

# **CORRUPTION IN RUSSIA: POLITICAL, LEGAL, SOCIAL AND INTERNATIONAL ASPECTS <sup>1</sup>**

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Various social sciences study corruption in different aspects. Political science investigates corruption mainly within the context of matter of authority. Corruption is considered as a method to exercise power or as a method of struggle for it. Jurisprudence takes it mainly in the “legal – illegal” concept context. At the same time a lawyer sees and understands corruption only so far as acts, which can be related to it, are regulated by legislation, and accuracy of definitions is stipulated by a degree of development of law. Sociology studies corruption within the context of structure of social environment and perceives it as a part of cumulative social system of society. Sociological sciences, compared with juridical and political, are aimed at creation of more comprehensive social “portrait” of this phenomenon.

## **1. POLITICAL SCIENCE DISCOURSE OF CORRUPTION**

### **1.1. *Clientism and Russian elites***

The role of the state in Russia in many respects differs both from the role of the state in the West, and from functions of traditionally autocratic authority in the East. On the one hand, the Russian state and ruling political-administrative elites are the force initiating evolutionary changes, and on the other hand, are an inert structure, poorly fitting to the deep social transformations and blocking natural solution of the ripened contradictions. It is possible to assert that the political-administrative elite, which “privatized” the Russian state, keeps the community in a peculiar transitive condition from traditions to modern life.

In Russia the government has traditionally existed to rule, not to provide services to “customers”<sup>2</sup>. Therefore the important role in political process is played by informal structure of elites, first of all, groupings and clans inside the elites leading open or more often latent struggle for power and influence. Each elite grouping is headed by a leader, who usually supervises this or that state structure or particular region. Between this leader and members of grouping there arise clientary relations. In modern conditions, as Michael Afanasiev considers, “the actual structural units of dominating section - factors,

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<sup>2</sup> Juliet S.Gole. The Role of Civil Society in Containing Corruption at the Municipal Level. Proceedings from the Regional Conference of Transparency International Representatives. Discussion Paper No. 10. Open Society Institute, Local Government and Public Service Reform Initiative, 1999. P.7.

which activity structures sphere of power, are clientary groupings”<sup>3</sup>, taking form of post-nomenclature protectorship.

According to Konstantin Borovoy, corruption has turned to a component of the Russian authority: “if the government does not pay to the parliament, it will not approve the budget and, for example, important tax laws. If large companies, for example, petroleum or gas, will cease paying to government, they can disappear... The most dangerous thing is that such scheme is effective and suitable for everyone”<sup>4</sup>. This point of view is also supported by Yuri Boldyrev, vice-president of the Accounting Chamber of Russian Federation, who thinks that corruption is deliberately accepted within authority, as it is one of the latent mechanisms of real management<sup>5</sup>.

The reason for such situation is impossibility to carry out necessary decisions within the framework of open democratic procedures. Modern mechanisms of forming elite sections of society have promptly generated an image, already becoming habitual, of internal unity of the power and business — an oligarchy, that testifies that there appeared groups, “whose relations with the state can be hardly kept within the limits of patronage”<sup>6</sup>. However, further rather intensive evolution of these relations results in a new form of symbiosis of elite groupings, demonstrating their even more indicative internal changes, because of mass (on a scale of the ruling class) inflow of shadow businessmen into elite. As a matter of fact, the process of conversion of property into power has involved into its mechanisms representatives of half- criminal business elite, integrating them directly into structures of state and political management. In turn, influence of the representatives of shadow business inside the elite section has strengthened dispersal within this section of many phenomena of absolutely criminal origin, which, gradually taking roots, become an integral part of culture of power of the ruling class.

First of all, such tendency is displayed in rooting in elite environment of ethical norms justifying and recognizing those methods of professional activity, which aggregate can be conditionally called a business style, that is such version of state entrepreneurship, the income from which does not come into the treasury, but to persons, servicing the authority. It testifies about a strong orientation of ruling groups to material prosperity as to a sole important image of modern Russian authority. The ruling section, spiritually integrating these elements in its structure, in fact, support culturally and ethically criminalisation of all system of state management.

Thus, now in the political and administrative elite it is possible to observe a double process: on the one hand, there is a regeneration of “old” segments of political class (in particular, transformation of administrative teams into something like Mafia-type formations, where the criticism of the leader is a crime, and loyalty to him is higher than the law; transformation of some part of law-enforcement units into mercenary brigades for various politicians; growing experience of physical elimination of political competitors; atrophied political will to legal setting to rights, etc.), on the other hand –

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<sup>3</sup> Mikhail Afanasiev. Clientelism and Russian bureaucracy, Moscow: 1997

<sup>4</sup> <http://postal.da.ru/sp/chronicle/18-Oct-99/303.html>

<sup>5</sup> Yuri Boldyrev. What to do with corruption // Nezavisimaya gazeta. Ideas and people. The Internet version. Number 193 (2009), October 15, 1999. Page 2.

<sup>6</sup> Kortunov V. Philosophy of money: a problem of values of post-Soviet elite in Russia. // On the track of political transformation (Political parties and political elites in post-Soviet period). Issue 8, part 2. M., 1997.

expansion in the sphere of management of clearly criminalised associations, exported by acting authority from the shadow economy, and transformed (at least, at their top) into a component of the ruling class. Therefore, throwing obstacles to criminals breaking into structures of authority “from the street door” (for example, cancellation of the mayoral election results in Nizhny Novgorod in March, 1998, won by a businessman, Andrei Klimentiev) with the help of elections, one should take into account that integration of governing and criminal segments of society has already taken place by means of economic mechanisms.

Generally speaking, such ability of government system to integrate criminal groups is not new for the Russian state. Let's recall Maximilian Voloshin, who wrote that in the Russian “state there are two classes beyond the law: criminal and ruling. During revolutions they are changing positions, that actually makes no difference. But each class, getting the power, recognizes itself as a sovereign axis of the state and abuses the right for robbery”<sup>7</sup>. At least today it does not seem strange any more that despite ardent appeals of the State Duma deputies or constant declarations of representatives of executive power about fight with the crime, countermeasures against organized crime give almost no effect, therefore Mafia not only actively participates in redistribution of state resources, but also controls significant parts of main spheres of economy. At the same time, the peaceful attitude towards criminals is shown not only in cultural sphere (by approximation of ethical standards of activity of state bureaucracy and twilight businessmen), but are also supported by social, technological and even political mechanisms. It is clear, for example, that lots of account numbers and funds moving abroad are well known to electronic investigation service of the FSB (Federal Security Service) and, thus, there should be only political will of supreme government to start struggle with speculators. But there is no will, for the structures located on upper floors of power are also corrupted<sup>8</sup>.

Thus, authority relations in Russia remain the area of formal application of law, where principles of political antagonism and/or private law, undermining basis of public, legal sphere of state institutes, dominate. The practice of use of power indicates secondary significance of values of the law in the structure of elite consciousness. Furthermore, domestic political and administrative elite (and other elites too), having lost legal notions and values and as a consequence the proper moral support, has acquired justification of spiritual self-sufficiency, and thereby – a complete autonomy of elite ethics from moral norms prevailing in the community as a whole. Finally, the understanding by the ruling circles of “rule of law” idea has ceased to serve the lower limit of the allowed and correlated with public morals procedure of exercise of power.

It is obvious that Russian ruling circles have not yet overcome directives of corporate particularistic consciousness focusing their professional activity in the sphere of power on private interests, and, accordingly, mainly on political methods of their realization. So, united criteria of political and legal regulation (having as its basis, historically stipulated, but nevertheless basic underestimation of law as specific regulator of power) is still an indicator of functional immaturity of political and administrative elite as a whole in the role of a mouthpiece of the state, society and represented social groups. Thereby,

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<sup>7</sup> M. Voloshin. All Roads Meet. Moscow: 1989, pp. 189-190

<sup>8</sup> A. Soloviev. Standard of Power of the Russian elite: Tempted by constitutionalism? // Polis, 1999, № 2.

disregard of the law simultaneously confirms also political non-professionalism of the elite, as it demonstrates its disability to coordinate its narrow group interests with common social needs, i.e. infringes their role in the system of representation of interests of society.

The administrative elite of Russia has appeared to be very survivable and able to extended reproduction. In USSR for 100 thousand of working citizens there were one thousand of administrative managers; in Russia in 1994 - 1,5 thousand, in 1996 - one thousand eight hundred. Only Administration of the President has 2,5 thousand officers, and in all presidential structures there is more than 7 thousand men of office, who use all privileges, which is given by the power (every possible extra charges to official salary, bonuses, double holiday allowance with paid return ticket to a place of rest, accommodation grants, subsidized apartments, summer residences, restaurants, hospitals). These privileges are non-accountable, as relevant instructions regulate "special feedracks" only in general, leaving the most appetizing details for the officers to decide about, i.e. this is a form of payment washing away the difference between legal and illegal. Certainly, sells of licenses, customs and tax privileges, arms trade, etc., as result of "privatization" of the state, gives much more to the administrative elite.

Political and administrative elite governs unprofessionally, this is demonstrated by stagnation in the Russian industry and agrarian sector, chronic detention of salaries, pensions etc. But working worse than the majority of the population, they live incomparably better, that is in itself immoral. Officials "privatize" spheres of their competence, this brings them fantastic enrichment. Russian political and administrative elite is a consolidated force, which has subordinated the state, capable to direct its development to follow Latin America.

"Legal limitlessness" in the country, when federal and regional laws, in particular, the finance act, are not executed, pushes officers into corruption. Despite all political changes during the last years the Russian bureaucracy tenaciously holds the power in its hands. Egor Gaidar writes in his book "State and Evolution" that bureaucracy has easily shaken ashes of Marxist ideology off its feet, and "body" and "brain" of this system remained impregnable, only the shell was replaced. In the recent Soviet past bureaucracy became the "modern" organizational form, which was accepted by a new social formation – communistic nomenclature. Bureaucratization of all legal spheres of social administration and self-administration was the important component of totalitarian counter-modernization.

If we talk about modern pluralistic democracies (poliarchies), the bases of state service in such political systems are not at all reduced to a classical Weber set: confirmed qualification, service specialization, hierarchy, firm salary, impersonated rational rules of service activity and career. For civilized (within the context of the Euro-Atlantic civilization for the end of the 20<sup>th</sup> century) operation of the state machine, the following establishments are not less significant: priority for human and civil rights; branchy "echelonated" system of public control – parliamentary, financial, administrative, judicial (more often with specialized administrative justice), informational; legislatively fixed privileges and restrictions for the officers; constant study and purposeful training of administrative elite; protected by the law trade-union rights of public officers, representation and participation of employees in decision making; diverse procedures for resolution of labor disputes and conflicts.

What is the contemporary Russian bureaucracy? Let's begin with obvious reality. It is determined by two circumstances. The first one is corruption. Corruption of the state machine is a special case of social damage – anthropological crisis, according to definition of Merab Mamardashvili. In this connection the question is not reduced to corruption in organizations and deviant behavior of individuals: we talk about mafiazation of socium<sup>9</sup>.

The second circumstance is absence of the uniform procedure, administrative selfwill. The political split of officialdom has been overcome – at least externally – after “the war of branches of power” was finished with a victory of executive power in 1993. However, restoration of “vertical of power”, which is especially liked in Russia, has not at all ensured integrity of administrative-legal environment. The threat of presidential disgrace can not replace the absent system of state control. Finally, it is possible to fix that a major component of today's administrative process in Russia are clientary connections (relations of personal fidelity and protection), with the following characteristics: 1) they penetrate practically all the machine; 2) they render decisive influence on career of an official; 3) they permanently reproduce corruption; 4) they settle ways to resolve conflicts; 5) they are perceived by the majority of the administrative elite as a natural condition of administrative activity.

Features of being and perception of domestic bureaucracy distinctly distinguish it from rational bureaucracy, but force to recollect other category of Weber's typology of political domination, namely — “patrimonial bureaucracy”. According to Weber, the latter concept combined elements of two main types — “traditional domination” and “legal domination” — and meant existence of a special machine (“headquarters”) of domination, which is guided by the law completely fixed by the master. Patrimonial bureaucracies are headquarters with more or less far gone process of rationalization (bureaucratization) of activity. The formations of such type are described in literature on sociology of transitive, modernized communities. Analogies to our political and administrative activity are obvious: wide “government” distributions of privileges and bonuses; absence of clear and obligatory procedures of appointments (for example, to posts of the heads of regional and local administrations), preparation of decrees, orders; favoritism; creation of administrative structures “for the person”; additional money and state allowances dependent entirely on attitude of the chief. However, it is necessary to reserve the following: the concept of “patrimonial bureaucracy” indicates initial connection with tradition (even decreased in due course, though loaded by arbitrariness of the despot), which in our case is torn apart by totalitarian counter-modernization. Taking into account this feature of genesis — not overcoming, but disintegration of nomenclature – we should speak not about patrimonial, but clientary bureaucracies. The multiple number here is necessary, because of the clearly expressed tendency to “privatization” of the state by state machine “parties” of various types, both central and regional.

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<sup>9</sup> Mikhail Afanasiev. Ruling Elites of Russia: an Image of Activity // *Mirovaya Ekonomika i mezhdunarodnie otnoshenia*, 1996, No. 3.

## **1.2. Lobbyism or corruption? Representation of group interests in Russia in the light of overseas experience**

From the point of view of state management the basic difference between corruption and civilized lobbyism consists, first of all, in strict, statutory procedure of taking of a decision during lobbying, ensuring free participation in this procedure of the concerned parties and competitive acceptance of the decision. Thus, the number of parties participating in preparation of the decision extends up to a necessary maximum, that allows to take into account interests and viewpoints, existing in the society in full measure. Corruption, on the contrary, not only sharply narrows the number of persons participating in formation of decisions, but also determines such persons at random, that results in discrepancy between significant part of accepted decisions and public aspirations, and poor quality of such decisions. However, both lobbyism and corruption are accordingly highly developed and primitive tools of influence of the capital on the state.

The word “lobbyism”, as a rule, is used in negative sense - or as a synonym of corruption, or to define forces pursuing mercenary, selfish interests. “Lobbying” is also used to call efforts of various groups of interests (for example, agro-industrial, military-industrial, oil and gas complexes) in sharing out “the budget pie”, and attempts of some regional leaders to get additional grants from the center, and undisguised bribery of deputies of the State Duma and officers of the executive authority. Concept of lobbyism is applied towards all levels of power - not only federal, but also regional and local. Sometimes this concept characterizes not only collective forms of activity in social-political and economic spheres, but also interpersonal relations in industrial and even everyday spheres. Such wide, amorphous understanding of lobbyism results in terminological mess and misunderstanding among scientists, politicians and journalists discussing this phenomenon.

Meanwhile, in national and foreign science precise conceptual scheme and research tools have already been developed a long time ago. So, we may differentiate between lobbyism in the narrow and broad sense<sup>10</sup>. Lobbyism in the broad sense is attempts of various public, economic, political, ethnic-religious, cultural and other groups to influence bodies of legislative and executive power to make them take favorable decisions. The maker of such activity can be any group or organization having realized and expressed its interests and having substantive potential to act upon a state authority.

Lobbyism in the narrow sense is activity of professional lobbyists, i.e. specially created lobbyist companies and organizations, which work by the order of some groups of interests, and also lobbyist departments of corporations, public organizations and even bodies of state power. In some Western countries (especially USA and Germany) lobbyism has turned into a special kind of social and political activity, sort of industry with the own finance, information and analytical services, infrastructure, staff and training system. Among various parts of professional lobbyism there is a constant interchange of staff and experience.

Usually, the reason to charge Russian lobbyists with corruption lies in those methods, which they use to manipulate organs of state power. Mass media are full of materials on

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<sup>10</sup> Nikolay Ziabluk. USA: Lobbyism and politics. M.: Znanie, 1976, p. 124; Alexander Sergunin. USA: Department of the President for contacts with the Congress and foreign policy. Nizhny Novgorod: Volgo-Viatsky Publishing House, 1990, p. 43-44.

those unattractive methods, which lobbyists apply to succeed. They vary from bribes and “sauna entertainment” to promotion of “their” people into official bodies and “custom-made” articles in the press. There is a question: to what extent these methods, being illegal or verge on breach of law, are the inevitable companions of lobbyism?

We think that the prevalence of low-standard methods of lobbyist activity is some kind of “childhood disease”, demonstration of immaturity of national lobbyism. If we compare it, for example, with the American analogue, that in the stage of development it is similar to the American lobbyism of the end of XIX-XX centuries, when “pullers” inconsiderately “purchased” congressmen and senators and were completely unscrupulous to achieve their goals.

As experience of foreign countries shows, lobbyism in due course has become one of attributes of democracy and developed civil society. Its political functions are the following:

- *Political socialization.* Lobbyism serves an effective method to involve into politics various social groups, which usually are passive and transfer protection of their interests to such political institutes as political parties, elites and the state. Rights protection, antiwar, ecology and other public organizations, a so-called “civil lobby”, have become especially active during the last decades in Western countries, promoting inflow into politics of simple citizens and thus, development of higher degree of political participation. Something similar now also happens in post-communist Russia.
- *Articulation of group interests.* With the help of lobbyism various social layers realize and “speak out” their interests in politics. Without this type of political activity neither the elites, nor society would know about existence of these interests and would not perceive their messengers as subjects of politics, deserving attention. It is interesting that in attempt to formulate more precisely their interests lobbyist groupings analyze these or those problems – by themselves or with the help of special research organizations.
- *Representation and protection of group interests.* Lobbies do not just express, but also serve as the mechanism of representation of interests of diverse social groups. With the help of lobbyism these groups gain from the state taking of the decisions, they require, or, on the contrary, block those decisions, which are unprofitable for them.

Certainly, not always protection and promotion of group interests, many of which are narrow, have a favorable effect on political life. Sometimes it results in dominance of individual interest above common. So, for example, existing in early and middle 1990ies institute of the authorized banks of the Treasury of Russian Federation was rather advantageous for this grouping of financial oligarchy, making fabulous money out of using the budget funds. However, for the majority of the population, and for the financial system of country as a whole, it has turned to a real disaster, as it resulted in delay of transfers from center to regions and payments of salary and pensions.

Keeping in mind similar negative aspects of expression of group interest, it is necessary to take into consideration that lobbyism also contains some kind of counterbalance to this practice: other groupings can also resort to such method to protect their interests. As a matter of fact, politics as such frequently grows out of collisions of multiple individual interests, and is some resultant force to vast number multidirectional impulses.

- *Compensation of institutional vacuum.* Occasionally lobbyism allows to replenish deficiency of these or those elements of political system. So, in USA lobbyism is reaction to excessive centralization of the party system. In Russia lobbyism, on the contrary, fills up lack of the present party system. The political parties are so weak and formless (both organizationally and ideologically), that they are not capable to execute traditional public functions. Not the last role in this respect is played by incompleteness of social differentiation processes in modern Russia, that blocks development of classes and social strata of new type and their understanding of the interests. In these conditions some lobbyist groupings usurp functions that are traditional for political parties – development of political ideologies, mobilization of the population for these or those political programs, participation in election campaigns, getting to the state power and organization of control over it, preparation of laws, etc. In modern Russia also takes place mimicry of separate lobbyist groupings trying to acquire appearance of political parties. A typical example - “Our House is Russia”, which appeared as a lobby of oil and gas complex, but in due course became to claim the role of a pro-government party. Russian agrarians are one more example of such party-lobby.
- *Adjustment of uninterrupted functioning of political system.* Lobbyism not only fills in “emptiness” of political system, but also helps to function more effectively to existing political institutes. Unfortunately, in Russia this function of lobbyism for the present was not revealed in due extent. Frequently actions of lobbyist groupings result not in cooperation, but in conflicts inside each branch of state power and among them. However, there is a hope that in the long run lobbyists will understand that coordination of actions of various elements of political system is for their own convenience.
- *Information supply of the participants of political process.* Wanted and duly received information is a major element for political decision-making, and lobbyists contribute their “mite” to normal functioning of information flows within political system. As a rule, they do not only inform politicians on interests and attitude of represented groupings, but also explain to decision-making persons all advantages and disadvantages of their actions for their own political career. Taking into account that colossal information flow, which falls on decision makers is very hard to familiarize with, the information given by the lobbyists turns out to be especially useful, as it relieves officials and his staff of assistants of needless work. In spite of the fact that lobbyist information inevitably has a characteristic political coloring, nevertheless, it is useful to politicians and statesmen, because it allows them to make a more complete information picture and to prepare a more adequate political decision.
- *The feedback mechanism.* Lobbyists do not only play the role of an impulse initiating discussion of this or that political problem in society, but also supply policy makers with information about reaction of various social groups to the already taken decision. It allows the strong to correct their policy to make it more effective and having more support of society. Thereby lobbyism contributes to development of self-regulation mechanisms in political system, promotes increase of its stability.
- *Political reformism.* In developed democracies, lobbyism, unlike political parties, does not claim political power, complete control over the power, and, especially, change of political system. Lobbyism uses existing rules of the game. It aims only at

partial change of the existing laws – and only in that degree, in what it is necessary to satisfy interests of the represented grouping. For this reason lobbying can be considered as one of the forms of political reformism aimed at gradual, evolutionary change of the existing order. Probably, the wide expansion from the end of XIX of lobbyist practice in USA (including opposition movements - trade unions, farmers, feminism, national minority, “the Greens”) was one of the reasons for comparatively quiet political development of this country, which did without revolutionary cataclysms. Isn't it necessary to think of the prospects of lobbying for development of mechanisms of social partnership and compromise in modern Russia?

- *The tool to develop a civil society and lawful state.* In Western democracies lobbying executes this important function in two dimensions. Firstly, it advances development of system of horizontal ties in a society (between individuals and social groups), that is a basis for development of a civil society, making the latter independent from the state. Secondly, lobbying is additional means to control the state authority, which helps community and individual to protect their rights and prevent development of the state in an undesirable direction. Certainly, one should not think that lobbyists consciously perform this function and sincerely care about prosperity of civil society. They are engaged in achievement of the group purposes, but their activity is as a whole objectively favorable for strengthening civil society.
- *Integration function.* As the majority of the indicated functions of lobbying are aimed at strengthening of democratic institutes and stability of political system, it is possible to safely assert that lobbying, despite of some negative demonstrations, as a whole promotes unification, but not separation of the society. This role is played unintentionally, irrespective of the purposes and intentions of the “pullers” (sometimes even against their will). Nevertheless, the eventual result of lobbyist activity appears positive for all society. Certainly, it becomes possible, if the society properly adjusts lobbying and monitors its development, not to let the negative weigh down the positive.

In our opinion, to give the Russian lobbying “a civilized appearance” and to transform it into a healthy institute of democratic society, the following should be done:

- It is necessary to change - on the level of public consciousness, scientific and academic community, political elites - the attitude towards lobbying. The latter should be perceived not as a synonym of corruption, but and as an attribute of a democratic society, performing a number of important social functions. It would also help lobbyists to realize how it is essential to refuse immoral and unlawful methods and move to more civilized political technologies. The mass media and scientists could play the important role in positive change of image of the domestic lobbying.
- It is necessary to promote further institutionalization of lobbying. When lobbyist groupings have registered offices and announced purposes, personnel, when their activity becomes legitimate, it will allow to get rid of present anonymity of lobbying (frequently leading to corruption), to make it more public and to adjust public control over it.
- It is necessary to adopt a special law on lobbying, in which the definition of this phenomenon would be given, admissible forms and methods of its activity would be described. The main stress would be appropriate on greater publicity of lobbying. In particular, following the American example, lobbyists must be registered in state

bodies (in parliament or ministry of justice), to submit a declaration on purposes of lobbying and to report about funds spent for such activity.

- It would be reasonable to care about training of “civilized lobbyists”. Again, following the example of Western countries, the role of lobbyist “nursery” could be played by branches or faculties for the public relations which have appeared in some higher schools during the last decade. Unfortunately, in the meantime PR is perceived either a subdivision of journalism or a version of advertising business. Actually this speciality aimed at study of social communications system has broader functions, including preparation of lobbyist staff. It is necessary that also potential customers of lobbyists – businessmen, trade-union figures, party chiefs which are responsible for public relations and contacts with other government bodies, journalists, “civil lobby” representatives, etc. - should go through the PR-training system.

Absence of political stability, immaturity of democratic institutes and political traditions, persistence of old stereotypes in political consciousness of the society make a serious obstacle on this way. And still there are certain grounds for the hope that transformation of domestic lobbyism from an analogue of corruption into normal institute of a democratic society will be finished successfully.

## **2. LEGAL ASPECTS OF CORRUPTION**

The study of crime in Russia allows to judge about the volumes of so-called “shadow” economy which is not taken into account by tax and other state bodies, including economy which is criminal. According to data of Interstate Statistical Committee of CIS, the shadow economy is evaluated in 25 % of the gross domestic product (GDP).<sup>11</sup> However, according to expert evaluations for Russia, these figures for the shadow market are considerably underestimated and really make 40-50 % of the GDP. Only taxes, which annually disappear in the “shadow”, make from 13 up to 18 billion dollars. Mass of commodities of the shadow turnover, according to the data of the Accounting Chamber of Russian Federation, costs not less than 350 billion roubles, thus the budgets do not annually receive 80-120 billion roubles.<sup>12</sup> One should not forget that criminal circles in Russia also have the influence on legal part of the economy: criminal groups supervise about half of commercial banks, about 60 % of state and 40 % of commercial enterprises.<sup>13</sup>

To preserve and reinforce their positions, shadow and criminal structures spend for bribes and allowances for corrupt officials up to 50 % of the income (in mid-80s this figure made 33%) .<sup>14</sup> Besides, corruption tramples on the rights and interests of the citizens, negatively influences the morale of the society, forming disrespect towards authorities and legal nihilism. The performed study proved: for half thousand respondents to the question of whether they during the last two years gave a bribe to a state or municipal employee to obtain decision for their matters, 72 % have answered positively, and 61 % have declared that only a bribe is a condition to get a sanction for matters of social

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<sup>11</sup> Business - class. 1998. № 7.

<sup>12</sup> The difference in evaluations of the phenomenon in many respects depends on a technique of calculation.

<sup>13</sup> Rossiskaya gazeta. 1998. December 29.

<sup>14</sup> Rossiskaya gazeta. 1998. December 29.

justice. The poll among representatives of business circles gave even more shocking results: 93 % regularly pay in this or that form for service of officers.

And nevertheless, having such rate of corruption in 1998 in Russia were revealed only 5816, in 1999 - 6871 crimes with attributes of corruption (growth - 18,3 %). It is explained by the fact that evidence of corruption is extremely latent. According to data from various authors, from each thousand persons committed a crime with attributes of corruption, criminal proceedings were instituted only against one or two persons. Even less (no more than 30 %) are taken to court.

The analysis of both cases in court and terminated criminal cases has shown that the most common object of corruption is money (80,2 %), food products and drinks (7,4 %), jewelry (3,6 %), services of property character (4,0 %). Securities, real estate were given to civil servants very seldom (only in one criminal case).

Deeds of corruption can be subdivided into crimes and misdemeanors. The distinction between them lies in the following attributes:

- 1) extent of the caused harm;
- 2) features of the subject who has committed corruption infringement;
- 3) reaction of the state.

Corruption crimes are followed by criminal proceedings, but misdemeanors often remain unpunished, as the anti-corruption legislation in Russia is lacking, and state or municipal bodies, more often, do not wish to wash the dirty linen in public.

Corruption criminality is a set of crimes committed by persons, officially involved in administration and using opportunities, available by the status, to illegally get personal boons and advantages. During various years crimes of this type made from 0,08 up to 0,3 % from all crimes.

The modern law refers to corruption crime not only obtaining of illegal compensation, but also abuse of office, office forgery, exceeding authority, illegal employment in business, misappropriation, embezzlement or fraud using official rank. However, not every state or municipal employee is responsible for fulfillment of the indicated actions according to the criminal law, but only those with attributes of the officeholder. Non-officeholders are responsible under criminal liability only in cases directly indicated in the law (for example, for office forgery).

High echelon corruption is being frequently enough analyzed in mass media, however in law-enforcement bodies there are only few pieces of operative information for high standing corrupted officials. Thus, for abuse of office criminal proceedings were initiated against vice-president of the Central Bank of Russian Federation, the former vice-governors of the Perm and Voronezh areas were convicted. The former deputies of the governor of Krasnoyarsk Region, close relatives of the governor of Kursk area were convicted of similar crimes. For 1999 from total number of the people accused of corruption, 98,7 % originated from the lowest administrative echelon, and only 1,3 % were representatives of the supreme bodies of state management and deputy corps.

The damage to the state and society caused by corruption is enormous. In 1996 the law-enforcement bodies of Russian Federation exposed 239 crimes connected with privatization, including 148 facts of bribery by average and highest level officers. As a result from the planned in 1996 12,3 trillion roubles, which were supposed to be received from privatization, the state treasury received about 2,5 trillion roubles, or 14 %. The reason for this lies in deliberate underestimation of the value of the privatized enterprises.

From 500 largest enterprises in Russia about 80 % were sold at auctions at the price less than \$8 million each. So, Kovrov mechanical plant (10,6 thousand workers) was sold for \$2,7 million, Chelyabinsk tractor plant (54,3 thousand workers) - for \$2,2 million, six largest aluminum enterprises of Russia appeared to be sold only for \$62,2 million.<sup>15</sup>

Frequently both parties, interested in a corruption bargain, belong to one body of authority. For example, when an officer of a lower state body gives a bribe to a higher chief for the fact that the latter covers his corruption actions or grants additional funds, resources, authority, this is a so called vertical corruption.

Nowadays, such corruption phenomenon, as favoritism, is widely spread, when a former state or municipal employee gets property boons for a favorable, for the one, who gives, previously taken decision or recommendation, or is given highly paid position in commercial structure, to which he was connected during his office or which he supervised. In the latter case it is not only gratitude to the former employee for "the care" about well-being of the company, but also the offer to purchase his connections.

What are the forms of corruption punishable according to the criminal law?

1. By all means, the primary corruption offense is receiving a bribe, i.e. illegal compensation for fulfillment (non-fulfillment) by an official in office of actions for the convenience of the giving (article 290 Criminal Code). In 1999 in Russia exposed facts of bribery made for 18,3 % more, than in 1998, and huge bribes increased for 30% and made 8,4% from total number of committed crimes. Criminal proceedings were initiated everywhere against officers and lower executives, employees of law-enforcement bodies, inspections, doctors, teachers.

The Supreme Court of Republic of Bashkortostan on June 23, 1997 convicted employees of tax inspection Mr. Gashev and Mr. Gurov. Inspecting kiosks, they have made an act about infringement of the Law of Russian Federation "On Application of Cash Machines". To avoid payment of the fine of 350 minimum salaries, the owner of the kiosk paid \$ 100 and 4700 roubles, for that the tax inspectors hid the act about the infringements. During one year and a half they received from a director, who wanted to avoid checks in his company, free dinners and suppers in a restaurant for total six thousand roubles. In the latter case the Supreme Court of Russian Federation confirmed, that the dinners and suppers can be an object of bribe.

2. Illegal participation in business activity is one of the most widespread forms of corruption and consists in managing commercial organization personally or through confidants with granting to this organization privileges and advantages, or in rendering protection in other form (Article 289 CC). Practice shows that depending on a position, from 11 up to 26,8 % of officers are engaged in business (mainly, through confidants). Besides, the higher is the position, the more attention is paid to commercial activity. It is not surprising, since for granting tax, export, etc. privileges or advantages during participation in auctions, competitions, in priority financing, it is necessary to have wide powers.

Unfortunately, since the new Criminal Code of Russian Federation was adopted (January 1, 1997) no official in Russia was found guilty for illegal participation in commercial activity.

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<sup>15</sup> M. Kozhevnikov Question of infringements of the legislation during the privatization // Questions of qualifying and investigation of crimes in sphere of economy. - Saratov, 1999. – pp. 149-150.

3. Abusing of office means that the official uses its office in defiance of interests of service, causing essential damage to the rights and interests of the state, society and individual persons. More often abusing is improper use of material, financial and information funds (for example, using in commercial banks the target budgetary funds), payment for business trips of legal and natural persons, illegal obtaining and construction of accommodation for the public funds, payment for education of relatives in prestigious higher schools, infringement of regulations, concerning of payment for work, rest of the employees, sale of state property at floor prices. So, the oldest cinema in Nizhny Novgorod, located in historical city center, was sold at the price of non-prestigious 3-room apartment.

4. Embezzlement, which most brightly showed itself during privatization of the real estate and state enterprises, leasing out state property at floor prices, misappropriation of funds, intended for salary. As the officers of the Ministry for the State Property admitted, average rates of lease are much lower than those on the market, and the difference goes into a pocket of the management.

In St.-Petersburg, after the matter of lease was taken under control, the income tripled. In 1998 the management of the October railways sold for 10 million roubles the block of shares of "The Baltic Bank", belonging to the railways, and in October this block of shares was purchased back for 287,1 million roubles. The amount of 276,5 million roubles of the public funds flew into someone's pockets.<sup>16</sup>

*Corruption and politics.* The niche for corruption to spread appears as a result of imperfection of the legislation: its unsystematic character as a whole, imperfection of separate laws, absence of legislative regulation of socially important functions and processes within the control system. The laws regulating selective process play a special role during structuring of the political elite not only in the sense that election are won by a representative of this or that part, but also that it stimulates formation of certain mechanisms, "internal", invisible to the voters relations of elites. The legislation establishes not only forms of their public behavior, but also principles of their latent, corporate activity. The latter in many respects determine the parity of political forces, political groups. From this point of view the current legislation at the moment is far from perfect, as it gives to elites a lot of opportunities for arbitrariness, for conclusion of corruption bargains

One of most difficult components of election process is the legal regulation for election financing. The most expensive items are costs for mass media and propaganda materials. The growth of costs for mass media is stimulated in many respects by necessity to artificially increase public interest towards the election. In conditions of the minimum necessary attendance of the voters of 25 %, the election headquarters of candidates are compelled to solve not only the problem of agitation and explanation, but also "how to secure the attendance" problem. The methods to secure attendance lean on creation of scandalous situations. Scandals and high expenses of election campaigns are partially stimulated, thus, by 25% election attendance threshold. It would be expedient to reduce the norm for attendance of the voters from 25 % to 5-10 %; for different regions of Russia this norm could be different and could be increased in accordance with growth of actual civil activity.

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<sup>16</sup> Argumenty i fakty. 2000. № 15. p.11.

As a whole attempt of lawmakers (the Law “On Elections of the Deputies of State Duma of Federal Assembly of Russian Federation”) to limit the amount of funds spent by candidates for election purposes, is methodologically incorrect. In our understanding it is based on a popular principle of “equal opportunities” of the candidates, so by establishing a limit for admissible amount of election fund, lawmakers aspire to ratify this “equality” as actual. But in this aspiration lawmakers conflict to the actual situation, when the candidates are *not* equal by definition, are *not* identical. By the way, the essence of elections is to choose not among identical, but among different. It is possible to speak about “equality” in finance only in connection with budget support of the candidates. In this part the law, certainly, should establish the uniform method of financial support for all candidates, irrespective of their position and financial opportunities.

Limiting own or contributed funds, which candidates spend for their election campaigns, is not expedient. Restrictions in this sphere bring forth a specific sector of shadow capital turnover. And if the elections drive on “shadow” cash, the preparation for any elections in financial segment de facto consists in “reservation” of not taken into account financial resources. Such stocks are made over the whole vertical of power - from municipal up to federal level. Finally it turns out that the “shadow” cash is necessary for the authority itself to pass “tests of democracy”, to pass through elections. In these circumstances the augmentation of corruption shades of elections and pre-election processes in Russia look quite natural.

Instead of restriction on the amount of election fund of a candidate, it is more important to make the turnover of election money “transparent” for the state. The same principles, as in any other sphere of capital circulation, should be applied here. It would be rather strange, for example, if lawmakers tried to establish maximum allowable amounts of costs on the market for purchase of home appliances, real estate etc. Everyone would recognize such laws contradicting to principles of market economy. So why in the election economy such norm does exist? The explanation here can be the only one: the Russian election legislation is under influence of corruption interests. The lawmakers think here about “democracy” separately from “market”, because it corresponds to the interests of corruption structures. It is not difficult, however, to show that elections represent one of the sectors of national economy, though, it is certainly a very specific one. Therefore the foremost to be achieved by lawmakers in this sector is: a) transparency (for the state and voters) of circulation of the election funds, b) unification of procedure of accumulation and expense of a candidate’s election fund, c) taxation of this sector (progressive tax on election fund).

Similar contradiction also exists with “beginning” of election agitation. Establishing a norm, according to which election agitation should start only on the date of registration of the candidate or the election list, (the Law “On Elections of the Deputies of State Duma of Federal Assembly of Russian Federation”, Article 53, item 1), the lawmakers, as we may suppose, recognized that in any other time candidate or political association are not engaged in any political advertising. Actually, such method of political advertising (only during elections) meets post-Soviet, not democratic standards. As a result, there is an inevitable contradiction between current, continuous political advertising and “election agitation”. As all politicians are more or less continuously engaged in political advertising, the mentioned law induces them to sidestep. On the other hand, it leaves to the taste of election committees and judges a question of whether to qualify current

political advertising as infringement of the mentioned law, or not. As a result, a social niche for corruption is formed. Discrepancy between the rule of law and actual political process gives place for corruption and public political gambling (if we take into account that “the telephone right” of the executive power in Russia is also extended to judicial system, and legal proceedings became a form of political advertising). The precedents in this sphere took place during the Duma elections in 1999: the Chairman of the Central Electoral Commission made public statements on possible sanctions against politicians and political movements engaged in political advertising prior to the beginning of official election race.

The fact is that political advertising has already developed as continuous information process, and this is natural consequence of development of democratic principles in political life. The mentioned article of the Federal Law allows to choose arbitrary “the infringers” and to apply sanctions to them, for it is impossible to punish everyone.

In the matter of “beginning” of election agitation, regulation should be applied only on beginning of state support of the candidates, i.e. the time when candidates are given free broadcasting time, press, etc. In relation to political advertising it is desirable establishing uniform (transparent) financing procedure for political advertising.

We have touched on individual examples because the law allows corruption structures to pass through democracy procedure. Similarly, economic laws, starting with the law about the state budget, allow corruption to pass through market procedures.

### **3. RUSSIAN CORRUPTION IN THE LIGHT OF SOCIOLOGY**

Corruption from the sociological point of view is considered as a certain structure of relations, which “grows” in systems of social and state management. Any structure is present in social environment only because it performs some functions, which are not fulfilled (or fulfilled insufficiently) by other structures. If the existence of corruption is recognized, naturally there is a question about its social functioning and functions.

Corruption is a special social structure, that is a set of stable and rather universal (i.e. adapted to existence in various spheres of social life) norms, principles of mutual relations of people. Here we mean not a separate, single cases or persons, but social groups, which support this structure as the primary or an integral condition (source) of their existence. The nature of corruption structures is that they can never take shape of social institute. In essence it is a part of the most ordinary interpersonal social relations, variant of such social structures, which are usually called “friends”, “relatives”, “fans” etc.

The peculiarity of corruption structures is that they: a) develop within sphere of management, functional relations of officials, b) duplicate and replace functional relations of officials, c) are alternative to actions of these persons allowed by the law.

On the basis of analysis of definitions of corruption given by experts, inquired during our research, it is possible to allocate the following attributes of corruption:

- 1) regular defiance of the law;
- 2) mercenary purposes;
- 3) merging of power and criminal structures;
- 4) achieving the mercenary purposes using capacity of an official person;
- 5) bilateral criminal action: on the one hand - bribery, on the other - abusing of office

On the one hand, corruption is a periodic criminal act, which structure includes bribe to the official person and use by the latter of his capacity to achieve personal or group mercenary purposes. On the other hand, corruption is a structure of daily occurrence developing in the sphere of social management, duplicating and superseding the normalized functional relations of officials and being an alternative to law-abiding actions of these persons.

The term “structures of daily occurrence” specifies historically shaped and fixed by social historical memory community norms, principles, relations and contacts of the people. These norms and principles are acquired “with the mother’s milk” and exist irrespective of institutionally fixed, so-called “official” norms, principles and orders. Especial property of structures of daily occurrence is, firstly, that they always act “on their own”, “unguided”, if we look at them in relation to institutional structures.

Another property of structures of daily occurrence is neutralization of individuality, personal dissimilarity with others: a person who starts to act “not as everyone” is pushed away by structures of daily occurrence.

When we explain the term “corruption” through notion of “structures of daily occurrence”, we want to tell that corruption in modern Russia is a system phenomenon existing not according to “the laws” of official social institutes, but “the laws” of unwritten norms and rules handed over from generation to generation, “the laws” of habits, which use a principle “do like me”, which are handed over “by word of mouth” without any textbooks and intermediaries: “confidentially” -- from one person to other.

Structure of daily occurrence is stable in space and in time, only if it meets these or those requirements of social groups. Corruption remains stable because the interest of people to personal profit, to achievement of personal well-being using any way, remains. The extent to which corruption structures have spread, makes them more safe. The background level creates impression that it is a “normal” way of business. The higher is safety, the greater enrichment can be extracted by “invisible” leaders of corruption structures for themselves.

The elementary unit, “a sell” of corruption structures is *the corruption agreement*. This is a private, confidential bargain of officials, which is the basis for their illegal actions. Corruption agreement is a “basis” for corruption structures, because it acts as a source of norms concerning all subsequent actions. Such bargain becomes possible only in case the parties, which have entered the bargain, are sure, that everything will be made the way it was told. Therefore corruption bargain is based only on trust (compelled or voluntary). Certain durability, stability of corruption structures, and also certain stability of surrounding social environment are connected with this circumstance. The officials trusting one another always try to stick together, “beginners” rather seldom get into this circle. Therefore within corruption structures always there are *corrupted clans*, groups.

Corruption is a consequence of the system defects. Experts refer to these defects the following:

- 1) inefficient tax system;
- 2) inefficient state control over various spheres of activity in system of social production;
- 3) inadequacy and inefficiency of legal regulation of relevant aspects of live of the Russian society;
- 4) absence of control over activity of executive bodies;

5) absence of law about corruption

Corruption is a systemic failure in structures of power. Systemic properties of corruption are capable to suppress separate people, groups, separate small-sized, in particular regional, structures of management. In this context the authority is considered as a sphere of business, as a good way to make money.

One of the main reasons of corruption consists in complex imperfection of control system, the legislation, regulating relations of administration and business structures, civil servants and private persons, the state and the citizens. In particular, it refers to legal basis for taxation system braking and stifling industrial production, and simultaneously stimulating development of corruption structures.

First, dominant purpose, which is pursued by participants of corruption agreement, is personal profit. The most widespread nowadays type of personal profit is material one. Besides, "personal profit" is connected with unhealthy, persuasive psychological motives of "self-expression", self-assertion. These motives involve into the sphere of corruption such phenomenon as violence (also towards women. Prostitution, in this sense, is an integral part of corruption).

Career growth is another important aim of corruption. To achieve this aim money is converted into power, and the other way round. Breath-taking careers and breakneck enrichments go hand in hand.

Objective reasons, "defects of political system" may become the system factor pushing a person into a bosom of corruption arrangement. Meanwhile, politics produced in such "political system" appears to be dependent on corruption structures.

The spectrum of motives or purposes, followed in corruption structures, allows to speak about a certain hierarchy which influences the character of corruption: a) "bilateral" corruption: personal and group profit; material, career profit, profit of self-assertion (in volume of power, in opportunity to humiliate, in opportunity of violence etc.); b) "unilateral" corruption: joining a corruption arrangement for the convenience of relatives, to solve problems of the enterprise, political party.

The expert estimations have shown that it is impossible to answer unequivocally to the question, whether fast disappearance of corruption will result in "collapse" of economy and "paralysis" of power. The essence of this ambiguity is that the phenomena of corruption are evaluated as an integral part of the social reality in Russia and around the world, which is impossible to get rid of in the foreseeable future. In this sense reduction of corruption level is a gradual, slow and extended process, as it is connected with changes of system properties and qualities of the society and the state.

Each step of struggle with corruption will inevitably affect personal and financial interests of various people. These steps will require refusal the certain principles and rules of relations among the officials, spheres of influence, part of profits, etc. It inevitably will cause resistance, conflicts in some structures and spheres of public life. The reasonable will and professionalism in management are, in opinion of the experts, the factors capable to prevent all-Russian political or the economic crises, which can be stimulated by resistance to anti-corruption measures.

The majority of the respondents note that a question of social benefit of corruption has no absolute answer. Corruption is often a forced way, which is necessary to take to overcome professional, generation, corporate, political breaks and alienation in the spheres of political and state management, as well as in economy. As the means of

overcoming of these breaks corruption is evaluated by the experts as a “positive”, useful phenomenon. The unambiguous negative estimation of corruption appears in the context of moral and ethical values (venality, corruptness of a person), and also with resulting damages for economy, politics and law.

The specific character of a corruption bargain is that it is always dominated by the interest of personal profit, personal advantage and also a motive to achieve this with the help of force. This motive in a combination with passion for the money frequently pushes one of the parties to infringe terms of the agreement for the own convenience. In this case agreement and originated structure fall down. Sometimes this wreck is accompanied by conflict of the parties, revenge and enmity. According to the sociological nature these are small groups. The struggle of corrupted clans can be a strong factor of long-term social destabilization.

Realization of corruption bargain brings to life chains of events on the surface of social life of community. These events are used by corruption structures to influence public life with these or those social consequences. As a rule, the consequences consist in infringement of the rights and social interests of social layers of community or separate citizens. Or else, they produce unfair social inequality, social alienation, neutralize and disorganize the work of structures of the law (both lawmaking, and law-enforcement). If corruption is systemic, its consequences are systemic too, that is, are generated regularly over all social environment.

The internal motivation exciting inside a person passion for profit, and, accordingly, pushing him into a bosom of corruption structures, is not a human nature, but also a product of social and political evolution in Russia in 1985 - 2000. The basis for this mass internal motivation is a separate phenomenon which can be defined as “*the latent social protest*”.

The theories of social protest, popular in Russia and in the West, fix this phenomenon mainly by three indicators: a) number of participants in demonstrations, disturbances, meetings, b) participation in elections and results of voting, c) participation in party movements and structures. These indicators, however, focus only on the visible part of protest “iceberg”. It is characterized by direct and open civil actions, more or less organized and lawful.

There is, however, one more form of social protest, the latent one. Its essence is that a person perceives surrounding life as infringement by the society (state) of his personal right for “normal life” and reciprocates, i.e. infringes its laws and regulations. Not every person feeling discontent with any circumstances or actions of other people dares to act openly. The latent social protest is, in other words, internally, morally justified opportunity, admissibility of own disobedience to the laws. The essence of the protest is that the people consciously try to bypass the laws and norms of the society, morally justifying their actions and thinking of them as of compensation for the fact that the society and the state disregards problems and needs of the people.

A bus passenger protests by not paying the fee. A small and medium businessman does not pay all taxes. A large businessman does not pay taxes and bribes officers to bypass the laws. Officers use their office for personal purposes, etc. Infringement of the traffic rules, technological discipline, norms of family relations and behavior in public places – everything becomes morally admitted, justified and “normal” in the atmosphere of the latent social protest. When this kind of protest is combined with militant forms of open,

especially ethnic, protest, then the community suffers massacres, marauding, and also military actions similar to those in Chechnia. When the latent social protest is combined with the greed, then the society suffers from stormy development of corruption structures. Typical for Russia forms of social protest were not only open forms (strikes, meetings of protest), but also hidden ones. Both of them mark the process of economic and social adaptation of large numbers of people to ignoring and oppressing public orders. The latent social process is a moral and psychological reaction of groups of people to “undeserved” reduction of the level of life and to the test by instability and uncertainty. The most alarming consequence of this form of protest is destruction of the day-to-day standards of law-abiding behavior of both citizens and state persons. In such social atmosphere democracy and self-government threaten to acquire the expressed shades of corruption if to speak about government systems. Corruption, spread on the level of streets and yards, fills a society with aggression of minor hooliganism, intolerance, boorishness, and deprives the people of the balance and calmness. Corruption, spread on the level of management of factories, enterprises, regional or federal authority, deprives a society of civil calmness and confidence in opportunity to live safely.

The latent social protest signals about “atomization” of a civil society. It breaks up to a set of small conscious infringers, it gets involved into background practices, where dominates “the norm” of latent lawlessness and deceit in relations with everything which is “public”, “not mine”. Inside such practices civil connections either cease, and then appears what was called “anomia”, or create favorable environment for organized criminality, for only such alliances can form here.

Our research shows that besides the motive of personal or corporate (for the corrupt clan) profit, corruption structures play a role of “a lubricant” of “rubbing” elements of the social management machine. Inside this function a so to say peripheral, external environment of corruption structures is formed. If in *a nucleus of corruption structures* the agreement has “bilateral”, “symmetric” character (i.e. the parties, entering the agreement, equally pursue interests of their own profit), in this peripheral part corruption agreement has “unilateral”, “asymmetrical” character. We mean cases, when, say, a businessman bribes an officer to speed up processing (registration etc.) of some documents. In this case corruption agreement functions as an equalizer of contradictions arising in sphere of relations among officials. In particular, it compensates non-professionalism, sluggishness, absence of due motivation, absence of legislative base. These functions are especially visible in the sphere of relations of civil servants and representatives of non-state organizations and enterprises. The non-state sector with the help of corruption bargains “lubricates” the state machine falling behind development of the society, forcing it to move “in step with the times”. This “lubricant” gives, however, only short-term and local effect, but as a whole the system of state service is not improved, even gradually more and more degrades. As the mentioned forms of corruption are formed on the border of relations of the nucleus of corruption structures and legitimate structures of the civil society, so we believe it is possible to call it “*gray peripheral corruption*”. It is necessary to distinguish it from those structures that operate within the sphere of completely criminal relations and business. We would name the latter as “*black peripheral corruption*”. In the characteristic of both peripheral corruption structures it is important to emphasize that they “are secondary” in relation to structures of the nucleus, generated within the system of social management institutes.

*The structures of gray peripheral corruption* remain so long as there is a break in professionalism, speed, motivation of actions between the state and public sector, while contradictions of the legislation remain. On the other hand, the participants of these relations are deprived of legal methods to solve arising contradictions: the officer cannot be called to account for nonprofessional decision or red tape etc.

Social functioning of the nucleus of corruption structure and their peripheries are diversified. Within a nucleus there is self-reproduction of corrupt clans, protection of their financial and political “possessions”, lobbying of the relevant interests in legitimate structures of the state power. In the “gray” peripheral part there is alignment, “pulling up” of legitimate structures of state power to the actual demands of public sector. But it has sporadic, situational character, and thus can not give qualitative progress in solution of this problem. It is obvious that the social sense of a bribe, which appears in the nucleus of corruption system, is completely different from that of a bribe appearing in the peripheral part.

It is important to be able to evaluate the proportion of the “nuclear” and peripheral part. So, for example, it turns out that the size of the “nucleus” is reducing, and the “gray” peripheral part has increased, it would be possible to say of it as of a weak, but positive tendency. If under the same conditions the “black” periphery has increased, it would be possible to consider the tendency negative. It is appropriate to assume that the process of downgrading of corruption level in Russia will proceed in the following way: at the first stage - reduction of the “nucleus” of corruption structures with some increase of the “gray” peripheral part, at the following stage - reduction of peripheral (at the expense of reduction of both “black” and “gray” periphery) part with preservation of the “nucleus”, then again reduction of the “nucleus” with some increase of the “gray” periphery etc.

The system phenomenon, what the corruption is, can not be “canceled” or “destroyed” at once. Overcoming of corruption is a long process. The sociological methods of study can indicate directions to perfect the legislation, will help to understand more accurately the problems with professionalism of civil servants, to adjust more faultless technologies of work with the personnel, to conduct diagnostics of condition of general culture of the administrative elite, mass consciousness etc.

## **4. INTERNATIONAL DIMENSIONS OF RUSSIAN CORRUPTION**

### ***4.1. Corruption in international and political discourse: opportunities for informational manipulation***

Despite of apparently unanimous condemnation of corruption and determination to struggle with it, there are some paradoxical tendencies in modern discourse about corruption. Firstly, it is possible to hear quite often, that “all global experience demonstrates: hysteria of struggle with corruption clears a way to dictatorships”<sup>17</sup>. In this sense anti-corruption scandals are treated as the instrument of struggle between elites. According to the Bulgarian researcher Ivan Krastev, “struggle with corruption is a quite suitable basis for attacks on reformation policy... (Someone - Author) sees in anti-corruption rhetoric a dangerous tool of forcing a wave of populist and anti-reformation

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<sup>17</sup> Russia and Corruption: Who Fights Whom. The Analytical Report. Moscow: Council on Foreign and Defense Policy, “Russia and the World” Program. Moscow, 1999. P. 33.

attitudes”<sup>18</sup> (Examples – Alexander Lukashenko and Alexander Lebed). A similar idea was stated by the experts of the Moscow Center of Strategic Research: “God forbid struggle with corruption become national ideology in Russia... as any ideology, especially so popularly attractive, can get our society rather far, can justify rather harsh measures and most severe political systems”<sup>19</sup>.

Secondly, in some papers there is the actual apologetic to corruption. It was initiated by papers of Samuel Huntington, who risked to assert, that "in developing democracies corruption is democratic. It gives opportunities to those who would be otherwise discharged of participation in the process owing to protectionism... What is perceived as corruption, is partially a display of the fundamental economic adaptation process". According to the French researcher Marie Mendras, “not approving corruption, the society, nevertheless, sees in this illegal exchange a method of functioning having both the advantages and defects. It is a peculiar "lubricating mechanism" of socioeconomic relations compensating defect of state power”<sup>20</sup>.

In the literature there is an opinion that the shadow system can have a stabilizing influence on economy. L. Kosals, in particular, writes that it: a) allows to manage more effectively, as saves on taxes, this enables the enterprises to increase net profit and to receive thus competitive advantages; b) gives an opportunity of economic activity which is not controlled by the state and forms new economic niches, which helps people to survive; c) creates financial base for non-state social activity (political organizations, charity, etc.)<sup>21</sup>.

The above mentioned examples show that all problems connected with corruption can become not just a subject of various (often alternative) interpretations, but also be used by various forces to achieve certain political ends. A characteristic example of usage of corruption theme for political purposes is the scandal which began in Summer of 1999 in USA and was connected to exposures concerning laundering of the Russian money in foreign banks. The information splashed out onto newspapers and TV screens, confirming a high level of corruption in Russia, became one of the determinants which have brought to serious adjustments of general evaluations on the part of USA of those processes, which take place in Russia. One of the first was the NYT Magazine, publishing during Summer 1999 an abundant material of John Lloyd where he gives the most unflattering characteristics to all team of "the young reformers" (Peter Aven, Anatoly Chubais, Egor Gaidar and others)<sup>22</sup>. According to the well known expert in Russia Steven Holmes, "Chubais had to lean on ‘a brood’ of criminal magnates, who have made their money on the extortionate credits, export licenses, forged privatization and control over banks... It obviously did not become a reliable basis to build a lawful

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<sup>18</sup> Ivan Krastev. Round and Around in Struggle with Corruption // Constitutional Law: Eastern European Review, №4 (25) - №1 (26), 1999. Page 12.

<sup>19</sup> “Corruption: Myths, Reality, Forecasts”. Seminar Proceedings. Moscow: Center for Strategic Research (<http://www.csr.ru/conferences/sten.kor.17.04.00.html>).

<sup>20</sup> Marie Mendras. Enrichment and Clientism in Russia // Constitutional Law: Eastern European Review, №1 (22), 1998. P.122.

<sup>21</sup> Leonid Kosals. Between Chaos and Social Order // Pro et Contra, volume 4, №1, winter 1999. P.45.

<sup>22</sup> John Lloyd. The Russian Devolution // The New York Times Magazine, August 15, 1999.

state" <sup>23</sup>. Another American expert expresses similarly: "the Russian elite is still alien not only to respect, but even to understanding of idea of the public welfare" <sup>24</sup>.

In this case not only informational part of the scandal is interesting, but also the time when it took place. It would be incorrect to believe that before publications concerning mass laundering the Russian money abroad appeared in mass media, the official persons of USA were ignorant of the problem. The American press published enough information about how American foreign policy bureaucracy blocked the messages from USA embassy in Moscow concerning real level of corruption in Russia and connections of the Russian political figures with criminal groups. The Embassy's dispatches were ignored for the reasons "of political correctness", as publication of this information could result in revision of all behavior of USA towards Russia and, thus, bring a serious loss of reputation for Clinton's team <sup>25</sup>.

According to the information of the "Washington post", already in 1993 FBI unsuccessfully tried to pay attention of USA administration to some Russians, now participants of the scandal around "Bank of New York" <sup>26</sup>. The former CIA agent in an interview to Italian "Corriere della Serra" declared that "as far back as 6 years prior to scandal with 'Bank of New York' we knew everything... I was put on the black list, a settler for the undesirable persons. The documentation on this operation was destroyed. The data on 300 millions dollars and lists of 100 Russian citizens involved in the operation of money laundering, disappeared... This administration (of Bill Clinton - author) has concluded the pact with the devil. It rescued Yeltsin, being sure that there was no other way out. However, as a result... the international help for Russia has turned to be an enormous stake in the game. The money was only nominally directed to Russia. Actually, they came back overseas and disappeared on the accounts opened by oligarchs in our banks. The United States have turned to the deliberate accomplices of the robbery" <sup>27</sup>.

In 1999 the American politicians "all of a sudden" noticed what was known for a long time in foreign policy community. For example, as far back as in 1995 Louise Shelley warned that "collapse of the communism can not result in democracy... The strong positions of the organized crime can cause to life alternative variant of development: political clientism with control over markets and revived power structures... Moreover, regional criminal groups can undermine the leadership of the law in various regions of the country" <sup>28</sup>.

The above said means, that corruption issues are always built into a complex system of political relations existing not only in Russia, but also in foreign countries, and can be easily used as one of the tools in information manipulation of public consciousness. Submission of open discussion about corruption to reasons of political expediency and

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<sup>23</sup> Steven Holmes. Introduction // Constitutional Law: Eastern Europe Review, №1 (22), 1998. P. 25.

<sup>24</sup> Virginia Kulludon. Criminalization of the Russian Political Elite // Constitutional Law: Eastern European Review, №1 (22), 1998. P.33.

<sup>25</sup> Robert G.Kaiser. Pumping Up the Problem // The Washington Post Outlook, August 15, 1999.

<sup>26</sup> David Ignatius. Who Robbed Russia? // Washington Post, August 25, 1999.

<sup>27</sup> Corriere della Serra, January 19, 2000.

<sup>28</sup> Louise Shelly. Post-Soviet Organized Crime and the Rule of Law // John Marshall Law Review, Volume 28, Summer 1995, N 4. P.828.

correctness incurred a loss not only to Russian society, but also largely to Russian-American relations.

#### **4.2. Corruption and problems of integration of Russia into the global economy**

On the one hand, international and transnational companies and financial institutions become "locomotives" in the global anti-corruption campaign. Their influence bring to life a number of global factors hindering corruption. There is the Convention of Organization for Economic Cooperation and Development on struggle with bribes to foreign officials during international business operations. A number of measures concerning economic openness are undertaken by World Bank and World Trade Organization. At a non-government level actively works "Transparency International", the organization, created in 1993, and offered a so-called "Integrity Pact" as the universal code of business behavior <sup>29</sup>.

On the other hand, today not only in Russia, but also abroad accrues the understanding that globalization processes introduced their own, special contribution to forming of corruption system in Russia.

The emergence of vast new wealth around the globe, tethered to no single nation, has become a weapon for buying influence and a force for local and global corruption. Campaign finance, know-how, and even skullduggery have gone global, while national mechanisms for regulating them have failed to keep pace.

Talking about global character of the corruption problem, it is necessary to take into account several circumstances. Firstly, corruption is widely spread also in international organizations, and in foreign business. It is quite obvious, that the laundering of the Russian money in the West would be impossible without participation of banking institutions of USA, Switzerland, Cyprus, Antigua and other countries <sup>30</sup>. Not accidentally the scandal with laundering of the Russian money in American banks is simultaneously, according to Jim Leach, the chairman of the Bank Committee of Chamber of Representatives of the Congress, "a precedent of corruption in the financial system of the United States" <sup>31</sup>. "American help in a certain extent promoted expansion and strengthening of corruption, organized crime and antidemocratic processes in Russia"<sup>32</sup>. The factor promoting these phenomena is also a large Russian-speaking emigrant community abroad.

Besides, in some countries (for example, in Switzerland) bribery abroad was legislatively authorized. And also due to this fact, foreign investments and foreign trade activity are spheres with strong presence of corruption practice. According to Vitaly Korotich, "in Moscow there were caught sixteen large foreign firms, among them such respectable, as

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<sup>29</sup> Stuart Isenstadt. Necessity to Observe Legitimacy and Struggle with Corruption in Conditions of Modern Economy // "Economic prospects". The Electronic Journal of USIA. Volume 3, number 5. November, 1998. P. 8.

<sup>30</sup> The Quiet NY Bank in a Storm Over Moscow Funds // Financial Times, August 27, 1999. P.2.

<sup>31</sup> RBC, 18.02.2000.

<sup>32</sup> A. Deikin. The Americans Consider "the Harvard Corruption" as the Direct Culprit of the Failure of Reforms in Russia // Financial Week, N 20 (267), July 5-11, 1999.

"Procter & Gamble" and "McDonald's", infringing all imaginable laws and rules, employing foreign workers without documents, swindling with taxes" <sup>33</sup>.

Secondly, many foreign researchers recognize a certain fault of the West in underestimation of the volume of corruption in the post-Soviet world. The West paid its principal attention to dismantling of the Soviet system, ignoring importance of joint development of adequate measures not to allow larceny by government officials and organized crime. <sup>34</sup>

The policy of USA towards Russia throughout 90ies, being directed to personal support of Boris Yeltsin and, accordingly, persons from his nearest environment, promoted unattended crediting of the Russian administration only for political reasons, instead of economic, as it should have been. Establishment of the "exclusive" relations between the leaders of USA and Russia has inevitably resulted in the situation, when the significant part of the Russians began to perceive the United States as an accomplice and patron of that system of power, which has created nutritious environment for mass corruption in Russia <sup>35</sup>.

Thirdly, Russia (especially its frontier territories) feels on its own back the negative influence of foreign criminal structures. It is known, for example, that Chinese and Japanese criminal organizations are actively "developing" the Russian Far East <sup>36</sup>.

Fourthly, helping the Russian economy with investments and loans, the West simultaneously kept its markets closed for the Russian export. This (as one of the factors) also promoted illegal outflow of the Russian capital abroad.

The problem of openness of the markets can be solved only within the World Trade Organization, the membership in which should become for Russia one of foreign policy priorities. "In a closed market, the importer sets the price of imported goods above the international price, and the bribe-taking official collects part of the monopoly profits. In a market open to trade, the bribery tax forces returns below the level prevailing in the market, and the producers so taxed will drop out. Thus the competition created by free trade penalizes bribery" <sup>37</sup>.

As any global phenomenon, corruption easily penetrate through national borders. "The Russian Mafia is believed to operate directly in 65 countries... Russian gangs are often keen to acquire stakes in or control of overseas firms and, in particular, real estate... These assets may even help them win foreign citizenship or the protection of government prepared to turn a blind eye to the much-needed foreign investments" <sup>38</sup>.

But it is not limited to economy. According to the former CIA employee, "the Russian money... was used in American internal affairs - on a local level, on the level of states, and also on the federal level... We have our internal scandals connected with the grants

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<sup>33</sup> The Big Washington, №4 (21), 1999. p.3.

<sup>34</sup> Statement of Dr. Louise Shelley before the House of Representatives' Committee on International Relations. Transnational Crime and Corruption Center (TraCCC). The Current State of Corruption in the NIS //

<<http://american.edu/transcrime/work/testimony799.htm>>

<sup>35</sup> John Lloyd. The Russian Devolution // New York Time Magazine, August 15, 1999.

<sup>36</sup> Loise Shelly. Criminal Kaleidoscope: The Diversification and adaptation of Criminal Activities in the Soviet Successor States <<http://american.edu/transcrime>>

<sup>37</sup> Wayne Sandholtz, William Koetzle. Accounting for Corruption: Economic Structure, Democracy, and Trade, in International Studies Quarterly, n 44, 2000. P.39.

<sup>38</sup> Mark Galeotti. Inside the Russian Mafiya, in Jane's Intelligence Review, March 2000. P.9-11.

for election funds, and I will not be surprised, if these scandals will include any Russian aspects" <sup>39</sup>. He is echoed by other former CIA employee: "if the representatives of the Russian crime plan to use the half of their funds for bribes to our officers... this will have a bad effect on our state system and society... this money can corrode a healthy tissue of our society" <sup>40</sup>.

## **CONCLUSION**

### **CORRUPTION: INTEGRATED ANSWER OF SOCIETY**

Planning the program of suppression of corruption, it is necessary to take into account the following *preconditions*:

1. The absolute victory over corruption is impossible. In a normal condition of power and society corruption is a signal of malfunctions in the power mechanism.
2. There are no countries doomed for complex and chronic corruption, as well as there are no countries in which there is no corruption. Russia is not exception from this rule.
3. Limitation of corruption can not be a singular campaign. Termination of any campaign always can be followed by a new, more terrible coil of corruption.
4. It is impossible to limit corruption only with legislative methods and struggle with its manifestations. Moreover, in conditions, when corruption has reached large scales and high levels of power, the struggle against conditions inducing corruption is more effective than unprepared attack on its manifestations.
5. Struggle with corruption is successful, when it is complex, persistent, and has forces of both authorities, and society.
6. The anti-corruption program should be realized on the top level of political management of the country and with maximum cooperation with the institutes of civil society.
7. The losses from corruption, which suffer the state and society in Russia, are so great, that any reasonable costs for realization of anti-corruption program will ensure a fast feedback, ten times exceeding investments.

#### **Economy and the finance sphere**

The most effective variant of reduction of corruption is the valid liberalization providing restriction of interference of officers into economic processes, reduction of administrative regulation <sup>41</sup>. We are confident that:

- transition to the real and realizable budgets liquidates the situation of budgetary funds deficiency, when the sphere of personal discretion during decision making by the officers extends;
- realization of the contract rights, proprietor rights of the shareholders, transparency of activity of enterprises for the shareholders enable businessmen to appeal to the law and reduce chances of office persons to use bribes for protection of commercial interests;

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<sup>39</sup> <http://www.svoboda.org/programs/SP/1999/SP-79.shtml>

<sup>40</sup> <http://www.svoboda.org/programs/SP/1999/SP-84.shtml>

<sup>41</sup> Investment climate in Russia. Moscow: Expert Institute, "Ernst & Young", 1999.

- reduction of number of licensed activities will narrow the sphere for violent decisions of officers.

### **Social sphere**

1. Reasonable commercialization of a part of social (including municipal) services, introduction of competitions, which will result in competition and, accordingly, will transform the corrupt market of insufficient services into the normal market of services.
2. Expansion of practice of application of modern methods to make social payments by electronic methods of non-cash turnover reduces dependence of the citizens upon the discretion of officers, thus limiting low level corruption.
3. Transfer of decision of a part of social problems to institutes of civil society is one of the most effective means against low level corruption. Public organizations receiving in competition and under contract the right to realize some functions of the state, are more susceptible to public control, and less bureaucratized. Besides, they are more directed to decision of the main problem, instead of strengthening of the institute, as it is characteristic to bureaucratic systems. Three important problems thereby might be solved at once: low level corruption is limited, efficiency of realization of social functions of the state is increased, the public trust to the authority becomes stronger.

### **Legislation**

Perfection of the legislation was never a panacea in struggle with corruption, however absence of the proper laws always provoked civil servants to act unseemly. We think that transformation of the legislation should follow the following directions.

1. It is necessary to make changes to the law of Russian Federation “On Charity and Charitable Institutions”, forbidding sponsor’s help to some definite organizations. If, for example, a district militia department receives “sponsor’s” help from some businessman having a firm in this district, its employees may "not notice" small drawbacks, infringing the law, in the activity of such sponsor. In no developed country there is a law similar to the above-mentioned, opening such wide field for unpunished abuses.
2. To make addition to the legislation about the state service limiting the right of officers and deputies to pass after dismissal from the state service to commercial organizations, which had been under his supervision.
3. To adopt the law “On Fighting Corruption”, introducing rules regulating disciplinary and administrative responsibility for corruption infringements, containing comprehensive list of special restrictions to civil servants.
4. To forbid legislatively under threat of criminal punishment acceptance of compensation for the actions (inactivity) performed in the past by an official. Now many officials after retirement receive, as a gift from legal or natural persons, values - real estate, cars, money, securities - in gratitude for actions for the benefit of the grantor, during state service. It is not possible to make such person answerable, he has lost attributes of the official, though corruptness of this ex-officer is obvious.
5. To introduce several changes to the Criminal Code of Russia. Small number of exposed corruption crimes is connected in many respects with its corpus delicti, which require either reception of a subject of bribe (or its part), or causing essential harm (article 285 CC). For more effective struggle with corruption it is obviously necessary that the fact of reception of property or service is considered as aggravating circumstance

of reception of a bribe, and the fact of transfer of money and values, rendering of services should be considered as aggravating circumstance.

### **State service**

Preventive measures for bribery of state and municipal employees can be effected the following way:

1. No law is capable to work in a society, in which moral principles are low. Forming the public opinion and preparation of the uniform concept about honesty criteria in the sphere of state service can become a starting platform for national struggle with corruption. Therefore it is necessary to accept the Code of professional etiquette of the civil servant. Russia is one of few countries, which has not a similar document.

2. Effective preventive measure against bribery and abuses is detailed regulation in the normative documents of service activity of officers. Everyone should know the list of forbidden behavior of the state and municipal employees. Unfortunately, many officers poorly conceive, in what situations their behavior may be considered as a display of corruption, therefore situations, when corruption offenses were not hidden, but even presented in mass media, are frequent<sup>42</sup>.

3. Realization in practice of a principle of equality of the citizens before the law. Unfortunately, in Russia there are always groups of persons who are “more equal” than others. This promotes not only “common” law, but also the law giving immunity to judges and deputies. Though legislatively deputy immunity applies only to the deputies of the State Duma and senators, this right is also applied privately to deputies of other levels.

Analysis of materials devoted to corruption for the last four years in Russia convincingly illustrates inequality of the citizens. Only officers of the lower level were brought to court. High officials either remained unpunished, or were made responsible after retiring (ex-governors and ex-mayors).<sup>43</sup>

4. Old as the world, but always relevant are such methods of fight with corruption as careful selection of the personnel, competitive tests for an applicant to a managing post, participation of other employees in this process.

5. The program of fight with corruption should contain the list of the guarantees raising prestige of the state service and its reliability in the eyes of society. The principal guarantees are:

a) Considerable increase of salary for the state and municipal employees (that is especially important for the lower and middle level). Here it is necessary to overcome a natural inferiority complex “we can not increase salaries, when the country is doing so bad!” In Singapore, where the anti-corruption program was successfully realized, gradual

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<sup>42</sup> So, at a meeting devoted to opening of assembly line for "Gazelle" at GAZ in 1994 vice-premier A. Chubais and the governor of the region Boris Nemtsov received as a gift from “Nizhny Novgorod Credit Bank” blocks of shares for 13 and 11 million roubles. According to mass media, the governor has transmitted to their children's house. The advertising-charitable performance share at some other's expense?

<sup>43</sup> For example, Anatoly Chubais, combining jobs of the first vice-premier and the minister of finance received (together with 4 other officers) a fee for the not written book of \$450 thousand, he repented in public and saved the post of vice-premier. The other “writers” were resigned and took managing posts in large commercial structures.

increase of the pay began long before economic prosperity of the country and in conditions of extremely widespread corruption;

- b) Free health services for officer and preferential for his family members;
- c) Free health services for retired officer;
- d) Considerable dismissal wages and pension (75 % of salary), allowing to a former official to not depend on services of legal and natural persons;
- e) Payment for higher school education in Russia of one officer's child;
- f) In case of death of the official during fulfillment of the official duties, not working members of his family should receive pension of not less than 70 % of his salary.

6. Adjusting mechanisms of service with allowance for differentiation of the legal status of professional officers and "political nominees". Limiting quotas on "political nominees" for the heads in bodies of executive power gives useful effect. The presence in the office of career officers less depended on a will of the chief, reduces possibility of his corruption behavior.

7. Strengthening the role of laws in actions of the officers inevitably promotes restriction of corruption. This may require the following measures:

- Differentiation of authority and protection of the competence of officers;
- Reduction of sphere of personal discretion;
- Establishment of the firm order of interaction of the officers and citizens, the rights and responsibilities of the officers should be completely and always known for the citizens;
- Toughening control over civil servants and responsibility for diversion from the behavior fixed by the law.

8. Increase of prestige of the state service. It is necessary to get rid of a harmful myth - "everyone steals and takes bribes", creating an additional favorable background for proliferation of corruption. Introduction of professional competitions on lower level and corporate awards for honesty and professionalism on middle and high levels of administration would be useful. Here can be useful both efforts of the state and non-state organizations.

### **Strengthening of independent control structures**

This is one of the important measures in fight with corruption. The most independent body in our country is the Federal Assembly. So far the Constitution of Russian Federation limits its control functions. However, they can be introduced also legislatively, but only under one condition – rigid regulation of procedures of implementation of control functions and legislative restrictions. Otherwise these functions themselves can become a source of corruption.

The Accounting Chamber is in some way a unique body in the system of institutes of power in Russia. It practically does not depend on the President of Russian Federation and the executive power, as it has independent financing. Now its activity brings to the treasury 20 times more than takes its financing (only by "direct" calculation).

But unfortunately the Accounting Chamber has not become yet effective and authoritative tool of control, especially in the provinces. Among the reasons are absence of rigid mechanisms of application of sanctions according to conclusions of the

Accounting Chamber and insufficient personnel - 700 people. For comparison - in similar bodies of USA and Poland work accordingly 3500 and 1500 employees.

It is expedient to expand authorities of the Accounting Chamber. In particular, it is desirable to introduce a post of a special controller over distribution of government contracts, their competitiveness, when it is possible, and conformity to the specifications and standards.

One of the reasons of inefficient performance of the Accounting Chamber in the provinces is the absence of independence, both financial and organizational. So, for example, Control and Accounting Chamber of Legislative Assembly of the Nizhny Novgorod region, according to article.1 of the law of the Nizhny Novgorod region No. 36-3 dated 07.06.96 "About the Control and Accounting Chamber of Legislative Assembly of the Nizhny Novgorod Region", is a structural division of Legislative Assembly and is accountable to it.<sup>44</sup> In this case we can not even think about independence of the Control and Accounting Chamber, as all its activity depends on relations between the heads of legislative and executive authorities.

### **Internal policy**

We suggest:

- 1) Reduction of influence of corruption on election process by:
  - Increase of the allowable amount of election funds, bringing it in accord with the actual costs of election campaigns;
  - Permission to form beforehand party or election funds for installments of citizens;
  - Development and propagation of "the professional codes" for political advisers, image makers and political technologists (this process has already begun both on federal, and regional level).
- 2) Reduction of influence of corruption on activity of legislative bodies by:
  - Simplifying procedure of initiation criminal proceedings against deputies;
  - Giving greater publicity to methods and sources of financing of political organizations and political actions. This will prevent from filling party cash bags with the help of the criminal in legislative bodies.
- 2) Strengthening of local government. It is feasible to press low-level corruption by introduction of real dependence of the system rendering main public services from the population itself through its influence on forming an effective local government.
- 3) Reform of the executive authority:
  - People awareness about plans, decisions and actions of authorities with the purpose of strengthening public control over authority;
  - Precise differentiation of functions of taking decision, realization of decisions, control, rendering services (nowadays many government departments combine these functions);
  - Introduction of personal responsibility of officials in the sphere of disposal of funds and property, since collective irresponsibility is a perfect shield for corruption;
  - Open competitions for government contracts and purchases;

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<sup>44</sup> The law of the Nizhny Novgorod region No. 36-3 dated 07.06.96 "About the Control and Accounting Chamber of Legislative Assembly of the Nizhny Novgorod region" // Nizhegorodskie novosti. 1996. July 4. № 123(1108).

- Demonopolization and creation of competitive environment in the sphere of rendering of state services;
- Reduction of application of non-budgetary funds.

### **Institutes of civil society**

It is necessary to create maximally favorable conditions for activity of non-government, non-state noncommercial organizations (public, expert, etc.), capable to undertake: a) analysis of corruption in particular spheres and regions; b) monitoring of corruption cases; c) development of up-to-date educational anti-corruption programs.

Support of institutes of civil society is an important factor for the victory over corruption, as the civil society is mostly interested in this victory. It is especially necessary in conditions of alienation of power and society. Involving public organizations to high-grade cooperation in solving of the problem of such caliber, the state gets a chance to increase trust of the citizens.

Without involving of the public it is impossible to restrain low level corruption, as at the bottom levels of management corruption is not sensitive to the pulses going from above, but can be pressed only from below, by efforts of citizens and institutes of the civil society. Therefore, implementing the anti-corruption program the authority should effectively attract wide public circles, first of all business people and independent mass media. A special attention should be given to upbringing legal and civil consciousness and acquiring skills of behavior in a democratic lawful society, including skills of anti-corruption behavior.

### **International activities**

If national corruption is stipulated by more common problems of a separate country, corruption born out of international relations is connected to imperfection of these relations. Thus, it is necessary to make efforts directed on improvement of mechanisms of interaction, both at the level of Russian Federation, and at the level of the members of Federation. This work can be performed in the following directions.

Legal measures:

- Rapprochement of the legislation bases in the sphere of state regulation in economy;
- Conclusion of agreements with partner-countries aimed at refusal of corruption as means of competition up to legislative fixing of appropriate principles;
- Introduction of the international accounting standards;
- Introduction of discriminatory measures towards businessmen from those countries whose legislation does not prohibit usage of bribes.

*Police measures may include:*

- International information exchange (in particular targeting companies practicing bribes);
- Unification of evidentiary base in the sphere of corruption (it is necessary, for example, for arguments in petitions for extradition of prosecuted persons);
- Conclusion of agreements about mutual assistance connected with extradition of criminally prosecuted persons, interrogation of witnesses, access to bank accounts and their seizure.

The main task is to increase essentially the risk for moving criminal capitals or their owners abroad.

Partnership assistance:

- Training staff engaged in fight with corruption;
- Assistance in development of anti-corruption programs.