

CORRUPTION, TRUST, AND THE DANGER TO DEMOCRATISATION IN THE FORMER SOVIET UNION

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Introduction

Corruption has become part of the jargon of the international development community over the past few years. With good governance and anti-corruption being firmly placed on the development agenda in almost all of the countries in transition from communism, the problem arises as to what exactly should be done about it and what are its effects. As Jeremy Pope of Transparency International has said, 'anti-corruption is like motherhood: everybody likes to talk about it, but what is anyone doing about it?' The problem lies not in just developing a comprehensive program to fight corruption but also in examining its causes and effects. The lack of hard data concerning the causes and effects of corruption in most countries in transition harms the design and implementation of activities to curb corruption. It is a lack, as I shall argue in this chapter, which creates further barriers to the dual transition to a liberal democracy and market economy.

This chapter examines the underlying reasons for corruption within the Former Soviet Union (FSU), and its impact on the process of democratisation. For our present purposes, the FSU is taken as encompassing the region of post-Soviet countries excluding the Baltic States, which have dramatically different standards of governance. It is particularly important to appreciate the *anti-modern* nature of FSU societies, the corruption that this causes, and its impact on the ability of these governments to foster social capital. Several key concepts frame this

discussion. One is the Weberian understanding of a *modern* society, where the State works through the rule of law, and impersonal and efficient bureaucratic organisations. It is in this respect that the states of the FSU are decidedly *anti-modern*. The communist era command economy and monopolisation of the politics led to the creation of alternative structures for the organisation of society. As Richard Rose (1998, 7) has written,

The role of social networks as the means to organise societies in the FSU leads to the high levels of corruption to be found in the region. Corruption is a symptom of the anti-modern post-Soviet States and acts as an important indicator of how citizens relate and view their system of governance.

Another key concept in this chapter is ‘social capital’, and especially its acquisition and use. Social capital has had many definitions, but Francis Fukuyama’s seems most useful here. Fukuyama has described social capital as ‘an instantiated informal norm that promotes cooperation between two or more individuals’ (Fukuyama 2000). The distance between those who govern, and those who are governed—between state and society—is increasing. This affects the spread of corruption as well as undermining the process of democratisation.

Corruption in the FSU

Corruption can be defined as the misuse of public power for private gain, though a broader definition (‘misuse of entrusted power’) is gaining popularity (Pope 2000). Corruption has many forms within the post-Soviet states: the acceptance, soliciting or extortion of bribes; patronage and ‘clientelism’ (which in the post-Soviet context is the misuse of social networks or *blat*); theft of public goods; and ‘grand’ or political corruption. The balance of these forms may vary from country to country, but the common roots of corruption lie in three major calculations:

the overall level of public benefits available;
the risks inherent in corrupt deals; and
the relative bargaining power of the briber and the person being bribed.

Corrupt transactions are entered into consciously. Profit and opportunity are weighed against the risks of being detected and the likelihood of the severity of any punishment. Corruption takes place where there is a combination of opportunity and inclination. It can be initiated from either side of the transaction: a bribe being offered to an official, or the official requesting (or even extorting) an illicit payment. Those offering bribes may

do so either because they want something they are not entitled to, bribing the official to bend the rules, or because they believe that the official will not give them their entitlements without an inducement (Pope 1999).

Corruption plays an important role in demonstrating how citizens relate to their governments. The duality of the corruption formula with two sides entering into agreement for the provision of services leaves both sides as victims and perpetrators of corrupt acts. Corruption has been identified by many in the FSU as being one of the most important factors in undermining democracy (Usupashvili 2000, Anderson 1999). It is a symptom of poor governance and a crucial factor in assessing the health of the State-society relationship.

Within the countries of the FSU is a set of regional specifics that define the popular conception and causes of corruption. These specifics are outlined below. They represent the unique 'face of corruption' in the FSU.

The high level of corruption

The FSU is widely perceived to be a very corrupt 'zone'. The Transparency International (TI) Corruption Perception Indexes (CPI) for 1999 and 2000 place the countries of the FSU among the worst in the world. They appear between places 75 (Moldova) and 96 (Azerbaijan) in the 99 countries listed in 1999, and between 65 (Kazakhstan) and 87 (Ukraine) of 90 countries listed in 2000. Additional indexes from the World Bank and the European Bank for Reconstruction and Development (EBRD) also rank the FSU as among the most corrupt regions in the world. The degree of perceived corruption within the FSU is the crucial factor that separates it from other regions, and especially from other postcommunist states. The levels of corruption in the FSU are similar to those in regions of Africa. In TI's 1999 CPI, Belarus was tied in the rankings with Senegal and Moldova; Ukraine was tied with the Côte d'Ivoire; and the Kyrgyz Republic with Uganda. There is an unmistakable paradox in the FSU being an industrialised and well-educated region that is, at the same time and in certain aspects, in the same league as the so-called 'Third World'.

Poverty and economic collapse

In the last ten years the levels of poverty in the region have increased dramatically. As well as the GDP, the levels of growth have dropped substantially since the collapse of the Soviet Union. While we must be cautious about the figures, it is reported that in real terms from 1988 to 1995

poverty increased in the Western CIS (Ukraine, Belarus and Russia) from 2% to 52%, and in Central Asia from 15 to 66% (EBRD 1999, 58). The countries of the FSU have seen real GDP drop to slightly above 50% of that of 1989. These figures should not be underestimated: they make the Great Depression of 1929–39 look like a minor market correction. Following a long period of declining GDP there has been in the last 4 years the beginning of a limited, if slow, growth. But the poverty faced by those in the region, and especially by civil servants, is a precondition for rampant corruption. On average, civil servants receive wages below what is necessary to cover the costs of communal services, a fact demonstrated by numerous household surveys conducted in the region (Carsciuc 2001).

Not only are the economic failures of the market transition a cause of corruption, they themselves are compounded by corruption. The *oligopolies* that dominate the post-Soviet markets are themselves creations of corruption. The declining real economic conditions for the majority of the citizens of the FSU are directly connected with the mass acquisition of state assets by a limited number of well connected individuals. The ‘oligarch’ phenomenon (not be found in all post-Soviet countries) is a distortion of the market that has caused the failure of the economic transition to deliver an improved standard of living for all.

The legacies of a totalitarian past

Even before 1990, the countries of the FSU did not possess effective or accountable governments. Unlike Central and Eastern Europe, which had the legacies of the Habsburg, German and indigenous forms of civil service, the FSU had barely the rudiments of good governance. Seventy years of communism compounded the Czarist inheritance of administrative command, and has left the region with no living memory of democratic institutions. The problem of facing the dual transitions with a weak civic culture has greatly contributed to the spread of corruption. Corruption poses an acute issue for all post-communist countries in large part due to the closed and opaque nature of the previous regime. The communist system led to a bloated state apparatus that was, as such structures tend to be, largely ineffective and unresponsive to the populace. One of its effects was to push independent commercial activity into an unofficial or ‘black’ market. Additionally the system alienated citizens from the process of governing, some of which has carried over into the post-Soviet era. The systems of shortages and lack of public feedback created an entire ‘shadow’ organisation of society not only in regard to the ‘business’ sector but

extending to civil society as well. These factors made the spread of corruption a structurally unavoidable component of the communist regime and post-communist governance. The lack of civic participation in the governing process and the resulting lack of accountability has weakened the relationship between the State and the populace and thus weakened the State.

Lack of separation between public and private sectors

If *misuse of public office for private gain* is the accepted definition of corruption, then almost the entire public sector of the FSU can be considered corrupt. This of course assumes that the population makes a distinction between public and private roles (Rose-Ackerman 1999, 91), which is not always true of the citizens of the FSU. The Soviet-era fusion of private and public sectors was a result of communist ideology; its grotesque results were due to the shortcomings of the USSR's command economy. The dominance of the party in organising society led to the existence of the public sector *officially* being the sole means of distributing resources. Entrepreneurs used the only means available to generate additional incomes: state assets. The Soviet era anecdote of 'show me your briefcase and I will tell you where you work' became the harsh reality of the *zastoi* (stagnation) period of Brezhnev and his successors.

A common mistake of the international donor community working in the FSU in the early transitional period was to assume there was a lack of 'entrepreneurship' in the USSR (Wedel 1998). The donors perceived the need to assist in establishing a private sector. Yet the vibrant second economy of late Soviet times was a clear indication of how commercially minded the citizens of the USSR could be. This tradition has been carried over into post-Soviet times and public office exists as a means of production. In fact, the 'spontaneous privatisation' of public office is used as the justification by some states of the FSU for withholding the salaries of public servants. The result is an absence of professionalism in the public sector across the FSU with the notion that public servants exist to serve the public being alien.

Cultural aspects

While grand corruption can prompt public protest, the majority of the FSU population endures wide-scale corruption and considers it an inevitable part of life. An 'everyone does it' attitude prevails within certain sectors and assumes that those who try to expose corrupt practices have improper

motives. The use of 'clans' or social networks (*blat*) that typifies post-Soviet clientelism, nepotism and cronyism, is often viewed in a neutral light. Indeed, the ethical and honest members of public administration are considered by many to be naïve or 'dumb' and not supportive of 'their own'. An honest civil servant is one that does not provide for his own. While there may be opposition to bribe-giving, the strong family and social structures facilitate patronage networks. Based on the morally unimpeachable idea of helping others in one's 'family' or social group, this entrenched system of influence peddling has led to low awareness of what constitutes a conflict of interest.

Social networks

Related to the cultural factors of corruption in the FSU is the system of *blat* or informal social networks (Ledeneva 1998). The dominance of closed social networks, which allowed life under the planned economy to become liveable, has facilitated the emergence of a kleptocracy and corrupted bureaucracy. Having been based on a valid method of achieving goals or 'getting things done' within the communist economy, the continued use of social networks in place of 'modern'—formal, rule-abiding—methods of goal achievement has proven extremely difficult to eliminate. The closed networks that are widespread throughout the FSU serve as competing factions or clans within the 'ruling' class of elites or oligopoly who oversee the distribution of resources (be it social, political or economical) in an opaque manner. The closed nature of the oligopoly in which these networks operate leads to the exclusion of the 'public' in the formation of public policy.

These patronage structures do not simply work within the sphere of the public sector but extend to all sectors of society. Economic interests aim at distorting markets through the establishment of monopolies within certain sectors, and the theft of State assets often motivates the 'clans' of the FSU. Indeed, the post-Soviet concept of 'clans' or 'mafiya' rely much on monopolistic behaviour of elites. The emergence of the private and public sectors in the FSU is a result of the dominance of social networks as the means to organise society and distribute resources. The concept of the State capture in most of the FSU is a fallacy since there exists no truly independent private sector to capture the State. Social networks and 'clans' are the State and have been since Soviet times.

Regional aspects

The strong regional and ethnic aspects of the FSU facilitate corrupt practices, in the sense that closed societies are encouraged. The regional split between the North and South and the problems of a multi-ethnic State may prove the most difficult factors in corruption to tackle. The lack of accountable local government is also a factor leading to corruption. Although people in the regions complain of civil servants sent from the Tbilisi, Bishkek or Moscow, many realise that having only local people in the State apparatus would not improve the overall level of governance. What is needed is local officials, fully elected by the locals, who would be held responsible to the people in the region. This would need to be done with a good degree of oversight from the national government, in order to avoid capture of the local administration by any one 'clan'. In a multiethnic State in the region with the potential for conflict and destabilisation, a transparent and accountable governance system is an even greater necessity. Mistrust of the government and governance by local ethnic groups can greatly increase the chances for additional problems along the lines of the disturbances in Batken *oblast* in the Kyrgyz Republic or the secessionist movements in the North and South Caucasus regions.

Misperceptions of corruption

Regardless of the attention that the issue of corruption receives in the media of the FSU there is a distinct misconception of what corruption actually is (USAID 2001, 16). The popular use of *kompromat* (compromising evidence) in media presentations of the corrupt acts as well as the Soviet era of 'kitchen' discussions of the problem has created a public perception that corruption is limited to 'grand' corruption. Thus, while the actions of the elites are perceived as being inevitably corrupt, the everyday corrupt acts that citizens perpetrate (i.e. paying state medical staff for treatment) are not. If asked to describe corruption few citizens in the FSU can give an accurate description. This impacts on the ability of both the public and government to formulate effective policy on the issue. Anti-corruption efforts are consequently not well understood. The law enforcement view, or the Chinese approach of arrest and possibly execution, is conceived to be a valid method of combating corruption, yet it continues. Corruption is perceived as an intractable part of politics in the region and this has had a serious effect on the levels of trust between society and the State. This mistrust in the State both is contributed to and is eroded by corruption.

Consequences of corruption

What, then, are the results of this regionally specific ‘face of corruption’? Almost every national leader has noted that corruption is an issue in the development of the countries in transition, and international organisations working in the region are acutely aware of it, but what exactly is the effect of rampant corruption? Within the FSU, corruption impacts in several important ways:

- a lack of trust between the people and government;
- a weakened State;
- the separation of government from the people and the creation of an ‘hourglass society’; and
- the delay, and perhaps even the failure, of the transitions to democracy and a market economy.

The role of trust

The idea of trust or ‘social capital’ as an important glue holding society together is a relatively new concept in the field of Sovietology or post-Sovietology. Certainly the international development community is increasingly recognising the important role of social capital in development. The erosion of trust between the people of the FSU and their governments has led to the undermining of the democratic transitions of the countries of the FSU. Mass tax evasion, capital flight, low electoral turnout and a gradual disinterest in the formation of policy and governance in general are but a few signs of this lack of faith in the governing powers. The causes of this lack of trust and its impact are many and directly lead to the spread of corruption.

Mistrust in government is a phenomenon that is deeply imbedded in the civic culture in the FSU. The long history of poor governance of the countries of the FSU, in particular the ancient lands of the Caucasus and Central Asia, has led to deeply ingrained methods of organising society and ‘getting things done’, methods which either exclude the government or are outside of its supervision. Corruption plays a critical factor in coping with, and as an expression of, distrust in the government. In this way corruption is caused by, and serves to erode, the system of governance.

While it has been established—especially through the *Russia Barometer* series from the University of Strathclyde’s Centre for the Study of Public Policy (Rose et al 1998; 2000)—that there is a distinct lack of trust between the Russian populace and their government, its impact on the country’s current development has not been fully explored. The importance of social

networks within the FSU lies not only in the manner in which they contribute to corruption but also on their contribution to the overall welfare of citizens. Social capital has been seen as a positive factor in development with the links between citizens being utilised to generate additional welfare beyond individual contributions, yet there has been little work in how a *lack* of social capital affects development.

The lack of trust in official institutions was a facet of life in the USSR that puzzled Westerners (Rose 1999, 8), but it acted to create an independent space outside of the government's reach. The establishment of a 'shadow economy' as well as a 'shadow society' was a coping response to the party-State domination of society and polity and exists as an essential component of the current transitions. The responses learned under the Soviet and earlier failed governing systems to instinctively mistrust the State and its institutions, has led to the use of alternatives even 10 years after communism's collapse. The signs of the lack of faith in the State and its institutions lie in, amongst other things, the widespread use of corruption.

The mass theft of state assets that occurred during the process of privatisation in the FSU should not be considered an unprecedented event. During the later Soviet period, the shortages caused by the command economy led to a vibrant second economy, which relied primarily on appropriated State assets. The refrain often used was 'these are the people's goods and we are the people'. In the late 1980s, as the Soviet system collapsed, the theft of what was available from the State rapidly increased (Solnick 1999) and this was simply carried over into the post-Soviet era. The basis for the theft of State assets lies primarily in how private property is viewed and property rights are secured. The lack of officially recognised private property (except in the sense of personal possessions) in the communist system led to a complicated and shadow system of exchanging goods. A walk in the park in any major Soviet city in the late 1980s revealed the various 'markets' for the exchange of private goods: be they books, pets or even apartments. These exchange mechanisms of the second economy existed with a very lax sense of rules and enforceable regulations. These chaotic markets led directly to the *kleptocracy* of the post-Soviet era. Freedom equalled anarchy in the minds of *homo sovieticus* and therefore 'free markets' would be anarchical.

The post-Soviet adage seems to be that if all property is theft than the best way achieve property is through theft. The problem with the 'spontaneous' privatisation that occurred during the early transition is that

assets acquired in this manner are difficult to evaluate and even more difficult to assert rights over. The poor system of protection of property rights in the FSU has led to massive capital flight and increased poverty. The estimated 20 million US dollars sent abroad from Russia every year is not only a loss to economy but an explicit sign of how much trust the Russian government engenders. If social capital is considered to be the 'glue that holds groups and societies together—bonds of shared values, norms and institutions' (Narayan 1999, 3) then the lack of social capital in the FSU creates societies that are exactly the opposite. These societies consist of populations that are 'atomised' and very reminiscent of a Hobbesian world in which 'every man is enemy to every man; wherein men live without other security than what their own strength and their own invention shall furnish them with'; in brief, a world where the life of man is 'solitary, poor, nasty, brutish and short'. This is demonstrated by the unwillingness of citizens of the FSU to keep funds in the country or contribute to the State's coffers.

The other ominous sign of the mistrust and lack of social capital in the FSU and their respective governments, is the massive tax evasion that occurs in each country. The majority of Russians don't pay taxes nor would they know how if they were so inclined (Can't Pay 1998). Nine out of ten citizens of Russia view their public officials as being corrupt and few therefore feel the need to fulfil their obligations to the social contract. As civil servants are engaged in rent-seeking for public services, the public doesn't feel the need to pay taxes for services that must be 'bought' from rapacious public employees. The old Soviet adage 'they pretend to pay us, we pretend to work' has become 'we pretend to pay them and they pretend to deliver services'. This downward cycle of a decreasing tax base hampers the state from providing the most basic services that a state should provide, including additional tax collection and policing its own laws (Lovell 2001).

What has emerged alongside the second or 'black' economy is the non-taxed business of personal protection and contract enforcement using non-legal methods through the *mafiya*. Organised crime in the FSU is quite often a response to unenforceable property rights and mistrust of State institutions. Since few businesses in the FSU pay their full taxes all business has an element of illegality. The emergence of the 'Comrade Criminal' (Handelmann 1996) (a state official engaged in illegal business activities) implies that there is no line in the FSU between the private and public sector.

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provide an extra-legal system of regulation and ‘justice’ more effectively (as well as being more cost effective) than the state is capable of providing. The illegal and non-taxed nature of the majority of economic activities—virtually impossible to estimate (World Bank Institute)—in the FSU caused by the ‘grabbing hand of the State’ (Friedman et al 2000, 459–93) leads to enterprises collaborating with, or being extorted by, organised crime. One of the defining differences in organised criminal groups operating in the FSU outside of Russia (or better said, outside of Moscow) is the personalised style in which business is conducted. The perceived atypical ‘racketeering’ activities of a few *mafiosa* coming to an enterprise and extorting money exists only in major metropolitan areas, such as Moscow and Kiev. In the closer knit societies in the Caucasus and Central Asia, the ‘mafiosa’ are much more integrated into the social and economic structures of the country. Organised crime in fact establishes the mechanisms and institutions of a ‘shadow State’ that parallels the shadow economy.

The facts that citizens of the FSU are engaged in theft of the State’s assets and in tax evasion are clear indicators of the levels of trust that the citizens of the FSU have in their respective governments. A Russian academic makes this point rather effectively. In an interview with *Vechernyaya Moskva*, Expert Institute head Yevgenii Yasin suggested that

the biggest problem in Russia today is trust. The government doesn’t trust the people, and the people don’t trust the government ... In their hearts, the people expect no good from the government. And the government expects no good from the people—it expects they will steal and conceal (Yasin 2001).

The failure of the transitions to deliver neither true liberal democracies nor market economies over the course of the past ten years has further entrenched distrust of the system of governance. The massive amounts of Western aid poured into the countries of the FSU have had little visible impact on the daily lives of its citizens and the belief that existed at the beginning of the transition that new societies would be quickly created underestimated the difficulties presented by this transformation. The international community lacked an appropriate understanding of the starting-points of these countries. The growing length of the transition from communism is not surprising, but the lack of clear improvement in the daily lives of FSU citizens feeds into their further withdrawal from the political system and policy formation. The pressure to simply survive within the current economic conditions of the FSU leaves little time or energy for political engagement by the populace and further estrangement from politics.

The lack of trust in the FSU between the State and society has led to the continuation of an 'anti-modern' society, or at least a society not operating in a rational-legal manner. The Weberian conception of 'modernity' does not yet apply to the states of the former USSR, even if some have obtained the trappings of a democracy and a market economy. The inability of FSU states to function properly and provide an organisational structure for the political and economic activities of their citizens leads to the continued use of closed social networks. This leads in turn to the increased use of corrupt acts to achieve goals. Therefore a lack of trust in the government contributes to the spread of corruption, which in turn further erodes the accumulation of social capital by the government. The downward cycle into an ever more segregated 'traditional' society, with a citizenry disconnected from the system of governance except through the use of patronage networks and the occasional 'grabbing hand' of the State effectively creates a weaker State and a danger to the process of democratisation.

A weakened state

The relative weakness, or ineffectiveness, of the State and its institutions is a major source of corruption and breeds a lack of trust in the government to provide services. The state's inability to hold public servants accountable and sufficiently exert control over their actions constitutes the most obvious failure. The normally accepted functions of a modern State—maintaining order, collecting taxes and delivering public services—are not being effectively exercised in the FSU. Public servants utilise their positions to pursue personal gain rather than perform their appointed duties or act in the public's interests. In the postcommunist period, the dual transitions have accentuated the State's weakness. In the absence of a mature civil society, a populace that doesn't understand or take part fully in their civic duties is unsuited to meet the challenges posed by fundamental changes. Inexperienced political and economic structures fail to meet a wide range of challenges, while the development of legislation falls behind the demands of a rapidly changing reality.

It is especially difficult for the State to sufficiently supervise activities of the lowest-paid civil servants during the process of massive privatisation of state property, or when government agencies enter into business relations with private commercial actors (e.g. through State procurement). Such activities can generate corruption in any country, but it is next to impossible to prevent illegal practices in these spheres when a country lacks detailed laws, regulations and established systems of State supervision. Underpaid or

unpaid civil servants face enormous temptations. Societies with free speech and free political competition receive large amounts of information on corrupt practices in State bodies. This contrasts with the communist societies, which restricted the availability of such information, especially in cases of grand corruption. The abundance of 'unofficial' information (from the opposition media, NGOs or informal discussions) on corrupt practices leads to a good deal of social distress. The lack of a comprehensive program against corruption increases cynicism towards the system of justice and the State.

An additional effect of corruption is to undermine the consolidation of democracy. Distrust in elected officials breeds cynicism and apathy towards a democratic system, especially in countries that have no democratic tradition. Authoritarian regimes in the FSU region are perceived to be less corrupt than the more liberal regimes. A good indication of this is TI's Corruption Perception Index in which relatively liberal regimes such as Georgia and Kyrgyzstan scored lower than their more authoritarian neighbours. In part, this is due to the limited freedom of press and access to information in more restrictive states. Thus the Republic of Georgia, which possesses the 'most liberal press west of Japan' (Economist 15 July 2000), is pervaded by public cynicism because of the extensive media coverage of [corruption]. This cynicism has had negative impact on the establishment of a Georgian integrity system. The distrust of the democratisation process erodes the faith in the comparative advantage of a democratic system, as expressed by a citizen of Odessa, Ukraine: 'democracy shemocracy, they stole from us in the past and they steal now, only difference with democracy is they are more open about it.' (Scheglov 1999). The recent election of Vladimir Putin in Russia and the support enjoyed by others, including Kazakhstan's Nazarbayev, are indicators that the citizens of the FSU are willing to support more authoritarian governments if they can increase the strength of the state and set limits to the behaviour of public servants. The popular support enjoyed by Putin and others is based on the idea that they strengthen the State's hands and its ability to perform the basic function and deliver the services that are expected of the State.

For the average citizen the delivery of public services is the weathervane by which the State and the assignment of any corresponding social capital in it are judged. A State that can provide for its citizens will be trusted by its citizens. If the State fails in this, even in the case of the FSU where the populace fails to perform its civic duties, it creates barriers between it and its citizens.

The 'hourglass society'

With the existence of a weakened State unable to provide services, the connections and contacts between society and State are rapidly diminished. Government and those that govern are far removed from daily lives of the populace. Government is perceived in the FSU region as a corrupt and closed system based on the promotion of self-interests and the extortion of rents (Rose 2000), and as the exclusive realm of a few 'clans'. The current trend in the FSU is disengagement in the political process. Society in general is being separated from the system of governance and 'hour-glass' societies are being created in which those that govern are far removed from those that are governed.

Governments in the FSU are confronted by public expectations that they should deliver the all-embracing social safety net that officially existed under communism, yet for which citizens are unwilling to pay (tax). Consequently, even the delivery of basic entitlements such as pensions does not occur. Citizens increasingly turn away from the state and use the informal system of family and 'clans' to provide these services. The growing gap between the populace and the government is widened by government secrecy. Lack of transparency within the government structures breeds further mistrust of government structures building on the Soviet legacy. This lack of social capital erodes the development of civic culture and ultimately civil society. Currently there is a dearth of information on the activities of government offices. The system of *propuski* to gain entrance to government offices is largely ineffective as a security measure but does hinder the accessibility to the State by the public. The forbidding nature of government offices and the mysterious structures of government are legacies of the Soviet system and reinforce public mistrust.

Although there has been an explosion of civil society organisations within the FSU there is a distinct lack of genuine civil society. A developed civil society provides an important tool to exercise control over the process of governance and restrain corruption. The legacy of totalitarianism, as well as weak civil society traditions in the pre-communist period, has led to inadequate social control over the institutions of government in the FSU. Since independence, some elements of civil society, such as independent media and non-governmental organisations (NGOs), have developed. However, under the circumstances of social nihilism and the alienation of a large part of the population from the political process, civil society influence remains inadequate. The absence of a system of political parties with strong roots in the population provides an important indicator of the weakness of

civil society and civic culture. The political opposition is too weak to play a decisive part in the anti-corruption fight and thus thrusts responsibility on the government and non-government institutions. Moreover, in the country opposition forces are not free from the influence of corruption.

A growing civil society could fill the political vacuum occupied by a weak opposition, but there remains the problem of accountability of NGOs towards the populace. The relatively large number of aid donors and resources available have encouraged non-genuine or 'un-Civil Society' to develop. There exist a large number of Government organised NGOs (GONGOs) and Donor Organised NGOs (DONGOs) as well as those that only exist on paper ('ghost' or shadow NGOs) (Ablova 2000). Of the thousands of NGOs in the region the relatively low number of active and visible civil society organisations has

led to an increasingly popular belief that NGOs exist to consume grants. The funds available to civil society by the international community exceeds proportionally that of government institutions and breeds a lack of trust between government and non-government institutions. The lack of trust between the NGO community and government is an important factor in the exclusion of civil society from policy formation.

The exclusion of society from policy formation and politics is a post-Soviet reality. Neither the citizenry nor NGOs have adequate opportunities to formulate and implement development policies. A good example is the current fight against corruption in the region. Corruption's important role in hindering development has been recognised by (or imposed on) the majority of governments in the region and now the formation of comprehensive anti-corruption policies has begun. However, 'national' strategies are being formulated without the input of the 'nation'. Given the corrupt nature of government institutions in the region, it is highly doubtful that the government alone will be able to formulate effective anti-corruption strategies.

The exclusion of civil society from this process is occurring in many of the countries in the region. Armenia, Kazakhstan, Kyrgyzstan, Russia and Ukraine all provide examples where national anti-corruption strategies have been prepared without the inclusion of adequate input from civil society. Georgia and the National Anti-corruption Program Elaboration Group provide an example of how this process can include and be steered by civil society elements. Even though the capacity and facilities of civil society usually far exceed that of the government there is a distinct lack of

cooperation between NGOs and the government on the issue. The funds available to civil society through foreign donors in many of the countries of the FSU give CSOs the ability to act as true 'think-tanks' on policy issues. This exclusion of CSOs in policy formation by governments is also matched by a lack of interest by CSOs in assisting government. A notable exception is Moldova, where the government is reliant on the NGOs (specifically the Center for Strategic Studies and Reform) to provide expertise. The anti-statist approach of many genuine NGOs is partially a creation of the western donors and a legacy of the Soviet era. The view of many of the donor organisations from the West, especially American organisations, that NGOs serve as a counterweight to authoritarian regimes in the region is coupled with the origins of the civil society in the region.

The seeds of civil society in the FSU lie in the late Soviet period when like-minded individuals gathered together to challenge the state. However, the dominant factor in this relationship remains mutual distrust. The State does not trust its citizens and the populace does not trust the corrupted State. By excluding society from the formulation of public policy and increasingly the political system the countries of the FSU are returning to a distinctly 'anti-modern' political environment. Ten years of democracy has seen a decrease in the delivery of public services and a growing exclusion of citizens from the system of governance. Any mistrust that existed prior to the collapse of the Soviet system, has only increased over the course of the last ten years as 'democracy' has not brought any visible improvements in government responsiveness and accountability. The failure of the democratic consolidation to provide better public services and include society in the political process weakens public support for democratisation. While currently the level of participation in the elections continues there is a noticeable disengagement of citizens in the region from other civic duties, especially tax payments. The perceived increase in corruption across the region is also an indicator of the reliance of the public on 'anti-modern' methods to cope with the government.

Conclusion

Corruption has been a feature of governance since societies first began to organise themselves into systematic administrations. Mentions of corruption are not only to be found in the Bible but also date back to the earliest government records in the Fertile Crescent. Noonan's (1984) classic study records that bribes were censured in the ancient kingdoms of Egypt,

Mesopotamia Palestine and in Cicero's Rome. Nevertheless, the corruption situation in the FSU has become increasingly acute. Corruption is endemic. In the limited ways that citizens interact with government in the FSU there are few trust-building exchanges. And while corruption has undoubted elements of greed and venality, it should also be understood as a type of 'coping mechanism' that citizens use to deal with a state that is both weak and untrustworthy.

Corruption helps to lower further the public trust in state institutions and erodes the foundations of civil society. Not only does the public distrust government agencies but it even doubts the possibility of developing honest government and civic institutions in the FSU. This situation can easily foster dissemination of populist attitudes and endanger important, but still fragile, democratic achievements in the region. The consolidation of democracy is consequently not yet achieved.

If the countries of the FSU are to proceed to genuinely representative and accountable democratic regimes they must seek to increase public support for the state. Instead, we see the development of 'hourglass' societies in which citizens are remote from the mechanisms of governance. Public support for governance reforms has been hampered by a reluctance of the governments in the region to include society in the formation of public policy.

The consolidation of democracy in the FSU requires an emphasis on developing trust between society and the State. It can be achieved, in part, by encouraging citizen participation and—just as importantly—by delivering services in an efficient and impartial manner. For democracy to set down roots, a rational-legal system of administration needs to be put at the service of representative assemblies. The prevailing, personal nature of State-society relations in the region only increases the use of corrupt acts to achieve goals.

The current emphasis on national anti-corruption programmes in the region are an important step in the right direction. However if this is simply an instrument of the ruling elites to appease the international donor community, public cynicism and distrust of the State will only increase and further undermine attempts to curb 'anti-modern' behaviour. The context in which reforms have been made needs to include the entire organisation of societies in the region. Only by understanding where the post-Soviet societies are coming from can we begin to address where they will go.

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