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**CORRUPTION AND ITS NEGATIVE INFLUENCE ON**  
**ECONOMIC, EDUCATION AND HEALTHCARE SYSTEMS**

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***Abstract***

Corruption is one of the main causes of social and economic instability of Russia. Recent sensational corruption scandals (cases of A.N. Ilyushenko, the former head of the Central Investigation Department of the Investigation Committee; General D.P. Dovgiy, the former Minister of Economic Development; A. Ulyukaev who was sentenced in December 2017, etc.) are indicative of sharp rise in corruption of public officials.

The article aims to analyze causes and factors of corruption relations in economic, education, political and healthcare systems. The research object is public and social interests.

The article studies political, economic and legal factors influencing the commitment of corruption-related crimes.

The author suggests adopting a special anti-corruption act and creating an independent body which will enforce this law. The author believes that it is necessary to eliminate corruption of public officials, to create conditions, under which people will not commit corruption-related crimes, give bribes for those services which are free by law, search for sources of illegal income, etc. The causes of corruption are both legal nihilism and human irresponsibility. Unwillingness of some people to take pot-luck deprives hundreds of other people's opportunities to have things they are eligible to. It is difficult to eliminate corruption as far as corruptionists are in all public bodies of Russia. The topicality of the present study is due to the expansion of corruption and need for development of anti-corruption measures. To identify the nature of corruption and develop efficient anti-corruption measures, research on this phenomenon should be carried out.

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## 1. Introduction

Currently, shadow and criminal economies are a component of the Russian economic system. The shadow economy generates corruption, and corruption, in its turn, creates a basis for the shadow economy (Boskholov, 2014).

In this context, negative social economic phenomena and anti-corruption measures should be studied as a uniform research task.

According to the National Anti-Corruption Plan for 2016 - 2017 approved by the Executive Order of the Russian President, No 147, of April 1, 2016, the heads of the federal bodies and organizations performing tasks of the federal bodies are charged with a task to develop a set of organizational and expository measures aimed at complying with anti-corruption prohibitions, restrictions and requirements. Anti-corruption associations and other institutes of the civil society should engage in development of these measures. Although anti-corruption policies are constantly improving, corruption is still a serious social problem. It is impossible to eliminate corruption as far as for many people, materials goods are more valuable than spiritual values. However, it is possible to reduce corruption scales. The author believes that a special anti-corruption legal act needs to be adopted. Besides, the author suggests creating a special independent body which will enforce this law.

Current laws do not contain definitions of the term “corruption”. Therefore, one can find different definitions of this phenomenon:

Corruption is the abuse of power, bribe-giving, bribe taking, excess of power or any other illegal use of power against public or social interest for personal or third parties’ benefits.

Corruption (from Latin *corrumpere* – destroy completely) is a form of illegal and unethical conduct by a person entrusted with a position of authority to acquire personal benefit.

One has to agree with N.V. Stochilova who says that “... the lack of definitions of a corruption crime and anticorruption measures created problems in the theory and practice of various activities ...” (Kisly, 2017).

Currently, Russia adopted a large number of anti-corruption acts:

- the Federal Law of the Russian Federation, No 273-FZ of 25.12.2008 “On the anti-corruption measures”;
- the Federal Law of the Russian Federation, No 2202-1 of 17.01.1992 “On the public prosecution”;
- the Federal Law of the Russian Federation, No 79-FZ of 27.07.2004 “On the civil service of the Russian Federation”;
- the Federal Law of the Russian Federation, No 230-FZ of 03.12.2012 “On the control of expenditures of civil servants”;
- the Federal Law of the Russian Federation, No 172-FZ of 17.07.2009 “On the anti-corruption expertise of legal acts and drafts”;
- the Federal Law of the Russian Federation No 07.05.2013 “On the ban for particular categories of citizens to open and own accounts (deposits), save cash and values in the foreign banks located outside the territory of the Russian Federation, own and (or) use foreign financial instruments”;

- the Federal Law of the Russian Federation, No 102-FZ of 07.05.2013 “On the amendments to legislative acts of the Russian Federation resulted from the adoption of the Federal Law “On the ban for particular categories of citizens to open and own accounts (deposits), save cash and values in the foreign banks, located outside the territory of the Russian Federation, own and (or) use foreign financial instruments”;
- the Federal Law of the Russian Federation, No 40-FZ of 08.03.2006 “On the ratification of the UN Anti-Corruption Convention”;
- the Federal Law of the Russian Federation, No 125-FZ of 25.07.2006 “On the ratification of the Convention on the Criminal Liability for corruption”;
- the Executive Order of the President of the Russian Federation, No 147 of 01.04.2016 “On the National Anti-Corruption Plan for 2016-2017”;
- the Executive Order of the President of the Russian Federation No 104 of 21.02.2014 “On the member of the Interstate Anti-Corruption Council”;
- the Executive Order of the President of the Russian Federation, No 120 of 08.03.2015 “On anti-corruption issues”;
- the Executive Order of the President of the Russian Federation No 364 of 15.07. 2015 “On improvement of anti-corruption measures”.

These are some of the anti-corruption acts.

Corruption has penetrated into all social areas of Russia: economy, education, healthcare, politics, etc.

## **2. Problem Statement**

Shadow and criminal economies are components of the economic system of Russia. The following features are inherent in them: latent employment, tax evasion, capital transfer to foreign countries, money laundering, black accounts, illegal business, corruption in economic, education, and healthcare systems. The government and society have to pay attention to the issue of corruption in all these areas.

Causes of corruption as a social phenomenon can be found in the Russian history. In Ancient Rus, with the appearance of the oligarchic political class and its rotation, the first anti-corruption measures were taken. In the USSR, corruption was based on personal relations which helped get various goods, privileges, etc. When analyzing penalties for corruption, it is necessary to take into account the following aspects. First, despite the fact that no country managed and will manage to root out corruption in the near future, it is reasonable to establish tight control over corruption distribution channels and reduce its life cycle rather than eliminate corruption as a phenomenon. Second, it is necessary to use all available anti-corruption tools and methods (legal and preventive ones). It is important to use all possibilities of the criminal legislation to prevent corruption.

According the Strasbourg Convention on Corruption (States of the Council of Europe, 1999) ratified by the Russian Federation in 2006, corruption endangers the supremacy of law, democracy and human rights, public government, stability of democratic institutes, erodes the principles of equality and social justice, moral principles, hinders competition and economic development.

Legal analysis of corruption-related crimes involves the following tasks:

- to identify the nature of corruption-related crimes committed in different social areas;
- to identify causes and factors encouraging commitment of corruption-related crimes;
- to analyze efficiency of anti-corruption measures;
- to identify gaps and to suggest amendments to the anti-corruption laws of the Russian Federation.

### **3. Research Questions**

Corruption is a multi-aspect phenomenon which is difficult to assess. Corruption exists in all countries. Therefore, it is impossible to eliminate it completely. It is possible to fight against corruption unless all government agencies become infected with it. According to statistical data, the following factors lead to corruption: the low level of economic development of a country, lack of political competition, imperfect legislation and judicial system, a large gap between incomes of different groups of the population, weakness or lack of social institutes, impunity of high-ranking officials. One of the parameters which determines the world statistics of corruption is the Corruption Perceptions Index (CPI). The index is calculated by international expert assessments and opinion surveys and published by Transparency International, an international non-governmental organization that is based in Berlin and was founded in 1993.

### **4. Purpose of the Study**

Corruption is a systematic phenomenon which destroys economy and law. Corruption leads to an abnormal economy where fundamental market laws cannot be applied. For example, corruption is a key source of inflation of costs. The reason is evident: when bribes become standard business costs, the compensation of these costs is priced. The main purpose of public and social anti-corruption activities is to develop complex measures aimed at eliminating key factors generating corruption rather than at increasing the legal liability of corruptionists. The anti-corruption measures also involve improvement of Russian criminal laws and their enforcement practices.

The research aims to identify economic causes of corruption and its social and economic effects, key conceptual anti-corruption measures.

### **5. Research Methods**

Despite certain economic performance, Russia is not able to fight against and eliminate corruption. All quantitative parameters suggested by Russian and foreign researchers speak for corruption growth or stabilization. Causes of corruption are diverse. One of the global causes of corruption is legal nihilism. The following economic, political, legal and psychological factors can be attributed as causes of corruption.

Economic factors are:

- economic instability (inflation growth, devaluation of salaries of public officials which encourages them to search for new sources of income);
- dissatisfaction with labor conditions;
- formation of a stratum of people who have high incomes and can use their spare money for bribery purposes.

Political factors are:

- power of public officials to impose sanctions on the spot (e.g., traffic police);
- inefficient control of incomes and revenues of public officials, disregard of facts of corruption;
- bureaucratic hurdles when dealing with personal and official issues;
- penetration of representatives of organized criminal groups into public agencies, etc.

Legal factors are:

- lack of definition of corruption;
- various legislative loopholes, etc

## 6. Findings

Many Russian and foreign researches deal with the issue of shadow economy and corruption in Russia. Some of them are not objective. However, they correctly identify growth regularities. In the 2016 World Ranking of Corruption Perception, Russia ranked 131st out of 176 countries. In 2017, the amount of economic crimes reduced by 3,3%, corruption-related crimes – by 0,6%, bribery – by 44,2% (Kitaev & Kitaev, 2010). However, according to international experts, corruption statistics is based on prepared objects. According to the Group of States Against Corruption (GRECO), in 2016, Russia fulfilled 10 out of 21 anti-corruption recommendations, 11 recommendations were partially fulfilled. Besides, Russia concluded a tax information exchange agreement with the Organization for Economic Cooperation and Development (OECD). The agreement came into effect in 2018.

Assessing corruption parameters, public agencies use data provided by the Russian Statistics Service. According to the Prosecutor General, statistical data speaks for reduction of the amount of corruption-related crimes by 25% of the amount of detected crimes. According to the Investigation Committee of the Russian Federation, out of two categories of corruption-related crimes in the healthcare system – domestic and upper – the second one is dominant. It involves:

- equipment procurement frauds;
- abuse of powers.

According to statistical data, corruption in the healthcare system makes the top three. It ranks 2<sup>nd</sup> and follows corruption in law enforcement agencies or competes with corruption in the education system. According to UNESCO data, Russia ranks 127<sup>th</sup> in the world by the population health index.

Implementation of the Uniform State Examination system increased the level of corruption in schools which became higher than in universities.

There are two forms of corruption in the school education system:

- frauds of public education officials;
- school informal fees.

The statistics of corruption in the education system describes different aspects. In the education system, corruption is very dangerous as far as it forms belief in inevitability, need and permissibility of using corruption tools.

Among the factors encouraging corruption in law enforcement agencies are:

- low quality of job description;
- lack of awareness raising activities;
- insufficiency of material and moral incentives

## 7. Conclusion

The present article described the corruption process in key social and public areas. Today, corruption and shadow economy are crucial issues for all countries. Criminal economy and corruption are major problems for Russia. They have put down roots in every minor sphere of people's lives. Criminal communities affect high-ranking public officials and law enforcement agencies of Russia. The functions of the latter are reduced to prosecution of low ranking officials or undesirable persons. To improve efficiency of anti-corruption measures, citizens have to engage in civic activities (submission of complaints about extortion, fighting for restoration of rights). It is necessary to cover facts of corruption in mass media, use social influence on public authorities in order to punish corruptionists. It should be noted that neither existing legislation nor law enforcement practices can eliminate corruption in education and healthcare systems. Therefore, it is necessary to study the issues of classification of corruption-related crimes, identify their causes. From this perspective, the Russian criminal laws need to be amended. Criminal punishment for the commitment of offences against public offices has to be imposed on any person who can influence public decisions in an illegal way irrespective of the results or on any office-holder or other governmental employee who acts in an official capacity for personal gain. These amendments can strengthen government measures aimed at fighting against corruption and will contribute to purposes of criminal punishment and the tasks of the criminal legislation of the Russian Federation (Tatarnikov, 2015). The cause of corruption is not only poor legal culture, but intellectual culture as well. The unwillingness of some people to content themselves with what they own, what they earn legally, prevent hundreds of other people from having what is theirs by right. Corruption will exist until corrupt people work in legislative, executive and judicial bodies (Turkova, 2017).

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