



COMBATING CORRUPTION IN RUSSIA

BY DAVID SZAKONYI

Corruption is quickly becoming one of the most salient political issues in Russia. Surveys conducted by the Levada Center in early 2019 reveal that Russians now rank corruption third on a list of their most pressing problems, coming in after poverty and the high cost of living. This level is at its highest since 2005 and twice that recorded in 2016. According to Transparency International's 2018 Corruption Perceptions Index, Russia ranks 138th out of 180 countries worldwide—the lowest among the 20 largest economies. Clearly corruption is not new in Russian society; the country's history is littered with examples of capricious officials taking advantage of their positions.

But over the last decade, frustration with graft, pay-to-play access, and mismanagement of budgetary funds threatens to upset the seemingly stable Putin regime. Beyond the polling data, recent events suggest Russians are more likely to take action and express their discontent over

corruption than over other hot points, such as electoral fraud. For example, following a sensational video in March 2017 documenting alleged enrichment by Prime Minister Dmitry Medvedev, thousands of Russians took to the streets demanding punitive actions be taken. In 2019, demonstrations against waste disposal in Moscow Oblast, and church construction in Yekaterinburg, have been tinged with complaints that government officials are putting business interests above those of average citizens. The public outcry over the fabricated drug charges against Ivan Golunov, a prominent anticorruption journalist, emerged from the same sense that powerful economic interests could co-opt the justice system in order to protect elite assets. There is a growing sense that corruption is a root cause behind other systemic problems in Russia, particularly inequality and poverty, and the general public is openly demanding stronger crackdowns on corrupt behavior.



The Russian opposition leader Alexey Navalny detained on Tverskaya Street in Moscow. Photo by Evgeny Feldman via Wikimedia Commons.



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RUSSIA'S ANTICORRUPTION CAMPAIGN

Although the Russian government has denied many of the most high-profile accusations, it has acknowledged the breadth of the problem, and in particular, its potential to trigger mass unrest and calls for significant political change. Indeed, if the Putin administration refuses to take action to clean up the government, it could find its way out the door. Ironically, it was former president Dmitry Medvedev who kicked off the state's most concerted effort to clean up corruption in 2008. Since then, a series of promising laws have easily passed the State Duma with the aim of reducing opportunities for officials to profit from public service and for companies to raid government coffers. These initiatives came about not because of international pressure but presumably due to a realization that the blatant abuse of public office for personal gain was becoming a liability for the regime.

The scope of the government's activity has been broad. Reforms to the public procurement system, though still incomplete and flawed, have brought a measure of transparency and competition to a notorious avenue for self-enrichment. For example, citizens and activists can now easily see the prices their schools pay for cafeteria food and the expenditures their local governments make on road construction. The activist Alexey Navalny earned his anticorruption chops, in part, by exposing flagrant contractual abuses, overcharging, and nonimplementation.

This trend toward open data has also led millions of budgetary rubles to be invested in so-called "e-government," whereby citizens and firms can gain electronic access to key government services and never have to interact in person with a bureaucrat. Many in the Russian government believe that an increased reliance on impartial technological solutions can help reduce the ability of bureaucrats to extract bribes. But alongside transparency has also come the whip. Led by newly empowered prosecutors and the notorious Investigative Committee, several unsuspecting, high-ranking officials have been caught up on charges of outrageous theft.

These steps raise provocative questions about what the government is trying to achieve through its anticorruption campaign. Is the Russian state sincerely interested in combating graft? Are these reforms actually reducing corruption? Or are skeptics correct in seeing these new laws as tools for the government to purge rivals and further consolidate power?



PUBLICIZING OFFICIALS' PERSONAL FINANCES

One of the government's signature anticorruption reforms is the 2008 requirement for federal officials to submit annual income and asset disclosures. The forms contain information on all income earned over the previous year as well as the real estate and transportation assets for officials and their immediate families. Over the last decade, the disclosures requirement has been extended to all regional and municipal governments across Russia and now applies to more than one million public servants. Perhaps surprisingly, these data are published online on individual agency websites; the team at Transparency International–Russia has taken the lead in collecting and systematizing the information through its Declarator project (Declarator.org).

An interesting consequence of this reform is that the obligation to publicly disclose income and assets is already changing the types of individuals who want to work for the Russian government. My research shows that after the government applied the disclosures law to local elected councils, many incumbent officials declined to run for reelection. These individuals would rather leave government altogether than reveal their personal finances to the general public. The same was true for politicians suspected of tax evasion. Properly enforced transparency rules reduced the attractiveness of government service for those who had something to hide or were only interested in public service as a way to make money.

Who did politicians fear in disclosing their income and assets? Not voters or the media, but law enforcement officials. Given the priority the central government has placed on reducing public perceptions of corruption, motivated prosecutors can now build successful careers out of exposing and punishing bad behavior. The disclosures law has been a key weapon in their arsenal: discrepancies in an official's form can trigger swift expulsion and even criminal investigations. In Omsk Oblast alone, over 300 municipal deputies (or 7 percent of the total) have lost their positions as a result of running afoul of the new transparency rules. Local law enforcement and tax agencies have invested considerable resources in enforcing compliance and applying the rules to all these lower-level officials, regardless of their affiliation with the Putin regime.



Above: Russian investigative journalist Ivan Golunov on June 14, 2019, after the Moscow City Court quashed proceedings on the appeal against house arrest. Photo by Global Look Press.

Opposite page: Navalny on the street after a *zelenka* attack in Moscow. Photo by Evgeny Feldman via Wikimedia Commons.

The disclosures law example reveals something fundamental about how the Russian state is currently working to combat corruption. At the lowest levels of government, stringent monitoring and punishment are changing incentives to abuse power, potentially for the better. Overtly exploiting government positions for personal gain now carries a greater risk of jail time. In fact, ongoing research suggests that over 10 percent of mayors and governors wind up under arrest after leaving office on suspicion of having engaged in corruption. Moscow is trying to change the conversation about graft by making public examples of elected officials being held accountable.

Head of the Republic of Komi, Vyacheslav Gaizer, who was arrested in 2015 on charges of fraud and heading a criminal gang. Photo via Wikimedia Commons, 2010.



But as officials climb the power ladder, the luster of the anticorruption campaign quickly begins to fade. The trials of many prominent ministers, agency heads, and businessmen on corruption charges carry strong hints of political infighting and intrigue. Rather than justice being properly handed down, anticorruption investigations in Moscow are being used to settle scores and target rivals. Moreover, demonstrating loyalty and activating connections can save federal officials from jail time. Just three years after an early morning raid on his apartment on charges of embezzlement, former defense minister Anatoly Serdyukov landed a plum gig as an industrial director for the defense sector behemoth Rostec. Apparently his longtime service had earned him enough powerful friends to protect him.

This inaction at the federal level helps explain why public opinion about the pervasiveness of corruption has not budged amid the rollout of the anticorruption campaign. Powerful leaders avoiding prosecution fuels perceptions that a different set of rules applies at the very top. Properly documented, damning evidence of corruption is not enough to spell the end of careers embedded in dense political networks. The average Russian has enough information to see this disconnect and may get on board with more radical reforms to remove the culture of impunity among the ruling elite. ■



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Above: Police detain a participant in an anticorruption rally in Moscow's Pushkin Square on March 26, 2017. Photo by Victor Vitolskiy.