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CRISIS MANAGEMENT ON THE EXAMPLE OF ORGANIZED CRIME AND CORRUPTION

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Abstract: *This paper mainly deals with the state of organized crime and corruption in the Republic of Serbia. The main goal of the work is to show the state of organized crime and corruption in Serbia and point out the need to take measures to reduce them to a tolerable level, as seen by the theory of crisis management, i.e. crisis management. The basic hypothesis from which the research started is: Strategy for the fight against corruption for the period 2023-2028. year is a possible way to fight against corruption and it should be adopted as soon as possible, and on the basis of it approach the strategic direction of the fight against corruption.*

In reaching the goal and confirming the hypothesis, the primary methods used were: content analysis and case studies.

The work was partly created against the background of the graduate work of the first author and the co-author's many years of dealing with the issue of crisis management. The diploma thesis of the first author was successfully defended at the Faculty of Business Studies and Law in 2023

Keywords: *Organized crime, Corruption, Crisis management, European Union, Republic of Serbia.*

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INTRODUCTION

In the National Security Strategy of the Republic of Serbia from 2019, one of the national interests was identified as “European integration and membership in the European Union”. (“Službeni glasnik RS“, broj 94/2019). Negotiations on EU membership began in 2014. Every year, the European Commission submits a Report on the progress of the Republic of Serbia. In that report, the qualification of the progress and the obligations that our country should fulfill are primarily presented. The situation of organized crime and corruption has been ranked among the weakest evaluations of the European Commission for Serbia for the past few years.

Organized crime explicitly, and corruption implicitly, are identified as a challenge, risk and threat in the National Security Strategy of the Republic of Serbia. These non-military threats can turn into a serious problem for our country, which can take on the character of a crisis. Therefore, this paper analyzes the state of organized crime and corruption in our country and presents a proposal for their minimization, according to the views of the theory of crisis management, i.e. crisis management.

As one of the possible solutions, the Proposed Strategy for the fight against corruption for the period 2023-2028 was analyzed, which has not yet been adopted in our country, and which the European Commission has been warning about for several years now.

1. ORGANIZED CRIME AND CORRUPTION IN SERBIA

Organized crime is one of the non-military security threats, and it can be said that it represents the primary non-military security threat (Mrvić-Petrović, 2004). As a non-military threat to security, it negatively affects the security of the individual, the entire society, the state and the entire global community (Fatić, 2004:56-78). Organized crime is explicitly identified as a challenge, risk and threat to security in the National Security Strategy, as follows:

“Organized crime represents one of the most significant threats to the security of the Republic of Serbia, especially when one takes into account the intensity of its manifestation and its transnational character. The following forms of organized criminal activity are most prevalent: production and smuggling of psychoactive controlled substances, smuggling and trade in firearms, people smuggling and illegal migration, economic and financial crime in the form of illegal production and trade in excise goods and money laundering, corruption, as well as other less prevalent forms”. (Strategija nacionalne bezbednosti, 2019:6).

The European Union and Europol consider organized crime to be the greatest threat to humanity and the greatest threat to Europe. Europol has defined all the characteristics (11 in total) that an organized criminal group can have. If an organization has at least 6 of 11 characteristics, it will be considered an organized criminal group (Stojanović, 1990:62-63).

Every year, the Global Organized Crime Index is published, in which all the countries of the world are ranked according to the state of organized crime. Thus, the position of the Republic of Serbia according to the Crime Index in 2023 is shown in Table 1.

Table 1. Global index of organized crime in European countries in 2023

COUNTRY	Global index
Russia	6,87
Ukrajine	6,48
Italy	6,22
Serbia	6,22
Spain	5,90
Monte Negro	5,90
Belarussia	5,87
Bosnia and Herzegovina	5,85
France	5,82

Source: <https://ocindex.net/>, 16.11.2023

The data in Table 1 indicate the fact that the leading European country in the global index of organized crime is Russia, with 6.87 index points. In second place is Ukraine, with 6.48 index points, and the ungrateful third place is shared by Italy and Serbia with 6.22 index points (Mirrović, 2023:14). Therefore, according to the mentioned index, organized crime in Serbia is extremely present.

According to the data of the Ministry of Interior of Serbia, 16 organized criminal groups operate in our country, qualified as “highly organized” and “medium organized” (Strateška procena javne bezbednosti, 2021:53).

In the report of the European Commission on the progress of Serbia for the year 2023, it was assessed that Serbia has a certain level of preparedness for the fight against corruption, but that:

“Serbia should harmonize its legislation with Directive (EU) 2018/1673 on combating money laundering under criminal law. Serbia has yet to conduct an analysis of the role and practice of the security services and the National Security Council in conducting criminal investigations related to serious and organized crime, although preparatory work has begun. There is well-established cooperation with CEPOL, Eurojust, Europol and INTERPOL, especially in the area of arms trafficking, drugs and the fight against high-profile organized crime groups. Serbia needs to further increase the technical, financial and personnel capacities of the Prosecutor’s Office for Organized Crime in order to perform its duties in an independent manner (including premises for accommodating new personnel). Serbia should adapt its approach from a case-based approach to the strategy against criminal organizations, and from focusing on cases of low or medium importance to high-profile cases aimed at breaking up large and international organizations and seizing assets” (Godišnji izveštaj Evropske komisije, 2023 :46).

Corruption is a scourge of the modern world and, although it has been known since ancient times, it has only been prosecuted as a criminal offense and a threat to security in recent decades. Corruption was explicitly recognized as a threat to security in the National Security Strategy of the Republic of Serbia from 2009, where it was determined:

“Corruption threatens the fundamental values of society and leads to a decline in trust in the institutions of the state, making it difficult to implement essential reforms, slowing down the process of transition, economic development, inflow of foreign investments and integration processes to the destabilization of conditions in the country and the region” (Strategija nacionalne bezbednosti, 2009:8) .

The fact that corruption is not explicitly recognized as a security threat in the 2019 National Security Strategy is indicative. In the public debate on the Draft Strategy, which was conducted in 2018, the Ministry of Defense gave the following explanation on corruption:

“The objection proposing to define corruption separately as a threat to the national security of the Republic of Serbia was not accepted, bearing in mind that integration into the EU is defined as one of the national interests of the Republic of Serbia, and that the Report on the Progress of Serbia (April 2018) states that “...corruption is still widespread in many areas and continues to be a serious problem”, that other reports testify to this, as well as that the very draft of the Strategy emphasizes that endangering national interests is considered a threat to the security of the Republic of Serbia, and corruption certainly threatens both national interests and security. In this regard, we point out that corruption is recognized in the draft of the Strategy as part of other challenges, risks and threats that can have a significant impact on security (it is not dealt with separately), however, bearing in mind that the view of the current situation is cited as an argument for the aforementioned objection for the sake of which extensive planning measures are being undertaken in the Republic of Serbia, and that the National Security Strategy is a document that provides a projection for a longer period of time, the objection was not adopted” (Forca, 2022:187).

The indicativeness of the lack of recognition of corruption as a threat to security in our country stems from the fact that corruption in Serbia is very widespread, as evidenced by data from official authorities, research and evaluations by the European Commission.

In the Strategic Assessment of Public Security for the period 2022-2025. year, and based on the analysis of corruption for the period 2017-2020, it is stated:

“In the observed period (2017-2020), 765 criminal charges were filed against 2,066 perpetrators due to the 2,110 criminal acts with elements of corruption discovered, of which 1,128 persons were deprived of their liberty or police detention was applied. The total damage was 8,419,372,541.39, while the illegal property benefit was 8,730,581,246.28. In the structure of criminal offenses, abuse of official position (282), bribery (228), abuse of the position of a responsible person (221), as well as money laundering (295) predominate. Corrupt criminal acts were registered in health care institutions, social welfare institutions, educational institutions, judicial bodies, among employees of customs services and other state bodies and public companies, while a trend of increasing irregularities with financial resources from the EU Pre-accession Assistance Instrument (IPA funds) was observed. “ (Strateška procena javne bezbednosti, 2021:58).

In the Annual Report of the European Commission for 2023, it is stated:

“Serbia is at a certain level of preparedness in the fight against corruption.” Steps have been taken with the aim of further implementing the recommendations of the Group of

States for the fight against corruption of the Council of Europe (GREKO) in the field of corruption prevention. Serbia has yet to adopt a national strategy for the fight against corruption and an accompanying action plan. Serbia presented the draft strategy for the period 2021-2028 to the European Commission. and the first action plan for the period 2023-2024. The documents include most of the transitional measures for Chapter 23 related to the fight against corruption and most of the GREKO recommendations from the 4th and 5th evaluation cycles. However, there is still a need to ensure the inclusion of the remaining transitional measures of Chapter 23 and unfulfilled GREKO recommendations and to create the necessary conditions for implementation. Serbia needs to establish an effective coordination mechanism in order to operationalize the objectives of the policy of prevention and repression and thoroughly deal with corruption. Those sectors that are most susceptible to corruption require dedicated action. Overall, corruption is widespread in many areas and remains an issue of concern. There is a need for strong political will to effectively address the issue of corruption and for a strong criminal justice response to corruption.” (Godišnji izveštaj Evropske komisije, 2023:48).

In the “CPI Report 2021”, Serbia was ranked 94th out of 180 countries in the world (it was shared with seven countries: Brazil, Ethiopia, Kazakhstan, Peru, Sri Lanka, Suriname and Tanzania). This is a drop of eight places compared to 2011. The report on Serbia for 2021 (Table 2) indicates that Serbia has fallen another 2 places compared to 2020 and is in 96th place (Transparency International, 2022).

Table 2. Ranking of countries by CPI for 2021

RANK	COUNTRY	SCORE 0-100	RESEARCH NUMBER
Top ranked countries			
1	Denmark Finland New Zealand	88	8
4	Norway Singapore Sweden	85	7 9 8
The lowest ranked countries			
180	South Sudan	11	5
178	Syria Somalija	13	5 6
Ranking of surrounding countries			
41	Slovenia	57	10
63	Croatia	47	10
64	Monte Negro	46	5
87	North Macedonia	39	7
96	SERBIA	38	8
110	Bosnia & Herzegovina	35	7

Source: <https://www.transparentnost.org.rs/index.php/sr/istraivanja-o-korupciji/indeks-percepcije-korupcije-cpi> (06.11.2023)

According to the Transparency International Report for 2022, the state of corruption in Serbia worsened compared to 2021. According to the report of this international agency, Serbia fell by five places on the list of perceptions of corruption in relation to 2021 and is now in 101st place in relation to 180 investigated countries, with a Perception Index of 36 points (on a scale from 0 to 100). This is the worst result of Serbia in the last 11 years, and in the region only Bosnia and Herzegovina is worse (Figure 1), with 34 index points (Transparency International, 2023).

Figure 1. Index of perception in the region



(Source: <https://www.bbc.com/serbian/lat/balkan-64471122>, 08.11.2023 (Accessed 08.11.2023))

2. CRISIS MANAGEMENT

The word crisis today belongs to the type of terms most often used in everyday speech. It is also used to describe a personal or private situation, but much more often to describe a situation with potential negative consequences in which society as a whole or individual organizations and systems within it find themselves. But, despite its frequent application, there is no clear and unequivocal conceptual content of the term crisis, but there are numerous and often mutually different interpretations.

Without specifying specifically, but based on the analysis of numerous definitions, the term crisis will mean: "A process that leads to the dysfunctionality of the organization, and which arose at the moment of inadequate response to changes in the environment, or in the organization itself, due to poor use of resources or management work, and it results in the reduction of organization and the survival of the organization in a certain time frame, which can be influenced differently, which gives the crisis an ambivalent character" (Forca, Župac, 2023).

As with the issue of definition, there are also numerous determinations of the characteristics of the crisis, whereby in this paper the views of Kešetović and Keković are taken, shown in Table 3.

Table 3. *Common and frequently used characteristics of crises*

COMMON	FREQUENTLY USED
A threat Urgency (time crunch) Uncertainty and Insufficient resources to resolve	Omnipresence The tipping point Danger to goals and values Decision making situation Maneuverability (to a greater or lesser extent) Procedural character It affects a large number of individuals Unexpectedness Important implications for the future It increases the stress and relationship of the members of the organization

Source: Kešetović Želimir i Keković Zoran, 2008

For the crisis, and the subject of this work, the types of crisis are very significant, chronologically. In this sense, Nidzara Osmanagić Bedenik distinguishes the following crises: Potential, Latent and Acute crisis (Osmanagić-Bedenik, 2010).

“A potential crisis represents the possibility of a crisis.” Certain decisions, activities or failure to take measures in combination with unfavorable developments can cause or intensify a possible crisis. Possible risks can be reduced by adequate planning and thoughtful consideration of activities and their consequences. Although unfavorable developments cannot be avoided, crisis management can detect possible unfavorable (dangerous) developments in the situation at an early stage and introduce targeted measures to overcome or reduce risks. Therefore, a potential crisis is not marked by any special symptoms, it simply represents a quasi-normal state” (Osmanagić-Bedenik, 2010:19).

In the paper, we chose the definition of a potential crisis for the reason that it cannot be explicitly stated that the state of organized crime and corruption in Serbia is such that it can be called a crisis. However, organized crime and corruption in Serbia, as seen by the European Commission, and according to numerous studies, threaten to cause a crisis.

Crisis management is a set of functions or processes that aim to identify, study and predict possible crisis situations and establish special ways that will enable the organization to prevent a crisis or to deal with it and overcome it while minimizing its consequences and returning to normal as quickly as possible. normal state (Keković, Kešetović, 2006).

Depending on the area affected by the crisis, different authors determine the phases of the crisis and crisis management differently. In principle, the crisis is considered in three periods: 1) pre-crisis period, 2) acute crisis and 3) post-crisis period. In the above three periods of crisis, various authors consider different steps (activities and measures) of crisis management. The number of these steps and their names differ from author to author.

Keković and Kešetović distinguish two models of crisis management: 1) Active and 2) Reactive. Active management (pre-crisis) is understood as anticipatory and preventive, while reactive (during and after the crisis) management is divided into repulsive and liquidative. In this sense, Keković and Kešetović, using the approach of the American organization FEMA, analyze the crisis management process in four phases:

1) limitation (prevention), 2) preparation (planning), 3) response and 4) recovery (Kečković, Kešetović, 2006) .

Given that we have pointed out that organized crime and corruption are not yet in the phase of an acute crisis, it is for their prevention at the present moment, which we can characterize as pre-crisis, of the greatest importance to determine the strategy of confronting these scourges, according to the principle - "it is better to prevent than treat".

2.1. Case study - Anti-corruption strategy

In the previous period, the fight against corruption in the Republic of Serbia was defined by multi-year strategic documents: the National Strategy for the Fight against Corruption in the Republic of Serbia ("Službeni glasnik RS", broj 109/05), which was adopted in 2005 with the accompanying Action Plan from 2006. and the National Strategy for the fight against corruption in the Republic of Serbia ("Službeni glasnik RS", broj 57/13) for the period from 2013 to 2018 with the accompanying Action Plan that was revised in 2016. In addition to these two strategic documents, the Action Plan for Chapter 23, subchapter Fight against corruption from 2016, which was revised in 2020, also plays a significant role.

In accordance with the Operational Plan, on July 15, 2022, the Ministry of Justice established a Working Group for the preparation of the National Strategy for the Fight against Corruption for the period 2023-2028. year and the accompanying Action Plan. Bearing in mind that the new Government of the Republic of Serbia was formed in October 2022, due to the appointment of new and changes to existing members of the Working Group, the Ministry of Justice issued a new decision on the formation of the Working Group on 02/21/2023. years. The working group identified 13 risk areas that are the subject of the National Anti-Corruption Strategy: health, education, taxes, customs, local self-government, public sector management, construction and spatial planning, public procurement, privatization, public enterprises and other legal entities in the state ownership, police, financing of political parties and repression. (Predlog nacionalne strategije za borbu protiv korupcije, 2023).

In accordance with the above, the National Strategy Proposal for the fight against corruption for the period 2023-2028 contains:

- Introduction (strategic framework and reasons for adopting a new strategy; comparative results, overview of the previous period),
- Vision, mission and goal,
- Analysis of the existing situation,
- Special goals and measures,
- Institutional framework and strategy implementation plan,
- Information about the conducted consultations,
- Assessment of financial resources for the implementation of the strategy,
- Action plan (special document) i
- Final provisions (Predlog nacionalne strategije z aborbu protiv korupcije, 2023).

We will mention only a few of the displayed contents.

The vision of the Strategy is to build a democratic society based on the principles of the rule of law, transparency and responsibility, in which the system of integrity prevents corruption. **The general goal** that must be achieved by this Strategy is the constant commitment of public authorities and political subjects to the suppression of corruption and the efficient and consistent application and continuous improvement of anti-corruption rules, timely detection and adequate punishment of corrupt behavior and strengthening of awareness of the causes, state and harmfulness of corruption (Predlog nacionalne strategije za borbu protiv korupcije, 2023:7).

The specific objectives of the Strategy are defined as: 1) Improvement of the normative framework for more effective prevention and suppression of corruption, 2) Strengthening of the institutional framework for prevention and fight against corruption in order to more effectively prevent and suppress corruption, 3) Improvement of transparency, 4) Strengthening of integrity, 5) Raising awareness about corruption (Predlog nacionalne strategije za borbu protiv korupcije, 2023).

All the stated special goals were operationalized into sub-goals, as well as indicators of their achievement.

What should attract special attention is raising awareness about corruption. Namely, the fact is that corruption is widespread in our country and is primarily related to state bodies. According to a survey conducted by the Research Center for Defense and Security for the needs of the Agency for the Prevention of Corruption, in 2021, the views of respondents on the most corrupt institutions of the country are shown in Table 4.

Table 4. Rank of corruption in the Republic of Serbia, according to respondents' views

Ranking of the obtained results		
1.	Inspection services	4,247
2.	Customs	4,233
3.	Executive branch (Government)	4,213
4.	Employment	4,197
5.	Judiciary	4,194
6.	Police	4,190
7.	Media	4,177
8.	Healthcare	4,133
9.	Private business	3,675
10.	Education	3,363
11.	Serbian Army	2,677

Source: ICOB, 2021

Therefore (Table 4), the respondents believe that the most corrupt institutions in Serbia are: inspection services, customs and executive power, and the least corrupt is the Serbian Army.

However, what is related to the need to develop awareness about corruption in our country, are the respondents' attitudes to the questions: 1) Do you know to whom corruption should be reported and 2) Would you report corruption if you knew about it.

The fact that more than 80 percent of respondents do not know to whom they should report corruption, nor that there is an Agency for the Prevention of Corruption, is devastating. On the other hand, also devastatingly, a huge number of respondents (75%) point out that they would not report corruption even if they know about it, for the basic reason - nothing will change (Istraživački centar za odbranu i bezbednost, 2021).

CONCLUSION

Security is a basic prerequisite for the survival and development of man and his communities. Security can be threatened by numerous dangers, which are named as challenges, risks and threats. In principle, challenges, risks and threats are divided into military and non-military. Among non-military challenges, risks and threats, organized crime and corruption stand out.

The Republic of Serbia began negotiations on membership in the European Union in 2014. Every year, the European Commission submits a Report on Serbia's progress. In that report, the EC's assessment of the character of Serbia's progress and the measures and activities that our country should undertake in the coming period are key.

According to the assessment of the European Commission, as well as according to numerous researches, organized crime and corruption are extremely widespread in our country. Confirmation of such a position, but in a milder form, can be found in the official reports of state authorities.

For the well-being of citizens, society and the state as a whole, in the coming period it is extremely important to work on eliminating or reducing organized crime and corruption to the smallest measure, in order to fulfill the requirements of "zero tolerance", from the aspect of crisis management, i.e. crisis management. According to the principle - prevention is better than cure, the primary measure is to adopt and put into practice the National Strategy for the fight against corruption, and accordingly, the strategy and plans for combating organized crime in the Republic of Serbia.

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