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**POST-COMMUNIST TRANSITIONS AND THE ILLEGAL MOVEMENT OF PEOPLE:  
CHINESE SMUGGLING AND RUSSIAN TRAFFICKING IN WOMEN**

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Massive illegal movement of people from Russia and China has occurred in the 1990s since the collapse of the Soviet Union and the loosening of state controls in China. With the introduction of markets, both states no longer guarantee the economic security of their citizens. This transition has resulted in economic dislocations for many. The decline of border controls has given the opportunity to leave, and the demand for cheap labor and sexual services has provided a market for the human beings who migrate illegally to more developed countries. The combined forces of organized crime and governmental corruption have facilitated a mass movement of people that often violates national laws and the national sovereignty of the countries where the Russian and Chinese are relocated illegally.

The Russian trade consists almost exclusively in the trafficking of women and minors for sexual exploitation. The Chinese trade frequently combines trafficking of women with the large-scale illegal smuggling of men from Fujian province. Both these trades are consequences of the difficult transition away from the Communist system. The ill-conceived Russian transition wiped out both the good and bad of Russian society. The investment in women's education and the ideological commitment to women's advancement were undermined by an economic transition that denied social benefits to women and transferred property almost exclusively to former *nomenklatura* (party bureaucrats) and organized crime who were overwhelmingly male. In China, rising income inequality has occurred with development. Standards of living are significantly higher in urban areas than in the rural ones from which the trafficking occurs.<sup>1</sup>

The "business" of people smuggling and trafficking differs dramatically between Russia and China even though both have emerged from Communist states. The Chinese, who have always been great traders, run their smuggling operations as integrated business operations, maximizing profits from start to finish. Chinese organized crime views trafficking as a means of generating capital for development at home. The Russians, who historically have been sellers of natural resources rather than traders, treat their trafficking business as a commodity market. The human resource of women is plundered like the precious metals, oil, and gas of the former Soviet Union with no thought to the investment of profits from this trade in the domestic economy.

Both human smuggling and trafficking involve serious violations of human rights. Yet, when organized crime views this trade in human beings as an ongoing business that must be sustained, there are **(End Page 71)** fewer gross violations of human rights. Therefore, most smuggled Chinese will survive to help pay for their next family member who will be moved by the smugglers. Among the Russian traffickers, however, no concern is paid to the women's survival once they have been sold to brothel owners abroad. There is no long-term financial

incentive to ensure the women's health or well-being because there is no relationship between the present trafficked women and those who will follow.

In both countries, the illegitimate trade mirrors the legitimate. In China, organized crime's trade in human beings is a tool for economic development. In Russia, organized crime has a raider mentality towards its own resources. While China looks to foreign investment and repatriation of capital as a means of fueling economic development, Russia receives limited foreign investment from legitimate sources or even from the trafficking of human beings. The demographic situation of China can permit the loss of human capital through smuggling. In Russia, where births are far below the replacement level, the population pattern cannot afford the trafficking of women of childbearing years. The human trade for China is part of its overall economic growth, but for Russia it is a further drain on its resources.

## 1. THE COMPARATIVE TRANSITION PROCESS

Both Russia and China lived for much of the twentieth century with an ideological commitment to the Communist ideology. Under Communism, the state assumed responsibility for development, placed all production under state ownership, and emphasized strong central controls at the expense of individual freedom and initiative. The formerly closed Communist societies of Russia and China controlled internal migration and prevented exodus from the countries through strict border controls.

In the past decade, both Russia and China have moved away from the Communist system. Ideological control has been accompanied by profound change in the economic and social systems of both countries. In both states, there are fewer social protections and sharp economic differentiations among regions and citizens of the country. Since the Soviet system collapsed, Russia has disbanded many of the controls over citizens that existed for seventy years. Although a Communist government still exists in China, the changes are no less profound than in Russia which has officially abandoned Communism. In both countries, there is lessened state control, a consequence of the declining authority of the central state and the corruption of the control apparatus.

The abandonment of the Soviet ideological commitment to the equality of women has led to the feminization of poverty. The economic transition in Russia removed women's social safety net without providing them with any possibilities to acquire and maintain property. The privatization of state property resulted in the mass transfer of wealth, primarily to men. Women were left without capital or the non-wage supports which allowed them to survive. Billions of dollars in natural resources and state budgetary resources were transferred overseas; taxes were not paid. As a consequence, salaries and pensions could not be paid.<sup>2</sup>

In the Soviet period, there was an ideological commitment to full employment. Employment for women was a societal right. Sustaining this legacy of full employment for women was difficult in the **(End Page 72)** economic crisis of post-Soviet society. Women were disproportionately unemployed in Russia, and their share reached as high as 73% of unemployed in impoverished parts of the Russian Far East.<sup>3</sup> Many turned to prostitution to survive. The rise of prostitution was a result not only of economic necessity but also of a rejection of socialist ideology in which prostitution was suppressed and even the criminal code did not acknowledge its existence. During the final years of the Soviet Union the "emancipation from the desexualization of life under communism" meant that for many there was a glorification of the

erotic and the idealization of the prostitute as an individual breaking barriers.<sup>4</sup> This accounted for some of the attraction to prostitution.

In China, the economic transition has resulted in a boom for some with the skills to survive in a rapidly developing economy. But those from the poor agricultural and fishing communities of the South are left behind. With limited land to farm, many in the Fujian and Guangdong provinces are left without legitimate opportunities for advancement in a country where many are benefiting from the rapid economic growth. It is the disparity of economic opportunities in China, rather than the collapse of the economy as in Russia, that lies at the base of the illegal population movement.

In both countries, strong crime groups with links to the Communist power structures have stepped in to fill the power vacuum of the political and economic transition. Many of these groups are not what may be defined as traditional organized crime but represent some amalgam of traditional organized crime, individuals from the same region, corrupt government officials and members of the diaspora community. Members of the security apparatus in Russia and in Fujian are involved. In China, as in Russia, the collusion of government officials is central to the capacity of smugglers to operate.<sup>5</sup> These groups operating on a global scale, work with corrupt officials in other countries and cooperate with international crime groups as necessary.<sup>6</sup> The trade in human beings from China and Russia owes much to the legacy of corrupted Party power structures and their international ties.

State controls are less pronounced far from the nations' capitals. The Southern regions of China and the Far East of Russia are both areas where the operations of crime groups are least controlled by the central state. Trafficking and smuggling activities are especially acute in these regions but by no means confined to these areas.

## 2. SMUGGLING VS. TRAFFICKING

According to the United Nations protocol, "Smuggling of migrants shall mean the procurement, in order to obtain, directly or indirectly, a financial or other material benefit, of the illegal entry of a person into a State Party of which the person is not a national or permanent resident."<sup>7</sup> This protocol was established to address the burgeoning trade of illegal immigration facilitated by criminals specializing in the illegal movement of people.

Smuggling and trafficking both result in the mistreatment of the individual being moved across borders. There is a fundamental difference between human smuggling and trafficking. In smuggling, a voluntary relationship is entered into by the individual who wants to be moved across borders. "Smuggling is sometimes called 'facilitated migration,' which more accurately reflects the process" from the **(End Page 73)** point of view of the person being smuggled.<sup>8</sup> The potential migrant contracts with the smuggler to be moved to his intended destination abroad. The smuggler may subject the individual to much worse conditions than he anticipated at the time of the agreement. Or the smuggler may change the terms of the contract demanding more money from the individual or a longer period of service until the "debt has been paid." At the outset, however, there is a consensual relationship between the smuggler and the person who seeks to leave the country.

Significant violations of human rights may occur even though this started as a consensual relationship. Smugglers may physically abuse the humans they move, subject them to overcrowding, deprive them of food or water or needed medical care. One of the most egregious examples of this occurred in 2000 in which fifty-eight Chinese men and women perished after

being crammed into a truck with no ventilation to cross the English channel on a ferry from Belgium to Great Britain.<sup>9</sup> Another notorious example was the Golden Venture in which ten people died of hypothermia or drowning in 1993 off the coast of Queens, New York.<sup>10</sup>

Trafficking involves deception, coercion, abduction, fraud, debt bondage, and abuse of power. According to the United Nations Protocol definition, exploitation shall include sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude or the removal of organs.<sup>11</sup> The trafficker through deception, threats of violence, or actual use of violence, forces the individual to work in conditions of forced labor, servitude or debt bondage. "A person who hires a 'smuggler' or travels for a job promised by a 'recruiter' does not realize that this person is actually a trafficker who will place him in these unanticipated conditions. Some traffickers do not move individuals internationally. Therefore, this is a crime against the individual and only in the international context is it a violation of state sovereignty."<sup>12</sup>

There are different degrees of deception among Russian trafficked women. A share, estimated as high as 50% by some Russian analysts, has been coerced or duped into the sex trade. A second group received some information on what they would do at their intended destination but lacked a full picture. Many signed phony contracts expecting to be paid high wages that never were provided. Instead, the women were made to work off a significant debt and had no alternative because their passports were confiscated at the time of arrival at their foreign destination. Others agreed to go with traffickers but were not aware that they would be subjected to significant physical abuse by those who trafficked them or by those to whom they would "be sold."

### **3. RESEARCH METHODOLOGY**

The research for this paper draws on a wide variety of sources. It includes the reading of newspaper reports on cases which have been initiated and investigated; human rights reports; and materials prepared by multinational organizations such as the United Nations and the International Organization of Migration. The scholarly literature was used but, even now with a rise in interest in the topic, there is limited material available.<sup>13</sup>

The analysis of the Russian trafficking situation has been facilitated by research conducted in **(End Page 74)** conjunction with two grants received by the Transnational Crime and Corruption Center at American University. The first of these grants permitted the hiring of a team of interdisciplinary researchers across Russia and Ukraine to investigate human trafficking. These specialists were sometimes given access to police records, and were able to conduct interviews with individuals who had been trafficked and those who were involved in recruiting women to be trafficked. The second grant for training to combat trafficking gave us access to western law enforcement investigators and prosecutors who have conducted investigations of these cases in the United States. Interviews have also been conducted with law enforcement in London, England, Belgium, Italy, the Netherlands, and Germany to understand more about the dynamics of the trafficking and smuggling in their countries.<sup>14</sup>

The analysis of Chinese organized crime is based on a variety of law enforcement sources apart from the academic sources and the case materials of prosecuted cases. Materials of actual investigations of the business side of Chinese organized crime have been made available to the researcher. These include economic analyses of the crime based on materials of criminal investigations. In addition, information has been obtained from Interpol's organized crime

division which is now analyzing the relationship among different Chinese trafficking organizations operating in Europe.<sup>15</sup>

#### **4. DEMOGRAPHICS OF THOSE BEING TRAFFICKED AND SMUGGLED**

In both Russia and China, there are significant numbers of citizens who are ready to seek employment or a new life abroad. Russian and Chinese initiative to emigrate or work abroad reflects, in part, the realization that citizens cannot depend on the state to provide for them and their families, a rude awakening for citizens accustomed to the minimum protections of the socialist system for the past decades. The population controls, the barriers to residence and immigration in many countries of the world means that these desperate individuals cannot legally move to other countries. The impoverished residents of Fujian province and the women of Russia lack the financial resources to emigrate legally and many prosperous regions of the world will not permit them to enter. Therefore, they are vulnerable to the services of the traffickers who move individuals illegally around the world and extract payments through subsequent employment in sweatshops, as laborers or providers of sexual services.

The Chinese gangs traffic women for prostitution, but their largest trade may be the smuggling of males for labor abroad. There is also significant trafficking of women for domestic prostitution and the women working as prostitutes numbers in the millions.<sup>16</sup> Many of those who are trafficked come from poor homes and are sold into prostitution by their families. But the Chinese smugglers draw primarily on the male population of Fujian province who are able to pay back their debt and to engage in the hard physical work that is required. American law enforcement reported in interviews that demographic analysis of ships' ledgers, confiscated from the traffickers, indicated that at least 95 % of those smuggled were male, almost entirely youthful males who could survive the arduous conditions of the trip. According to their observations, only a small percentage of the smuggled women went into prostitution, a point also made by Ko-lin Chin in *Smuggled Chinese*.<sup>17</sup> **(End Page 75)**

In the southern regions of China such as Fujian and Guangdong provinces where young men do not have the education or skills to survive, there has been an impetus to emigrate.<sup>18</sup> Those smuggled do not have the possibility of legally obtaining entry permits because they are unskilled, and the subsequent generations who follow those who originally emigrated are not part of a nuclear family and therefore are not recognized under the immigration laws of almost all countries for favorable treatment. Migration must be done by irregular means because the structure of relationships and the financing of migration are outside the immigration framework of the western societies where they seek to move.<sup>19</sup>

Whereas Chinese smugglers draw from low economic and educational strata, different strata of women are recruited by the Russian traffickers. Research done by law enforcement in the St. Petersburg area could not profile trafficking victims because the women recruited by the traffickers did not differ from the general demographics of women of the 18-25-age bracket. Some of the trafficked women are more enterprising than others and seek work abroad, even in the sex trade, as an alternative to their limited economic horizons. In one notable case, an educated Vladivostok woman, trafficked to Macao, returned home only to be killed with her boyfriend, a distinguished Hong Kong lawyer, who came to Vladivostok to buy her out of prostitution.<sup>20</sup>

Russian women recruited by the traffickers come from all regions of the country, especially impoverished regions with limited economic alternatives. Some are single mothers

with no means of providing for their children in communities where work for women is low paid or almost non-existent. Particular targets for the traffickers are women from the Russian Far East as well as from poverty stricken parts of the Urals and Siberia.<sup>21</sup> Interviews with women from the Far East reveal that many had high school educations but went into prostitution because of their limited prospects and their boredom with the impoverished lives of their communities.<sup>22</sup>

A significant group of young female prostitutes comes from the lowest tier of post-Soviet society. These are the homeless, children of alcoholic and abusive parents and the hundreds of thousands of abandoned and orphaned children and youth confined to children's' homes who are all natural sources for the traffickers. The homes where children live for years in abusive conditions give the residents little preparation for life after the institutions. The decline in expenditures on these homes leaves the hundreds of thousands of residents in egregious conditions.

Other likely targets for the traffickers are women subjected to domestic violence and spousal abuse. Violence against women has a very long history in Russian society, but the collapse of the USSR and the accompanying economic crisis in many families has contributed to a rise in domestic and sexual violence, a problem that is not addressed by the totally inadequate social and law enforcement resources.<sup>23</sup>

Trafficking and smuggling are also tied to the sense of familial responsibility. In China, male children assume the role of guarantor of the family's well-being. In Russia, in contrast, it is the women who are the pillars of support of society. The disproportionate number of male children born in China is explained by the parental desire to have sons to take care of them in their old age.<sup>24</sup> In the Chinese transition, without guarantees of state support in old age, family members rely on each other and their **(End Page 76)** male family members, in particular. Therefore, many go overseas to support their families when their domestic environment cannot guarantee their well-being.

Women, even in pre-revolutionary society and its literature, were glorified as the maintainers of Russia; mother and the homeland are equated. Russian women in the post-Soviet period have faced an enormous reversal in their status and in their possibility to support their families. Middle-aged women cannot support family members in their teens and twenties. Young women, many of them already single mothers, feel a strong responsibility to support both children and parents. Under these conditions women are vulnerable to the financial offers of traffickers.

## **5. WHERE THEY ARE TRAFFICKED**

Russian and Chinese who are trafficked often have little control over where they will be moved. This is truer of those who are trafficked rather than those who are smuggled. Chinese women from the coastal regions of Guangdong, Fujian, and Shanghai are trafficked to Australia, Canada, Japan, Myanmar, Taiwan, and the United States for prostitution.<sup>25</sup> Russian women are trafficked for sexual exploitation throughout Asia, Europe, and the United States and even as far as Latin America. The vast majority are trafficked to Western Europe and estimates range from the tens to the hundreds of thousands.

Groups in the Russian Far East work with Japanese and Korean organized crime to transport women to China, Japan, Korea, Thailand, and other destinations of the Pacific Rim. These ties are particularly important for Russian organized crime as Japanese groups have years of experience in this area. Groups in the Caucasus work with traffickers in Turkey to move

women to brothels in Turkey, Cyprus, and elsewhere in the Middle East. Women from Kazakhstan are trafficked to Bahrain, where the Moslem links of the traffickers provide women for this free trade zone.<sup>26</sup>

In the Asian region, the largest number of Russian women is trafficked to China, followed in frequency by South Korea and Japan.<sup>27</sup> The latter two countries are less frequent destinations because of the higher costs of transport and also the costs of obtaining entry documents for the women. Among those working under registered businesses, the figures are different. According to the internal affairs department of the Khabarovsk region last year, there were twenty-seven firms specializing in finding foreign employment in show business, usually a cover for female trafficking. In six months in 2000, over 400 people left under trips arranged by these show business firms. Among these 240 went to South Korea, 160 to Japan, and 5 to China.<sup>28</sup> But many other women went to China under different terms because border crossings are less regulated between Russia and China than other Asian countries.

Traffickers move large numbers of Slavic women to Belgium, Italy, Netherlands, and Germany where there is a large demand for attractive blondes. They have used violence against competitors and trafficked women to gain a foothold in the lucrative prostitution markets of Western Europe.<sup>29</sup> Dutch researchers suggest that approximately one-third of the women illegally engaged in prostitution in the Netherlands are from Ukraine and that the countries of the former USSR have overtaken all other countries in providing the preponderance of women engaged in unauthorized prostitution in the Netherlands.<sup>30</sup> **(End Page 77)** The problem is not unique to the Netherlands, but the patterns their researchers have identified are common throughout Western Europe.

Chinese human smugglers move their "clients" to the United States and Canada, Western Europe, Latin America, Japan, Taiwan, and Australia. They are transported by plane and increasingly in the 1990s, by boat.<sup>31</sup> The most desired destination is the United States because of the possibilities of making money and of eventually obtaining legal status. Yet the presence of overseas Chinese in many other parts of the world provides a diaspora community that can help the traffickers and aid in integrating those who are smuggled there.<sup>32</sup> For example, while Italian authorities estimate that there are now 30,000 Chinese who have been smuggled into Italy, hundreds of thousands of illegal Chinese reside in the United States and Canada. The movement to Europe is less desirable because there is a much less chance of obtaining a legal right to stay in most European countries.

## **6. THE CRIME GROUPS THAT MOVE HUMAN BEINGS**

The crime groups that smuggle and traffic people out of China and Russia are quite different. The Chinese groups more closely resemble traditional crime groups than the Russian ones which are not based on familial or community relationships. Yet both rely on their links with political power structures and the security apparatus which permit them to operate without restraint in many areas. Relationships are central to their activities in both countries.<sup>33</sup>

In China, the human traffickers, often referred to as snakeheads, have emerged from a variety of sources including traditional Chinese organized criminal structures which continued in Hong Kong, Taiwan, Macao, and other parts of Southern China. Also included are individuals, not part of these groups, who are linked by language or lineage. The groups benefit from their links with Hong Kong and the central role that the island plays in the regional and international economy.<sup>34</sup> The extensive shipping and transportation links permit the hiding of the illicit along

with the significant legitimate trade from the region. Therefore, the crime groups combine traditional structures with the advantages of a high-tech economy.

Communist officials in Beijing crack down on Southern officials for corruption but there have been few similar reprisals against the crime groups which continue to acquire wealth and influence in that region. According to recent analyses by Interpol, based on tracking the communications of the traffickers, networks link back to a single larger boss in China.<sup>35</sup> High level protection must exist to operate on such a large scale.

Russian trafficking organizations range from small scale operations which traffic a limited number of women each year to significant criminal organizations which use trafficking in women as a major revenue source of their criminal activity.<sup>36</sup> Some of the larger groups are the gangster element of organized crime that emerged visibly in the early 1990s with the division of state property. They have now moved into the international trade in women and drugs. They could not operate internationally without their employment of present and former security personnel who benefit their organizations in several ways. The FSB's (security police) ability to monitor telephone communications, email and traffic over (End Page 78) websites allows its personnel an ideal advantage to participate in trafficking and profit from its continued existence. Furthermore, they have experience in the international arena and their skills as money launders allow them to move the significant profits of the traffickers.

The international links of the Russian and Chinese groups allow them to "enforce contracts" across borders. Although these contracts are not legitimate in the destination countries, individuals cannot run away from their "contracts" because the crime groups can retaliate against family members at home. In a case in Chinatown in New York, a smuggled woman was killed when family members in China did not make required payments to the smugglers at home. In a Canadian case, two Chinese in Canada were kidnapped and freed only after Canadian and American law enforcement officials were able to trace the phone calls back to the crime group in China.<sup>37</sup>

The ability of post-Soviet crime groups to intimidate the women under their control and to threaten retaliation against family members at home makes the women particularly vulnerable. In a New York case, a Russian woman rescued from forced prostitution in New York by a Wall Street executive found that not only her life was at risk but also that of her parents at home in St. Petersburg, where her father was a former high-ranking military official.<sup>38</sup> The ability to communicate by phone and other rapid forms of communication means that individuals are subject to the laws of the "smugglers and the traffickers" even though they be in direct contradiction to the national law and international legal conventions.

The illegal status of the immigrants compounds their dilemma and increases the control of the traffickers. Until the recent anti-trafficking legislation, Victims of Trafficking and Violence Protection Act, was passed in the United States, women who had been trafficked enjoyed no protection from deportation under the law and were treated as criminals. In many countries of the world, those who are victims of trafficking have the same legal status as the traffickers. Therefore, those trafficked can expect no protection from the country to which they are trafficked.

## **7. THE BUSINESS OF TRAFFICKING**

The business of trafficking is growing because the profits are high and the risks of detection are low. Even for those who are caught, the penalties are lower than in other areas of

organized crime. Furthermore, in many countries there are no provisions to confiscate the profits of human trafficking and smuggling such as there are in drug cases. Smuggled and trafficked individuals are considered "commodities," especially lucrative ones for international organized crime because they are a renewable resource. They can constantly generate profits for the crime groups because they can be exploited repeatedly unlike the one-time profits in a drug delivery.

A large scale American investigation into a group of Chinese human smugglers has permitted law enforcement to gain enormous insight into the financial operations of the criminals. The confiscated records contained information from the recruitment stage through to the money laundering at the end of the operation. They revealed that this group of traffickers made a 90% profit on the business. The largest expenses of the traffickers were the costs of corruption in both transit countries and in the **(End Page 79)** United States, their final point of destination.<sup>39</sup>

The corruption consisted of payments to government officials along the way to ignore the movement of the people. The smugglers' largest expenses were their payments to an American lawyer who was subsequently indicted in American courts as an accomplice of this group.<sup>40</sup> He not only filed false asylum claims but also paid bribes to bail bondsmen to get the smuggled individuals out of jail. The profits of this trade were returned to their home country through wire transfers. But after the arrest of the lawyer in this case, the smugglers returned to the system of underground banking which is the traditional money laundering technique of Chinese organized crime.

The large amounts of capital returned to China are not unique to this case. In a French investigation which terminated in 2000, the police estimated that in the eighteen months of the investigation 500,000 pounds was paid to the group at the center of the investigation every day (approx. \$750,000) and a total of 170 million pounds or \$250 million dollars was laundered through two *bureaux de change*.<sup>41</sup>

Post-Soviet trafficking in women is sharply differentiated from that committed by Chinese organized crime groups. The Chinese run an integrated business operation. Chinese traffickers control the recruitment of individuals and then the same or related groups run the brothels to which the women are transported or control the labor in restaurants or sweatshops in the country of destination. In the post-Soviet case, however, women are more often sold into prostitution to brothel owners and pimps of different nationalities. While post-Soviet groups do control the sex trade in Israel and, to a smaller extent, run some sex services in the United States and Europe, the women are traded as a commodity like drugs and arms.<sup>42</sup> They are not used as a continual source of financial profit as is the case in the people-smuggling trade out of China or the prostitution rings procuring women for the brothels of India or Thailand.

Chinese trafficking operates as a business, integrated from start to finish. The control of the smuggling from recruitment through employment or debt bondage in the recipient country allows for long-term profits. Many of the profits are repatriated and fuel the development of Fujian province. In contrast, Russian traffickers, even if they are part of larger criminal organizations, do not run as integrated businesses. They sell the women at relatively low prices to other crime groups at the first opportunity, often in countries of Eastern Europe. Therefore, their profits are smaller than those made by the Chinese.

Both trafficking and smuggling represent gross violations of human rights, but the degree of violations is dependent on the structure of the business. Although some Chinese smugglers severely abuse those who are moved, individuals must be able to maintain contact with their families and must survive in order that new individuals are recruited for the pipeline. But

Russian women, sold off to different pimps and brothel owners of other nationalities, are often severely abused and cannot maintain contact with their families. The greater abuse of the women is not just the result of coercion and deception. Russian traffickers do not depend on the women they presently control to obtain subsequent trafficking victims. In contrast, Chinese smugglers cannot stay in business if their abuses are too great because **(End Page 80)** they are dependent on individuals agreeing to conclude "contracts" with the traffickers. Chinese who "contract" to be smuggled rationally calculate their decision based on past experience of their compatriots.

## 8. CONCLUSION

The smuggling and trafficking out of China and Russia are both consequences of the difficult transformation in economies that had been, for a long time, centrally controlled, planned, and dominated by a rigid Communist party. Millions have suffered in this transition to market economies where the central state no longer assumes responsibility for all its citizens. Trafficking and smuggling groups have flourished with the decline of police controls and the complicity of past and present Communist party officials and security personnel. Corruption at home, in transit countries, and in recipient countries is also central to the success of the traffickers and smugglers.

The rise of international organized crime has coincided with the collapse of the Soviet system and the profound changes in the Chinese state and society. The crime groups emerging from these communist states are among the most prominent of global international crime groups. Both groups have capitalized on the demand to leave transitional states and the demand for cheap physical and sexual labor in developed countries. Unlike many international crime groups that are almost exclusively focused on the drug trade, Chinese and Russian crime groups have made the illegal movement of people a central focus.

Beyond the obvious similarities in the Chinese and Russian trade in humans, there are important differences. The international Chinese trade is primarily in males who pay to be moved and become laborers in Western Europe and North America. The Russian version traffics in women and youths drawn from all over the country for the sex trade. The fate of those moved illegally differs significantly. Most smuggled Chinese eventually buy themselves out of debt and pay for their next family member to come, helping to perpetuate the business. Russian women, if they are trafficked, can rarely leave the world of prostitution and do not personally profit from their exploitation.

The trade in human beings resembles the pre-revolutionary commerce of the two socialist states. The traditional Chinese trader mentality has survived the Communist period. Chinese organized crime operates the human trade as a business, keeping ledgers, investing profits, and planning for the future. The profits from the human smuggling may be invested in the community by funding housing, small restaurants, and some small businesses. Russian traffickers operate like pre-revolutionary fur traders who kept few records, had a short-term time-frame and no concern for the survival of their product. Russian traffickers, moreover, do not reinvest or repatriate their profits. Chinese trade contributes to growth in a society with population to spare whereas Russian trade contributes to economic decline and a loss of women in child-bearing years in a country that is severely underpopulated for its large land mass.<sup>43</sup>

Chinese trafficking facilitates the growth of both legitimate and illicit economies, whereas the post-Soviet trade mirrors the overall downward development of the post-Soviet

economies. Human beings (**End Page 81**) may be commodities in both situations, but the economic and demographic outcomes for the countries are very different.

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13. Among the notable exceptions are the books by Paul Smith ed. *Human Smuggling* (Washington, D.C.: Center for Strategic and International Studies, 1997); Ko-lin Chin, *Smuggled Chinese Clandestine Immigration to the United States* (Philadelphia: Temple University Press, 1999); Kevin Bales, *Disposable People: New Slavery in the Global Economy* (Berkeley: University of California Press, 1999); Ronald Weitzer, *Sex for Sale: Prostitution and the Sex Industry* (New York: Routledge, 2000); Passuk Phongpaichit, Sungsidh Piyarasnasan and Nualnoi Treerat, *Guns, Girls, Gambling and Ganja: Thailand's Illegal Economy and Public Policy* (Chiang Mai: Silkworm Books, 1998); David Kyle and Rey Koslowski, eds. *Global Human Smuggling* (Baltimore, Md.: Johns Hopkins University Press, 2001); Peter Andreas and Timothy Snyder, eds., *The Wall Around the West: State Border and Immigration Controls in North America and Europe* (Latham: Rowman and Littlefield, 2000); Phil Williams ed. "Illegal Immigration and Commercial Sex: The New Slave Trade," *Transnational Organized Crime* Vol.4, No.4 Winter 1997 (Special issue); Alexis Aronowitz, "Smuggling and Trafficking in Human Beings: The Phenomenon, the Markets that Drive It and the Organizations That Promote It," *European Journal on Criminal Policy and Research* Vol.9, no.2, Summer 2001, pp.163-195.
14. One grant was provided by United States Information Agency of the U.S. State Department and supported interdisciplinary research on trafficking and the other was to prepare training material for the Bureau of International Law Enforcement.
15. Presentation of Gwen McClure at the Conference, "Corruption within Security Forces: A Threat to National Security," sponsored by the George Marshall Center, Federal Bureau of Investigation and the Bundeskriminalamt, Garmisch-Partenkirchen, May 18-21, 2001.
16. "China", Country Report on Human Rights, p.55.
17. Chin, pp.124-125.
18. Zheng Wang, "Ocean-Going Smuggling of Illegal Chinese Immigrants: Operation, Causation and Policy Implications," *Transnational Organized Crime* Vol.2, No. 1 (Spring 1996), p.59.
19. Willard H. Myers III, "Of qinqing, qinshu. guanxi and heiyi, The Dynamic Elements of Chinese Irregular Population Movement," excerpted in *Trends in Organized Crime* Vo.2, No.2, (Winter 1996), pp.44-47.
20. For a fuller discussion of this case see Steven R. Galster, testimony on "The Sex Trade: Trafficking of Women and Children in Europe and the United States," Hearing before the Commission on Security and Cooperation in Europe, June 28, 1999, 14.
21. The non-governmental organization, Miramed, has worked extensively to combat trafficking in areas with the most severe problems. **(End Page 83)**
22. Erokhina.

23. Igor Kon and James Riordan, eds. *Sex and Russian Society* (Bloomington: Indiana University Press, 1993), p.6.
24. Scientific technology is now being used to identify female fetuses for abortion. See John Pomfret, "Tipping China's Sex Balance: The Use of Ultrasound, Boys Take Big Lead in Births," *Washington Post* May 30, 2001. p.24.
25. "China", p.56; Laura Lederer, *Human Rights Report on Trafficking of Women and Children* (Washington, D.C.: Johns Hopkins School of Advanced International Studies, 2001), p.95.
26. Gaukhar Isaeva, *Kazakhstan: Reket, moshennichestvo, suternerstvo* (Almaty: Al-Farabi, 1995).
27. Victims of Trafficking and Violence Protection Act 2000, Trafficking in Person Report, U. S. State Department, July 2001.
28. Erokhina.
29. Cyrille Fijnaut, Frank Bovenkerk, Gerben Bruinsma and Henk van de Brunt, *Organized Crime in the Netherlands* (The Hague: Kluwer, 1998), p.138.
30. Gerben Bruinsma and Gnus Meershoek, "Organized Crime and Trafficking in Women from Western Europe in the Netherlands," *Transnational Organized Crime* Vol.3, 4, 1997, pp.105-118.
31. Wang, p. 49.
32. Chin, pp. 26-27.
33. For Chinese this is *guanxi*, whereas Russians refer to this as *znakomsivo i sviazi*. Willard H. Myers, III, "Of qinging, qinshu. guanxi, and shetou: The Dynamic elements of Chinese irregular population movement," In *Human Smuggling*, ed. Paul Smith, (Washington, D.C.: Center for Strategic and International Studies), pp.93-133.
34. Roy Godson, "Criminal Threats to U.S. Interests in Hong Kong and China," Testimony before the U.S. Senate Committee on Foreign Relations, East Asian and Pacific Affairs Subcommittee, Washington, D.C., April 10, 1997, pp. 1-15, reprinted in *Trends in Organized Crime*, Vol.1.3, no. 1, 1997, pp.43-47.
35. Similar analysis has been done in the United States, see for example James Harder, "Mother of all Snakeheads," *Insight on the News*, February 5, 2001, p.18. .
36. See Steven R. Galster testimony. **(End Page 84)**
37. Interview with John Beasley, assistant U.S. attorney, transnational crime branch, Washington, D.C., September 2000.

38. Daniel Jeffrey's, "Beauty and the Banker," *The Moscow Times* September 18, 1999.
39. Based on extensive interviews with law enforcement investigating this case in 2000.
40. Mark Hamblett, "Government Outlines Case Against Porges," *New York Law Journal*, September 27, 2000, p. 1.
41. Harry de Quetteville, "International Smuggling Gang is Smashed," *Daily Telegraph*, July 15, 2000, p.15.
42. Menachem Amir, "Organized Crime in Israel," in *Organized Crime: Uncertainties and Dilemmas* eds. S. Einstein and M. Amir Chicago: Office of International Criminal Justice, 1999, pp.239-240.
43. The Russian birth rate is still declining precipitously and is now at the level of 1.17, far below the replacement level. Murray Feshbach, "What is Happening to Russia's Human Capital," [www.ceip.org/files/programs/russia/tenyears/transcript9.htm?#MF](http://www.ceip.org/files/programs/russia/tenyears/transcript9.htm?#MF). **(End Page 85)**