

## Corruption - as an Institutional and Structural Element of Statehood

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### ABSTRACT

The relevance of the investigated problem is caused by the need to develop new and improve the effectiveness of the existing tools for reduction and mitigation of adverse effects of corruption events (transactions) for the economy and society as a whole. In a globalizing world corruption acquired transnational dimensions, affecting the entire international community, the world economy and international relations; therefore it has to be studied at the international level. Transnational nature of corruption dictates the need for international cooperation in the field of corruption prevention and combating. Globalization, giving corruption planetary international character, requires the combined efforts of all the nations (states) in order to restrict this eternal ineradicable evil, and to develop new areas of resistance. To analyze and show the damage caused by corruption, to the society, public administration system, relations between the society and the state, to form basic principles and proposals for consolidation of civil society legal and social instruments in order to combat corruption and limit the phenomena. The article's leading approach to the analysis of the corruption phenomena is a historical and dialectical method of scientific investigation of corruption as an institutional and structural element of the state. Apart from the historical and dialectical method, methods of structural and functional, statistical and system analysis are used, as well as scientific methods of cognition. This paper shows socio-economic and moral damage caused by corruption to the society, public administration, same as main directions of the fight against corruption phenomena and consolidation of the existing directions' effectiveness. The article materials may be used to develop and improve the tools to combat corruption phenomena.

### KEYWORDS

Monetocracy, economy of total corruption, civilized corruption, bribery, social lifting

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## Introduction

Corruption as a social and economic phenomenon has accompanied the development of human society and the state over the whole history, while being an incurable disease of mankind. The bearer of corruption is a man with his inner world, his personal and psychological qualities and values system. Corruption is provoked by all the created conditions blocking the business and preventing its normal development. Corruption is the basis for monetocracy, for RCD economy: R – rent-seeking, C – cutting, D – drifting.

Endowed with his discretionary power a governmental official with a deformed system of moral foundations is using his public service for personal interests, in the interests of personal enrichment. Many forms of corruption are camouflaged under the guise of civilization and legality. Corruption leads to a drop in the living standards of the citizens of any states, to color revolutions, to intervention from the outside, to changes of power. In the modern world, corruption has become an ideological weapon.

The persistence of corruption is in the fact that it has become a part of national culture. It is pure utopia to defeat corruption absolutely. But it is necessary to limit it for the benefit of man and future generations.

## Methodological Framework

### *Research methods*

The following methods were utilized during the research: theoretical (analysis, synthesis, concretization, generalization, analogy method); empirical (study of existing and current practice in relation to corruption, national and international regulatory documents, observation); comparative historical (comparative analysis of Russian and foreign experience in countering corrupt practices), as well as methods of system, structural-functional and statistical analysis.

### *Literature Review*

Corruption is a phenomenon dynamically developing for thousands of years, constantly adapting to the changing conditions from the simplest forms to the modern technologies of use by an official or a group of officials of their official position for obtaining various kinds of wealth and benefits for themselves as well as actions in the interests of third parties, damaging legitimate interests of the state and the society.

Corruption is not faceless; it has a specific face, a specific name, a job, a title, an address. It's borne by is a particular civil servant, a particularly elected MP - representative of the people, therefore, corruption is a specific governmental official, a deputy with his particular system of moral and ethical values.

Corruption affects the bureaucracy and the political elite, which has a certain status and immunity.

Corruption is not only an eternal companion of the state and the society, it is an incurable virus that hits the state structures and the society from top to bottom. Corruption is the vessels of politics and business, and the money is its mother's milk. What is the cure for the virus of corruption? Death penalty, it

was used as the dawn of statehood, it is used today. But it does not help. Corruption flourishes. Corruption has established itself as an invincible evil. As the famous Russian writer Saltykov-Shchedrin wrote "A bribe destroys the barriers and reduces the distance, it makes the official's heart available to the townsfolk adversity." Many countries, positioning themselves as civilized, formed the institute of "civilized corruption". Legalized forms of the civilized corruption acts are: 1) lobbyism – prepaid action of a certain group of people in order to protect and promote the interests of the customer; 2) private financing of election campaign of a candidate, who will become a deputy thanks to private funding, and will work off the money invested in him in defending the interests of the person providing his passage to the seat; 3) social protection of the most vulnerable segments of the population, subsequently paid by their votes in elections; 4) making sound business decisions, paid by cash contributions and donations to the party funds or election funds, and by close relatives recruitment to high-paying positions in commercial structures; 5) opening social lifting channels (of social and vertical mobility) to the representatives of social groups (including criminal), for which these channels are not available otherwise - loyalty is the payment here; 6) assistance in critical situations and in improvement of living conditions; 7) official legitimization of illegal activities, paid by cash contributions and donations (Glinkina, 2011).

The scale of corruption is transformed into qualitative changes of the society its moral foundations are undermined, corruption becomes a part of human culture. While undermining confidence in democracy, corruption deprives legitimate economy of financial resources and helps organized crime.

#### *History and feeding of corruption*

Corruption is the eternal incurable defect of humanity and the fight against it is also eternal. In all countries, at all times, corruption was fiercely quelled, but any anti-corruption struggle was gradually weakened. Corruption significantly evolved in Russia in recent decades. If in the last century it had had implicit character, now it has come out. Officials do not hesitate to buy premium cars, yachts, airplanes, villas in European countries with their modest salary. Under these conditions remission of the whole society is needed (Shagieva, 2012).

An important role in the spread of corruption has been played by the ideology and the desire to promote and strengthen one's interests. Colonization carried out during and after the great geographical discoveries, was held not only via military conquest, but primarily through gifts to local leaders. These forms of corruption were planted by advanced civilized nations.

Phenomena such as bribery, extortion, corruption among officials in government, in the judicial system, theft of state property are the ancient evil and eternal companions of the development of society, state and state apparatus with its army of officials. This evil is condemned in the scriptures of humanity: the Bible and the Koran. Long before these sacred books the need to fight against corruption had been mentioned in the famous Laws of the Babylonian King Hammurabi. Brutal public executions were the punishment for it. They certainly did not stop the corruption that has continued to flourish, but lowered its deep penetration in the society. Today, China is a good example. Intimidation by death penalty does not eradicate corruption, but it significantly reduces its manifestation in the social life of the society and the state.

Corruption flourished before, during and after Alexander the Great and Ancient Rome. In ancient Rome corruption was directly linked to the government and the privileged position of the Romans, who were involved in government or could influence government decision-making. This system gave the opportunity to usurp public lands, to receive lucrative contracts for trading (purchases and supplies for the needs of the Republic). Bribery was a common mass phenomenon in the Roman courts and a condition of formation of Roman state structures: positions were sold and bought (Kuzovkov, 2010).

In ancient Egypt, people used to struggle for the position of priest, as this position guaranteed wealth, honors, high status.

Corruption in the ancient world was spreading rapidly with the development of the state apparatus and the growth of state officials army.

Ancient Rome gave mankind a lot of good: Roman law, art, bright personality, but also bribing the electorate, political corruption (lobbying) (lobby is the front room of the hall of the Roman Senate, where the change in court was paid, i.e. corrupt deals were committed) construction contracts with rent-seeks, cuts and drifts.

Corruption in many countries has had and has still legitimacy, being an integral part of public policy and public administration (Astafjev, 1996). In many countries the state, unable to pay salaries to its employees, introduced the "accidents (Latin *accidentia* - randomly appearing; "accidentia of affairs" in Latin - "side income" from petitioners' voluntary gain, i.e. bribes.) from affairs" or "feeding from affairs", allowing employees to receive compensation in the form of donations for the decision of the issues/cases of petitioners, which was the only way of employees living.

In Russia, feeding was a legitimate basis for extortion. The Russian Pravda of Yaroslav the Wise assigned the responsibility for the sovereign's servants (governmental employees) living to the local population, strict punishment was imposed for inobservance. Feeding has become an important tool for the survival of the sovereign's servants. In fact, feeding is a peculiar form of legalized extortion and bribery, having survived the Old Russian state. The feeding institute has become an integral part of public governance structures and policies. Gradually feeding has entered into flesh and blood of the nation, but in the form of bribery, extortion, and today in the form of corruption. Bribery was in flourish at the lower levels of the government, and corruption - on the upper floors of the establishment. But as the proverb says: the fish rots from the head, and is cleaned from the tail.

Meager income, not ensuring the survival of humans and/or a decent standard of living adequate for one's social status in the society and the existing level and quality of life, has forced the person to violate the established human social order, forcing him to criminal activities. Hunger and poverty has contributed to this.

In the time of Peter the Great public procurement (today - state orders) for the Army were made, same as now, on the conditions of rent-seeking, cutting, and drifting, but the scale was not commensurate with the modern panache. In addition, in the time of Peter the corrupt savings were invested in the country, in the domestic economy, while today they are exported abroad (Moiseev, 2014a, 2014b).

In Russia, the largest contribution to the fight against corruption was made by Alexander II, who demanded that the civil servants systematically publicly declare the size of their property, the property of their wives and household. Access to this information was open. Introduced in modern Russia, the mandatory declaration of the official's and his households' income revealed a funny corruption scheme when the official's income was ten times inferior to the income of his housewife.

Declaration of income and expenses justification demand (with a statutory right to confiscate illegally acquired proceeds and illegally acquired property throughout the official's family) can be a powerful anti-corruption instrument only if there is a real, not formal control over the means by which any movable and immovable property was acquired or a state employee and his family was resting, as well as information confirming the legality of the funds received for the acquisition of these goods (Bukalerova, 2016).

Corruption is the inner nature of man, especially endowed with a certain (discretionary) power. A state official as an employee of the state is endowed with a discretionary power, that is, the state gives its salaried employee a right on behalf of the government to make decisions and to allocate the state resources for the benefit of the government, acting within the law. A hidden potential conflict underlies here. (Taburetkin 2014). The interests of the State-employer and the interests of salaried governmental official may be the same, but may diverge as well. A state official as an employee of the state is obliged to act in the interests of his employer, the state. But under certain conditions, a state official starts to act in his own interests. The following reasons that lead him to trample the interests of the state for his own benefit, can be identified as: 1) the opportunity to receive a sum of money, which he will not receive from the state for the entire service life – it is based on the rotten warped moral and ethical standards, formed in the childhood, and a warped value system of the decaying society; 2) devotion and loyalty for the support in the past, in particular, the provision of social lift (social vertical promotion), assistance in critical situations and improvement of living conditions; 3) fear of exposing misconduct in the past; 4) desire for enrichment; 5) ability to profitably employ his relatives and to solve his unsolvable otherwise problems.

Is corruption the inner nature of man, endowed with a certain power? The research into the nature of corruption in Russia within the framework of the bureaucracy sociology held in the first two decades of the twentieth century showed that 1) bribery of a public servant has been a tradition (component of the national culture); 2) forms of bribery are changing, improving; 3) abuse of power is maintained; 4) persistent reproducibility of corruption is reflected in the everyday and literary language. For example: No grease – no drive; Land loves dung, a horse loves oats, and a judge loves the brought; Every clerk loves hot loaf; When money talks - the truth is silent; If gold has emerged the truth will sink; A bribe works miracles; Know who to give, and know who to ask. (Golosenko, 1999).

During the Soviet era, corruption was seen as part of Criminology. Today, corruption becomes a subject of research of sociologists, political scientists, economists, lawyers (Bagmet 2015; Volkov, 2011).

A century later, all the forms of corruption continue to develop and improve, new forms of corrupt relationships between business and power structures

appear in the form of paternalistic-client relationship, that is, not only the reproduction of the totality of corrupted relations takes place, but new forms get reproduced. One form of corruption acts in the form of double-jobbing of state official's position in the government with the commercial entity (personally or via close relatives). By creating a commercial structure or by occupying a post in it either personally or through a close relative, a government official or a representative of the deputies ensures that the enterprise has privileged position through his status. The prohibition to engage in business is skirted by government officials or MPs via successful delegation of this activity to close relatives who are in the orbit of the status of their patern. Beside this scheme a mechanism of exchange of personnel between private business and state structures has got widespread.

Corruption persistence is in the fact that it has merged with the lifestyle and social system, has become an integral part of national culture, a custom, a norm. In other words, corruption is integrated into the national culture. Corruption can be divided into three groups in the degree of public perception. The first group is formally illegal activities, but which are perceived by the ruling elite and public opinion as legitimate, such as thanks to doctors or teachers. The second group is actually an integral part of the national culture of all countries, its custom, and its norm. It includes related activities, which have not had a unanimous opinion of the society. The third group consists of actions which are unanimously condemned in developed and democratic countries, but unfortunately are perceived by the ruling Russian elite as quite acceptable, for example cuttings. Institute of deviation in Russia loses its relevance.

Corruption is often seen as a deal-service of the two parties, in which the official is obliged to provide a service of corruption, whereas the other party undertakes to pay for the received service. By prior tacit agreement, a government official is obliged to take the decision advantageous for this particular individual, and the individual is obliged to pay for the service solution.

In scientific literature, corruption is considered as the inevitable transaction costs associated with the excessive state intervention in economic activity. On this basis, it is concluded that corruption, while counteracting the excessive bureaucracy, is perfectly functionally accelerating the adoption of the necessary administrative decisions, promoting economic efficiency. Functionality of corruption (functional corruption) has a powerful influence on public life: on the one hand, corruption acts as an accelerator to taking necessary decisions, reviving the economy and business, allowing overcoming obstacles. On the other hand, corruption restricts competition, undermines fiscal policy via reducing tax revenues, promotes the growth of shadow economy, reduces investment, blocks the implementation of the approved projects (programs), creates ambiguity and uncertainty of the economic environment, undermines the authority of the judiciary, as it also is corrupt (Svirin, 2009).

Corruption harms the economy, undermining and reducing the population solvency. Out of his multi-billion dollar financial resources the corrupt official uses a small part to meet the needs of his and his family members; all the rest is stored, not in use. If the corruption is stopped, the solvency of the population could be increased by 3-4 times, increasing salaries and social benefits.

Corruption as a socio-cultural and politico-economic phenomenon is directly related to the functioning of the state. Corruption is defined by the state and bureaucracy government.

### ***The present stage in the development of corruption, internationalization and globalization***

Today has formed the economy of total corruption or the economy of RCD, representing the part of the power system, dubbed as monetocracy or the power of money. The economy of RCD is an abbreviation of three corruption components: 1) the rent-seek of public money; 2) the cut - a bribe to individuals to influence decisions on the allocation of public money; 3) the drift – a preventive bribe to those affecting the progress of the project at all stages.

The ideology of monetocracy having mastered the society casts aside the intellect, education, culture, friendship, love, loyalty, setting the price of everything. Money begins to rule the society. The motto of the modern corrupt is the slogan: Who comes to us with nothing, leaves us with nothing.

Corruption, as already noted, has a specific face, a specific name, a title, an address. This face in all countries and at all times is a particular public servant, a member of parliament (an MP, a Congressman, a Senator), with his deformed system of moral and ethical values.

The former head of the New York Police Department Bernard Kerik was accused of corruption for the paid zealous protection of private contractors competing for municipal contracts (<http://vlasti.biz/korruptsciya-v-stranah/korruptsciya-v-ssha/nesostoyavshemusya-ministru-natscional-noi-bezopasnosti-ssha-keriku-grozit-tur-ma.html>).

Rates growth for corrupt services has not helped to improve relations between business and government. In the 1990s, Russia's rent-seek did not exceed 20-30%, the cut came to 10% and the drift reached no more than 2-3%, in the zero years of the twenty-first century, the prices rose and amounted to 60%, 30% and 10%. Corruption not only harms the relations developed in the society, but has a direct impact on the level of social protection and the level of material support of every member of society; therefore the State should bear civil responsibility to the members of the society (Svirin, 2016).

Decent honest conduct of business by large corporations in the country of origin does not mean compliance with the same standards of business ethics abroad. A special investigation by the broadcaster RBC in January 2016 noted that the Swedish-Finnish Corporation of TeliaSonera was suspected of giving millions of bribes, used for entering to the Uzbek market and guaranteed promotion in it. Hereby hefty Sweden, which owns 37% of the telecommunications corporation shares, is in the honorable third place in the TI index, Finland - in the second, and Uzbekistan - in the 153th place (Artemyev, 2016). Back in 2012 in the course of the journalistic investigation on the links of TeliaSonera with the officials of Belarus, Kazakhstan, Azerbaijan and Uzbekistan it was established that the company paid approximately 320 mln. dollars to the inner circle of the daughter of Uzbek President Islam Karimov. Later on, the United States found that in addition to TeliaSonera the licenses and frequencies were also paid by VypelCom (the parent company of the Russian "VypelCom" operator) and MTS through front companies.

Daimler AG Concern (<http://vlasti.biz/korruptsciya-v-stranah/korruptsciya-v-latvii/korruptscionnyi-skandal-v-latvii-vzyatki-davali-maibahami.html>) was accused of creating corruption schemes in 22 countries, including Latvia, Egypt, Greece, Croatia, Indonesia, Iraq, Russia, China, Turkmenistan, Uzbekistan and others. The leaders were the Chinese officials, to whom the concern had invested 4.1 million euros. They were followed by Russian officials. During 1998-2008 years the company of Daimler had invested 3 million euro only in the Russian bureaucratic class, which guaranteed its "victory" in the tender for the supply of equipment worth 64.6 million euros, which means that each corrupt euro brought the income of 21.8 euros, the profit rate was 2180%. The corruption scheme "Carmaker-Russian official" looked quite innocent and at the same time was extremely primitive. According to the newspaper The New York Times, Russia's officials exhibited inflated bills for the purchase of vehicles, whereas the Corporation transferred the price difference into their accounts in the Latvian bank. Inflated bills were easy to check. But the self-check gave what was necessary confirming the correctness of the invoices. The external audit always is working in the system: you give me today, I give you tomorrow.

The new member of the EU - Latvia especially stood out. According to the Ministry of Justice of the US the company Daimler spent about 1.8 million euros for bribing the officials of Riga City Council for the tender orders for the supply of buses in 2002-2006. The officials bribing took many forms: money, luxury cars Mercedes and Maybach, employment in corporations with good salary. Corruption investment brought additionally more than 50 million dollars. Each corrupt euro in the Riga Council brought 27.8 euros of income; the profit rate was 2780%.

The most interesting component of the corrupt acts was the form of collusion between the US government, acting on behalf of the US Justice Department, and the private corporation Daimler AG, which had made a contribution of 180 million dollars in the US treasury like a compensation for the closure of the case.

Corrupt deals bring considerable profits to corporations and rate of return exceeds all prudential values. In the eighteenth century there was the first notice of the impact of the rate of profit on business behavior. In particular, this connection between the rate of profit and business behavior was observed by K. Marx (1876)

According to the regional public INDEM fund (Information Science for Democracy) annual corruption in Russian business sphere, excluding the corruption of the business elite and politicians at the federal level, exceeds 316 billion dollars. (Study by INDEM "Diagnosis of corruption in Russia 2005"). The average size of a bribe in July 2011 amounted to 300 thousand rub. compared to 44 thousand rub. a year ago, which means seven-fold increase. According to the poll by the Fund "Public Opinion" (FPO) conducted in 43 regions of the country, 81% of Russians believe the level of corruption in the country to be high, 10% - medium and 2% - low.

According to the Investigative Committee of the Russian Federation in 2013 the following categories were involved as defendants for committing corruption offenses: persons of special legal status, including the legislators of the Russian Federation subjects, representatives of executive authorities and local governments, judges and representatives of the judiciary, prosecutors and

deputies, employees of the Investigative Committee of Russia, Ministry of Internal Affairs and the Federal Drug Control Service of Russia ([http://www.garant.ru/?m\\_news2](http://www.garant.ru/?m_news2)). In the Komi Republic the entire Republic's leadership was detained on charges of corruption. In construction business, corruption increases the cost of the object up to 50% and inhibits the introduction of its commissioning up to two years. Corruption in Russia has become systematic.

The introduction of compulsory declaration of the income by the officer and his households revealed an amusing corruption scheme when the revenues broken by housewives are dozens times higher than the income of the husbands-officials.

*Socio-economic and political consequences of corruption. Anti-corruption action.*

Corrupt business model leads to political crises and takes rioting masses of dissatisfied to the streets. Corrupt activities of the oil company Petrobras have provoked a political crisis in Brazil: criminal charges were brought against 34 deputies and the impeachment was launched against the President (<http://www.rbc.ru/politics/27/01/2016/56a8db869a794760e464811d>).

The inability of the authorities to curb corruption breeds mistrust to their power. Conversations with the residents of Latvia show that the higher is the position of the accused official, the less evidence there is of his corrupt activities, and the higher is the probability of his purity, the case is closed. There is a paradoxical situation: the less money the official took, the severer the punishment will be. Conversely, the punishment is mitigated with the growth of corruption capture.

It is sufficient to recall the resonance sensational case of E. Vasiljeva (Head of the Department of Property Relations of the Russian Ministry of Defense) who was sentenced to 5 years of imprisonment in a penal colony and four months later, August 25, 2015 was released on parole. She was charged for the creation of a criminal group and illegal actions causing to the Russian Federation damages of billions of rubles captured by the members of the group on May, 8 2015. And then another case, when an ordinary person who tried to give a bribe of 100 rubles was sentenced by Gusinozersk City Court of Buryatia to 3 years of imprisonment in a strict regime colony with a fine of 3000 rubles in 2015 (it was an attempt to bribe the policeman in the amount of 100 rubles, so that the later would not attract him to administrative responsibility). Public prosecution agreed with the verdict, and it came into force.

Two people - two penalties, but they are quite disproportionate to the gravity of the crime. One gets the impression that the court and the prosecutor's office take vengeance on unfortunate ordinary citizens, and the authorities while demonstrating the power of uncompromising struggle against manifestations of corruption are outside the law and above the law. The law acts like the two-faced god Janus: extremely cruel to some, and extremely merciful to the others.

It is not as difficult as they say to identify the corrupt practice. The difficulty of identifying corrupt practices derive from the high status and immunity of the corrupt, from the power, which the corrupt has, while constituting the upper echelons of state power. In his article "Political crime in Russia: Past and Present," the author V.V. Lunev (1999) notes the extremely



low detection of corruption cases, which is only 1-2% of the total. The work covers the grassroots of corruption. At the same time corrupt secondary and higher levels of government act with virtual impunity, while in the "security zone" due to their parliamentary immunity and their status of civil servants. Even when corruption cases are detected, the punishment commensurate with the scale of the crime. Corruption in law enforcement and the judiciary of Russia creates double standards of morality and conduct.

The cases of E. Vasiljeva and the decision of Gusinozersk City Court are not encouraging the success of the fight against corruption. According to the survey of "Levada-center", conducted in mid-February 2016 the Russian government, according to 25% of the respondents is completely riddled with corruption, and 32% of respondents against 30% in 2015 noted the growth of theft and corruption among the country's leadership.

The European Commission's report (the first investigation of corrupt practices in the countries of the European Union on corruption) shows that corruption covers the area of public procurement, financing of political parties and local authorities, and even the scope of services for the population. 56% of respondents see the increase in the level of corruption. The countries most strongly impressed by corruption are Greece, Italy, Spain, Lithuania, and the Czech Republic, to a lesser extent Sweden, Luxembourg, Finland, Denmark ([http://www.ng.ru/world/2014-02-04/2\\_corruption.html](http://www.ng.ru/world/2014-02-04/2_corruption.html)). The European Commission report on corruption in the Community said that the European Union annually loses 120 billion euros due to corruption, which is almost equal to the expenditure of the Community budget ([http://www.ng.ru/world/2014-02-04/2\\_corruption.html](http://www.ng.ru/world/2014-02-04/2_corruption.html)).

Europeans are facing corruption more and more, 43% of EU entrepreneurs consider corruption a serious problem. According to Transparency International, two-thirds of countries have a high level of corruption, and thus in other countries, corruption exists in other forms, which are difficult to detect yet.

The unfolding scandal of Panama can reinforce this confidence. It is impossible to fully rely on the polls: they are selective, one can get the desired results, or the ordered, but they should be taken into account as an indicator.

The current corrupt model determines the selection of management personnel on the basis of 1) personal loyalty (a modern form of feeding) and 2) the adoption of the RCD ideology as the main purpose of economic activity. As a result, decision-making positions in the backbone of economic and state structures are captured by cynics without professional ambitions. They do not care about any realization of plans because the financial results they get will be on the stage of rent-seeking, cutting and drifting. They cannot be creators, founders, while being interested only in the reproduction of structures with the highest level of corruption, the rest is cut off. As a result, corruption leads to degradation of the entire control system. Ultimately, corruption at all levels of the state apparatus makes control system ineffective, since the latter is only interested in those projects which generate shadow income until this income is received, and does not show any interest in the effective implementation of the project without such income.

Corruption is profitable for corrupt power structures, it is used as a tool to meet their needs and the fight against the unwanted.

Corruption is used as a tool of ideological struggle, as an instrument of foreign interference in the internal affairs of the country, as a tool of undermining the confidence of the population in the power, as a tool of preparation of color revolutions. Corruption provokes all sorts of social upheavals up to the violent change of power, because it causes a sensitive worsening of socio-economic situation of the population. As V.I. Lenin pointed out – the upper classes cannot, the lower classes do not want. As a result, there is a situation for the change of power, the change of elite. For example, high activation of corruption of state power in Kyrgyzstan and Ukraine provoked a violent change of power as a result of the transition from passive corruption to its active form.

The Russian market corruption flywheel model was developed in the Soviet period, but started in the last decade of the twentieth century, and spun rapidly. To stop and brake this corruption flywheel and create a new model of society development in Russia it is required not only to perform personnel changes, but to completely replace the personnel structure in the upper echelons of power, to redistribute the property and the spheres of influence, first in the center and then in the regions, and also to change radically the international cooperation between Russia and other countries in the fight against corruption, Russia's accession to the International Convention on the fight against corruption is vital. And while this is not the case, corruption remains, adapting to new conditions.

In 2008, Russia adopted a law "On Combating Corruption" (2008), which was consistently followed by five decrees of the President of the Russian Federation on the National Anti-Corruption Plan (the plan 2008, the plan 2010, the decree No. 460, the plan for 2012-2013, the decree No. 297, the plan for 2014-2015, the decree No. 364, the plan for 2016-2017, the decree No. 147). However, these were only palliative measures. Only in the last three years, the content of the anti-corruption war in Russia has been starting to change, slowly but still.

One of the measures to combat corruption in literature refers to rotation of civil servants (Klotchkov, 2006; Kovtkov, 2016). Rotation of civil servants is provided on a mandatory basis in some countries. Thus, in accordance with the Decree of the President of the Republic of Kazakhstan (2015) dated December 29, 2015 No. 152 it is specifically stated that rotation of civil servants is carried out as a preventative of corruption offenses. While studying international experience of corruption combating, one can note that rotation is a prerequisite for official work in many countries (Zenkov, 2004).

In the Russian Federation, the general provisions on rotation with respect to all public servants are enshrined in the Federal Law of May 27, 2003 No. 58-FZ "On the Russian Federation civil service" (2003), in respect of civil servants - in the Federal Law of July 27, 2004 No. 79-FZ "On state civil service of the Russian Federation" (2004) in respect of civil servants of the Ministry of foreign Affairs of the Russian Federation in the Federal Law of July 27, 2010 No. 205-FZ "On the specifics of the federal state civil service in the Ministry of foreign Affairs of the Russian Federation" (2010). Thus there are two systems of civil servants rotation in Russian civil service: the common - for all civil servants, acting in accordance with the provisions of Law No. 79-FZ and the special - for civil servants of the Russian Foreign Ministry. Analysis of the Law on Service in

the MFA of Russia provisions, regulating the rotation of civil servants of Russian Foreign Ministry shows that rotation of diplomatic staff is mandatory.

Russia joined the international agreements on the fight against corruption. In particular, the United Nations Convention against Corruption (2003) has been ratified but with the exception of a number of articles, including Article 20 - Illicit enrichment, which allegedly contradicts the fundamental principles of presumption of innocence, contained in Article 49 of the Constitution of the Russian Federation.

Corruption is the constant companion of social development, and any statements about the imminent and final victory over corruption is pure utopia. But it is possible and vital to limit corruption in the interests of society and the state, in the interests of a man and by virtue of the responsibility towards future generations.

The question remains: Who and how will fight corruption? The official who will fight against himself and his colleagues is nonsense. Can the Komi government engaged in criminal activity during 2006-2015 resist corrupt lawlessness?

Where do the roots of corruption lie? They are in the man himself, in the system of values of his life, which he formed for himself and which became the foundation of his life and activities. All the rest is nothing more than an environment conducting, or hindering or blocking its development. Striking the system of public values, corruption metastasis extends from the upper structures of power on its grass-roots units, and then strikes the linear system of the society. We cannot allow corruption to become a part of our Russian culture, as it is the case in many so-called civilized cultures.

## Results and Conclusion

On the basis of historical and dialectical method of analysis it has been established that: a) the forms and methods of corruption are dynamic, constantly adapting to the changing environment; b) the carrier of corruption is a specific person, endowed with a discretionary power (an MP, a civil servant); c) some forms of corruption, as criminal and shadow state institutions, acquired not only civilized status but also the status of legitimacy; d) corruption is an eternal companion of statehood; e) corruption becomes a part of the culture of society.

The reasons of corruption are both in human psychology itself, and in the state, as well as in the ideology of the state, in its quest to promote and strengthen its interests. The combination of these factors makes corruption invincible, an eternal evil of mankind, condemned in the scriptures of mankind. At all times from the Babylonian kingdom to the present day corruption is directly related to power. Development of bribery and feeding is directly linked to the development of the state apparatus and the growth of the army of state officials. *Accidentia* was the official policy of many countries and gradually transformed into a system of life values of the population, which is reflected in the national language. *Accidentia*, combined with psychology of a person, got strengthened in his mind, gaining scale and affecting the state mechanism. The fight against corruption has been unsuccessful. A significant contribution to the fight against corruption has been made by the Russian Emperor Alexander II. In Russia, corruption has existed in various forms since the days of Kievan Rus.

The most effective anti-corruption tool is the control of income and expenditures of officials and their family members and the confiscation of illegally acquired wealth.

The deformed system of personal and social values opens up significant opportunities for corruption actions for the official, which appear in the form of paternalistic-client relationships and human re-shuffle between business and government.

Some experts consider corruption as inevitable transaction costs that reduce bureaucracy and speed up the adoption of the necessary administrative decisions that promote economic efficiency.

The present stage in the development of corruption, internationalization and globalization. The fully corrupt economics or the economics of RCD formed today ignores intelligence, education, culture, friendship, love, loyalty. Money rules the society and the corrupt is guided by the slogan: Who comes to us with nothing, leaves us with nothing. The cost of corruption services tends to rise.

The methods of corruption are not averse to many multinational corporations promoting their projects. Their corruption investment is paid off with a high rate of return, which is an internal engine of capital.

In Russia, persons of special legal status are involved as defendants for the commission of corruption offenses. At the same time, a new form of corruption is developing: the revenues broken by housewives are dozens times higher than the income of the husbands-officials.

Socio-economic and political consequences of corruption. Anti-corruption actions. As the analysis of today shows, official and business acts of corruption lead to political crises, which often end with the overthrow of the current leadership and the chaos in the country. The inability of the authorities to curb corruption same as the overestimated loyalty of the law to the representatives of the power structures and the severity of the law to the little man at the same time lead to mistrust in them. Corruption has struck the countries all over the world, including the rich developed countries. It is problematic to reveal corruption in the higher echelons of power as there is a valid corporate principle: do not hand over one's close. The current model of corruption brings leading positions to the people who cannot govern professionally, which has a negative impact on the development of the national economy. Today, Russia is gradually unwinding a flywheel of fight against corruption. Corruption should not become part of the national culture of the society.

The study reached the following conclusions:

In Russia, the civil service has become an instrument of corruption.

Corruption has struck all the levels and the structures of the Russian authorities from top to bottom.

A part of the corrupt elite is not available for the punishing sword of Themis.

The society loses confidence in the judiciary.

The fight against corruption is not systematic.

There is no concerted action of Russia with other countries to counter corruption at the international level.

## Recommendations

We should start to generate non-perception and counter corrupt practices with the family, continue at school, university and organizations.

The media should hold constant anti-corruption campaigns.

The law must be the same for all without exception, regardless of the status.

Organization of publicity and transparency in all the actions of state officials while allocation of financial resources, public procurement and other trade and economic agreements decisions.

There should be a decent wage, not degrading the human.

The salaries and benefits of civil servants should guarantee them a level and quality of life so that the dismissal from the public service for non-compliance would be knocking it down by several orders.

It is necessary to promote the prestige of the civil service, making it an obstacle to corruption.

Declaration of not only income but also the costs of both the officials and their close relatives, including the ex-wives for 5 years from the date of dissolution of the marriage.

Confiscation of property not only for the corrupt, but also for close relative, unless correspondence between their taxable base of income and expenses is proved.

Mandatory rotation of civil servants every three years.

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