

## Editorial

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### Russian Statehood in the Face of the “Corruption of the Elites” Threat



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**Abstract.** The article is the final part of the series of publications “From the Editor-in-Chief”, published in 2020 in the journal “Economic and Social Changes: Facts, Trends, Forecast”. Its central problem is the unsatisfactory quality of the ruling elites in Russia which, for almost the entire post-Soviet period, has been the main problem of stalling reforms and achievement of national development goals. The authors analyze the causes of this phenomenon; provide expert assessments and statistical data that allow us to assess the current state of the ruling elites in the country. The article examines the trends of public sentiment as an indicator of the negative consequences of the public administration inefficiency and the unrealisation of social expectations from the government and from the President personally. We pay special attention to the content and results of the anti-corruption campaign initiated by the President of the Russian Federation in the mid-2010s. For this purpose, we analyze data of monthly reports of the Ministry of Internal Affairs of the Russian Federation on the state of crime in the Russian Federation

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for the period from 2003 to October 2020, statistics of the Judicial Department at the Supreme Court of the Russian Federation on the state of criminal records in Russia for the period from 2012 to the first half of 2020, materials of mass media, and opinions of experts. The authors come to the conclusion that it is necessary to move from episodic, or “demonstrative”, criminal cases with a common motive being an internal political processes to systematic preventive work on the nationalization of the ruling elites. Its purpose is not to maintain a balance of interests within the elite groups but to solve the key tasks of national development: achieving social justice, reducing inequality, dynamic growth in the level of income and quality of life of the population. This approach mostly corresponds to the new socially oriented Constitution of 2020, and, ultimately, it allows hoping for the solution of many problems in the system of state administration, as well as for the development of Russian statehood in the civilizational and historical context.

**Key words:** ruling elites, oligarchic capitalism, corruption, efficiency of public administration, national development goals, President of the Russian Federation, society.

The presented article concludes the series of publications “Editorial” which started in February 2020<sup>1</sup>. Its distinctive feature includes two factors.

First, the specifics of our time. **It is not just about the global pandemic**, which deepens many acute problems of world civilization and continues to have an impact on nearly all aspects of individual and social life, but **features of Russia’s electoral cycle facing an issue of V.V. Putin’s conclusion of presidential terms for the first time over the past 20 years**. Considering his special role in the contemporary history, public assessments, and the current governance system, it definitely led to particular consequences: the system of public administration “was set in motion”, and the President, who has always been a chief arbitrator and a balance of interests in it, started to lose control over the patriotic and liberal coalitions<sup>2</sup>.

The second aspect, uniting the “Editorial” publications into a separate series in 2020, is a special attention of authors **to social and political life within the RF Constitution’s changes which came into force after the all-**

**Russian vote on July 1, 2020**. The content meaning of amendments, their discussion in the expert community, the reaction of large groups of population, and final results of people’s will expression, which became known in early July, has been analyzed by us since the President’s initiation of changes to the Basic Law on January 15, 2020 during his annual Address to the Federal Assembly.

Let us briefly overview the algorithm of expressing the main idea of the whole series.

**The first article “Another Step toward V. Putin’s “Long State””** (*Economic and Social Changes: Facts, Trends, Forecast, 2020, vol. 13, no. 1, pp. 9–33*) was about the analysis of the President’s initiatives, announced at the Address to the RF Federal Assembly (January 15, 2020). Then, significant personnel changes occurred at the Russian Government (in particular, the replacement of the Chairman of the Cabinet of Ministers), and society began to prepare for amending the country’s Basic Law – the RF Constitution.

The content of **the second article “Efficiency of the State’s “Manual” Management. Challenges of 2020”** (*Economic and Social Changes:*

<sup>1</sup> Ilyin V.A., Morev M.V. Another Step toward V. Putin’s “Long State”. *Economic and Social Changes: Facts, Trends, Forecast, 2020, vol. 13, no. 1, pp. 9–33*.

<sup>2</sup> Prokhanov A. I see Putin’s problems, his drama. *Zavtra*, 2020, October 13. Available at: [https://zavtra.ru/blogs/ya\\_vizhu\\_problemi\\_putina\\_ego\\_dramu](https://zavtra.ru/blogs/ya_vizhu_problemi_putina_ego_dramu)

*Facts, Trends, Forecast, 2020, vol. 13, no. 2, pp. 9–24*) was mostly defined by the “first wave” of the epidemiological crisis which Russia and most countries faced in February–March 2020. We understood “challenges” as trials far beyond issues of healthcare and preservation of people. We put the emphasis on the fact that a real “challenge” will begin **after** an acute phase of the epidemiological crisis, because the global pandemic, announced by the World Health Organization on March 11, 2020, systematically changed lifestyles of each individual, strategies of conducting state policies in most countries, and principles of the world civilization’s organization.

**The third article “Vote of Confidence for the President is Confirmed. Achievement of Socio-Economic Development Goals before 2024–2030 is Uncertain”** (*Economic and Social Changes: Facts, Trends, Forecast, 2020, vol. 13, no. 4, pp. 9–37*) discussed the analysis of the results of the all-Russian vote on amendments to the Constitution, conducted on July 1, 2020. We provided factual data and expert assessments that prove that, despite the support of the majority of Russians for the proposed changes, the President failed to reach a public consensus around the new Constitution.

**In the fourth article “Announced in 2018, V. Putin’s “Decisive Breakthrough” is Now Stuck”** (*Economic and Social Changes: Facts, Trends, Forecast, 2020, vol. 13, no. 5, pp. 22–54*), we reviewed constitutional amendments from the civilizational and historical point of view – as a stage of a multi-year process of building the new post-Soviet statehood, initiated by the President in 1999 and implanted

through his direct initiatives (the “Munich Speech” of 2007, the “Valdai Speech of 2011, the inclusion of the Crimea and Sevastopol into the Russian Federation (2014), the “breakthrough development idea” (2018), and amendments to the Constitution (2020)).

On the basis of expert assessment, statistical data, and multi-year sociological measurements of public opinion, we concluded that **this historical sequential process began to stall after the Russian society ceased to feel real changes in the dynamics of the level and quality of life promised by the President in 2012 (it should have happened in 2018<sup>3</sup>, but it got delayed until 2018–2024<sup>4</sup> and then until 2030<sup>5</sup>)**.

As a result, V.V. Putin’s initiative to change the RF Constitution did not become the motivator of social consolidation and spiritual impulse (unlike, for instance, “Crimean Spring” events). Although it corresponded to expectations of citizens regarding strengthening of the welfare state foundations.

*In the fifth and final part of the series, which was named “Russian Statehood in the Face of the “Corruption of the Elites” Threat”,* we decided to search for an answer for the question regarding a reason of the long-term stalling of the implementation of national development goals and the President’s main initiatives.

Using the phrase “corruption of the elites”, we refer to the quote of S.E. Kurginyan – one of the most famous Russian political scientists who specializes in domestic history. He understands the “corruption” as a situation when the elites literally “turn their backs” on the head of the state together with national and patriotic values in the crisis period for the country.

<sup>3</sup> On measures to implement state social policy: Executive Order of the President of the Russian Federation no.597, dated May 7, 2012. *Official website of the President of Russia*. Available at: <http://www.kremlin.ru/acts/bank/35261>

<sup>4</sup> On national goals and strategic objectives of the Russian Federation through to 2024: Executive Order of the President of the Russian Federation no. 204, dated May 7, 2018. *Official website of the President of Russia*. Available at: <http://www.kremlin.ru/acts/bank/43027>

<sup>5</sup> On the national development goals of the Russian Federation through 2030: Executive Order of the President of the Russian Federation no. 474, dated July 21, 2020. *Official website of the President of Russia*. Available at: <http://www.kremlin.ru/acts/bank/45726>

“In 1991, it turned out that there are no even 500 thousand of people ready to fight for the USSR among 10-million CPSU. Not even 500 thousand! **All elites, corrupted, run to banks and firms, and this is how it ended.** The same happened in February 1917. It appeared only two people among the elites can support the Tsar – count Keller and Khan Nakhchivanski. All the others randomly spread like cockroaches. **This is called “the corruption”**<sup>6</sup>.

We put broader meaning into the wording “corruption of the elites” and use it for uniting several other problematic moments with which S.E. Kurginyan has been characterizing current Russian elites over the last 12 years. It is not just about the elites’ behavior in a crisis but their continuing support for the comprador idea during the post-Soviet period. “Representatives of domestic elite circles perceive the country they live in solely as a source of income”<sup>7</sup>. It is also about “current elites balancing between the westernism and the statehood and trying to combine something increasingly incongruous”<sup>8</sup>.

**Thus, the final article in the series focuses on the country’s current elites, their moral qualities and priorities (as we mentioned in the previous article) which are the main reason of stalling national development objectives and, in particular, aims of national projects: ensuring sustainable natural growth of the RF population, increasing life expectancy, providing sustainable growth of citizens’ real incomes, as well as the level of pension provision, reducing poverty, improving housing conditions<sup>9</sup>, and many others.**

While analyzing the ruling elites<sup>10</sup>, we discuss people who possess wealth, power, and, most importantly, participate in government processes directly or indirectly. It is about three types of ruling elites<sup>11</sup>:

- ✓ political elites, representing the federal level of the public administration system;
- ✓ bureaucratic (or administrative) elites, representing regional and municipal levels of governance which, together with the federal level, form a united system of “public power”<sup>12</sup>;

<sup>6</sup> Kurginyan S.E. Political elites in modern Russia: Current challenges. Speech at the round table “Elites in Modern Russia” (Center for Conservative Studies at the Faculty of Sociology of the LMSU, October 24, 2008). Available at: <http://www.kurginyan.ru/publ.shtml?cmd=art&auth=10&theme=&id=2161>

<sup>7</sup> Kurginyan: The elite will run away in a crisis. “Deita” *Information Agency*. November 12, 2020. Available at: <https://deita.ru/article/485669>

<sup>8</sup> Kurginyan on the inevitable political split of the Russian elite. *Sut’ Vremeni (Meaning of Time)*. June 10, 2013. Available at: <https://eot.su/RedSenses/section/elita>

<sup>9</sup> On national goals and strategic objectives of the Russian Federation through to 2024: Executive Order of the President of the Russian Federation no. 204, dated May 7, 2018. Official website of the President of Russia. Available at: <http://www.kremlin.ru/acts/bank/43027>.

<sup>10</sup> “They [the elite] form a more or less compact social and psychological entity; they have become self-conscious members of a social class”. It includes various groups that are directly or indirectly involved in power processes: economic, cultural, ideological, scientific, military, and political elites (Source: Mills R. *The Power Elite*. Transl. from English by E.I. Rozental’, L.G. Roshal’, V.L. Kon. Moscow: Inostrannaya literatura, 1959. 542 p.).

<sup>11</sup> **The political elite** manages political activities of the state: it includes political leaders, heads of the most authoritative parties and movements in the country. The economic elite is represented by large owners, bankers, heads of major organizations, and active participants in the country’s capitalization. It is designed to manage the country’s economy. **The military elite** is a group of people in senior military positions who organize the country’s defense policy. **The bureaucratic elite** is a system of officials who make political decisions within the state. A striking example of it is the modern top of the Russian State Duma: the vast majority of its members belong to the United Russia party, which is also the political elite of the state. **The cultural and information elite** is represented by the most reputable figures of science, culture, and religion. This is a very important type of elite, as it has a huge impact on the formation of the country’s public opinion and ideology (Source: Amurov M.A. The classification of contemporary political elites. *Administrative Consulting*, 2020, no. 5, p. 24).

<sup>12</sup> RF Constitution with amendments of 2020. Article 132. Official website of the State Duma of the Russian Federation. Available at: <http://duma.gov.ru/news/48953/>

✓ economic elites, mostly consisting of owners of big capital, banks, corporations, etc. (according to experts, “currently, it is difficult to draw the line between political and economic elites, because many modern politicians, one way or another, possess big financial capital and participate in the country’s economic life”<sup>13</sup>).

Mismatch of aforementioned groups’ interests to national development goals is, in general, a global problem. Discussing the quality of modern elites, experts note: “Governments mostly consist of people who are not always capable of understanding and accepting deep thoughts and ideas, many of which are about the prospects – not immediate circumstances. Politicians will not succeed in improving society and people due,

“The possibilities of elitism clearly tend to decrease in quantitative and qualitative aspects: wealth, money, and the power over other people, based on it, remain. **This kind of elite with emasculated content is a pseudo-elite, or quasi-elite. It does not have the qualities of genuine leadership, and, therefore, it is not capable of leading society on the path of improvement. It is successful only in manipulating society: it develops more sophisticated technologies for this. Society cannot be satisfied with the result of such work, because the quasi-elite does not give people an idea of the future.**

**Well-being and success; comfort and wealth are only prerequisites for the future, which, by the way, may not come within fierce competition and tangible limitations of material goods. We are more and more afraid of such future”<sup>14</sup>.**

first of all, to their insatiable hunger for power, which often becomes irrational. Moreover, they deform and turn into dangerous people after getting it”<sup>15</sup>.

A special nature of the ruling elites’ role, “slowing down” the national development, is mostly instrumental in the 21<sup>st</sup> century. It is about an unprecedented growth of information technologies and opportunities for remote communication. Because of it, representors of global capital (as globalism adepts) not just receive increased opportunities for promoting their ideas and achieving financial goals, but

S. Belkovskii: **“Loans for shares scheme is not a mistake, because it was done deliberately.** It was a free distribution of state property into the hands of certain individuals...»

Yu. Boldyrev: **“It is certainly a crime, and a deliberate, purposeful crime is worse than any mistakes. Mistakes can be corrected. Crimes are harder to fix, especially after a quarter of a century ...** A team came to power with a goal: personal enrichment, the creation of a clan that will continue to hold power in any way ...»

V. Inozemtsev: “Economically, we created a structure that **practically eliminated a possibility of additional competition.** Now a lot of people write about how many businesses died in the 90s. In the 2000s... Therefore, we have not actually seen the industrial development that took place in Eastern and Central Europe after the communist period, let alone China and the economy of East Asia. In fact, **we have completely set ourselves a barrier to go beyond the production activity of the Soviet period and even much lower in many industries today, and there will be no more”<sup>16</sup>.**

<sup>13</sup> Amurov M.A. The classification of contemporary political elites. *Administrative Consulting*, 2020, no. 5, p. 24).

<sup>14</sup> Zinnurova L.I. The problem of the elite at the contemporary society. *Scientific Notes of Taurida National V.I. Vernadsky University. Series: Philosophy. Culturology. Political sciences. Sociology*, 2010, vol. 23 (62), no. 1, pp. 147–148..

<sup>15</sup> *Ibidem*. P. 145.

<sup>16</sup> Discussion “Loans for shares scheme: How to fix the mistakes of the 90s?”. Ekho Moskvyy, November 26, 2020. Available at: <https://echo.msk.ru/programs/exit/2747648-echo/>

they become dominant – a subject defining the global development vector and capable of influencing any state’s policy directly or indirectly. In fact, to resist this force is to defend national, not global, interests (especially when the Internet is available in each house), and it is possible only through strict nationally-oriented policy, some “closure”, and tough political decisions (like in China for instance).

It is practically impossible to do in modern Russia, because a large part of the existing governance system was formed in the 1990s, when the USSR collapse caused the emergence of “phantom”<sup>17</sup> personalities and “phantom” ideology in the national public administration system.

In the 1990s, the system of “oligarchic capitalism”<sup>18</sup> formed in Russia, and it became unique: we discussed it in our previous article<sup>19</sup>. Russia, being a successor of the Soviet Union, began building the capitalism, and its course turned 180 degrees in policy, economy, socio-cultural context, lifestyle and thoughts of most Russians. Despite a formally remaining record about a “welfare state”, Piketty’s 2017 study

on income inequality showed that “all positive achievements of the 1917 Russian Revolution has been liquidated” over 25 years of Russia’s existence<sup>20</sup>.

**“There are no countries, where a socialist revolution took place, which returned to their pre-revolutionary past and proclaimed construction of capitalism as a goal.** In addition to China, these are Vietnam, Laos, and Cuba. They develop according to the Chinese model, build a multi-layered economy: some more successfully and some less; **they do not deny socialism but give it a new reading...**

**Only Russia, which had paid so much in the struggle for socialism, returned to the capitalism of initial accumulation, burdened with numerous vices. Those countries went forward, and we went back...**

**If it is true that a basis forms a superstructure, then it is difficult to expect that the elite of such a country is able to develop an optimal model of social development. Therefore, it is pointless to ask what we are building and where we are going. We are going with the flow. At the same time, we look more into the past than into the future”<sup>21</sup>.**

<sup>17</sup> The term “phantoms” is used in Zh.T. Toschenko interpretation as “phenomena that represent specific, sometimes abnormal, extravagant forms of social (public) activity that have a serious impact on political, economic, and social processes. Carriers of these forms of activity have hypertrophied social characteristics (excessive thirst for power, unlimited desire to possess wealth, sick desire for fame). In combination with personal socio-psychological characteristics, they represent a very specific number of political and public figures, representatives of financial and oligarchic circles, whose appearance became possible in the modern critical era of Russia’s life, within radical political and economic transformations...

A phantom in the ideology of the new Russian state is also traced quite clearly... Contradictions between the realities of life and the “best” concepts give rise to phantoms of an ideological nature” (source: Toschenko Zh.T. Phantoms of Contemporary Russian Society. *Humanities of the South of Russia*, 2016, no. 1, p. 12).

<sup>18</sup> On August 31, 1995, B. Yeltsin issued the Order no. 889 “On transferring federally-owned share in pledge in 1995”. Thus, a legal “cover-up” for loans for shares scheme was carried out: as a result, “with nearly zero costs, the oligarchs acquired property worth at least 40 billion dollars”. Experts called it “an unprecedented fraud...” (Source: Dobren’kov V.I., Ispravnikova N.R. The Russian version of “capitalism for the few”: Is there a way out of the impasse? *Moscow State University Bulletin. Series 18. Sociology and Political Science*, 2013, no. 3, p. 30).

<sup>19</sup> Ilyin V.A. Development of civil society in Russia in conditions of “capitalism for the few”. *Economic and Social Changes: Facts, Trends, Forecast*, 2017, vol. 10, no. 4, pp. 9–40.

<sup>20</sup> Novokmet F., Piketty T., Zucman G. *From soviets to oligarchs: Inequality and property in Russia, 1905–2016*. National Bureau of Economic Research. Cambridge, MA. August, 2017.

<sup>21</sup> Kiva A. Dislocated reforms. The country should look into the future, not the past. *Nezavisimaya Gazeta*, September 16, 2020.

This is confirmed by current studies of sociologists who state that the need for social justice for contemporary Russian society is equal to the basic needs for food and health according to Maslow’s hierarchy of needs<sup>22</sup>.

Some experts positively assess the fact that contemporary Russian society consolidated around national interests and values of a welfare state (which is the basis of the new RF Constitution of 2020). It is difficult to disagree with, but we need to understand that society’s social consolidation is based not on social justice itself, which should be a foundation of the law system, distribution of national income, and other aspects of public administration.

Instead, it is based on the “deficit” of social justice in real life and its declarative existence.

“... attempts to revise the results of privatization will encounter many restrictions related to a **dominant role of “crony capitalism” in the Russian economy.**

**The institute of illegitimate property in such conditions ensures the reproduction of corrupt power relations of a limited group of people – not sustainable long-term socio-economic development, economic growth, and economic modernization...**

“Crony capitalism” in modern Russia developed **a certain system of basic values.** This system can be rightfully called anti-national”<sup>23</sup>.

“There are two types of capitalism today: free market capitalism with fair competition, and a state-powered economy with unfair competition. The latter is also referred to as “crony capitalism”. Crony capitalism has been spreading in most developing countries and is the reason why the reputation of the free market economy is being damaged.

**Crony capitalism means that the government or the authorities provide an unfair advantage to their close companions, including family members, friends, and associates, and eventually establish a monopoly in a given industry. This type of unfair advantage is given in the form of granting soft loans, issuing special permits, or restricting other companies from taking part in specific activities. It is not viewed as corruption because such decisions are made within legal boundaries. That’s why it is often labelled to as “legalised theft”.**

The term “crony capitalism” was first coined during the Asian financial crisis in 1997–1998. University of California professor Andrew MacIntyre explained that the underlying cause of the crisis was crony capitalism, using the examples of Indonesia and Thailand. The crisis hit many Southeast Asian countries and was triggered by massive inflows of “hot money” intended to generate short-term profits based on interest rate differences. This inflow of foreign capital and movement of money was carried out by governments who did it together with their cronies – family members, friends, and close associates<sup>24</sup>.

<sup>22</sup> *What Do Russians Dream of: Ideal and Reality*. Ed. by M.K. Gorshkov, R. Krumm, N.E. Tihonova. Moscow: Ves’ Mir, 2013. 400 p.

<sup>23</sup> Dobren’kov V.I., Ispravnikova N.R. The Russian version of “crony capitalism”: Is there a way out of the impasse? *Moscow State University Bulletin. Series 18. Sociology and Political Science*, 2013, no.3, pp. 26–55.

<sup>24</sup> State-powered business. Available at: <https://jargaldefacto.com/article/biznes-s-gosudarstweniim-dwigatelem>

**Thus, the nature of the ruling elites, who emerged due to the Soviet period’s shortcomings and substituted their predecessors (partly because of technical capabilities), and the role of global capital are the special historical conditions V.V. Putin operates within. They have also been substantiating “oligarchic capitalism” as an essential attribute of the public administration system over the whole post-Soviet period.**

Different sources, such as domestic statistics and foreign studies, clearly prove ongoing strengthening of its positions. “Oligarchic capitalism” formed in the 1990s, and Russia was placed second according to the volume of “crony capital” in 2014; it rose to the leading position in 2016<sup>25</sup> (*Tab. 1*).

2020 saw the release of the first report on the results of the study on quality of elites,

Table 1. Crony-capitalism index

Country	Rating in 2014*	Rating in 2016	2016 to 2014 (+/-)
Russia	2	1	+1
Malaysia	3	2	+1
Philippines	6	3	+3
Singapore	5	4	+1
Ukraine	4	5	-1
Mexico	7	6	+1
Indonesia	10	7	-3
Turkey	14	8	-6
India	9	9	0
Taiwan	8	10	-2
China	19	11	+8
Thailand	16	12	+4
South Africa	12	13	-1
Great Britain	15	14	+1
Brazil	13	15	-2
USA	17	16	+1
Argentina	11	17	-6
France	20	18	+2
Japan	21	19	+2
South Korea	22	20	+2
Poland	18	21	-3
Germany	23	22	+1

\* In 2014, the ranking was headed by Hong Kong, which did not participate in the study in 2016.

<sup>25</sup> The Economist ranked countries according to the Crony-Capitalism Index in 2014 and 2016. First, the rating evaluates industries that are prone to monopolization, requiring permits (licenses), and are dependent on state participation. The list consists of more than 10 industries, such as gambling, defense, coal and timber industries, savings banks, infrastructure, airports, real estate and construction, metals, mining, water supply, communication services. Then, the authors of the rating, based on data from Forbes, estimate the total wealth of billionaires and compare it with the country’s GDP. The greater the difference, the more the economy suffers from crony capitalism.

conducted by University of Sankt-Gallen (Switzerland), Moscow School of Management SKOLKOVO, and dxFeed Solutions company. Within this study, 32 countries were ranked according to Elite Quality Index<sup>26</sup>. Although such ratings, in our opinion, are very conditional (since they do not consider countries’ numerous territorial, climatic, demographic, and other conditions), it should be noted that Russia was ranked 23<sup>rd</sup> in this list (48.9 points). According to experts, it is “catastrophically behind” according to indicators like “an ability to build working institutions, focus on long-term development, some kind of altruism... In many ways, this is a legacy of a crucial era in the 90s, when the importance of the government, national economy, and shared future was devalued... State institutions were privatized and worked in private interests, power structures were demoralized, and sovereign foreign policy was

paralyzed. **A large part of that elite, which came to realize only private ambition in politics and business, still rules the country: there was no significant rotation and clearing**<sup>27</sup>.

Thus, international studies and assessments of Russian experts show that, despite major advances Russia has achieved (geopolitical status, MIC status, etc.) during the post-Soviet period, the quality of its elites does not match the state capable of being among centers of a multipolar world. It also makes achievement of the “breakthrough development” goals, which V.V. Putin mentioned during his “pre- election” Address to the Federal Assembly in 2018, very difficult.

The same is also shown by Russian official statistics data: we revealed it after analyzing dynamics of crimes “against the state power, interests of the state service, and service in local self-government bodies” (more often it is called “official crimes”<sup>28</sup>).

<sup>26</sup> Elite Quality Index (EQI) shows how the actions of elites and their approaches to wealth formation accelerate or slow down the development of countries. EQI reflects the degree of cumulative influence of national elites on society through measuring:

- indicators of well-being – activities on creating and redistributing values from one group of people to another,
- indicators of power, or potential for value withdrawal, as well as elites’ ability to insist on their preferences and business models through countries’ institutional mechanisms.

The countries from the research are studied in all their political and economic complexity on the basis of an extensive set of data from 72 unique aggregate indicators that compare the areas where values are created or withdrawn... Elites with a positive development power have the highest quality, and low quality elites significantly hinder the development of countries.

To determine the quality of elites in a particular country, EQI takes into account four basic parameters:

- economic power,
- economic value,
- political power,
- political value.

(Source: Elite Quality Index: How does it affect economic and political development: Skolkovo press-release. Available at: <https://www.skolkovo.ru/news/indeks-kachestva-elit-kak-oni-vliyayut-na-ekonomicheskoe-i-politicheskoe-razvitie/>).

<sup>27</sup> Grinkevich V. Justice is above everything else. *Zavtra*. November 25, 2020. Available at: [https://zavtra.ru/blogs/spravedlivost\\_previshe\\_vsego](https://zavtra.ru/blogs/spravedlivost_previshe_vsego)

<sup>28</sup> The object of official crimes includes activities, specified by corresponding legal acts, of state bodies, local self-government bodies, state and municipal institutions, Russian Armed Forces and military formations of the Russian Federation provided for by the relevant legal acts.

The objective side of the studied crimes is related to an official’s usage of the powers granted against the interests of the service.

The subject of crimes, according to Chapter 30 of the Criminal Code of the Russian Federation, may be: a)

a) officials and, in cases specified by the law, other government employees; b) officials and, in cases specified by the law, other employees of local self-government bodies; c) people who are not included in this list, if corresponding elements of a crime specify their responsibility along with responsibility of state or municipal officials.

Specific types of crimes “against the state power” include such offenses as: misuse of budget funds; misuse of funds of state extra-budgetary funds; inclusion of deliberately false information into the unified state registers; abuse of official authority; illegal participation in business activities; receiving a bribe; giving a bribe; mediation in bribery; petty bribery; official forgery; negligence, etc. (available at: [https://be5.biz/pravo/u007/16\\_.html](https://be5.biz/pravo/u007/16_.html)).

Table 2. Changes of the level of economic crimes in the Russian Federation in 2003–2020 (per 100 thousand people)

Form of crimes	Change (+/-)			
	Change of annual average data		2019 to 2018	Jan.–Oct. 2020 to Jan.–Oct. 2019
	2008–2012 to 2003–2007	2013–2017 to 2008–2012		
TOTAL number of economic crimes including :	-87.06	-134.95	-3.04	-0.66
<i>heavy and especially grave crimes</i>	-11.98	-48.35	-0.95	+0.08
<i>Corruption crimes*</i>	n.d.	-13.48	+0.14	+0.24
against the state power, interests of the state service, and service in local self-government bodies	+3.43	-12.78	+0.47	+0.46
<i>including: bribery crimes</i>	+1.38	-0.87	+0.93	+0.41
<i>For reference: population of the Russian Federation (thousand people)**</i>	+128458,5	+2478,08	-100	-32

\* Data are available from 2012.  
\*\* As of January 1 of each year (Source: The Demographic Yearbook of Russia; operational information of the Federal State Statistics Service. Available at: <https://rosstat.gov.ru/folder/12781>).  
Only the dynamics of changes are presented. Full information (absolute (number of cases) and relative (per 100 thousand people) data) is in insert 1.

The results of the statistical analysis for 2003–2020 allow drawing the following conclusions:

1. **The increase of the officials' criminal level in the country occurred during D. Medvedev's presidential term and the global financial crisis of 2008.** In 2008–2012, in comparison with a previous five-year period (2003–2007), the level of crimes “against state power” increased from 22.7 to 26.13 per 100 thousand people; cases of bribery grew up from 6.79 to 8.17 per 100 thousand people (*Tab. 2; Insert 1*).

2. **In the period from 2013 to 2017 (during V.V. Putin's third presidential term), the level of officials' crimes decreased by nearly two times (from 26 to 13 per 100 thousand people);** cases of corruption – from 96 to 47; cases of bribery – from 7 to 5 per 100 thousand people (*Tab. 2; Insert 1*). Apparently, this was the result of the intensified anti-corruption campaign.

3. **However, recently (2018–2019; January–October 2020, compared to the corresponding period of 2019), there have**

**actually been no significant changes in the dynamics of the level of official crimes** (*Tab. 2; Insert 1*). A total number of crimes “against the state power” is 9 per 100 thousand people; cases of corruption – 16, cases of bribery – 6.

4. In the past three years (2017–2019), **there was a constant increase of crimes related to bribery in the country:** in 2017 – 1.55 per 100 thousand people; 2018 – 1.78; 2019 – 2.16 (*Tab. 2; Insert 1*).

5. Also the dynamics of economic crimes, characterized by large and large scale damage, is noteworthy (*Tab. 3; Insert 2*). Their overall level gradually decreases: on average, over 2009–2012, it was 35.50 per 100 thousand people; in 2019 – 20.70, in January–October 2019 – 19.26; in January–October 2020 – 18.73.

**However, considering this, a number of official crimes associated with large and especially large damage increases:** in 2009–2012, it was 0.92 cases per 100 thousand people, in 2019 – 1.56, in January–October 2019 – 1.40, in January–October 2020 – 1.62.

Table 3. Changes of the level of economic crimes in the Russian Federation, which were committed on a large or especially large scale or caused major damage (per 100 thousand people)\*

Form of crimes	Change (+/-)		
	2013–2017 to 2009–2012	2019 to 2018	Jan.–Oct. 2020 to Jan. –Oct. 2019
TOTAL number of economic crimes including:	-16.04	+0.20	-0.53
<i>heavy and especially grave crimes</i>	-8.72	-3.00	-0.11
<i>Corruption crimes*</i>	-1.36	-10.66	+0.29
against the state power, interests of the state service, and service in local self-government bodies	+0.02	+0.23	+0.22
<i>including: bribery crimes</i>	+0.43	+0.23	+0.23
<i>For reference: population of the Russian Federation (thousand people)**</i>	+2453	-100	-32

\* Data are available from January 2009. \*\* As of January 1 of each year (source: The Demographic Yearbook of Russia; operational information of the Federal State Statistics Service. Available at: <https://rosstat.gov.ru/folder/12781>). Only the dynamics of changes are presented. Full information (absolute (number of cases) and relative (per 100 thousand people) data) is in insert 1.

According to the Judicial Department of the Supreme Court of the Russian Federation, a total number of people convicted of crimes under all articles of the Criminal Code of the Russian Federation decreased in 2012–2019 (from 516 to 407 per 100 thousand people), but a number of people convicted of crimes “against state power...” slightly increased (in 2012 – 4.65 per 100 thousand people; in 2019 – 4.71; *Tab. 4*).

A two times growth is also shown by the dynamics of a number of those who committed an official crime and was sentenced to imprisonment (in 2012 – 0.368 per 100 thousand people; in 2019 – 0.790; *Tab. 4*)<sup>29</sup>.

Table 4. Dynamics of a number of people convicted under Chapter 30 of the Criminal Code of the Russian Federation “Crimes against the state power, interests of the state service, and service in local self-government bodies” for 2012– 1 half of 2020 (number of convicted per 100 thousand people)

Type / severity of punishment	Yearly data				Monthly data		Change (+/-)	
	2012	2017	2018	2019	1 <sup>st</sup> half of 2019	1 <sup>st</sup> half of 2020	2019 to 2018	Average for the 1 <sup>st</sup> half of 2020 to the 1 <sup>st</sup> half of 2019
<b>TOTAL number of convicted in all cases of the RF CC</b>	<b>516,774</b>	<b>474,818</b>	<b>448,182</b>	<b>407,556</b>	<b>198,706</b>	<b>159,611</b>	<b>-109.218</b>	<b>-39.095</b>
<b>TOTAL number of convicted under Chapter 30 of RF CC</b>	<b>4,637</b>	<b>4,996</b>	<b>4,933</b>	<b>4,709</b>	<b>2,177</b>	<b>1,697</b>	<b>+0.072</b>	<b>-0.480</b>
Among them, a number of people sentenced to imprisonment	0.368	0.766	0.731	0.790	0.353	0.250	+0.422	-0.103
<i>Among them: less than 1 year</i>	0.057	0.112	0.095	0.093	0.042	0.022	+0.036	-0.020
<i>1–5 years</i>	0.266	0.467	0.443	0.480	0.214	0.153	+0.214	-0.061
<i>5–10 years</i>	0.041	0.174	0.180	0.209	0.092	0.072	+0.168	-0.020
<i>10 and more years</i>	0.003	0.014	0.013	0.007	0.005	0.003	+0.004	-0.002
<i>Suspended sentence to imprisonment</i>	1.064	0.984	1.037	1.169	0.534	0.407	+0.105	-0.127

Data for Chapter 30 of the RF CC “Crimes against the state power, interests of the state service, and service in local self-government bodies” are given since 2012.  
Own calculation based on: summary statistical data on the state of criminal records in Russia of the Judicial Department under the Supreme Court of the Russian Federation (available at: <http://www.cdep.ru/index.php?id=79>).

<sup>29</sup> Most often, the sentence is imposed on people who committed such types of official crimes as “petty bribery, receiving a bribe, giving a bribe personally or through an intermediary in an amount not exceeding ten thousand rubles” (according to data for the 1<sup>st</sup> half of 2020 – 0.476 per 100 thousand people); “giving a bribe to an official, a foreign official for committing deliberately illegal actions (inaction)” (0.305) and “abusing official authority committed by a person holding an official position in the Russian Federation under aggravating circumstances” (0.157). Source: Summary statistical data on the state of criminal records in Russia of the Judicial Department under the Supreme Court of the Russian Federation. Available at: <http://www.cdep.ru/index.php?id=79>.

**Insert 1**

**Dynamics of certain types of economic crimes in the Russian Federation in 2003–2020**

Type of crimes	Average annual data for the period						Yearly data						Average monthly data for the period				Change (+/-)	
	2003–2007		2008–2012		2013–2017		2018		2019		Jan.–Oct. 2019		Jan.–Oct. 2020		2019 to 2018		Average for Jan.– Oct. 2020 to Jan.– Oct. 2019	
	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people
TOTAL number of economic crimes including:	433124,2	301,26	305897,60	214,20	115062,40	79,25	109463,00	74,53	104927,00	71,49	97114,00	66,16	96124,00	65,50	-4536	-3,04	-990	-0,66
heavy and especially grave crimes	154586,8	107,53	136465,80	95,55	68541,60	47,20	64736,00	44,07	63285,00	43,12	60102,00	40,95	60209,00	41,03	-1451	-0,95	+107	+0,08
Corruption crimes*	n.d.	n.d.	49028,00	34,27	30159,20	20,79	23234,00	15,82	23427,00	15,96	21185,00	14,43	21523,00	14,67	+193	+0,14	+338	+0,24
against the state power, interests of the state service, and service in local self-government bodies	32632,40	22,70	37321,40	26,13	19360,40	13,35	13262,00	9,03	13949,00	9,50	12454,00	8,48	13113,00	8,94	+687	+0,47	+659	+0,46
including: bribery crimes	9754,80	6,79	11675,00	8,17	10595,80	7,30	7090,00	4,83	8459,00	5,76	7493,00	5,10	8081,00	5,51	+1369	+0,93	+588	+0,41
For reference: population of the Russian Federation (thousand people)**	14389,50		142848,00		145326,08		146880,40		146780,70		146780,70		146748,60		-100,00		-32,00	

Information provided since January 2003.  
 \* Data are available from January 2012.  
 \*\* As of January 1 of each year (source: The Demographic Yearbook of Russia; operational information of the Federal State Statistics Service. Available at: <https://rosstat.gov.ru/folder/12781>).  
 Source: own calculation according to monthly reports of the Ministry of Internal Affairs of the Russian Federation on the state of crime in the Russian Federation (available at: <https://mvd.mvd.ru/folder/101762>).

**Detailed information about bribery crimes against the state power, interests of the state service, and service in local self-government bodies for 2017–2020**

Type of crimes	Yearly data						Average monthly data for the period						Change (+/-)	
	2017		2018		2019		Jan.–Oct. 2019		Jan.–Oct. 2020		2019 to 2018		Average for Jan.– Oct. 2020 to Jan.– Oct. 2019	
	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people
Total number of bribery crimes, including:	6270	4,27	7090	4,83	8459	5,76	8081	5,51	8081	5,51	+1369	+0,93	+588	+0,41
bribe receiving	3188	2,17	3499	2,38	3988	2,72	3744	2,55	3744	2,55	+489	+0,34	+208	+0,14
bribe giving	2272	1,55	2612	1,78	3174	2,16	3118	2,12	3118	2,12	+562	+0,38	+348	+0,23
mediation in bribery	810	0,55	979	0,67	1297	0,88	1187	0,81	1219	0,83	+318	+0,21	+32	+0,02
For reference: population of the Russian Federation (thousand people)**	146804,4		146880,4		146780,7		146780,7		146748,6		-100,0		-32,0	

Information on cases of taking and giving bribes is given since 2017.  
 \* As of January 1 of each year (source: The Demographic Yearbook of Russia; operational information of the Federal State Statistics Service. Available at: <https://rosstat.gov.ru/folder/12781>).  
 Source: own calculation according to monthly reports of the Ministry of Internal Affairs of the Russian Federation on the state of crime in the Russian Federation (available at: <https://mvd.mvd.ru/folder/101762>).

**Insert 2**

**Dynamics of certain types of economic crimes in the Russian Federation in 2009–2020, which were committed on a large or especially large scale or caused major damage**

Type of crimes	Average annual data for the period						Yearly data						Average monthly data for the period						Change (+/-)			
	2009–2012		2013–2017		2018		2019		Jan.–Oct. 2019		Jan.–Oct. 2020		2019 to 2018		2019 to 2018		Average for Jan.–Oct. 2020 to Jan.–Oct. 2019		Average for Jan.–Oct. 2020 to Jan.–Oct. 2019			
	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people		
TOTAL number of economic crimes including:	50708,00	35.50	28289,00	19.46	30132,00	20.51	30398,00	20.71	28271,00	19.26	27485,00	18.73	+266	+0.20	-786	-0.53						
heavy and especially grave crimes	31941,50	22.36	19832,00	13.64	27967,00	19.04	23537,00	16.04	22023,00	15.00	21858,00	14.89	-4430	-3.00	-165	-0.11						
corruption crimes*	7437,00	5.20	5589,60	3.84	22888,00	15.58	7223,00	4.92	6624,00	4.51	7044,00	4.80	-15665	-10.66	+420	+0.29						
against the state power, interests of the state service, and service in local self-government bodies including: bribery crimes	1320,00	0.92	1370,20	0.94	1947,00	1.33	2293,00	1.56	2060,00	1.40	2370,00	1.62	+346	+0.23	+310	+0.22						
	343,00	0.24	974,00	0.67	1760,00	1.20	2102,00	1.43	1883,00	1.28	2222,00	1.51	+342	+0.23	+339	+0.23						
For reference: population of the Russian Federation (thousand people)**	142873,1		145326,1		146880,4		146780,7		146780,7		146748,6		-100,0		-32,0							

Information provided since January 2003.  
 \* As of January 1 of each year (source: The Demographic Yearbook of Russia; operational information of the Federal State Statistics Service. Available at: <https://rosstat.gov.ru/folder/12781>).  
 Source: own calculation according to monthly reports of the Ministry of Internal Affairs of the Russian Federation on the state of crime in the Russian Federation (available at: <https://mvd.mvd.ru/folder/101762>).

**Detailed information about large and especially large bribery crimes against the state power, interests of the state service, and service in local self-government bodies for 2017 – 2020**

Type of crimes	Average monthly data for the period						Yearly data						Change (+/-)			
	2017		2018		2019		Jan.–Oct. 2019		Jan.–Oct. 2020		2019 to 2018		2019 to 2018		Average for Jan.–Oct. 2020 to Jan.–Oct. 2019	
	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people	number of cases	number of cases per 100 thousand people
Total number of bribery crimes, including:	1541	1.05	1760	1.20	2102	1.43	1883	1.28	2222	1.51	+342	+0.23	+339	+0.23		
bribe receiving	808	0.55	908	0.62	1041	0.71	937	0.64	1079	0.74	+133	+0.09	+142	+0.1		
bribe giving	401	0.27	482	0.33	571	0.39	490	0.33	639	0.44	+89	+0.06	+149	+0.11		
mediation in bribery	332	0.23	370	0.25	490	0.33	456	0.31	504	0.34	+120	+0.08	+48	+0.03		
Для справки: For reference: population of the Russian Federation (thousand people)**	146804,4		146880,4		146780,7		146780,7		146748,6		-100,0		-32,0			

Information on cases of taking and giving bribes is given since 2017.  
 \* As of January 1 of each year (source: The Demographic Yearbook of Russia; operational information of the Federal State Statistics Service. Available at: <https://rosstat.gov.ru/folder/12781>).  
 Source: own calculation according to monthly reports of the Ministry of Internal Affairs of the Russian Federation on the state of crime in the Russian Federation (available at: <https://mvd.mvd.ru/folder/101762>).

**Thus, aforementioned official statistics data show that there are no significant positive changes in the dynamics of the level of official crimes and people convicted under Chapter 30 of the Criminal Code of the Russian Federation “Crimes against the state power, interests of the state service, and service in local self-government bodies”. First, this is an indicative characteristic of the ruling elites, and, secondly, it has a psychological aspect of its consequences, which has no less, and perhaps more, influence on the civilizational and historical development of the state, undermining the main foundation which V.V. Putin’s “deep state” is built on – public trust.**

“One of the main Russian problems, which is both a cause and a consequence of a limited quality of elites, is a universal lack of trust: the government does not trust citizens and business; citizens and business do not trust each other and the government. It increases the cost of doing business, pushes private business into the arms of the government to protect and withdraw rents, reduces the effectiveness of institutions, replacing them with personal decisions, and ultimately drives capital and brains out of the country. It is impossible to reveal a true potential of Russia without working on this common problem”<sup>30</sup>.

Along with the global process of actualization of subjective factors<sup>31</sup>, trust becomes the “cornerstone” of historical development and current state of affairs in any state: especially in

Russia where “sacred relations between society and the President”<sup>32</sup> are the core of an entire statehood. However, when Russians say that the level of corruption in the sphere of state and municipal property is 78%; 75% in the sphere of state and municipal control; 74% in the judicial system; 63% in the sphere of housing and communal services; up to 44% in healthcare and education<sup>33</sup>, it becomes quite clear why experts, assessing the quality of Russian elites and related problems, **primarily say about a common lack of trust.** Despite a long-running anti-corruption campaign, 81% of Russians consider corruption in Russia a truly serious problem, and only 11% see progress in the fight against it<sup>34</sup>.

According to the results of activities of the investigative bodies, a lot of facts have been published in recent years, showing:

✓ first, deep roots of the corruption in all bodies of public power (from municipal officials to federal ministers): across the entire vertical of the public administration system;

“There are barely any loners in this [corrupt] environment – this is simply unimaginable. There are links, including ones with law enforcement agencies, colleagues, and so on”<sup>34</sup>.

✓ second, its horizontal widespread which makes main figurants, involved in criminal cases, their subordinates, colleagues, relatives,

<sup>30</sup> Elite Quality Index: How does it affect economic and political development: Skolkovo press-release. 2020 (President of the Skolkovo Business School A. Sharonov, Rector of the New Economic School R. Enikolopov). Available at: <https://www.skolkovo.ru/news/indeks-kachestva-elit-kak-oni-vliyayut-na-ekonomicheskoe-i-politicheskoe-razvitie/>.

<sup>31</sup> Gorshkov M.K. On the axiomatic interpretation of the economic factors’ impact on economic growth. *Economic and Social Changes: Facts, Trends, Forecast*, 2014, no. 3 (33), pp. 45–56.

<sup>32</sup> Surkov V.Yu. Vladimir Putin’s long state. *Nezavisimaya Gazeta*, February 11, 2019. Available at: [http://www.ng.ru/ideas/2019-02-11/5\\_7503\\_surkov.html](http://www.ng.ru/ideas/2019-02-11/5_7503_surkov.html)

<sup>33</sup> A sociological survey conducted by the Prosecutor General’s Office in June 2019. A total number of Russians surveyed is 38 thousand in all regions of the Russian Federation (source: The Prosecutor General’s Office named the leaders in terms of corruption – security forces, courts, and executive branch. Available at: <https://pasm.ru/archive/245653/>).

<sup>34</sup> *Ibidem*.

<sup>35</sup> Nikolaev A. The FSB has been collecting dirt for years: Why officials are “caught” when billions have already been stolen (opinion of S. Reznik). *Tsar-Grad*, October 15, 2019. Available at: [https://yandex.ru/turbo/tsargrad.tv/s/articles/kompromat-fsb-sobiraet-godami-pochemu-chinovnikov-berut-kogda-uzhe-ukradeny-milliardy\\_221740](https://yandex.ru/turbo/tsargrad.tv/s/articles/kompromat-fsb-sobiraet-godami-pochemu-chinovnikov-berut-kogda-uzhe-ukradeny-milliardy_221740)

and friends its subjects and beneficiaries; basically, dozens of people are related to every solved case<sup>36</sup>;

✓ third, information about outrageous sums of money (denominated in foreign currency, gold, movable and immovable property), which appear in nearly every case on corruption, becomes publicly accessible. Most often, the property found in the possession of people involved in such criminal cases is ten times higher than an amount of funds they were “caught” for<sup>37</sup>. It also indicates that these

individuals’ targeted violation of the law was not episodic, but regular and systematic.

Earlier, we often referred to similar cases that had caused the widest resonance in the Russian society<sup>38</sup>. To illustrate, some of them are presented in *insert 3*. However, by and large, all such cases, even recent ones, cannot be listed in one article. However, it is also difficult to accurately determine amounts of stolen funds in each specific criminal case and financial damage amount that the Russian economy, the state and, ultimately, general population suffer from this.

<sup>36</sup> For example:

After the arrest of the governor of the Sakhalin Oblast A. Khoroshavin (2015), collective detentions of members of the regional government began. Former minister of agriculture of Sakhalin N. Borisov, who supervised the fishing industry, former deputy prime minister of Sakhalin S. Karepkin, acting vice-mayor of Yuzhno-Sakhalinsk A. Leskin, as well as his predecessor M. Magomedov, were arrested. **A total amount of bribes, imputed to ex-officials, is estimated at tens of millions of rubles** (source: The mayor of Okha will leave the post due to the case of ex-minister of Sakhalin. Federal mass media “The First Anti-Corruption Media”, May 13, 2015. Available at: <https://pasm.ru/archive/124308/>).

In the case of ex-governor of Komi V. Gaizer (2015), **almost four dozen officials, deputies, and businessmen were arrested**, more episodes and cases related to the former leadership of the republic are regularly revealed (source: Shevchuk M. What are the arrested governors waiting for? Delovoi Peterburg. October 25, 2020. Available at: [https://www.dp.ru/a/2016/10/25/CHego\\_zhdut\\_arestovannie\\_gu](https://www.dp.ru/a/2016/10/25/CHego_zhdut_arestovannie_gu)).

<sup>37</sup> Specific examples (source: Barova E. Money in bags. What did the corruption suspects keep at home? Argumenty i Fakty, March 1, 2019. Available at: [https://aif.ru/money/corruption/dengi\\_meshkami\\_chno\\_hranili\\_doma\\_podozrevaemye\\_v\\_korruptcii](https://aif.ru/money/corruption/dengi_meshkami_chno_hranili_doma_podozrevaemye_v_korruptcii)):

In 2013, the head of the Voronezh Avtodor A. Trubnikov was caught on a bribe of 1.4 million rubles. During a search at his dacha, police found 134 million rubles in cash in different currencies – money was lying around the house in boxes and bags. In 2015, the official was sentenced to 7.5 years of strict regime, but he spent only 10.5 months behind bars (plus 9 months in a detention center). Trubnikov was released on January 31, 2017 on parole due to an oncological disease. His wife N. Trubnikova, “whom he left without a penny”, sued the right to half of money in 2017. The court released from arrest 66.5 million rubles, seized during the search in Trubnikov’s house.

In 2016, due to bribery in the form of an auto Porsche Cayenne, the deputy head of the department of the Federal Reserve for the Siberian Federal District I. Garifullin was arrested. With an official salary of 46 thousand rubles a month, he was found to have 135 million in cash at home and in a safe deposit box; expensive collections of guns (half a million each) and watches... Many stuffed animals were placed along the walls of the house, and bear skins were placed on the floor... The top manager had a whole auto park: two KAMAZ trucks, a Land Cruiser 200 Arctic Track, a Porsche Panamera, a Porsche Cayenne, a Range Rover Sport, a Volkswagen Multivan, and a Volkswagen Phaeton.

3. During a search in the residence of senator R. Arashukov, police found gold bars, sabers, daggers, and bundles of money. Jewelry were weighed in a pile – it was tens of kilos.

4. Police took out almost one and a half tons (!) of money in boxes – 9 billion rubles in different currencies and a gold bar for half a kilogram from an apartment of the sister of police officer D. Zakharchenko in Moscow. Later, 13 apartments were found in Zakharchenko and his relatives’ possession. Zakharchenko’s arrest in September 2016 received a wide response due to the amount of cash that investigators found on him and his relatives during searches – \$140 million, €2.2 million, and 374 million rubles. At the time of his arrest, the colonel was charged only with a bribe of 7 million rubles from a businessman A. Pshegornitskii (source: RBK, June 10, 2019. Available at: <https://www.rbc.ru/society/10/06/2019/5cf666929a7947ce194162ae>).

5. Former finance minister of the Moscow Oblast A. Kuznetsov hid a whole “Hermitage”. In 2014, in St. Petersburg, the investigation team found a hangar containing 82 pieces of antique furniture, 113 paintings by famous artists, 2 ancient icons, and 13 boxes of rare books. According to investigators, all these goods were planned to be transported abroad for 4 billion rubles.

<sup>38</sup> See:

Ilyin V.A., Morev M.V. “...And most importantly, there will be no destitute people in Russia”. “Capitalism for the few” – a key problem of national security. *Economic and Social Changes: Facts, Trends, Forecast*, 2018, vol. 11, no. 2, pp. 9–23.

Ilyin V.A. Significance of the thesis “cadres decide everything” as applied to modern Russia. *Economic and Social Changes: Facts, Trends, Forecast*, 2017, vol. 10, no. 3, pp. 9–31.

## Insert 3

Some "well-known" crimes of the ruling elites at all levels of public power\*

Year of arrest	Name	Post	Article	Estimated or determined amount of damage; discovered money, jewelry	Restraint/sentence
<b>Federal level</b>					
2002	Aksenenko N.	Minister of Railways	Abuse of authority, misappropriation, embezzlement	70 mil. rub.	Restriction of travel order, released for treatment in Germany
2008	Adamov E.	Minister of Atomic Energy (1998–2001)	Abuse of authority	100 mil. dollars	Suspended sentence
2011	Donskih O.	Director of the Department of the Ministry of Agriculture of the Russian Federation	Fraud	800 mil. rub.	Wanted by authorities
2012	Vasil'eva E.	Head of the Department of the Ministry of Defense of the Russian Federation	Fraud, money laundering, abuse of authority	1–3 bil. rub.	Released on parole
2013	Bazhanov A.	Deputy Minister of Agriculture of the Russian Federation (2009–2010)	Fraud, money laundering	1.1 bil. rub.	Wanted by authorities
2013	Serdyukov A.	Minister of Defense of the Russian Federation	Negligence	56 mil. rub.	Criminal case dismissed under amnesty
2013	Shishkin A.	Deputy Head of Gosstroj	Fraud	30 mil. rub.	6 years in a standard regime penal colony
2013	Skrynnik E.	Minister of Agriculture of the Russian Federation (2009–2012)	Large scale fraud	39 bil. rub.	Criminal proceedings are not completed
2015	Sugrobov D.	Head of the Department of Economic Security and Anti-Corruption of the MIA	Creation of a criminal community, abuse of authority, provocation of a bribe	218 mil. rub.	Detention center
2016	Zaharchenko D.	Deputy Head of the MIA Main Directorate of Economic Security and Combating the Corruption	Bribe	8.5 bil. rub.	Detention center
2016	Lopyrev G.	Head of the Federal Security Service for the North Caucasus Federal District	Large scale bribe	1 bil. rub.	Detention center
2016	Ulyukaev A.	Minister of Economic Development of the Russian Federation	Bribe	2 mil. dollars	House imprisonment
2016	Pirumov G.	Deputy Minister of Culture of the Russian Federation	Fraud	50 mil. rub.	Detention center
2017	Artamonov V.	Former Deputy Minister of EMERCOM	Large scale embezzlement	1.3 mil. rub.	3-year probation
2019	Ishaev V.	Ex-Minister for the Development of the Far East	Large scale organization of embezzlement and misappropriation of entrusted property, committed with the use of official position	7.5 mil. rub.	House imprisonment

Year of arrest	Name	Post	Article	Estimated or determined amount of damage; discovered money, jewelry	Restraint/sentence
2019	Arashukov R.	Senator from Karachay-Cherkessia	Abuse of official authority, deliberately false denunciation, involvement in contract killings, creation of a criminal community, pressure on witnesses	30 bil. rub.	Criminal proceedings are not completed
2020	Arslanov H.	Deputy Chief of the General Staff of the Armed Forces of the Russian Federation	Large scale fraud and bribe	6.7 bil. rub.	Detention center
2020	Gairbekov R.	Head of the Military and Technical Cooperation Division of the Department of Defense Industry Complex of the Ministry of Industry and Trade	Large scale bribe	2 mil. rub.	Criminal proceedings are not completed
2020	Abyzov M.	Ex-Minister for “Open Government”	Creation of a criminal community, large scale money laundering, illegal entrepreneurship, large scale fraud	36 bil. rub.	Criminal proceedings are not completed
2020	Men’ M.	Ex-Head of the Minstroi, Auditor of the Accounting Chamber	Embezzlement	700 mil. rub.	Criminal proceedings are not completed
<b>Regional level</b>					
2011	Dudka V.	Governor of the Tula Oblast	Bribe	40 mil. rub.	9.5 years in a standard regime penal colony
2012	Kuznetsov M.	Minister of Finance of the Moscow Oblast Government	Fraud, money laundering	11 bil. rub.	14 years in a colony
2014	Yurchenko V.	Governor of the Novosibirsk Oblast	Negligence, abuse of authority	13.3 mil. rub.	3-year probation
2015	Gaizer V.	Head of the Komi Republic	Organization of a criminal community, bribe	1 bil. rub.	Detention center
2015	Horoshavin A.	Governor of the Sakhalin Oblast	Bribe, money laundering	522 mil. rub.	Detention center
2015	Neličov A.	Head of the Republic of Karelia	Bribe	4.6 mil. rub.	Colony
2015	Denin N.	Governor of the Bryansk Oblast	Abuse of authority by a person holding a public position in a constituent entity of the Russian Federation	21.8 mil. rub.	4 years in a standard regime penal colony
2015	Lukoyanov V.	Vice-Governor of Krasnodar Krai	Abuse of authority	32 mil. rub.	Detention center, then – house imprisonment.
2015	Sandakov N.	Vice-Governor of the Chelyabinsk Oblast	Bribe, fraud	1.5 mil. rub.	5.5 years in a standard regime penal colony
2016	Belyh N.	Governor of the Kirov Oblast	Bribe	20 mil. rub.	Detention center
2016	Torlopov V.	Head of the Komi Republic	Creation of a criminal community, fraud	2.5 bil. rub.	House imprisonment
2017	Markelov L.	Head of the Mari El Republic	Bribe, abuse of authority, possession of ammunition	235 mil. rub.	Criminal proceedings are not completed
2017	Solov’ev A.	Head of the Udmurtia Republic	Bribe	139 mil. rub.	10 years in a standard regime penal colony

Year of arrest	Name	Post	Article	Estimated or determined amount of damage; discovered money, jewelry	Restraint/sentence
2017	Yurevich M.	Governor of the Chelyabinsk Oblast	Bribe, incitement to slaunder	26 mil. rub.	Case is dismissed due to the expiration of the statute of limitations
2018	Vinnikov A.	Governor of the Jewish AO	Abuse of authority	24 mil. rub.	4 years of probation
2019	Kon'kov P.	Governor of the Ivanovo Oblast	Large scale embezzlement and impropriation	700 mil. rub.	Detention center; from March 12, 2020 – house imprisonment
2020	Polovnikov V.	Head of the Komi Republic MIA	Large scale bribe receiptment	25 mil. rub.	Criminal proceedings are not completed
2020	Furgal S.	Governor of Khabarovsk Krai	Attempted murder, organization of murders	–	Criminal proceedings are not completed
2020	Plitko A.	Vice-Governor of the Kirov Oblast	Large scale bribe receiptment	10.5 mil. rub.	Criminal proceedings are not completed
2020	Koval' A.	Vice-Governor of the Leningrad Oblast	Large scale fraud	28 mil. rub.	2 months in a detention center, 21 mil. rub. fine
<b>Municipal level</b>					
2010	Trofimov V.	Deputy Prosecutor of the NAO in Moscow	Fraud, extortion of bribe	3 mil. dollars	Sentenced to 13.5 years, term was reduced by 5 years
2012	Bestuzhev I.	Mayor of Stavropol	Bribe	50 mil. rub.	9 years in a penal colony with a strict regime
2012	Tarasov E.	City Manager of Ozersk	Theft	22 mil. rub.	Detention center, then – house imprisonment
2013	Prokopenko A.	Head of the Administration in Saratov	Large scale misappropriation or embezzlement committed by an organized group; negligence; malicious non-execution of court decisions	500 mil. rub.	Criminal proceedings are not completed
2013	Urlashov E.	Mayor of Yaroslavl	Extortion, bribe	17 mil. rub.	12.5 years in a penal colony with a strict regime
2013	Stolyarov M.	Mayor of Astrakhan	Bribe	10 mil. rub.	10-year imprisonment
2014	Nikolaichuk N.	Mayor of Tomsk	Abuse of authority	36 mil. rub.	4 years of probation
2014	Prokopuk A.	Mayor of Tula	Large scale embezzlement committed using one's authority	31.7 mil. rub.	7 years in a standard regime penal colony
2014	Shkrabalyuk A.	Mayor of Okhi	Abuse of authority	331 mil. rub.	Released under amnesty
2015	Savintsev I.	Mayor of Barnaul	Abuse of authority; attempted misappropriation and embezzlement	17 mil. rub.	4 years of probation

Year of arrest	Name	Post	Article	Estimated or determined amount of damage; discovered money, jewelry	Restraint/sentence
2015	Pozdeev I.	Mayor of Syktyvkar	Malicious abuse of authority; abuse of authority; large scale misappropriation committed using one's authority	12.5 mil. rub.	7-year imprisonment
2016	Pushkarev I.	Head of Vladivostok	Malicious abuse of authority, commercial bribery	160 mil. rub.	Detention center
2016	Sverchkov V.	Head of Ivanovo	Bribe	12.7 mil. rub.	5 in a penal colony with a strict regime
2017	Klement'eva I.	Mayor of Cheboksary	Malicious abuse of authority, embezzlement	20 mil. rub.	5 years in a standard regime penal colony
2018	Musaev M.	Mayor of Makhachkala	Abuse of authority	48 mil. rub.	4 years in a standard regime penal colony
2019	Bykov V.	Mayor of Kirov	Large scale bribe	7.8 mil. rub.	House imprisonment
2019	Gogolev V.	Deputy Mayor of Yakutsk	Malicious abuse of authority	165 mil. rub.	4 years in a standard regime penal colony
2020	Filonov A.	Mayor of Yevpatoria	Execution by an official of actions that are clearly beyond his powers and which entailed a significant violation of the rights and legitimate interests of citizens	.43 mil. rub.	3.8 years in a settlement colony
2020	Kurakin D.	Deputy Chairman of the Government of the Moscow Oblast	Large scale fraud; malicious abuse of authority; bribe receipt	2 bil. rub.	Criminal proceedings are not completed
2020	Klyain I.	Mayor of Tomsk	Abuse of authority	1.3 bil. rub.	Criminal proceedings are not completed

\*Ranked according to the year of arrest.

Sources (they also contain more detailed information about these cases):

1. Official websites of federal and regional mass media: “Novaya Gazeta”, “Zavtra”, “Kommersant”, “Izvestiya”, “Rossiyskaya Gazeta”, “Komsomolskaya Pravda. Vologda”, “Komsomolskaya Pravda. Saint Petersburg”, “Komsomolskaya Pravda. Chelyabinsk”, “Komsomolskaya Pravda. Yaroslavl”, information agency “Sever-Media” (Syktyvkar), information agency “Vzglyad-Info” (Saratov Oblast), “Altapress” (News of Barnaul and Altai Krai), news of Channel One (available at: <https://www.1tv.ru/>), news of Chelyabinsk (available at: <https://cheb.media/>).
2. Official websites of federal and regional news media: RIA-Novosti, Rambler News, TASS, Lenta.ru, 47-news.ru, RBK, Interfaks, news of the Ivanovo Oblast (available at: <https://www.ivanovone-ws.ru/>), web-portal of the Southern region “Yuga.ru” (available at: <https://www.yuga.ru/>).
3. Other information resources: “Zakon i Poryadok” (available at: <https://zakon-i-poryadok.com/>); international TV company of Germany Deutsche Welle (available at: <https://www.dw.com/en/top-stories/s-9097>); project “Virtual'nyi Korenovsk” (available at: <http://mykor.ru/>), online media “Octagon.Media” (available at: <https://octagon.media/>), online media “Information agency PrimaMedia”, online media “vtomske.ru”.

“The bureaucratic caste, at a higher level, resembles a gypsy camp with a mutual guarantee. Current corrupt officials learned to manipulate the legislation by holding competitions to select contractors and concluding state contracts in a beneficial way for them”<sup>39</sup>.

Aforementioned facts involuntarily provoke thoughts that the system of public administration, which could be compared to a human body<sup>40</sup>, is infected with different types of economic crimes similar to metastases

**Mikhailov A.** (retired General-Lieutenant, former operative of the 5th directorate of the USSR KGB, who later headed the Center for Public Relations of the FSB of Russia and the MIA Information Department): “Sometimes it seems that they are trying to impress us by the scale of such arrests. As if the higher the amount, the more expressive it is. But this is fundamentally wrong! It is necessary to stifle corruption in the bud. After all, there is no difference in a punishment measure in the Criminal Code: whether a million, a billion, or eight billion were stolen. The article is the same, the term is the same.

For some reason, it is necessary to gain a scary level of anger among population. Why cannot they be imprisoned earlier? It is easier to prove, and a crime itself is prevented. But no: they wind up a whole tangle of countless similar incidents, and only then they start to unwind it. Something certainly “falls off” in court because of unprovenness, and this causes even greater dissatisfaction of ordinary people: “So he payed off”. My firm opinion is that officials should be prosecuted not for theft but for high treason. With severe punishment. This is when something will start to change”<sup>41</sup>.

of an oncologic disease deeply penetrating inside and out and making its further existence and development impossible. This psychological point escapes the attention of official statistics since the Criminal Code of the Russian Federation does not provide for a correlation between a term of punishment and an amount of stolen funds.

**As a result, no matter how many more high-profile arrests occur, they further strengthen the idea in society that this is only a “tip of an iceberg”, and a real scale of corruption in the country remains somewhere far beyond public understanding.** It is no accident (as the results of the survey of the Prosecutor General’s Office showed) that 85% of Russians think that “media hide most information about corruption”<sup>42</sup>.

Nevertheless, at the last press conference of the President held on December 17, 2020, questions about a high level of corruption in our country were not reflected. Either these issues do not concern journalists and society, or they do, but somehow such questions “did not reach” the President. In any case, the President’s clear position on the prospects of the anti-corruption campaign, the existence of a specific plan for prevention and systemic solution of this issue was not voiced. Although, in our opinion, this is very important, because it is not about corruption itself, which acts as an indicator of the ruling elites quality, but their moral attitudes and principles; responsibility to society. This is a much broader issue, and it determines the nature of interaction and relations between society and the authorities at all levels of government.

<sup>39</sup> Nikolaev A. The FSB has been collecting dirt for years: Why officials are “caught” when billions have already been stolen (opinion of S. Reznik). *Tsar-Grad*, October 15, 2019. Available at: [https://yandex.ru/turbo/tsargrad.tv/s/articles/kompromat-fsb-sobiraet-godami-pochemu-chinovnikov-berut-kogda-uzhe-ukradeny-milliardy\\_221740](https://yandex.ru/turbo/tsargrad.tv/s/articles/kompromat-fsb-sobiraet-godami-pochemu-chinovnikov-berut-kogda-uzhe-ukradeny-milliardy_221740)

<sup>40</sup> Sulakshin S.S. *Quality and Success of Public Policies and Management*. Series “Political Axiology”. Moscow: Nauchnyi Ekspert, 2012. Pp. 6, 12.

<sup>41</sup> Nikolaev A. The FSB has been collecting dirt for years: Why officials are “caught” when billions have already been stolen (opinion of S. Reznik). *Tsar-Grad*, October 15, 2019. Available at: [https://yandex.ru/turbo/tsargrad.tv/s/articles/kompromat-fsb-sobiraet-godami-pochemu-chinovnikov-berut-kogda-uzhe-ukradeny-milliardy\\_221740](https://yandex.ru/turbo/tsargrad.tv/s/articles/kompromat-fsb-sobiraet-godami-pochemu-chinovnikov-berut-kogda-uzhe-ukradeny-milliardy_221740)

<sup>42</sup> Sociological survey conducted by the Prosecutor General’s Office in June 2019. Total number of Russians surveyed is 38 thousand in all entities of the RF (source: Prosecutor General’s Office named the leaders in terms of corruption – siloviki, courts, and the executive branch. Available at: <https://pasm.ru/archive/245653/>).

Thus, we see that the problem of corruption in modern Russia has complex consequences. This is not just the loss of financial resources that could be used to solve the most pressing issues of population, but also outright failures in the implementation of the President’s goals. Besides, corruption undermines society’s confidence in the government which makes the level of social stability in the country unstable, halting the constructive implementation of reforms. “If people do not see justice, they become disappointed and hesitate to follow such leadership”<sup>43</sup>.

**Polterovich V.M.:** “A low level of confidence significantly hinders reforms, and unsuccessful reforms lead to its further decline”<sup>44</sup>.

In many ways, this, not just the impact of the pandemic, explains a recent decline of society’s positive emotional mood in recent months (*Insert 4; Fig. 1*), a stable proportion of those who subjectively classify themselves as “poor and extremely poor” (*Insert 4; Fig. 2*), as well as an increase of pessimism about the prospects of the Russian economy and their personal financial situation, which is clearly seen in the decline in the Consumer Sentiment Index, recorded not only by regional (*Insert 4; Fig. 3*) but also federal sociological studies (*Insert 4; Fig. 4*).

**Ultimately, oligarchic capitalism and corruption, as its constant attribute, originated during the USSR collapse, and they reflect the quality of Russian modern elites. This leads to complex negative consequences in the system of government and society, manifesting**

**itself primarily in the stalled implementation of national development goals and unmet expectations of wide segments of population in relation to the dynamic development of the level and quality of life and achievement of social justice.**

“We must understand that no matter how brilliant the economic, social, or military strategy of the country is, everything will be incompetently failed, stolen, and lost if the implementation is entrusted to failed elite in terms of quality... Good elite “creates values”: it lives and allows others to live well and increase their well-being. Bad elite “extracts values”: it plunders and appropriates the general wealth without caring about the state and people. In both cases, elite gets richer. However, Singapore’s elite take less than they create, and, in Nigeria, elite appropriates more than they make... **good elite increases a “common pie”, bad elite chews out a large personal piece of this pie. Thus, a degree of altruism, a desire to work for the good of the country determines, ultimately, the quality of elites**”<sup>46</sup>.

Is the President aware of the consequences of corruption, and what measures does he take in this regard?

According to the Federal Law “On combatting corruption”<sup>46</sup>, the President “defines main areas of the state policy concerning combatting corruption” and “determines the competence of the federal executive bodies, the management of which it carries out, in the field of combating corruption” (Art. 5, S. 1). It is appropriate to remember the speech of V.V. Putin at the Meeting of the Prosecutor General’s Office Board in March 2020, where he noted:

<sup>43</sup> Grinkevich V. Justice is above everything else. *Zavtra*. November 25, 2020. Available at: [https://zavtra.ru/blogs/spravedlivost\\_previshe\\_vsego](https://zavtra.ru/blogs/spravedlivost_previshe_vsego)

<sup>44</sup> Polterovich V.M. Institutional reforms and the civic culture. *Historical and Social-Educational Idea*, 2016, vol. 8, no. 2/2. P. 228.

<sup>45</sup> Grinkevich V. Justice is above everything else. *Zavtra*. November 25, 2020. Available at: [https://zavtra.ru/blogs/spravedlivost\\_previshe\\_vsego](https://zavtra.ru/blogs/spravedlivost_previshe_vsego)

<sup>46</sup> On combatting corruption: Federal Law no.273, dated December 25, 2008. *Official website of the President of Russia*. Available at: <http://www.kremlin.ru/acts/bank/28623>

Insert 4

Dynamics of social attitudes, subjective perception of living standards, and economic development prospects in assessments of public opinion

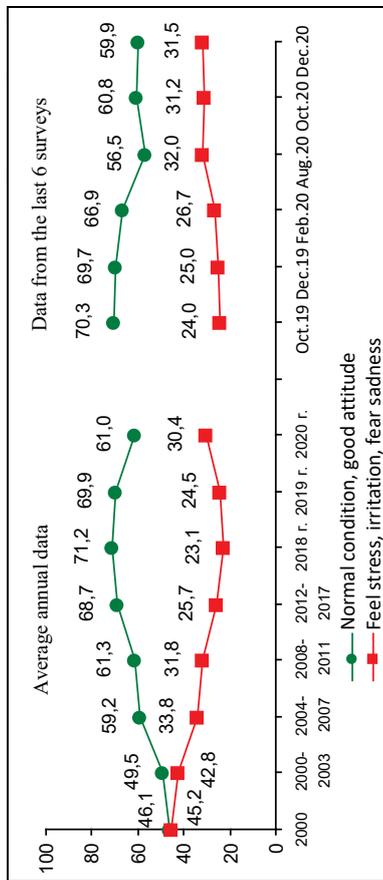


Fig. 1. Social attitude (Vologda Oblast, VolRC RAS data, % of respondents)\*

\* Question wording: "How would you assess your attitude in the last few days?"

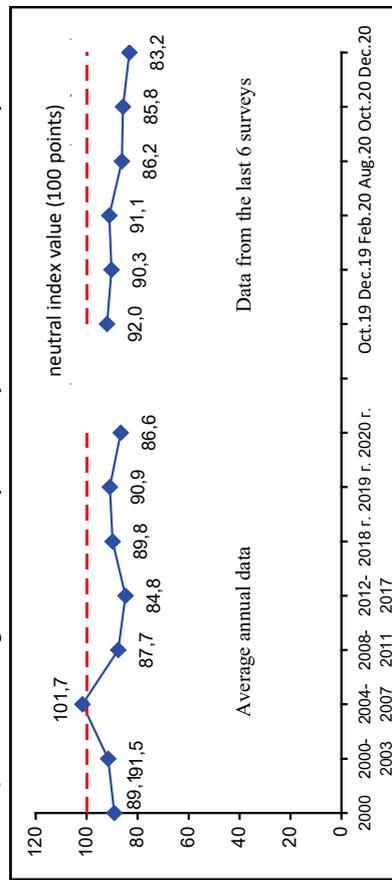


Fig. 3. Consumer Sentiment Index (Vologda Oblast, VolRC RAS data, in points)

From 2018 to 2020, a share of positive assessments of public attitude decreased by 10 p.p. (from 71 to 61%; fig.1); a relative share of "poor and extremely poor" increased by 4 p.p. (from 45 to 49%; see fig.2); Consumer Sentiment Index, reflecting predictions of people in relation to prospects of economic development and their own financial situation, decreased by 3 p.p. in the Vologda Oblast (from 90 to 87 p.; see fig.3), in the country in general – by 4 p.p. (from 78 to 74 p.; see fig.4). There are also no positive changes in the short-term dynamics (from October 2019 to December 2020).

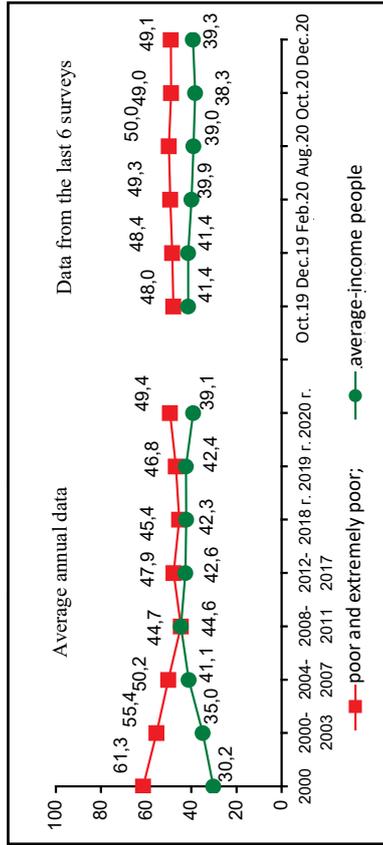


Fig. 2. Social self-identification (Vologda Oblast, VolRC RAS data, % of respondents)\*

\* Question wording: "What category do you belong to?"

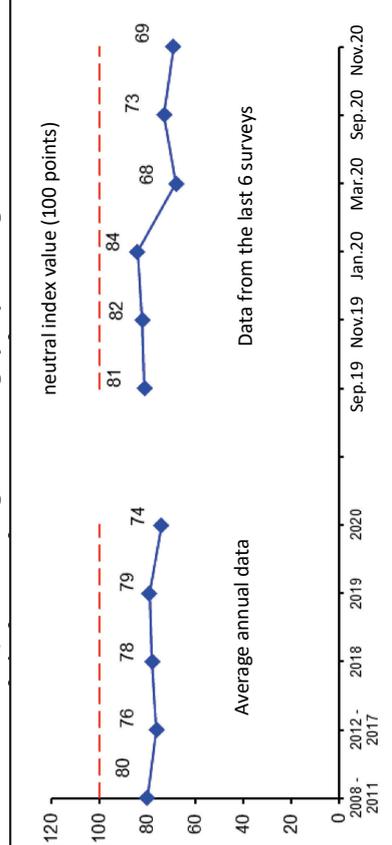


Fig. 4. Consumer Sentiment Index (Russia, Levada-Center data, in points)

From 2018 to 2020, a share of positive assessments of public attitude decreased by 10 p.p. (from 71 to 61%; fig.1); a relative share of "poor and extremely poor" increased by 4 p.p. (from 45 to 49%; see fig.2); Consumer Sentiment Index, reflecting predictions of people in relation to prospects of economic development and their own financial situation, decreased by 3 p.p. in the Vologda Oblast (from 90 to 87 p.; see fig.3), in the country in general – by 4 p.p. (from 78 to 74 p.; see fig.4). There are also no positive changes in the short-term dynamics (from October 2019 to December 2020).

“Our country has adopted many legislative acts aimed at combating corruption, as well as national plans and programs on relevant topics, but how far have we progressed in eradicating this evil?...

Despite the fact that someone is detained, arrested, prosecuted, sent to imprisonment places, etc., it is difficult to get rid of an idea that the fight against bribery, kickbacks, budget cuts, and other abuses of authority is **often an imitation**.

To a greater extent, certain progress in identifying the facts of corruption is felt at the “grassroots” level – in relation to representatives of law enforcement agencies, local self-government bodies, military personnel, doctors, teachers, many of whom, as a rule, are engaged in petty bribery... As for dishonest officials, despite the increase of a number of high-profile criminal cases against such people, society does not see this practice as a **full-fledged systematic fight against corruption**”<sup>48</sup>.

“Corruption is certainly a problem that needs to be addressed constantly and comprehensively... because we are investing enormous resources towards resolving major national problems and achieving the national development goals. It is essential to ensure the safety and efficient use of these resources”<sup>47</sup>.

However, despite absolutely correct target goals of the President, many experts have doubts that the fight against corruption in Russia can be called effective, **because “we cannot deal with corruption as long as the country’s economic policy is determined by the people who are the beneficiaries of privatization”**<sup>49</sup>.

Experts note that even the prosecutor’s office does not hide the fact that nearly every official is under a close supervision of the investigative authorities. However, “almost always, after high-profile arrests, the phrase “long-term operational development” is said”<sup>50</sup>. “Skeletons in the closet” mostly come to light only years later, because every corruption case in many cases is a tool of a political game.

**This approach to the implementation of the anti-corruption campaign allows us to maintain a certain environment in which, for many years, a violation of the law has been an integral part of “unscrupulous” officials’ lifestyle. Over time, this leads to an increase of stolen money, number of people involved, diversity of crime forms, and, ultimately, the extent of consequences from illegal actions of officials (whether it is about state budget, negligence or fictitious performance of official duties, ordinary citizens...). In fact, this is one of the main reasons for such a large-scale spread of corruption in our country.**

“Few people know that, in fact, nearly every civil servant with serious power, from heads of large districts and mayors to governors and federal ministers, has an another dossier – so-called “black folder”. It contains all their “tricks” close to law violation (sometimes, with specific crimes). In other words, operational information.

However, everything is stored until a specific moment: it is used only when a certain critical event comes – theft gets out of hand, serious increase of public irritation, or an official steps on toes of another influential person”<sup>51</sup>.

<sup>47</sup> Speech of V.V. Putin at the Meeting of the Prosecutor General’s Office Board, dated March 17, 2020. *Official website of the President of Russia*. Available at: <http://www.kremlin.ru/events/president/transcripts/62998>

<sup>48</sup> Nazarov E. Fight against corruption or its imitation? *Specialized legal publication, official organ of the Federal Chamber of Lawyers of the Russian Federation “Advokatskaya Gazeta”*. April 19, 2019. Available at: <https://www.advgazeta.ru/mneniya/borba-s-korruptsiei-ili-ee-imitatsiya/>

<sup>49</sup> Khazin M. Corruption cannot be defeated in Russia now. *Official website of the Izvorsky Club*. December 7, 2015. Available at: <https://izborsk-club.ru/7909>

<sup>50</sup> Nikolaev A. The FSB has been collecting dirt for years: Why officials are “caught” when billions have already been stolen (opinion of S. Reznik). *Tsar-Grad*, October 15, 2019. Available at: [https://yandex.ru/turbo/tsargrad.tv/s/articles/kompromat-fsb-sobiraet-godami-pochemu-chinovnikov-berut-kogda-uzhe-ukradeny-milliardy\\_221740](https://yandex.ru/turbo/tsargrad.tv/s/articles/kompromat-fsb-sobiraet-godami-pochemu-chinovnikov-berut-kogda-uzhe-ukradeny-milliardy_221740)

<sup>51</sup> Nikolaev A. The FSB has been collecting dirt for years: Why officials are “caught” when billions have already been stolen (opinion of S. Reznik). *Tsar-Grad*, October 15, 2019. Available at: [https://yandex.ru/turbo/tsargrad.tv/s/articles/kompromat-fsb-sobiraet-godami-pochemu-chinovnikov-berut-kogda-uzhe-ukradeny-milliardy\\_221740](https://yandex.ru/turbo/tsargrad.tv/s/articles/kompromat-fsb-sobiraet-godami-pochemu-chinovnikov-berut-kogda-uzhe-ukradeny-milliardy_221740)

Chairman of the National Anti-Corruption Committee K. Kabanov: **“The auditor is above any governor and minister. This is a constitutional position... In general, Mikhail Men’ is some kind of a symbol of the era... The political level of Men’ really increased the rate in the fight against corruption. This is a huge layer of relations, intra-elite relations. This is very serious”**<sup>52</sup>.

Nevertheless, today some experts cautiously say that a real work in the country to bring the system of public administration in order has begun. It is, in particular, associated with the arrest of the former auditor of the Accounts Chamber of the Russian Federation, ex-Minister of Construction and Housing of the Russian Federation, former Governor of the Ivanovo Oblast, Vice-Governor of the Moscow Oblast, and Vice-Mayor of Moscow M. Men’. His detention was approved by the Federation Council on November 18, 2020<sup>53</sup>. Men’'s arrest, according to many, is “the strongest blow to the liberals”, “a key event”, and “not just an ordinary removal “from the run” of “another thief”<sup>54</sup>.

Men’'s arrest is not the first event after which experts signal about the beginning of a series of long-lasting consequences and political decisions that contribute to the improvement of the public administration system. For example, the arrest of the former Minister of Economic Development of the Russian Federation

A. Ulyukaev in 2016. Experts assessed his detention as “indicative “entry” into the group, which includes some vice-ministers and representatives of the Central Bank”<sup>55</sup>. Political analysts noted at the time that “the President urged to fight corruption regardless of people involved”<sup>56</sup>. The detention of Ulyukaev is not only a signal about new rules of the game, but it is also an increase of the stakes in the fight for the selection of the development course”<sup>57</sup>.

However, a current situation in the country is somewhat different, and it allows saying with more confidence that the President starts decisive actions to nationalize the elites:

– first, examination of the criminal case of M. Men’ takes place in the context of a recently resolved issue of the presidential power transit. All-Russian vote on amendments to the Constitution, held on July 1, 2020, removed

**“Resignations and appointments could not take place without the current Prime Minister. And these changes are quite joyful... If we consider these permutations, we see that they are pragmatic. People, who did not prove themselves, did not show themselves very well, or acted ambiguously, have left. However, they are not thrown on the sidelines but used according to their probable level. They are replaced by people who have very distinct achievements. Of course, there is something to complain about, but these are all small things... Mishustin made a very significant step to improving the government’s health”**<sup>58</sup>.

<sup>52</sup> Ivanov A. A notable blow to systemic liberals. *Zavtra*. November 19, 2020.

<sup>53</sup> According to investigators, “in 2011, Men’, being the governor of the Ivanovo Oblast, together with the beneficiaries of the “PRODO” Group of Companies organized a criminal group in order to steal budget funds allocated as a loan from the Ministry of Finance of the Russian Federation to support the Ivanovo Oblast. On Men’ instructions, a number of regional regulatory legal acts were adopted, on the basis of which 700 mil. rubles were transferred to OAO “Ivanovsky Broiler” under the guise of loans, which were stolen by the criminal group the next day” (source: Ivanov A. A notable blow to systemic liberals. *Zavtra*. November 19, 2020).

<sup>54</sup> *Ibidem*.

<sup>55</sup> “The Ulyukaev’s case is a signal from Putin”. Expert opinions on the high-profile arrest of the Minister (opinion of the head of the Centre for Economic and Political Reforms N. Mironov). Available at: <https://pasmi.ru/archive/165073/>

<sup>56</sup> *Ibidem* (opinion of the head of the “Political Expert Group” K. Kalachev).

<sup>57</sup> *Ibidem* (opinion of the Director of the Center for Political Studies at the Financial University under the Government of the Russian Federation P. Salin).

<sup>58</sup> Delyagin M.G. Mishustin heals The Government. *Zavtra*. November 10, 2020. Available at: [https://zavtra.ru/blogs/mishustin\\_ozdoravlivaet\\_pavitel\\_stvo](https://zavtra.ru/blogs/mishustin_ozdoravlivaet_pavitel_stvo)

a psychological tension (in the public administration system, media, expert community, and among the majority of citizens), giving V.V. Putin a potential opportunity to prolong his presidency until 2030 and even 2036 “if something goes wrong”. In other words, today the President has a significant time “lag” in order to make drastic decisions and eliminate any possible consequences;

– second, Men’s arrest, as a “symbol of the era” and a member of particular liberal groups, appeared on the background of significant personnel shifts in the Government<sup>59</sup> and (unlike the Ulyukaev’s situation) without the cabinet of liberal ministers under D.A. Medvedev: it happened with the “technocratic” Government of M.V. Mishustin and his active participation. This is a sign that it is not just about some signals to the ruling elites but about specific personnel decisions which are absolutely unrelated to the anti-corruption campaign and go beyond it;

– finally, third, Men’s arrest and the RF Government changes were carried out during the presidential elections in the United States. The winner, J. Biden, visited Russia in 2011 to try to prevent V.V. Putin’s third presidential term<sup>60</sup>.

It is obvious that the internal state of public administration systems in many countries, if not in the most of them, largely depends on the situation in current (as yet) “hegemons” of global development. This is especially relevant for Russia due to its geopolitical status which, in the context of globalization, is forced, one way or another, to consider events in the camp of the “collective West”, as well as due to the

“pro-Western orientation” of the ruling elites, which create bank accounts abroad, acquire property, send their children abroad to study, etc.

If we follow this logic, it is reasonable to assume that a potentially more aggressive anti-Russian policy from the United States for the next four or even eight years (until 2028) requires an appropriate internal readiness of the Russian public administration system to defend national interests and conduct independent domestic and foreign policy. Strengthening of the internal readiness for external challenges can only be achieved by strengthening a personnel.

**High-profile arrests of representatives at all levels of public power, of course, contribute to the overall “recovery” of the public administration system. However, what is the basis of this process: the “behind-the-scenes games” of the elites or the purposeful actions of the President to solve the problem of nationalization of elites? This question is still open. In any case, so far, these are just encouraging “spot” episodes on the background of a deep, one might say, historical problem that has been existing throughout the entire post-Soviet period.**

**Turning these “episodes” into a “system” is a primary current goal of the President. Its solution will likely define the future of our country.**

\* \* \*

Summing up the results of the entire series of publications, which we started in February 2020, it is worth noting the following:

Throughout all presidential terms (20 years or most of Russia’s existence as a post-Soviet state), V.V. Putin has been consistently

<sup>59</sup> “There are 21 ministers in the Government; five ministers were substituted. Including A. Novak who left the post of the Minister of Energy and became the 10th Deputy Prime Minister... New people came to the key economic ministries: Natural Resources and Ecology, Energy, Construction and Housing, Transport, Development of the Far East and the Arctic” (source: Personal responsibility brought ministers to the exit. *Ekspert*, no.47. November 16, 2020. Available at: <https://expert.ru/expert/2020/47/personalnaya-otvetstvennost-dovela-ministrov-do-vyihoda/>).

<sup>60</sup> Konovalova E., Aleksandrov O. Will J. Biden try to dissuade V. Putin from running for presidency in 2012? *The Moscow Post*. March 4, 2011. Available at: <http://www.moscow-post.su/politics/000129922924180/>

implementing steps to achieve national development goals, which he spoke about in 1999 (“Russian idea”, “strong state”, “efficient economy”<sup>61</sup>).

“It is largely due to the long-term neoliberal dominance (surely not without certain variations and deviations) that the domestic economy stumbles in terms of ensuring high GDP growth rates and population’s living standards. **Continued prevalence of comprador forces in the structures of economic power could be considered the leading internal threat to the security of the Russian economy.** These unfavorable structural relations should be studied by authorities in order to find root causes of economic primitivization which occurred in Russia and continuing even in the periods of enrichment recession among the oligarchs in combination with growing corruption...

The prevalence of neoliberal theoretical ideas about the “supply economy” due to an inevitable, in this case, extremely slow GDP growth in the economic bloc of the Government and the Central Bank **can permanently remove the domestic economy from the pillar road of human development**”<sup>62</sup>.

Russia faced a variety of obstacles on this path: the “Chechen conflict”, the global financial crisis of 2008, constant informational pressure from foreign “partners” (in fact,

a hybrid war), economic sanctions, the situation in Ukraine, the war in Syria, the coronavirus pandemic... However, step by step, implementing the country’s key tasks (recovery of the economy, defense industry, Russia’s geopolitical status, civil society, etc.), V.V. Putin has come close to solving the main problem at the end of the fourth presidential term – wide representation of the liberal elites in the public administration system (and, as a result, oligarchic capitalism), which historically emerged in Soviet times and flourished in the globalization era; after the collapse of the Soviet “machine” of public administration, which left behind only one “hegemon” of global development – the United States.

Russian oligarchic capitalism, which was the largest in the world in the mid-2010s, was the main obstacle to the implementation of national goals pursued by V. Putin. It became especially obvious in 2018, when, instead of the “breakthrough development in the level and quality of life” promised to Russians, pension reform and another postponement of the implementation of national projects were “proposed”. It was clear that further historical movement of Russia in terms of building a welfare state is simply impossible: no matter where and how the principles of a welfare state were formally stated<sup>63</sup>.

<sup>61</sup> Putin V.V. Russia at the turn of the Millennium. *Nezavisimaya Gazeta*. December 31, 1999. Available at: [https://www.ng.ru/politics/1999-12-30/4\\_millennium.html](https://www.ng.ru/politics/1999-12-30/4_millennium.html)

<sup>62</sup> Kapkanschikov S. Pseudo-liberals and statesmen: “The battle of choirs”. *Ekonomist*, 2020, no. 10, pp. 67–68.

<sup>63</sup> For reference: as we mentioned in our previous article, “for more than 10 years, despite the stated goals of “concentrating budgetary and administrative resources on improving the quality of life of Russian citizens”, “increasing real salaries by 1.4–1.5 times by 2018”, “2 times decrease of the poverty level”, “implementing breakthrough development of the Russian Federation, increasing the country’s population, raising citizens’ living standards, creating comfortable conditions for their living, as well as revealing the talent of each person”, etc., a number of people with monetary incomes below the subsistence minimum is 12–13%, or about 18–19 million Russians (since 2007). ... At the same time, the dynamics of a number and size of a wealth of dollar billionaires does not actually change, a number of which has increased from 60 to 100 people over the last 13 years (2006–2019), and their capital – from 153 to 275 billion rubles on average per billionaire (source: Ilyin V.A., Morev M.V. Vote of confidence for the President is confirmed. Achievement of socio-economic development goals before 2024–2030 is uncertain. *Economic and Social Changes: Facts, Trends, Forecast*, 2020, vol. 13, no. 4, p. 16,20).

On December 17, 2020, during his annual news conference, V. Putin once again noted that the plan: “by 2030, we need to bring down the share of the population living in poverty from the current 13.5 percent to 6.5 percent” (source: V. Putin’s annual news conference. *Official website of the President of Russia*. December 17, 2020. Available at: <http://www.kremlin.ru/events/president/news/64671>), what actually duplicates one of the goals of 2018 national projects – “two times decrease of the poverty level by 2024”.

**“The state can be defined as a welfare one only when the solution of an issue regarding reproduction of human life as a biological being, as a potential subject of all types of social activity becomes the main task of the state and institutions of its powers;** when there is an established and operating legal system of protecting social interests of a person; when the economy, policy, and society spiritual life is aimed at the solution of social problems.

In this regard, the opinion that a “welfare state” is a state that regulates labor relations, assists low-income citizens, and provides social insurance seems erroneous. **It is too narrow, as it concerns only some aspects of the social sphere.** It makes sense to talk about social functions in this aspect when analyzing social functions of any state – not just a welfare one. When describing a “welfare state” as a type of a state structure, we should talk **about an entire spectrum of social relations, recognizing a priority of social problems**<sup>64</sup>.

A critical mass regarding an unsatisfactory quality of the ruling elites and, as a result, the inefficiency of public administration have been accumulating in Russian society for as long as there has been a hypertrophied need for social justice (as sociologists said back in 2012<sup>65</sup>) and the awareness of the need for a comprehensive reform of the public administration system (recorded by scientific studies since 2014<sup>66</sup>).

The reason for such a long “tightening of the knots” is largely caused by the fact that the rigid style of “manual management” of the state, which V.V. Putin chose from the very beginning of his presidency, assumed his leading role as an arbiter and guarantor of the balance of interests of all influential groups among the country’s ruling elites, not just within so-called “patriotic bloc”.

“Speaking of systemic liberals, it is impossible to “throw” them out of power circles. Even the most ardent patriots and statesmen realize that systemic liberals have a huge influence and connections in the West... Therefore, the fight against systemic liberals should be introduced cautiously, but gradually. Just like in recent years... First, the liberals were completely squeezed out of geopolitics, now they are squeezed out of the economy”<sup>67</sup>.

<sup>64</sup> Gurlev A.V. *Human right to a decent life as the main value of a welfare state: Diss... Cand. of Sci. (Law) 12.00.01*. Saint Petersburg., 2001. 174 p.

<sup>65</sup> *What Do Russians Dream of: Ideal and Reality*. Ed. by M.K. Gorshkov, R. Krumm, N.E. Tihonova. Moscow: Vés’ Mir, 2013. 400 p.

<sup>66</sup> Petukhov V.V. Dynamics of the social attitudes of the Russia’s citizens and making of a public demand for change. *Socis*, 2018, no. 11, pp. 40–53.

<sup>67</sup> Ivanov A. Three groups of systemic liberals in the government. *Zavtra*. December 10, 2020. Available at: [https://zavtra.ru/events/tri\\_gruppirovki\\_sistemnih\\_liberalov\\_v\\_pravitel\\_stve\\_rf](https://zavtra.ru/events/tri_gruppirovki_sistemnih_liberalov_v_pravitel_stve_rf)

“He [Putin] was the yoke of scales, on which two bowls of ways swung — patriotic and liberal. But, at a certain point, these scales were unbalanced: the patriotic way of life was out of Putin’s control, as was the liberal way. The President failed to make the long-awaited breakthrough after the Crimea, a development that would connect these two ways. And everything went its own way. Within each, there was confusion, a complex system of decays”<sup>68</sup>.

The culmination of accumulated contradictions occurred in the late 2010s—early 2020s. It was mainly due to the period of transit of “presidential” power, which can be called a political crisis. Not in the sense that the system of public administration is incapable of facing internal and external challenges, but in terms of its transition from one qualitative state to another.

All positive and most important results Russia has achieved over the last 20 years (a new generation of Russians has grown over this time) are associated personally with the

According to VCIOM exit poll data<sup>69</sup>, we can say that **45% of Russians** who took part in the presidential election in March 2018, **were born in 1983 and later: in 2000, they had not even reached maturity age.**

**24% of voters (nearly every fourth one) were born in 1993 and later: in 2000, they were at least 7 years old,** and, consequently, almost all of their adult life took place in the period after the “wild 90s” – during the presidential terms of V.V. Putin.

President in assessments of public opinion, expert community, and even political establishment of the foreign states. In this regard, “Russia with Putin” and “Russia without Putin” are two different countries in the eyes of its citizens and world community.

V.V. Putin’s actions at this climax of the political crisis, as we can see, are quite consistent with his established reputation as a strategist who “plays in a long term”. He took full advantage of offered opportunities by making drastic and long-lasting decisions; steps designed not only to overcome the existing crisis of presidential power, but also to ensure the further development of the Russian statehood.

Personnel changes in the Government (including a change of the Prime Minister), initiation of the new Constitution with deep social and national focus, and “organizational” provision of his presidential terms as the guarantor of the continuation of the selected (supported by Russians over the past 20 years) course: all of this gives reasons for cautious optimism for the future.

Especially if you understand that the potential of each of these steps has not yet been fully realized:

✓ for now, M. Mishustin’s Government fights mostly consequences of the pandemic (but even now we feel how information technologies start to develop, and recent changes among ministers shows that his personnel is a dynamic process, where a place of each official depends on the efficiency of fulfilling responsibilities taken);

<sup>68</sup> Prokhanov A. I see Putin’s problems, his drama. *Zavtra*, 2020, October 13. Available at: [https://zavtra.ru/blogs/ya\\_vizhu\\_problemi\\_putina\\_ego\\_dramu](https://zavtra.ru/blogs/ya_vizhu_problemi_putina_ego_dramu)

<sup>69</sup> VCIOM named an average age of the majority of people who voted in the elections. *RIA-Novosti*. March 18, 2018. Available at: <https://ria.ru/20180318/1516645631.html>

✓ the potential of the Constitution is designed for decades; it sets the general vector of society’s historical development, and it should be evaluated exclusively from the civilizational and historical positions;

✓ finally, possible 5<sup>th</sup> and 6<sup>th</sup> presidential terms of V.V. Putin is time which could be spent organizing a systemic work focused on national interests (not episodes motivated by internal political processes) and aimed at increasing the quality of the ruling elites.

It is very important that the President has enough political will to finish the process of the

elites nationalization, so that possible force majeure circumstances, such as the coronavirus pandemic or any interventions from the “collective West” (which are still difficult to predict), will not have a significant impact on his actions to resolve the main (perhaps even the last unresolved) issue – **to achieve such quality of the ruling elites that will accelerate Russia’s civilizational movement toward being a strong and independent state, achievement of national development goals, which realize the needs of Russian society for social justice and a decent quality of life.**

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