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Putin's Corruption Show Must Go On

By Georgy Bovt

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Many believe that the accusations against the Defense Ministry and former Defense Minister Anatoly Serdyukov indicate that President Vladimir Putin has launched an anti-corruption campaign. But this is far from the truth.

For starters, there are conflicting opinions as to whether Putin initiated the public corruption investigation of the Defense Ministry or simply allowed rival political clans to attack each other. If the latter is true, the clans are clearly not out to end corruption. On the contrary, now that Serdyukov and several of his allies are out, some clan members are salivating over the opportunity to gain juicy bits of the 20 trillion rubles ($637 billion) allocated to modernize the Army by 2020.

If Putin is willing to fire a minister over corruption charges, how will he now be able to keep his bargain in which he demanded personal loyalty in return for the right to pocket state funds? The fact that any top official could become the target of a serious criminal investigation would threaten to destroy the consensus among the ruling elite.

Meanwhile, the president is doing his best to build intrigue around the Serdyukov affair.

During a news conference after a meeting with German Chancellor Angela Merkel last week, Putin responded to rumors suggesting that Serdyukov might be named to a post at Russian Technologies. Putin told Merkel that Serdyukov would not be named to the company but that "if he wants to find a job somewhere and they agree to hire him, I don't think we should prevent it. He has the right to work. This is not 1937, after all."

But Putin's words could mean almost anything. For example, they could signify that he has forgiven Serdyukov, that he won't be given a prison sentence and that he might even be named to another post soon. Or they could mean just the opposite: that Serdyukov would be lucky to find anyone who would dare to hire him now, and worse, that criminal charges might be filed against him and he could land in jail. But a jail sentence is highly unlikely.

Meanwhile, the campaign against Serdyukov is growing in strength. Media reports appear almost daily about yet another "newly discovered" multibillion-dollar corruption scam linked to an individual or business close to Serdyukov or by a company under Defense Ministry control. Several people have already been arrested, but no accusations have yet been leveled against Serdyukov's girlfriend, who heads Oboronservis. She is undergoing "medical treatment" and remains out of view. State-controlled television has unleashed a barrage of tabloid-style exposés showing raids on luxurious apartments where agents have found stashes of millions of dollars and rubles, jewels and even paintings missing from state museums.

Now, the logical question is this: With all these corruption accusations flying around — and video evidence to back them up — how many people will actually be arrested and tried, and how far up the chain of command will it go?

The problem is that Kremlin PR long ago supplanted reality. Russians are told that this or that scandalously corrupt scheme has been uncovered, and that Putin is intent on purging criminals from government. But remember how state television channels showed evidence of corruption among prosecutors in the Moscow region a year ago. Senior officials in the prosecutor's office were accused of running a protection racket for illegal casinos, having ties to organized crime and owning lavish mansions filled with antiques, gold, expensive watches, pricey paintings and other items that could not have been purchased on their modest salaries.

What happened after these television reports? Nothing. Nearly all of the accused quietly resigned, escaped prison sentences and found cushy jobs in other state agencies or in business. The one exception is former Moscow region Deputy Prosecutor Alexander Ignatenko, who fled to Poland, where he was arrested and awaits possible extradition to Russia.

About the same time the Moscow region corruption cases were getting widespread media coverage, another television campaign focused on massive corruption under former Mayor Yury Luzhkov and his billionaire wife, Yelena Baturina. Yet all that bluster about fighting corruption in City Hall ended with Luzhkov not being charged and Baturina agreeing to fly in from Austria for interrogation on the condition that she be granted complete immunity. That was the abrupt beginning and end of the fight against corruption at City Hall.

Putin was right in saying that Russia is not experiencing a repeat of 1937. Mass repression and cleansing of the bureaucratic elite are impossible for two reasons. First, corruption is so

endemic that the entire ruling elite would have to be completely replaced to end it, something the president clearly has no intention of doing. Second, nobody at the top levels of government is willing to introduce a an open, transparent and law-based form system that would end the root causes of corruption. Instead, Putin is content with Band-Aid PR campaigns that occasionally remove corrupt officials, knowing full well that the replacement will likely behave no differently. To please corporate interests, the corruption show must go on.

Officials accused of corruption are far from being the most important figures in any corruption scandal. More likely, they make a deal with investigators to take the rap in return for keeping silent about how high up the corruption actually goes.

In the end, corruption is a necessary evil that provides the foundation of Putin's vertical power structure. Except for a few show trials, Putin has no other choice but to tolerate corruption as long as he wants to remain in power.

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