated time and again. Either the *qurdebi* extract a rent from a business, or they take partial control through acquiring shares in joint stock companies, in some cases they have full ownership. The figure below gives a breakdown of the areas that became influenced by the *qurdebi* in Georgia before the Rose Revolution.

Diagram 1: Areas of Qurdebi Influence in the Economy



Source: Special Operations Department, Tbilisi

The graph represents an analysis of police files on 114 *qurdebi* from different regions of Georgia. The count in the above graph refers to businesses (coded by sector) influenced by the *qurdebi* who in many of the cases had interests in more than one sphere. The data is in no way supposed to be exhaustive as more cases would be needed to build up a richer picture, however this gives us an idea of the scourge of organized crime and the mafia within the very sick economic body of the Georgian state.

As can be seen from the graph, the *qurdebi* were most parasitic in the area of trade (33% of cases) where this means the racketeering of shops, markets, petrol

¹ Interview conducted by the author with the Head of Special Operations Department, Kutaisi division, in May 2009.

stations, bakeries and wine companies and including the production and distribution of the famous Georgian mineral water Borjomi. Second come services (28% of cases) and this includes casinos, restaurants, hotels, mini-bus routes, car mechanics, pool-halls, TV stations, and sports including the Kutaisi Torpedo football team. Thirdly, the illegal sector (22%), which in most cases means the control of an organized crime group for the purposes of stealing cars, kidnapping for ransom, drug trafficking and selling. Following this is the exploitation of natural resources (10%), with the collapse of Georgian industry this mainly refers to the trade in timber and scrap metal as well as the distribution of petrol. Finally the finance and construction (7%) sectors have very few mentions and tend to involve the most authoritative and well-known *qurdebi* perhaps because control of banks and building societies required political connections and that government tenders for construction projects may have been a rare thing in the 1990s for a state with no budget.

There are commonsense reasons we might suppose that trade and services are so popular for organized criminals. Simply, they represent the best value, lowest risk investment in providing protection. Enterprises connected with natural resources, finance and construction are scarcer and thus competition fiercer. A lot depends on political connections in these spheres as well. Many sources attest that to racketeer these businesses the *qurdebi* themselves paid protection money to the police. Thus, the police reform following the Rose Revolution was undoubtedly a massive achievement in removing the corrupt policemen who had acted as a safety buffer for the *qurdebi*. This reform made them vulnerable to the attack that eventually came with the new laws on organized crime transferred from Washington and Rome.

Finally, areas such as kidnapping, trafficking and drugs may seem lucrative activities to get involved in, and as we can see the *qurdebi* do involve themselves in this (including using drugs), but compared to the simple racketeering of small and medium size enterprises in trade and services, they present big challenges in terms of logistics, the danger of conflict, and drawing attention to activities that may be seen as morally unacceptable in traditional Georgian society. This latter factor is a big issue: as for any mafia, advertising and the maintenance of a good reputation are vital resources for staying in business. I now turn exactly to this issue.

Reputation

As mentioned, the *qurdebi* trade on the renown of their status within Georgian society, converting reputational

capital into economic capital, maintaining a steady stream of young people either willing to steal or commit acts of violence on their behalf whilst possessing illusions of one day also holding the title. Of course, the *qurdebi* need to recruit constantly and ‘baptize’ fresh blood, however, they do not want to overfill the ranks, as this will mean sharing the common spoils (the *obshchak*) of organized crime with a greater number and more importantly might lead to inexperienced upstarts who are not properly socialized in the traditions to commit improper acts that will diminish the reputation of the whole group. Yet this is exactly what seems to have happened in Georgia in the 1990s:

After the Soviet Union collapsed younger people started becoming *qurdebi*... Before you would hear of a new *qurdi* “crowned” once every couple of years maybe and now they are scattered about like sunflower seeds! These days, if you steal a chicken you can become a *qurdi*!²

This again is a common opinion in Georgia; the *qurdebi* lost their traditions, became unscrupulous, money-grabbing, and cruel. I have no space to enumerate the reasons for this but there seems to be two clear contributing factors: firstly, the opportunity cost of monitoring other *qurdebi* and their activities in Georgia became very high, as, with money to be made, the most experienced *qurdebi* left for Moscow; secondly, conflicts with paramilitary groups such as *Mkbedrioni* in the early 1990s may have pushed the *qurdebi* to drop their entry requirements and recruit more people to their side, as has occurred in mafia wars in other countries. The downside to this is the sacrifice of quality for quantity; the new recruits might not have the necessary life experiences, one of the most important of which for a potential *qurdi* is time served in prison.

To give an indication of how this decline in quality occurred, Table 1 overleaf uses police data to compare the number of convictions for two cohorts of *qurdebi* from Kutaisi, 25 *qurdebi* born between 1956 and 1969 and 27 born after 1970. Given that my data suggest that the average age for being “baptized” a *qurdi* is around 25 the majority of the former cohort would be “baptized” around the 1980s and the latter in the 1990s.³ We can see from the table overleaf that the number of convictions is dramatically lower for the younger cohort.

² Interview conducted by the author with a former prison worker with 30 years work experience in prisons, Kutaisi, May 2009.

³ This is also based on the information contained in the police files.

Table 1: Number of Convictions across Cohorts for *Qurdebi* in Imereti

Cohort	Number of Convictions							Total (cases)
	0	1	2	3	4	5	6	
1956 – 1969	0	1	8	6	5	4	1	25
1970 – 1983	10	10	5	1	1	0	0	27
Total	10	11	13	7	6	4	1	52

Source: Special Operations Department, Kutaisi

As can be seen, 10 *qurdebi* from the younger cohort have no convictions, where as all of the 25 from the older cohort have at least one conviction. Basic statistical tests revealed a statistically significant variation ($p = 0.000$) between the cohorts and a strong ($r = -0.7$) negative relationship between membership of the younger cohort and number of convictions.⁴ Now of course it may be argued that this is merely due to age, the younger ones simply had less chance to be convicted, and the weakening of law enforcement agencies after 1991 made conviction less likely, however these factors still do not explain why so many *qurdebi* were able to become *qurdebi* at all without having served any time in prison as this is quite against all traditions and their code of honor. Moreover, there have been many reports of people simply buying the title of *qurdi*, suggesting a corruption and demoralization on a par with Georgia's state institutions in the 1990s. Taken together these factors point to a lowering of the barriers to entry causing an influx of newcomers without the prerequisite experience, especially in prison, which could produce a reduction in trust between members, tainting the well-developed brand name that in the

⁴ I ran a Mann-Whitney U test, a non-parametric t-test for comparing the groups.

past afforded the *qurdebi* respect and a reputation. Perhaps it is easiest to think of this as one police respondent does:

“Yeah it was a problem. Imagine Manchester United signing some shit! Yeah, you buy some crap and then you see he can't play, maybe he can kick the ball but that's all he can do ... if you make someone a *qurdi* and then he can't work properly then it will be you who has problems ...”⁵

Conclusion

To conclude then, we have seen that the *qurdebi* were indeed embedded in the Georgian economy and that the state needed to act. However, before blowing President Mikheil Saakashvili's trumpet too loudly, we should understand, as the police investigator above suggests, that the *qurdebi* brought problems on themselves, adapting yet undermining themselves in the conditions of emergent capitalism. Once this is understood we can start to explain why, for example, in Georgia, there was very little resistance to the anti-mafia campaign compared, say, with Italy in the early 1990s where fire was fought with fire. We can also start to understand why Georgian youth have, by all accounts, suddenly given up on the thieves' world – the gap between the myth of the honest thief and the cruel, shallow reality simply had grown so large that societal support for the *qurdebi* was waning. All that was missing was the political will to seriously attack the Georgian mafia, and that all changed with the Rose Revolution.

⁵ Author's interview with a police investigator, main division of Special Operations Department, Tbilisi, April 2009.

About the author

Gavin Slade is a DPhil candidate in Law at the University of Oxford, UK. His research interests include organized crime, prisons and police in post-Communist countries.

Recommended reading

- For the best analysis of the mafia as protection providers: Diego Gambetta, *The Sicilian Mafia* (Cambridge: Harvard University Press, 1993).
- A solid overview of the anti-mafia campaign in Italy is given in Alison Jamieson, *The Anti-Mafia* (London: Palgrave Macmillan, 2000).
- Letizia Paoli, *Mafia Brotherhoods* (Oxford: Oxford University Press, 2003), chapter 1.
- Thomas C. Schelling, “What is the Business of Organized Crime?,” *Choice and Consequence* (Cambridge: Harvard University Press, 1984).
- Vadim Volkov, *Violent Entrepreneurs* (Ithaca and New York: Cornell University Press, 2002) discusses the emergence of different potential mafias of varying stripes.