

On Corruption in Russia

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Abstract: On Corruption in Russia – This paper focuses on the evolution of Russian legislation, political thoughts and public administration as for corruption and anti-corruption measures in the exercise of public functions.

Keywords: Russia; Transparency; Corruption; Public administration.

Russia, traditionally, has low rankings in Transparency International's index of perception of corruption (and in other analogous indexes such as the World Bank's Doing Business reports). The reasons for this deeply rooted corruption are numerous, and it is not an appropriate place here to describe them in any detail here. One of the basic factors here, at first glance, could be the lack of trust which ordinary people seem to have in their government. This is deeply rooted in Russian culture and is particularly reflected in the notorious legal nihilism of Russians—the issue to which I will turn later in this report.¹

A more nuanced and difficult question is how to gauge the level of corruption in the Russian public-administration sector and other improper external influence on this system. One of the solutions is to examine international indexes and sociological polls. The World Justice Project² for example—in its most recent rule-of-law index for the year 2017-2018—ranked Russia as 89th among 113 countries worldwide (and 11th out of 13 countries regionally). This places Russia in the company of such jurisdictions as Liberia and Uzbekistan. One of the indicators in this study is the Project's attempt to measure meaningful guarantees against state interference in the administration of justice. Here, Russia has booked awful results with only a score of 12 out of 100; among the worst results worldwide (in this ranking, Russia is behind Turkey, Afghanistan, and Zimbabwe). These appalling data notwithstanding, the level of estimated corruption in the Russian criminal-justice system is scored at 46 out of 100 (an average indicator for the region).

¹ Kathryn Hendley, "Who Are the Legal Nihilists in Russia?", 28(2) *Post-Soviet Affairs* (2012), 149-186. See a sociological analysis of the societal mechanisms of securing judicial independence in Russia by the late I.M. Mikhailovskaia, *Суды и судьи. Независимость и управляемость* (*The courts and judges: malleability and independence*), (Prospekt Publishers, Moscow, 2014, rev.ed.) where the author considers these factors.

² This institution characterizes itself as "an independent, multidisciplinary organization working to advance the rule of law around the world", available at <data.worldjusticeproject.org/#/groups/RUS> (accessed 19 September 2018).

The general mood of the Russian population is one of an absence of equality before the law. A 2016 *VTsIOM*³ opinion poll showed that 48 percent of those Russians surveyed believe there are some ‘privileged’ people (wealthy persons, state officials, and parliamentary deputies) who more easily can evade justice than can an ‘ordinary’ person.⁴ This attitude has not changed, significantly, over the past years.⁵ This fragility of public administration and other state institutions nudged Russian businessmen in the 1990s to create a sort of a parallel system of regulation with its norms, procedures of settlement of economic and other conflicts, unofficial or semi-official channels of communication with the state agencies and the top politicians.

My opinion is that the phenomenon of corruption thrives in Russia largely because the country until now has not elaborated appropriate institutions and norms that check the activities of state officials and can impose effective constraints on these activities. I will focus my attention on the institutional milieu of the Russian public-administration system—evidently, drawbacks and deficiencies of this system create the ground for corruption to thrive in the Russian state and in the Russian society.

Many Western and Russian commentators assert that improper external influences are endemic to the Russian state apparatus and provide good evidence thereof. These improper influences can result from such practices as the coordination in which different agencies of the public administration system may seek to cover up errors and misconduct of one another detrimental to the interests of the society. Using the established channels of communication, officials from one agency can issue formal or informal instructions to officials from other agencies and, thereby, influence their actions and decisions. Added to this is the fact that the courts do not have adequate procedural mechanisms to prevent abuses of power in the ranks of state officers. The lack of procedural independence of public-administration agencies is the first source of improper outside influences and corruption practices. I can add that these improper influences are maintained also because, in fact, ordinary people and honest state officers do not have efficient judicial remedies with which to resist improper influences. All these factors unsurprisingly lead to the soaring rankings of corruption in Russia and make the

³ The Russian Public Opinion Research Centre, also based in Moscow but, in this case, 100% owned by the Russian state; general information is available at <wciom.ru> (accessed 19 September 2018).

⁴ “Неравенство перед судом и как с ним бороться?” [Inequality before the Courts and How to Fight It?], *wciom.ru* (11 July 2016), available at <wciom.ru/index.php?id=236&uid=115769> (accessed 19 September 2018).

⁵ An analysis of the background of these attitudes—and the perception of the absence of the rule of law in Russia—can be found, *e.g.*, in Andrei Melville and Mikhail Mironyuk, “Bad Enough Governance: State Capacity and Quality of Institutions in Post-Soviet Autocracies”, 32(2) *Post-Soviet Affairs* (2016), 132-151. See, also, Vladimir Rimskii’s summary of sociological surveys conducted prior to 2009: “Обзор социологических исследований судебной системы России, выполненных в период с конца 1991 года по настоящий момент” [A Survey of Sociological Research of the Russian Judicial System, Made in the Period from the End of 1991 until the Present Time], Региональный общественный фонд: “Информатика для демократии” [Regional Civic Foundation: “Information for a Democracy”] (INDEM Foundation Publishers, Moscow, 2009), available at <www.indem.ru/Proj/SudRef/soc/Rim9128.htm> (accessed 19 September 2018).

state system deficient from inside vulnerable to corrupted influences from outside (bribery, collusion with criminals or with oligarchs, etc.).

In order to evaluate roots of this macabre situation, one can look at the cultural attitudes of Russians as they are registered in historical documents. I will cite several examples from the XIX century which can illustrate how Russians perceived corruption and contributed to its growth by their own practices. In the peasantry—the most numerous (more than 90 percent) stratum of the Russian population—historians find a moral ambiguity in what concerns the relationship between the people and the government: “The peasants deemed it ‘immoral’ to deceive a neighbor or relative, but to deceive a government official or landlord was quite a different matter—indeed, that was a moral deed worthy of encouragement. Stealing something from a neighbor, violating the boundary markers dividing allotments, or cutting wood from the commune’s forest without permission was immoral, but picking fruit from a squire’s orchard, cutting wood in a forest belonging to a noble or the government, or putting some of a squire’s land under plough—these were acts free from moral censure”.⁶ These attitudes were traceable also among Russian merchants: “The Moscow merchants perfected several means of surviving and prospering in trade. Outright illegalities common to all modes of commerce in Moscow were cited in an official report in 1846: fraud, forgery, false measures, and false weights”.⁷

It is not at all unusual to read comments about ‘culturally predetermined’ ways in which Russians allegedly express their lack of respect for the law, and swarms of Russian and Western commentators repeat mantras about Russian legal nihilism as if it were a universal intellectual tool for picking the lock of Russian law.⁸ For example, Marina Kurkchiyan generalizes about today’s “Russian way of thinking and doing things”, in legal matters, as “something that combines the glossy outward trappings of western law with the more cynical inward conniving of the Russian tradition”,⁹ concluding that “Russia is not on the way to a rule of law culture”.¹⁰

⁶ Boris Mironov, “The Russian Peasant Commune After the Reforms of the 1860s”, in B. Eklof, and S. Frank (eds.), *The World of the Russian Peasant: Post-Emancipation Culture and Society* (Boston: Unwin Hyman, 1990), 11-12.

⁷ Thomas Owen, *Capitalism and Politics in Russia: A Social History of the Moscow Merchants, 1855-1905* (New York: Cambridge University Press, 1981), 15-16.

⁸ See the analysis and criticism of this approach in Kathryn Hendley, “Who Are the Legal Nihilists in Russia?”, 28(2) *Post-Soviet Affairs* (2012), 149-186. In this article and on many other occasions, Professor Hendley persuasively shows that Russians are not more nihilistic about their legal rights and obligations than other peoples.

⁹ Marina Kurkchiyan, “Researching Legal Culture in Russia: From Asking the Question to Gathering the Evidence”, in Reza Banakar and Max Treves (eds.), *Theory and Methods in Socio-Legal Research* (Hart Publishing, Oxford, 2005), 277.

¹⁰ *Ibid.* Professor Kurkchiyan’s analysis of informal practices and paralegal mechanisms in Russia is correct. However, her general conclusion misses the point, as such practices and mechanisms normally thrive in every society, even in those that are paragons of a rule-of-law culture. This is well attested by of the extensive literature on legal pluralism (e.g., Brian Z. Tamanaha, “*Understanding Legal Pluralism: Past to Present, Local to Global*”, 30(3) *Sydney Law Review* (2008), 375-411), of which Professor Kurkchiyan is undoubtedly aware but—for some unclear reason—discards in her analysis of the “shadow law” in Russia (a term coined by Russian legal theorist, Professor Vladimir Baranov. See Vladimir M. Baranov, *Tenevye pravo* (NA MVD RF, Nizhnii Novgorod, 2002)).

Such an approach can be challenged from at least two perspectives. On the one hand, as one reads from sociological polls, different groups in Russian society may demonstrate different attitudes depending on their education, age, and other variables, and these are not so different from the attitudes of Western Europeans or North Americans.¹¹ On the other hand, cultural perceptions of law are not identical among Russians. The attitudes advocated by Dostoevsky, Tolstoy, and Solzhenitsyn are certainly anti-formalist and underplay law as inferior to morality or religion. If we think about the Russian liberal tradition,¹² however, things would appear differently and would definitely call into question black-and-white pictures of the Russian legal culture and its supposed ‘aversion’ to the law.

Dwelling on reasons of the hostility or even animosity of Russians toward their state, one can evaluate whether the population of Russia could check the arbitrariness of the state power and whether their inability to bridle this arbitrariness can explain Russians’ hostility to their government taken largely. Commentators seem to be unanimous that distrust of justice and the police is also historically deep-rooted in Russia. The judicial system in the pre-revolutionary Russia (before 1917) could be characterized by ‘disorder, brutality, arbitrariness and corruption’.¹³ Harold Berman characterizes the legal system as “organized on a class basis, with separate courts and different punishments for the nobility, the clergy, the urban population, and the remnants of the free peasantry. The intellectual and moral level of the judges was notoriously low; bribery was almost universal”.¹⁴ That is why, in the words of the XIX-century Russian philosopher Alexander Herzen, “Complete inequality before the law has killed any trace of respect for legality in the Russian people. The Russian, whatever his station, breaks the law wherever he can do so with impunity; the government acts in the same way.”¹⁵

This can be the primary cultural and mental ground for corruption in Russia before the 1917 Revolution. Hardly anything cardinally changed after the Revolution: one could say that the corruption took other forms, became more latent and more sophisticated.¹⁶ It is common knowledge that the Soviet political system was characterized by a stunning dualism between state institutions (army, police, courts, ministries, etc.), on the one hand, and the Party system on the other

¹¹ See, for example, Marina Kurkchian, Varvara Andrianova, Kathryn Hendley, Gilles Favarel-Garrigues, and William Simons, *Experiences of Law in Contemporary Russia: Report and Analysis of a Workshop Held at Wolfson College, Oxford 4 October 2012* (The Foundation for Law, Justice and Society, Oxford, 2012), available at <www.fljs.org/sites/www.fljs.org/files/publications/Law-in-Contemporary-Russia_0.pdf>; Sergei Mel’kov, “Kak rossiiiane sami otsenivaiut sostoianie svoei pravovoi kul’tury?”, *lawinrussia.ru* (29 October 2016), available at <lawinrussia.ru/content/kak-rossiyane-sami-ocenivayut-sostoyanie-svoey-pravovoy-kultury>; Kathryn Hendley, *Everyday Law in Russia* (Cornell University Press, Ithaca, NY, and London, 2017).

¹² Andrzej Walicki, *Legal Philosophies of Russian Liberalism* (University of Notre Dame Press, Notre Dame, IN, 1992).

¹³ Sergey Kucherov, *Courts, Lawyers, and Trials under the Last Three Tsars* (New York: Frederick A. Praeger, 1953), 7.

¹⁴ Harold J. Berman, *Justice in the U.S.S.R.: An Interpretation of Soviet Law* (Cambridge, MA: Harvard University Press, 1963), 211.

¹⁵ Alexander Herzen, “Du développement des idées révolutionnaires en Russie”, cited by Bogdan Kistiakovskii in his contribution to Marshall S. Shatz and Judith E. Zimmerman (trans. and eds.), *Vekhi: Landmarks* (M.E. Sharpe, Armonk, NY, 1994), 130.

¹⁶ Arkady Vaksberg, *The Soviet Mafia* (New York: St. Martins Press, 1992).

which supervised these institutions and interfered in their activities, when the Party deemed it necessary. The notorious concept of telephone justice dates from that era and represents only one aspect of the ideological supervision and control, exercised, from time to time, by Communist Party bosses over the administration of justice in the USSR.

Effective mechanisms of checks and balances are still absent in the post-Soviet, Russian political system.¹⁷ The major development of post-Soviet situation in the 1990s was connected with redistribution of ownership, dubbed as “privatization”. A Russian sociologist Vadim Volkov singled out several stages of the privatization in Russia. After covert insider privatization (1988-1991), the reformers initiated privatization by vouchers (1992-1994), which was then followed by the infamous loans-for-shares schemes around the time of Boris Yeltsin’s re-election (1995-1996). By 1997, the Russian state had privatized a large percentage of its assets, which had been acquired mostly by insiders and a small group of profiteers, the so-called oligarchs. Those powerful state officials who had been left outside until now started trying to get a share of the pie, while some of the leading oligarchs tried to consolidate their possessions with the use of illegal takeover attacks. This development was favorable to the further rise of corruption. State officials could enrich themselves in the late 1990s or in the early 2000s either by attacking the business (so called ‘corporate raiding’ in Russia where security agencies and other governmental bodies took an active part) or by protecting the business from these attacks (providing so called ‘roof’ to secure ownership of businessmen).

In 2016, the RF General Prosecutor Iurii Chaika stated that 10% of all convicted of corruption crimes are law-enforcement officers.¹⁸ It is even more remarkable that, in 2006, this Prosecutor General admitted that the phenomenon of prosecution to order exists even within the system of the RF Prosecutor-General’s Office.¹⁹ The problem of corruption in Russian legal system also has been acknowledged by the political leadership, including President Putin.²⁰ This level of corruption in the Russian legal system not surprisingly represents a basis for the growth of corruption practices in Russian public administration and increases the probability and recurrence thereof.

The practices of ‘powerful entrepreneurship’—as described in the 2004 seminal book of Vadim Volkov²¹—seem to have remained in the 1990s. The 2010s

¹⁷ Richard Sakwa, “*Questioning Control and Contestation in Late Putinite Russia*”, 67(2) *Europe-Asia Studies* (2015), 192-208.

¹⁸ “Юрий Чайка: 10% осужденных за коррупцию — сотрудники правоохранительных органов” [Iurii Chaika: 10% of Those Convicted of Corruption Are Employees of Law-Enforcement Agencies], *Kommersant* (8 December 2016), available at <www.kommersant.ru/doc/3164473> (accessed on 20 September 2018).

¹⁹ “Юрий Чайка признал за прокуратурой ‘заказные дела’” [Iurii Chaika Admitted that There Are ‘Prosecutions to Order’ in the Prokuratura], *newsru.com* (16 August 2006), available at <www.newsru.com/russia/16aug2006/chayka.html> (accessed on 20 September 2018).

²⁰ “Путин предложил метод борьбы с коррупцией” [Putin Proposed Methods to Fight Corruption], *pravo.ru* (14 December 2017), available at <pravo.ru/news/view/146625/> (accessed on 20 September 2018).

²¹ Вадим Волков [Vadim Volkov], *Силовое предпринимательство, XXI век. Экономико-социологический анализ* [Entrepreneurship by Force in the XXI Century:

show a slow dynamic—away from such practices—in the approach of business to dispute resolution. In corporate conflicts in the 2010s, businesspeople normally do not turn to gangsters or state security agencies to deal with their problems or with their enemies preferring, instead, to go to the courts. The general trend to settle disputes at courts through legal procedures, nonetheless, is weakened by threats to judicial independence, on the one hand, and by the absence of judicial control over the investigation and prosecution, on the other.

The fact of interconnection between law, business and politics is not specifically a Russian phenomenon and, also, is observed in other legal orders. Critical legal scholars in the US (such thinkers as Duncan Kennedy or Roberto Unger) and in other countries also insist that in their countries – as elsewhere – ‘law is politics’. From this perspective, legal decisions are a form of political decision-making and (often) serve the interests of the power elites. Under this theory, it cannot be otherwise.²² The problem of defining “undue influence” is a complicated one since in most allegations of politicized justice in Russia (and, perhaps, in other countries), it would be more correct to speak about (true or false) expectations of judges as to possible reactions of the Presidential Administration or other governmental agencies to their decisions rather than about any direct phone calls (or other ways of transmitting political instructions such as hints or winks): the conception of justice in Russia that certain political scholars depict as ‘telephone justice’. In one of her works, Professor Ledeneva defines this sort of justice in Russia as “telephone justice” taken “broadly as the practice of making an informal command, request, or signal in order to influence formal procedures or decision-making”.²³

There are reasonable grounds to claim that the incidence of political pressure on the Russian public-administration system is at a level which routinely undermines the integrity of the state institutions. It is because of institutional weaknesses that key agencies can be susceptible to political manipulations. There also are channels of mutual influence between these institutions, and such influence might, in some cases, be classified as improper since it is at odds with the letter of the law and the declared objectives of the state system. The probability of

An Economic and Sociological Analysis] (European University of St. Petersburg Publishers, St. Petersburg, 2012, 3rd expanded and updated ed.).

²² See the work by the Justice of the RF Constitutional Court Alexander N. Kokotov: *Доверие. Недоверие. Право* (*Trust. Distrust. Law*), (Moscow, Iurist, 2004). Justice Kokotov (who prior to his appointment to the Court, in 2010, was chair of constitutional law at the Urals State Legal Academy in Ekaterinburg) argues that Russian law – to a great degree – is based on distrust. As evidence for his assertion, he cites electoral legislation as well as legislation and case law on federalism in Russia. He believes that they can be seen as one of the results of a traditional Russian perception of the law as something imposed from above. Trying to explain this deadlock, Russian Constitutional Court Chief Justice Zorkin notes that: “В нашем обществе людьми, обладающими возможностями влияния, зачастую являются эгоцентрики, наделенные блестящими способностями к ситуационному реагированию, но начисто лишённые всего того, что должно дополнять этот дар.” (Often, in our society, those who have possibilities to exert influence are egocentric people endowed with brilliant skills for situational strategies but entirely devoid of other traits which should complement these skills.) Валерий Зорькин [Valerii Zorkin], “Доверие и право” [Trust and the law], *Российская газета* (29.04.2013) No.6069.

²³ Alena Ledeneva, “Telephone Justice in Russia”, 24(4) *Post-Soviet Affairs* (2008), 324–350, at 325.

such improper influence is relatively low in everyday disputes—even those in which not insignificant sums of money are involved for example. Rather, it is the category of high-profile cases (in which strategic assets are at stake or in which people from the political elite are involved) where political influence might be expected or in major corporate conflicts where large sums of money are at stake. There is no shortage of examples of such politicized justice where the Russian state uses the machinery of a criminal indictment and the criminal-justice system to punish its enemies. The cases of Vladimir Gusinskiy,²⁴ Mikhail Khodorkovskiy,²⁵ or Aleksey Navalnyy²⁶ can be mentioned here to demonstrate the stubborn persistence of political interference with administration of justice.

On the other hand, corruption—as an illegal method of influence peddling—remains virtually possible in almost every case. But the reality of the Russian system is that there are several competing agencies (the *FSB*, the Ministry of Internal Affairs, the Prosecutor-General's Office, and the Investigative Committee, to mention only the key institutions) which are watching one another, closely, and hunting for errors or omissions of their rivals so as to play down their rivals' influence and, thus, to strengthen their own. If a state agency is illegally involved in a corruption scheme against interests of some businessmen, these targeted businessmen have the opportunity to turn to other agencies for informal protection. This system of 'checks and balances', at least partially, mitigates the nefarious effects of corruption in the Russian system for business activities although it does not exclude, completely, the possibility of their occurrence. The fact that officers of different public-administration organs can coordinate their illegal activities and cover for each other to the detriment of the rights of businesspeople—from Russia and abroad—remains a threat to ownership rights in Russia.²⁷

Senior Russian politicians appear, now, to be well aware of the need to ensure Russian the inviolability of private property and the sanctity of investments through imposing constraints on unbridled discretion of state officials which often leads to corruption. These politicians and other decision-makers realize that these pillars are crucial to attract foreign capital into (and to restrain domestic capital flowing from) the country; to provide for the 'de-offshorization' of Russian capital and to help keep the Russian economy afloat in a situation of internal economic troubles and international sanctions. There are a number of anti-corruption laws, the most important of which being the Federal Law No.273-FZ (25 December, 2008) "On Combatting Corruption". The Russian Criminal Code imposes rather strict liability for commercial crimes.²⁸ Importantly, Russia ratified the main

²⁴ ECtHR judgment *Gusinskiy v. Russia* (19 May 2004) application No.70276/01.

²⁵ ECtHR judgment *TUKOS v. Russia* (20 September 2011) application No.14902/04.

²⁶ ECtHR judgment *Navalnyy and Offitserov v. Russia* (4 July 2016) applications No.46632/13 and 28671/14.

²⁷ Ararat Osipian, "Predatory Raiding in Russia: Institutions and Property Rights After the Crisis", 46(2) *Journal of Economic Issues* (2012), 1-11.

²⁸ The main *corpus delicti* concerning corruption in public administration according to the RF Criminal Code are connected with bribery: (1) Bribe taking by a state official (Art. 290) which is punished either by a fee starting from 50000 euro or 80 to 100 times the bribe sum, or by imprisonment from eight to 15 years with an occupational ban from civil and state service for up to 15 years; (2) Bribe giving to a civil servant (Art. 291) which is punished either by a fee starting from 35000 euro or 70 to 90 times the bribe sum, or by imprisonment from eight to 15 years with an occupational ban from civil and state service for up to 10 years; (3) Mediation in bribery (Art. 291.1) which is punished either

international anti-corruption treaties,²⁹ and the issue of corruption is the subject matter of various national strategies. The central strategic document is the National Anti-Corruption Plan for 2018-2020 approved by the Presidential Decree (30 June 2018).³⁰

Although these legal norms touch upon the phenomenon of external influence, I believe that they will not be successful in modernizing the Russian social, legal and political systems unless they are supported by an efficient and effective judicial process; unless the chance for external influence upon the courts is reduced even further. People's pessimism about the court system, in general, arises as they think of disputes involving agencies of Russian state power and administration.

Having said that, I well can imagine that the political leadership also seeks to keep some 'wiggly room' open in a system which is increasingly transparent. That in the past the Russian public-administration system was not transparent, that there have been cases of external influence, is well-known in Russia and abroad. There are discussions of and, often, recommended solutions for, these problems in decisions of the European Court of Human Rights and materials of the Organization for Security and Co-operation in Europe, the Venice Commission, etc. I believe that these voices, domestic and foreign, are heard by the Russian political leadership and others at similar high levels in Russian society.³¹ But I also well understand the enormous sensitivity of high-level

by penalty starting from 25000 euro or 60 to 80 times the bribe sum, or by imprisonment from eight to 12 years with an occupational ban from civil and state service for up to 7 years. The Russian criminal law does not recognize liability of legal entities and establishes punishment only for natural persons. Legal entities involved in bribery shall be punished according to the RF Code of Administrative Offences (Art.19.28) which provides for penalty starting from 17000 euro or up to 100 times the bribe sum.

²⁹ Russia is a signatory to the following treaties: (1) The United Nations Convention against Corruption of October 31 2003, ratified by Federal Law 40-FZ (March 8 2006, entered into force on March 21 2006); (2) The Council of Europe Criminal Law Convention on Corruption of January 27 1999, ratified by Federal Law 125-FZ (July 25 2006, entered into force on July 28 2006); (3) The Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime of November 8 1990, ratified by Federal Law 62-FZ (May 28 2001, entered into force on May 31 2001); (4) The United Nations Convention against Transnational Organized Crime of November 15 2000, ratified by Federal Law 26-FZ (April 26 2004, entered into force on April 29 2004); (5) The International Convention for the Suppression of the Financing of Terrorism adopted by the General Assembly of the United Nations on December 9 1999, ratified by Federal Law 88-FZ (July 10 2002, entered into force on July 13 2002); (6) The Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on Financing of Terrorism of May 16 2005, ratified by the Federal Law 183-FZ (July 26 2017, entering into force on August 6 2017).

³⁰ tass.com/politics/1011546.

³¹ E.g., "Путин поручил проанализировать эффективность мер по обеспечению независимости судей" (Putin gave an instruction to analyse the effectiveness of measures to ensure the independence of judges), *tass.ru* (03.01.2017), available at <tass.ru/politika/3921546>; "Путин заявил о необходимости укреплять независимость судебной системы" (Putin proclaimed the need to strengthen the independence of the judicial system), *ria.ru* (02.06.2017), available at <ria.ru/society/20170602/1495680453.html>; and Anatasiiia Kornia, "Верховный суд представил проект судебной реформы" (The Supreme Court launched a judicial reform project), *Vedomosti* (13.07.2017), available at

Russian politicians and others to ‘finger wagging’ in their face, especially from abroad.

In general, one could speak about a general uncertainty of property rights in Russia, a corrupt public-administration system, and weak legislation. However, Russia, its economic, governance and legal systems have not remained unchanged over time. What was a well-grounded assessment of Russian law and the Russian economy in the 1990s may not necessarily characterize the situation in the 2010s. The legal and economic conditions of business have changed significantly over these years. In recent years, there have been measures introduced for counteracting corruption practice which seem to be relatively effective in terms of intimidation of corrupted officials by a number of show trials, like that of the 2017-2018 trial of the RF Minister of Economic Development Aleksei Uliukaev.

In the recent years however there has been increase in illegal activities by state agencies which might be related to a concomitant decline of institutional quality, with the apparent strengthening of the federal center and Putin’s ‘vertical of power’ (from 1999 on) making it actually more difficult for the center to prevent local and regional state officials from acting in a predatory way as various institutional control mechanisms have been disabled.³² On the one hand, these governmental efforts to fight the abuses of regional authorities have been quite successful and, largely, divested the regional elites of their ability to organize or support raiding attacks against local businesses. But these efforts, on the other hand, have resulted in an exaggerated expansion of powers of the federal security and law-enforcement agencies, which made Russian business even more vulnerable to raiding that can be effectively combined with prosecution to order. From this perspective, I conclude that successful anti-corruption reforms in Russia were not accompanied and, to a certain extent, obstructed by the disproportioned growth of unrestrained political centralization.

<www.vedomosti.ru/politics/articles/2017/07/13/723338-verhovnii-sud-predstavil-proekt>.

³² Marie Mendras, *Russian Politics: The Paradox of a Weak State* (London: Hurst & Company, 2012), 175-181.

