

Analysis

Fighting against Corruption, and Struggling for Status

Diana Schmidt, Bremen

Abstract

Anti-corruption efforts have gained new impetus through more determined governmental commitment in Russia in 2006. We have seen anti-corruption measures ranging from traditional high-level arrests, the ratification of the United Nations (UN) and Council of Europe (CoE) Conventions on corruption, increased collaborative engagement with international efforts, as well as intensified activities by the Duma Anti-Corruption Commission and provision of support, resources, and contact points for civic involvement in the anti-corruption field. But, as in the early 2000s, it is too soon to be content with these actions. Moreover, since the relations and financial flows between foreign donors and Russian non-governmental organizations have become subject to state control, new tensions have arisen at the intersection of international and domestic efforts. These include struggles over who gets the most recognition for initiating measures in this field and providing information on corruption in Russia. While such cleavages are most pronounced in Moscow, they should not be ignored in cross-regional and international collaboration.

Anti-Corruption during the Putin Era

By the late 1990s, when Russia was increasingly seen as an unreliable actor in international relations and a poor recipient of Western financial assistance, the financial ministers of the G-7 stressed the critical need for Russia to fight corruption. This call was re-iterated at the 2006 G-8 Summit in St. Petersburg, which indeed triggered a joint international anti-corruption document, and, in conjunction with which, Russia ratified the UN and CoE Conventions on corruption. These are not merely milestones of a steady anti-corruption policy in Russia. Governmental, non-governmental, and foreign efforts have taken twists and turns over the last years. Corruption, which should have been the focus of the various efforts, has meanwhile grown and diversified, as reported by Transparency International's Corruption Perception Index (CPI) and INDEM studies released in 2005. The 2006 CPI released on 6 November 2006 seems to only confirm a worrisome situation.

Officials continue to call for strengthening law and order in Russia. President Putin's Address to the Coordination Meeting of Law Enforcement Agency Directors on 21 November 2006 and a speech made by Prosecutor General Yury Chaika one week later criticised the unchanged ineffectiveness of the law enforcement system in recent years – despite improvements in its financing, staffing, structures, and, accordingly, overall potential. Underlining that corruption problems keep growing while control mechanisms keep failing, both speakers emphasised the urgent need for improving the legal foundations of corruption prevention. This goes in line with the necessity to start implementing the provisions of the UN and CoE Conventions on corruption, which Russia rati-

fied this year, and to both discipline and protect the law enforcement personnel and judges in their functioning within the domestic context. Chaika further stressed that, given the systemic nature of corruption, anti-corruption must not be regarded as a one-time action, but understood as a continuous and joint effort, involving both state and society, which does not allow pauses or forbearance.

These confessions of state failure in the fight against corruption evoke the question: What has been done against corruption under the Putin administration? From the very beginning of his presidency, Putin had emphasized the country's corruption problem and underlined his anti-corruption commitment. Since the beginning of Putin's tenure, Russia has ratified the most significant conventions: the *CoE Convention on Laundering, Search, Seizure, and Confiscation of the Proceeds from Crime* in 2001, the *UN International Convention for the Suppression of the Financing of Terrorism* in 2002, the *UN Convention against Transnational Organized Crime* in 2004, the *UNCAC* (UN Convention Against Corruption) and the *CoE Criminal Law Convention on Corruption* in 2006. Moreover, albeit not an OECD member-economy, Russia has applied to accede to the OECD Anti-Bribery Convention and become a participant in the OECD Working Group on Bribery in 2001. Russia is also a participant in the OECD-hosted regional Anti-Corruption Network for Transition Economies (ACN) – and thus party to the *Istanbul Anti-Corruption Action Plan* for the post-Communist region. So far, however, Russia has managed to avoid subjecting itself to the implementation monitoring under the ACN and failed to actively work with the network, particularly regarding its knowledge-sharing mandate. Other actions on the

international scene in late 2005 contradict Russia's apparent commitment to fighting corruption, including controversial support for Russian officials convicted during the UN Oil-for-Food Program or the appointment of the former German chancellor as chairman of the Russian-German pipeline consortium.

Domestically, administrative reform, while criticized by Russian anti-corruption advocates for having slackened off, has been pursued on a number of fronts during the restructuring of federal agencies and regional governance reforms, frequently on the grounds that corruption, trafficking, and patronage will be reduced. Still, such efforts seem too scattered while a frequently demanded specific anti-corruption policy has not been adopted. According to opinion polls, the failure to effectively counteract corruption is considered as one of the main shortcomings of President Putin (see Table xx).

2006 – Russia Resumes the Fight Against Corruption

Following intensified press reporting on the CPI and INDEM surveys' claim that corruption had increased during the Putin era, the Russian government had to begin addressing the issue with new vigor. 2006 was announced as a critical year in the Duma's struggle against corruption and President Putin admitted in his 2006 State of the Nation Address that "despite all the efforts we have made, we have still not yet managed to remove one of the greatest obstacles facing our development, that of corruption". Also at the 10th International Business Forum in St. Petersburg in June 2006, Putin himself addressed the necessity of anti-corruption initiatives in his opening speech, underlining that "it is not easy to combat these negative practices ... But we have never ceased this fight against corruption, and intend to carry it on permanently." Indeed, this year has seen a new flurry of governmental anti-corruption activities on all conceivable fronts. But aren't we witnessing a Potemkin performance? Similar to the high international hopes when Putin assumed office in 2000 and declared anti-corruption his priority, aren't key international actors such as the United Nations Office on Drugs and Crime (UNODC), European Anti-Fraud Office (OLAF), or Tacis representatives prematurely emphasizing their positive experiences with collaborative Russian authorities during their most recent projects and their general impressions that the government is pro-actively approaching them in the anti-corruption field?

The occasion of Russia's ratification of the UNCAC in February 2006 is but one example of a practical step accompanied by rhetorical acknowledgement of the problem at the highest levels of government and re-

directing the blame domestically, a move that was not unaffected by internal power struggles and individual motivations. The authorities pointed the finger at notorious corruption-prone elements of society, including the customs services, the usual unspecified masses of businessmen and civil servants, or even "Russia's southern areas." President Putin and then Prosecutor General Vladimir Ustinov supported a new series of corruption probes that hit senior security, legal and customs officials as well as regional leaders. Following Putin's Address, 14 federal level officials were dismissed, 6 high functionaries put on trial, dozens of regional officials investigated. While more committed Duma deputies and activists had frequently blamed the investigation and prosecution agencies for their failure to act, Ustinov in turn tended to redirect the blame on "certain biased media outlets" for hindering their operations and publishing accusatory articles sponsored by criminal groups.

After Putin replaced Ustinov with Chaika in June 2006, the new Prosecutor General praised the office's ability to fight corruption in terms of its political will and functions, while acknowledging a need for reform. Yet, whether the (ongoing) restructurings of the Prosecutor General's office will finally lead to tackling judicial reform as a way to address corruption remains to be seen. Chaika, the former Justice Minister under Putin and earlier the Prosecutor General under Yeltsin, set off by removing several prosecutors claiming that they were incompetent or corrupt, including, among others chief military prosecutor Alexander Savenkov. This move has caused consternation among soldiers' rights activists, since Savenkov has been reputed to be qualified and fair, concerned about investigating army crimes, and has publicly criticized Defense Minister Sergei Ivanov for failing to prevent hazing, a serious problem in the Russian military. As announced by Chaika and Putin in their most recent speeches, anti-corruption efforts in the law enforcement field will be continued by strengthening the monitoring and coordinating functions of the prosecutor's office, drafting a bill on the procuracy, and implementing the federal program "Developing Russia's Judicial System" (2007–2011), including reform of the judicial system internally as well as greater public access to this system.

Since the 2006 CPI, which seems to only confirm a worrisome situation, was released on November 6, the Prosecutor General and his new deputy Aleksandr Buksman have frequently underlined the impressive results of the new anti-corruption campaign: 47,000 violations of the civil service legislation and about 600 corruption-related criminal cases were revealed and about 2,700 officials called to account. Yet according to Chaika, despite impressive figures, anti-corruption measures are still insufficient and an alarming number

of corrupt officials have not been brought to account, in particular within the lower strata of the state structures, including regional and municipal administrations, as well as within the law enforcement and court systems themselves. One should add that, beyond impressive figures, little remains known about investigation procedures and follow-up measures. Putin at least noted in his speech the persistence of a well-known problem: only half of the registered crimes are actually solved.

There have also been more subtle measures that remained less visible to (foreign) press coverage, while a variety of media channels were utilized and diverse audiences addressed within the country. The Ministry of Justice's journal *Chelovek i Zakon* (Man and Law) launched an anti-corruption competition among journalists. Since February 2006, state-owned *Radio Rossiia* hosts a broadcast series on Saturdays which seeks to connect ordinary citizens, who can call in with questions, and key deputies or experts in the anti-corruption field, who are invited into the studio. Also the Internet has become an interactive media for governmental anti-corruption campaigns, and websites of some agencies and ministries provide sections where people can submit corruption-related complaints. Also less documented in Western media are internal reform plans such as those resumed by the Ministry of Economic Development and Trade in 2006, which also focus on the constantly blamed bureaucrats. But the expansions into the public sphere also indicate underlying struggles over prominence in initiating measures and providing information on Russia's corruption problems.

Any Room Left for Non-Governmental Efforts?

These measures revive discussions about the nature of corruption and possible ways of fighting it in the Russian context. Importantly, for the first time, the chosen approaches claim to integrate popular opinion, professional insights, existing experience, and new research. As primarily civic groups have been active in these areas during recent years, one may wonder whether the state seeks to supplement or replace these activities. In the course of strengthening the state's sovereignty, an important instrument in counteracting corruption becomes weakened: the involvement of civic expertise and initiative.

For example, the Duma Anti-Corruption Commission, created in April 2004 and headed by deputy Mikhail Grishankov, declared that it is pursuing goals similar to the activities of Moscow-based civic anti-corruption groups, including analysis of existing legislation, proposed bills, and materials coming from citizens and organizations, for the purpose of develop-

ing positions and standards, and identifying corruption-fostering provisions in the bills. To this end, an expert council has been formed with the Commission that comprises representatives of the law-enforcement agencies, the Prosecutor General's Office, and leading scientific and public organizations specialized in the study of corruption. At closer look, however, this Duma Commission and Council appear as a response to the establishment of an *Anti-Corruption Council* by core Moscow-based non-governmental groups (OPORA, NAK, TI-Russia, INDEM) in February 2004. This council had announced its openness to collaboration with public and business structures and readiness to contribute to anti-corruption legal projects – activities which the Duma Commission has proclaimed as its priorities and taken charge of in practice. Grishankov himself stressed that the priority tasks are to immediately reconcile the Russian legislation with international anti-corruption standards (UNCAC, CoE conventions) and to establish public monitoring, supplemented by anti-corruption efforts at the regional level.

Evidence, Estimations, Assertions ... Networking or Rivaling?

Furthermore, the 2005 CPI and INDEM surveys have incited new anti-corruption bustle with regard to the questions of expertise and information provision. Despite the move against foreign financing of Russian civic advocacy organizations, some forms of civic anti-corruption engagement have survived or even become increasingly active. TI-Russia continues its efforts as part of a global network; NAK (Natsional'nyi Antikorruptsiionnyi Komitet) continues advocacy in Moscow and at the federal level; INDEM presents results of cross-regional surveys; USAID-assisted anti-corruption coalitions are active in several Russian regions; an all-Russian movement *Protiv Korruptsii* (Against Corruption) has emerged since 2005. With increasing frequency, 'anti-corruption' is adopted as a side task by civic rights or environmental groups, and the few existing specific anti-corruption groups are located in Moscow. TI-Russia formally uses foreign grants, and being linked into the international TI movement, it may also access well-organized professional consultation and exchange beyond grant programs. Both NAK and *Protiv Korruptsii* deliberately distance themselves from foreign financial support, albeit remaining open to international collaboration. NAK works closely with TI-Russia and INDEM; these groups are critical of the government and active across several Russian regions. *Protiv Korruptsii* works closer to government and business and seeks to integrate anti-corruption experts from all Russian regions. If it comes to signing international

agreements, the Duma Anti-Corruption Commission informally interacts with all these groups as well as with international organizations, whereas the latter are unaware of the various civic groups. While these seek different strategies to perform their work within the given international and domestic environments, such examples highlight the importance of seeking a better understanding of the continuing but diverse potentials for civic anti-corruption engagement. This should include an awareness of local tensions building up at the intersections of international and domestic efforts.

Following the government's campaign against foreign financing of advocacy NGOs, the attribute '*po grantam*' (funded by grants from) is not any longer a necessarily positive one in Russia. In contrast to human rights and environmental advocacy, direct governmental repression and harassment are lesser problems to anti-corruption groups. Rather, increasing state control on foreign funding introduces more complex cleavages into relations among foreign and domestically funded groups in this field. These inhibit essential networking domestically and entail negative implications for international-local relations. For example, if *Protiv Korruptsii* presents itself as a new all-Russian anti-corruption movement working without foreign funding, it has on this ground formal reason to exclude established organizations such as INDEM and TI-Russia. Local experts who join the new movement, in turn, bar their access to the latter networks. One should further note that INDEM had to justify itself and the validity of its survey results earlier also by proving that its 2005 study was financed by Russian sources (the 2001 study had been criticized for being sponsored by foreign foundations, including government-sponsored ones). That INDEM seems to have a monopoly on information about corruption in Russia through its internationally well-received studies is understood as a thorn in *Protiv Korruptsii's* side. The latter perceives INDEM's 2005 study, which attests rising corruption levels, as "a fruit either of non-professionalism or political order" and a threat to Russia's international standing, not least in the global energy market. Articles are posted on the movement's website

that openly accuse INDEM, and its president Georgy Satarov, of exaggerating the corruption problem by providing figures in its 2005 study that are deliberately impossible, mere assertions, probably ordered, and without doubt fed into the "clownish" but momentous international ratings such as the CPI. Underlining the problem that there are hardly any figures to compare, *Protiv Korruptsii* has become increasingly active in providing additional information on the issue, for example by distributing daily email newsletters, conducting online polls, and actively engaging journalists. The movement also warned earlier this year that internationally today the theme of corruption can become "a new battering ram" against Russia, despite an obviously fundamentally different state of affairs: the Russian administration constantly declares the fight against corruption and participates in international anti-corruption agreements. Following the 2006 G-8 Summit, it portrays the international initiative to fight against kleptocracy as an American concept, a new Marshal Plan, while stressing that Russians themselves should fight with corrupt officials. There is currently a danger that rhetorical feuding – involving both cross-regional and transnational anti-corruption dimensions – intensifies while true action against the common target, corruption, gets lost in the noise.

The current context calls for more sensitivity among researchers and practitioners about increasingly complex tensions over the assessment of Russia's corruption problems and over proposed antidotes at the international-local nexus. Perhaps understandably, foreign donors tend to distance themselves from local cleavages. However, this is often due to insufficient knowledge about their grantees' organizational strategies and affiliations within local contexts and such distancing may unintentionally intensify local cleavages. While anti-corruption assistance programs continue in the regions and at the federal level, it still remains an open question which of the Moscow-led anti-corruption initiatives will eventually take the lead in integrating regional activities. Importantly, transnational network and advocacy effectiveness may be disturbed if nodal points across the country are replaced by one (fragmented) center.

About the author:

Dr. Diana Schmidt is a research associate at the Research Centre for East European Studies (Forschungsstelle Osteuropa) at the University of Bremen.

Further Reading:

- Diana Schmidt, *Anti-Corruption Advocacy in Contemporary Russia: Local Civil Society Actors, Transnational Networks and the State*, PhD thesis, Belfast: Queen's University Belfast, 2006.
- Jasmine Martirosian, "Russia and Her Ghosts of the Past," in R. A. Johnson (ed.), *The Struggle Against Corruption: A Comparative Study*, New York / Houndmills: Palgrave Macmillan, 2004, pp. 81–108.
- Centre for Independent Social Research, "Anti-corruption field in St. Petersburg: Actors and Activities, Final report. Prepared within the frame of Think Tank Partnership project "Mobilizing social support to fight corruption in post-socialist countries: cases of Russia and Hungary", St. Petersburg, 2004, <http://cisr.ru/corrupt02rep.pdf>.