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Understanding the survival of post-Communist corruption in contemporary Russia: the influence of historical legacies

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Corruption is widespread throughout the former Communist states, and it is particularly severe and entrenched in Russia. Despite the fact that Russia's contemporary corruption has recently become a subject of analysis, there is, however, no study that has addressed the role of the Communist legacy in the development of various aspects of corruption. This paper contributes to the debates through, first, disentangling the complex phenomenon that is corruption, and focusing on its three aspects: supply, demand, and the attitude of the population. Second, the paper also contributes to the literature on modern corruption by explicitly focusing on the role of the historical legacy in these different aspects of corruption. The study is based on several rich data-sets on corruption and on an original data-set compiled to measure the percentage share of Communists in various regions of Russia in the last decades of the USSR (1970s–1980s). The analysis presented in the paper uncovers different roles of the Communist legacies across the development of various aspects of corruption. By doing so, the paper contributes to the literature on historical legacies in general, on Communist legacies in particular, as well as to the broader literature on the causes of corruption in transitional societies.

Keywords: corruption; historical legacies; mechanisms of transmission; Russia; regions; Communism

Introduction

Corruption is widespread throughout the former Communist states, which are often conspicuous in global corruption ratings. Corruption in these countries is inherently linked to both general trust and state- and democracy-building (Rose-Ackerman 2001). The influence of corruption is particularly strong in Russia, which ranked 127 out of 175 countries in Transparency International's Corruption Perception Index (CPI) for 2013. In the World Bank's 2011 Worldwide Governance Indicators data-set, Russia scored 13.3 out of 100 in the control of corruption dimension, with 100 being the lowest possible level of corruption. Russian corruption has received substantial attention in the academic literature, which has investigated both the national (Varese 1997; Frye 1998; Miller,

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Grodeland, and Koshechkina 2001) and subnational dimensions (Dininio and Orttung 2005) of this problem. This paper aims to contribute to our understanding of post-Communist corruption, particularly in Russia, by concentrating on how historical legacies of the Communist period affect the persistence and development of corruption.

Post-Communist societies appear to display differing levels and forms of corruption (Karklins 2002). A rich body of literature documents the spread of corruption in post-Communist societies and the possible role of the Communist past in this process, depending on various contextual factors (e.g., Karklins 2005; Sandholtz and Taagepera 2005; Moller and Skaaning 2009). Within a state, corruption may vary across its subnational regions; Gehlbach (2009) suggests that the differences between regions may be as large as those between countries. This variation is paralleled by the extent to which Communist legacies are present. Even in the centralized Communist regime of Soviet Russia, there was significant regional heterogeneity in terms of the presence of Communist institutions and the Communist Party of the Soviet Union (CPSU)'s members. Previous studies indicate a positive correlation between corruption and the level of CPSU membership in the last decades of the USSR (Libman and Obydenkova 2013). However, despite general confirmation of the role of Communist legacies in the development of modern corruption, the question as to how it survived and through which channels remains unanswered. This question is particularly important for both scholars and policy-makers. Despite the anticorruption measures launched by Vladimir Putin's government in the early 2000s, the level of corruption in Russia has almost doubled (see below). Thus, addressing specific channels or aspects of corruption at the subnational level is highly important from both the theoretical and empirical perspectives.

In contrast to previous studies, this paper aims to disentangle the phenomenon of modern corruption into its individual components and to determine which aspects of corruption are actually affected by Communist legacies and which causal mechanisms are involved in the historical persistence of corruption. The study also examines numerous pathways of this historical legacy's impact on various aspects of corruption, by focusing on its three aspects: bribe-givers (supply), bribe-takers (demand), and the attitude of the population. We contribute to the existing literature by introducing recent data on subnational corruption in our analysis and combining data-sets that measure different aspects of corruption over a large cross-section of Russian regions rather than merely investigating an aggregated indicator of corruption. Specifically, our study uses several original and recent data-sets. Two data-sets are based on several large surveys administered in almost all of Russia's regions in 2010 and 2011. These data-sets compiled detailed information about various aspects of corruption as a phenomenon, including personal involvement and experience of corruption on the part of the population (i.e., bribes paid willingly by the people), the attitude of people toward practices of corruption, and the demand for corruption. The year 2010 also marks approximately 20 years since the collapse of the USSR in 1991. Tracing the Communist legacy 20 years after the fall of Communism and

exploring its potential impact on modern corruption might provide new evidence and a new explanation of both the survival of corruption and the failure of the federal government to eradicate it.

This study is organized as follows. The next section provides the context of the Russian anticorruption campaign of the 2000s. The third section reviews existing explanations of corruption in general and in the post-Communist societies in particular, as well as the role of historical legacies. Section four presents hypotheses derived from that literature and possible mechanisms at work. Section five reports the data and the empirical strategy, and the sixth section describes the results of econometric analysis. Section seven interprets the results and addresses emerging empirical questions, and conclusions are offered in a final section.

Russian regions and the federal government's anticorruption crusade

Since the late 1990s, the regions of Russia have provided a convenient academic laboratory for scholars to test theories of regime transition.¹ As one of the greatest obstacles to democratization, corruption has been the subject of considerable scholarly interest. In their insightful study, Dininio and Orttung (2005) demonstrated the diverse levels of regional corruption and tested the best-known theories of corruption using a data-set measuring corruption in 40 Russian regions in 2003. Belousova, Goel, and Korhonen (2011) examined the role of economic factors as determinants of corruption, using the same data-set; Sharafutdinova (2010) applied these data to study the differences in experienced and perceived corruption; and Kolomak (2007) linked the spread of corruption to the administrative practices and bureaucratic procedures in Russian regions. Our study builds on this research using several new data-sets to analyze corruption in more than 60 regions of Russia in 2010.

In 2003, Russian politicians claimed that corruption was on the list of top federal government priorities. Referring to corruption as an existing evil that touches upon everyday life for most people, Vladimir Putin and Dmitriy Medvedev regularly used the anticorruption programs in their rhetoric, particularly during electoral campaigns. The anticorruption fight became one of the most important slogans of the “party of power” of Putin’s regime, United Russia. Indeed, Putin’s and Medvedev’s governments implemented numerous anticorruption programs. During his first term as president, Putin listed the fight against corruption as one of the most important aspects of his policy, and he established a specialized anticorruption presidential council in November 2003. The council acts as an advisory body to the president and is typically headed by the president himself. Other members include heads of key law enforcement agencies and courts as well as several experts. The council was, for example, empowered to check whether Russian bureaucrats have accounts with foreign banks abroad, which was prohibited in 2013.

Moreover, the federal government has passed several important anticorruption laws. One of the most significant was the Russian Federation Federal Law on

Corruption Counteraction, 25 December 2008, N273-FZ (<http://archive.kremlin.ru>, accessed 2 September 2013), followed by the National Anti-Corruption Plan, 31 July 2008 (<http://archive.kremlin.ru>, accessed 2 September 2013).² The law was enacted by the State Duma on 19 December 2008 and approved by the Federation Council on 22 December 2008. A brief review of the main provisions of this law is important here because this study will estimate the legal understanding of corruption in Russian courts and will use the number of court sentences as a dependent variable. Thus, understanding the definition of corruption in legal terms is relevant to our study. The law specifies standard international practice on anticorruption and defines “corruption” and “corruption counteraction” in the following ways.³

- (1) Corruption: Abuse of one’s official position; giving a bribe; acceptance of a bribe; abuse of power; commercial bribery; or other illegal use by a physical person of his/her official position in defiance of the legitimate interests of society and the state for the purpose of profiting in the form of money, valuables, other property or services of a material nature, other rights of property for oneself or for third parties, or the illegal provision of such benefits to the said person by other physical persons.
- (2) Corruption counteraction: The activity of federal bodies of state power, bodies of state power of subjects of the Russian Federation, local authorities, institutions of civil society, organizations, and physical persons within their powers
 - (a) to prevent corruption, including identification, and subsequent elimination of corruption motives (i.e., prevention of corruption);
 - (b) to identify, prevent, disclose, and investigate corruption offences (i.e., corruption fighting);
 - (c) to minimize and/or to eliminate the consequences of corruption offences.

After specifying definitions for corruption and corruption counteraction, the law outlines the entire range of anticorruption measures, with particular focus on the expected contribution from the judicial system. For example, Article 9 focuses on the duty of government and municipal employees to report any approach with the intent to incite to corruption offenses, and Article 10 focuses on the conflicts of interest present in the government and municipal service. In other words, the intent of this law was to reach beyond the central part of Russia to conduct anticorruption efforts even within the most remote regions via regional governments and regional judicial branches and to implement the federal anticorruption campaign launched by the center nationwide.

As noted above, the Law on Corruption Counteraction was followed by an official National Anti-Corruption Plan (NACP). The NACP defines “corruption” as “a socio-legal phenomenon” and “corruption offense” as a “separate manifestation of corruption involving disciplinary, administrative, criminal or other responsibility.” Finally, “anticorruption” is defined as “coordinated activities of federal bodies of state authorities, public authorities of the subjects of the

Russian Federation, the local government bodies and municipalities, institutions of civil society, organizations and individuals to prevent corruption, prosecution of perpetrators of corruption crimes, and minimization and/or liquidation of the consequences.” This approach is important because the NACP calls for multilevel anticorruption actions, coordinated by the federal government, and requires regional governments (the so-called “subjects of the Russian Federation”) as well as municipal and local governments to collaborate in this fight. Recalling specific features of Putin’s federal reforms and highly centralized territorial structure, regional governors are, in this sense, subordinated to so-called “federal presidential representatives.” Federal presidential representatives are appointees of the federal president and are meant to supervise the fulfillment of the federal politics in the regions of their related federal districts (Kahn 2002; Ross 2009).

If we assume that the anticorruption campaign led by the federal government was successful to some extent, then some decline in the level of regional corruption should be obvious by 2010. However, existing empirical evidence on corruption in Russia does not indicate that this has occurred. According to the data of INDEM, a reputable think tank that monitors corruption, and the Public Opinion Foundation (FOM), a large Russian public opinion survey organization, the overall amount of bribes paid in Russia almost doubled between 2001 and 2010 (Levin and Satarov 2012).

These data raise two important questions: one policy related and one academic. Policy-makers should consider the reforms Putin’s government has undertaken, while scholars can explore why the policies had no effect. Considering that the level of corruption appears to have almost doubled since the launch of the anticorruption campaign, the investigation of its explanatory variables becomes more important. The effect may be driven by the central government’s lack of will to fight corruption, meaning that anticorruption measures were used as pure rhetoric, or by deficits in bureaucratic organization that render policies ineffective. However, this study suggests that structural factors may contribute to this phenomenon, particularly historical legacies, which are difficult to change by any organized governmental campaign. The next section discusses in greater detail the available theoretical literature on this issue.

The state of the art and the theoretical framework: post-Communist corruption

As noted above, since the late 1990s, the regions of Russia have been a convenient academic laboratory for scholars to test theories of regime transition. Our paper contributes further to this literature by linking it to two areas of research: The first looks at determinants of corruption, and the second at the mechanisms of persistence of long-lasting historical legacies. In terms of the first set of literature, political scientists, social scientists, and economists have done numerous studies of the factors driving the variation of corruption across countries (for surveys, see, e.g., Ades and Di Tella 1997; Jain 2001; Rose-Ackerman 2006; Treisman 2007; Pellegrini and Gerlagh 2008). A wide range of theories exists about corruption,

providing different explanations for its emergence, development, and persistence. These theories of corruption can be divided into those focusing on political, social, and economic groups of explanatory variables, with great overlap between them. The literature, however, also has devoted particular attention to the effect of history on corruption. A point studied particularly often has been colonial heritage and legal origin: The literature has debated whether legacies of British colonial administration and of strong judiciary in common-law countries have helped to reduce corruption (La Porta et al. 1999; Treisman 2000; Serra 2006). Another historical factor taken into account is the age of the country: On the one hand, older countries with established political systems and bureaucracies may also have established practices of corruption, which are difficult to abandon. On the other, establishment of younger nations may open up large opportunities for rent-seeking and bribery (Goel and Nelson 2010).

Numerous studies have investigated how political and fiscal decentralization affected corruption (Fisman and Gatti 2002a; Arian 2004; Fan, Lin, and Treisman 2009). Several papers have also looked at the within-country variation of corruption (e.g., Glaeser and Saks 2006; Dincer, Ellis, and Waddell 2010; Goel and Nelson 2011; Faughnan, Hiskey, and Revey 2014), although this literature is substantially more limited. However, very few papers have explored the role of historical factors and legacies at the subnational level. Del Monte and Papagni (2007), studying Italy, show that cultural factors (measured by the development of civil society) explain the subnational variation of corruption in this country. For Chinese provinces, Dong and Torgler (2013) suggest that corruption was influenced by the historical effects of Anglo-American church universities. We contribute to this literature on historical legacies and subnational variation of corruption, also by exposing the differences between various aspects of corruption and proxies for its measurement.

The second set of literature on which we build our arguments investigates the role of historical legacies. We contribute to this literature through an analysis of the causal mechanisms explaining the role of historical legacies in modern societies. One of the central research questions of these studies is how certain historical paths have affected contemporary institutions and policy outcomes. For example, while studying colonial legacies, the literature points out the importance of property rights institutions (Banerjee and Iyer 2005), direct versus indirect rule (Iyer 2010), human capital (Lankina and Getachew 2012, 2013), or the spread of the slave trade (Nunn and Wantchekon 2011). Furthermore, more recent studies have looked at the competition of colonial and precolonial legacies (Hariri 2012; Michalopoulos and Papaioannou 2013). The research on Communist historical legacies, which has been growing over the past two decades, also attempts to disentangle specific causal mechanisms of legacy persistence. For example, LaPorte and Lussier (2011) argue that Communist legacies could survive due to the survival of institutions and organizations (e.g., parties), attitudes of the public (e.g., perceptions of markets or corruption), and behavioral patterns (e.g., willingness to pay bribes). Pop-Eleches and Tucker (2011) suggest that Communist legacies could be associated with the experience of life under

Communist rule and with the survival of specific Communist institutions. The variation of these channels can explain why different post-Communist countries are subject to different legacy effects. Again, a number of studies point out the existence of large differences between Communist regimes themselves (Kitschelt et al. 1999) and the importance of pre-Communist legacies (Darden and Grzymala-Busse 2006; Pop-Eleches 2007; Lankina 2012). One of the major insights of this literature is that one has to, first, carefully disentangle the specific meaning of legacies (i.e., institutions or values that one expects to have survived), and second, distinguish between different outcome variables, which can have been influenced by similar legacies in different ways. This is precisely what we intend to do while studying corruption in Russia.

Scholars have also dedicated substantial effort to analyzing how the legacy of Communism affects corruption in former Communist countries. We will focus below on the explanations for corruption in previous studies, paying particular attention to the role of the Communist legacy in this phenomenon. Communist societies were widely associated with corruption (e.g., Jowitt 1983). According to Tarkowski, corruption was “an integral, structural element of these systems” (1989, 51). In spite of the anticorruption reforms launched by various Communist leaders, particularly Andropov and Gorbachev, corruption was consistently a part of life in Communist Russia (Tarkowski 1989). Gorbachev’s anticorruption campaign was one of the factors responsible for driving *perestroika*, awakening the nascent civil society and radically increasing the independence of mass media in the 1980s (Tarkowski 1989). Still, corruption has neither disappeared nor decreased after the collapse of Communism, at least not in the post-Communist states. Several scholars have even concluded that corruption actually increased in post-Communist societies compared to Communist societies (Sajo 1998).⁴ As mentioned above, the former Soviet republics still score high in international corruption indexes. Thus, it is reasonable to argue that the role of legacies of corruption is extremely important for post-Communist states.⁵

In the aftermath of the dissolution of the USSR in 1991 and the independence of the mass media, Communist corruption not only survived but increased throughout the period of regime transition and the transition to a market economy (e.g., see Sandholtz and Taagepera 2005). The historical legacy of Communism could have contributed to this rise of corruption as well, because it “created structural incentives for engaging in corrupt behaviors, which became so widespread a fact of life that they became rooted in the culture in these societies – that is, the social norms and practices prevailing in communist societies” (Sandholtz and Taagepera 2005, 109). Once the contextual factors changed (e.g., new profit opportunities emerged), legacies of Communism resulted in growing corruption.

Consistent with these explanations, Sajo (1998) attributes post-Communist corruption to the remaining Communist clientelism (*nomenklatura*), which had been preserved but transformed into different social clientelistic networks in the post-Soviet era. Many studies have already addressed how these networks survived and strengthened their positions. The institutional vacuum in the first years of post-Communism, along with direct access to rent and previously public

“collective” property that was meant to belong to “all the people of the state,” conveniently went into hands of those in power and was later inherited through subsequent generations of persistent clientelistic networks. Studies thus concluded that the legacy of Communist corruption had been preserved in the post-Communist era partly through clientelistic networks (i.e., the *nomenklatura* legacy) and partly through institutional structures (Sajo 1998, 2003).

It was therefore unsurprising that post-Communist states, particularly former Soviet republics, continued their legacy of corruption among other legacies of Communism (Miller, Grodeland, and Koshechkina 2001). Many studies assume that corruption is a historical legacy of Communist regimes and focus on other modern predictors of corruption, contributing great insight into the nature of modern corruption from a statistical point view (Dininio and Orttung 2005). Conversely, another group of studies also explains the survival of the Communist legacy using descriptive analysis (Trang 1994). This literature is also linked to the studies of the role of Communist elite in the transformation of the Soviet *nomenklatura* into the modern Russian elite (Kryshtanovskaya and White 1996; Hughes 1997; Rivera 2000; Gaman-Golutvina 2008; Moses 2008) and to the investigations of how reforms affected the economic behavior of former CPSU members (Gerber 2000, 2001; Rona-Tas and Guseva 2001; Geishecker and Haisken-DeNew 2004).

Generally speaking, corruption as a historical legacy of Communism can be approached from different perspectives. First, the “supply side” comprises those who *give* or *offer* bribes, such as the population. This explanation might be associated with people’s mentality, their attitude toward bribes, or a tradition of giving bribes to achieve their goals. It can be subdivided into two categories: the actual payment of bribes and the approval of bribery as a normal part of life. The second cluster of explanations is concerned with the “demand side” of corruption, such as those who *accept* and *require* bribes, including bureaucrats, doctors, teachers, or university professors. Thus, the contribution of this study is to disentangle the phenomenon of corruption and to analyze these individual aspects separately from each other.

Hypotheses and causal mechanisms

Based on the literature outlined above, we derive the following hypotheses. The first hypothesis is concerned with *bribe-giving* or bribe-offering among the population itself. Based on the discussion of the previous section, we hypothesize that in the regions with substantial CPSU membership penetration, the willingness to pay bribes should be higher than in other regions. The hypothetical mechanism allowing us to make this prediction is based on a few elements. First, the former members of the CPSU were particularly likely to behave opportunistically, accepting the existing social practices. Second, given the overall growing level of corruption in post-Communist Russia, this opportunism made them more willing to pay bribes if requested. Third, the norms of the CPSU members’ group could have spread to the general population through causal interaction, which was more likely to happen where the share of the CPSU members in the regional population

was larger. Fourth, the resulting norms of social behavior could have been transmitted over time and over generations through various social ties, such as families and schools. In what follows, we outline each of the elements of the mechanism.

Communist ideology, certainly, does not favor corruption. However, given how the CPSU was composed, at least during the post-Khrushchev era, ideological loyalty of the Communists actually was relatively low; people aspired to party membership primarily for career advancement. A large portion, if not most, of the CPSU members were those with weak ideological commitments and predominant pragmatism, rather than those with strong beliefs in Communist values (Unger 1981; Glazov 1988; Titma, Tooding, and Tuma 2004; Belova and Lazarev 2007). This pragmatism most likely accorded with their conformist attitude toward existing social norms. As a member of the CPSU, one had to demonstrate much higher compliance with the existing social order (and also with often-changing governmental policy) than an ordinary citizen. This opportunism is likely to have affected the behavior of the former CPSU members after the collapse of the USSR. As mentioned above, almost all post-Communist countries (and Russia in particular) experienced a surge of corruption, driven by the weakening central control over the bureaucracy and law enforcement, the chaotic regulation and property rights structure of the early capitalist economy, and the low salaries of bureaucrats. It is safe to say that in the 1990s in Russia corruption became the standard form of behavior in almost all types of social interaction. As a result, conformism is likely to make people more complacent with increasing corruption and more likely to pay a bribe, as they accept the new social practices.

There are two additional arguments in favor of the greater willingness of former CPSU members to pay bribes. First, already in the Soviet period CPSU membership (Gerber 2000) and corruption (Timofeyev 2000) served as tools to gain access to valuable goods (especially important in the USSR due to widespread shortages); therefore, those particularly aspiring to join the CPSU for this reason should also have been more likely to engage in corruption networks. Second, being part of the CPSU (even at the lowest level) could have provided a Soviet citizen with better access to informal networks and ties, making the payment of bribes easier, especially since many of these networks in Russia survived after the start of the transition (on corruption networks, see Pleines 2001).

This behavior, which should have occurred in the first years after the start of transition among the former CPSU members, is likely to trigger the processes of both horizontal and vertical diffusion of values and norms (Bisin and Verdier 2010). Horizontal diffusion refers to the spread of norms and values from the former CPSU members to other members of society. Typically, the literature on horizontal diffusion concentrates on minority groups accepting the norms of the majority in the society; in the case of our investigation, there are good reasons to argue that the minority of former CPSU members could have influenced the broader social groups for two reasons. First, the literature cited in the previous section suggests that the CPSU members were particularly successful in adapting to the post-transition environment (partly by using informal networks, which

survived the transition), which could make their behavior particularly influential in terms of the diffusion of norms in the society. Second, Keating (2013) points to the existence of a feedback loop: In societies with a large share of past Communists, where corruption is higher (also because of higher demand for bribes, as we will show in what follows), Soviet nostalgia becomes stronger, which in turn strengthens the normative power of the former CPSU members and, paradoxically, leads to more corruption. The influence of former CPSU members is likely to operate through causal interaction with friends or coworkers (e.g., peer effects, see Saez-Marti and Sjogren 2008). And, as mentioned, if the share of the former CPSU members in the region was larger (i.e., the causal interaction we talk about was more likely), horizontal diffusion of norms should also become more probable.

Vertical diffusion implies that this original norm, pioneered by the former CPSU members and spread across the regional society in the first years after the start of transition, should persist over time. There exists a large literature on how norms and values are inherited over generations. The reasons for persistence of values and attitudes are associated with socialization of children within the family, where parents typically have strong preferences toward ensuring that their offspring accept the same norms and values as they do. Other institutions of socialization (like schools) also play a prominent role in this context (Jennings and Niemi 1968; Dalhouse and Frideres 1996; Jennings, Stoker, and Bowler 2009; Dohmen et al. 2012). Peisakhin (2012), for example, investigated the vertical transmission of values in post-Soviet Ukraine. Willingness to pay bribes is also likely to be subject to vertical transmission of norms, even if none of the members of the society is willing to encourage this practice (Hauk and Saez-Marti 2002). Simpson (2013) shows how willingness to pay bribes survives over many generations. Therefore, we can expect that the willingness to pay bribes remains high in the regions with a high share of CPSU members in the past, even many years after the collapse of the USSR.

The second hypothesis focuses on the *approval of corruption* by the population of post-Communist society. Again, we hypothesize that a higher share of CPSU members in the past should result in higher levels of approval of corruption in contemporary Russia. Three factors make this hypothesis plausible. First, opportunism should make former CPSU members generally unlikely to criticize any existing aspect of social reality. Second, and more importantly, widespread corruption should lead to rationalization of corruption – that is, to a situation in which individuals construct arguments and reasons explaining why paying bribes is acceptable to reduce the dissonance between the norms they pursue and the daily practice they must deal with (on rationalization, see Ashforth and Anand 2003; Geva 2006). Opportunism, again, should increase the likelihood of rationalization. Third, being part of informal networks, former CPSU members may be personally familiar with corrupt bureaucrats and thus unwilling to criticize them. Again, the normative power of the former CPSU members should trigger the vertical and horizontal diffusion mechanisms, resulting in lower disapproval of corruption.

The third hypothesis refers to *bribe-accepting*, demanding bribes or requests for bribes by officials and bureaucrats. This hypothesis focuses on a small group of

people, but represents a very important aspect of corruption. Duvanova (2014) argues that corruption in the post-socialist countries was driven primarily by the implementation of regulations rather than by the regulations per se – that is, is linked to the behavior of bureaucrats. To start with, we expect that in regions where the share of former CPSU members was larger, there should be a stronger continuity of the Soviet-era bureaucracy. In the Soviet period, CPSU membership was predominant among bureaucrats (starting at the middle echelon). In the regions with a higher CPSU membership share in the past, first, newcomers into the regional bureaucracy could have been recruited from former CPSU members, and second, the public perception of bureaucratic continuity (given stronger normative power of the former Communists) should also have been more favorable. Indeed, Libman and Obydenkova (2014), using the data for early 2000s, show that in regions with a larger share of CPSU members in the past there was a greater continuity of street-level bureaucracies, where the old Soviet cadres remained in office. However, they concentrate on a period when the share of former Soviet bureaucrats in Russian public administration was relatively large. In contrast, as we will show below, our paper investigates a period almost 10 years later – and numerous reforms by Putin and Medvedev could have changed the composition of the bureaucracy, especially their anticorruption campaign. Thus, we need to perform further tests, the results of which we will report below.

Furthermore, we expect bureaucratic continuity to result in a higher demand for corruption. The causal mechanism we suggest is built on three elements. First, as discussed in the previous section, the Soviet variety of socialist rule (Kitschelt et al. 1999) was associated with the formation of informal networks and widespread corruption in the bureaucracy. Therefore, Soviet bureaucrats were likely to internalize and to rationalize the norm of bribe-taking. Corruption may be perceived as normal practice (e.g., gratitude) and not as a violation of social norms. Second, former Soviet bureaucrats remained part of informal networks – as discussed in the literature on the survival of Communist networks in the post-Communist period and of the *nomenklatura* as a social system of hierarchy (cited above). These networks should make the extraction of bribes easier, as they facilitate contact between possible bribe-payers and bribe-takers and establish informal norms of how bribes should be paid (overcoming the general information asymmetry problems of corruption; see Cadot 1987). Third, in the regions where the old Soviet bureaucracy survived, it also implied older bureaucracies. It means that the bureaucrats have shorter time horizon (due to their advanced age). As a result, they are unlikely to be constrained by factors influencing younger bureaucrats, who expect a longer career in public administration and thus may limit the extraction of bribes in any particular period, hoping for larger rents in the future (the “golden goose” effect described by Niehaus and Sukhtankar 2013).

In summary, in disentangling corruption more broadly, we can distinguish between the supply side and the demand side. On the supply side, we focus on two aspects of the corruption: the actual payment of bribes and the approval of the population of bribes (correspondingly, Hypotheses 1 and 2). On the demand side,

we focus on those who accept and request bribes (Hypothesis 3). Therefore, we derive the following three main hypotheses of the study:

Supply side: population as bribe-givers

Hypothesis 1: The greater the proportion of CPSU members in the last decades of the USSR (i.e., the 1970s and 1980s) in a region, the higher the probability that people will pay a bribe if they are requested to do so.

Hypothesis 2: The greater the proportion of CPSU members in the last decades of the USSR in a region, the higher the approval of corruption by the public.

Demand side: bureaucrats as bribe-takers

Hypothesis 3: The greater the proportion of CPSU members in the last decades of the USSR in a region, the higher the probability that officials (i.e., bureaucrats, political elite, etc.) will request a bribe.

The following section proceeds with the presentation of the data, measurement of the main dependent and control variables, and the sources of the data and descriptive statistics.

Data, operationalization, and descriptive statistics

Dependent variables

To test the hypotheses described in the previous section, we estimated a set of regressions using various corruption indicators as dependent variables and the share of the CPSU membership in the 1970s–1980s as the explanatory variable; we also added further control variables that potentially affect corruption. Specifically, we used three dependent variables that were extracted from surveys performed by the FOM in 2010 and 2011 (FOM 2011a, 2011b).⁶ Because the indicators used reflect nearly the same point in time, differences in the effect of CPSU legacies on corruption cannot be driven by changes in corruption levels due to when the particular indicators were obtained. All indicators are available for the majority of Russian regions, providing us with a sample sufficiently large for empirical investigation.

The *first* indicator we used is the measure of the *approval of corruption* obtained by the FOM. The FOM's survey in 2011 asked respondents to indicate whether they disapprove of corruption. Specifically, the question was formulated in the following way: "Do you disapprove of those who take bribes, or you do not feel any disapproval?" (FOM 2011b, 36).⁷ The dependent variable we use measures the share of respondents who indicate that they do not disapprove of those taking bribes. Thus, a high value indicates that people are more inclined to

perceive corruption as an acceptable social norm or at least to rationalize this behavior, such as blaming it on the harshness of economic conditions.

This approval does not automatically imply direct involvement in corruption per se, but rather the opinion of the respondents about corruption in general. In contrast, the *second* indicator we used explicitly asks people about their own experience with corrupt behavior. The indicator was extracted from the FOM survey of 2010 that measured whether individuals reported that when asked to pay a bribe during their last encounter with bureaucrats, they agreed to pay it. In order to obtain this variable, a sequence of questions was used. First, the respondents were asked to recall their last encounter with public officials: “When was the last time you got in touch with state organizations, officials or any administrative personnel (bureaucrats)?” The second question was “In your opinion, during this last contact with officials, was there any need to solve your issues with the help of a bribe or to make an informal present or offering (independently from whether you have done it or not)?” The third question was “Were you eventually forced to pay a bribe or did you decide not to do it?” The variable is then obtained by measuring the number of those who positively responded to the third question as a percentage of those who responded affirmatively to the second question. We will designate this indicator *actual payment of bribes* rather than *approval of corruption* (as the later does not necessarily imply actual payment of bribes). Both measures capture the supply side of corruption.

The third indicator of the analysis represents the behavior of bureaucrats. We extract this variable from the 2010 FOM survey as well, and look at whether respondents claim that they were asked (or required) to pay a bribe during their last encounter with public officials. For this purpose, FOM used the question (indicated above), “In your opinion, during this last contact with officials, was there any need to solve your issues with the help of bribe or to make an informal present (independently from whether you have done it or not)?” The indicator is computed as the number of those who responded affirmatively to this question as a percentage of all those who recalled their last encounter with public officials. This variable captured the *demand for corruption* and, specifically, demand for corruption from street-level bureaucrats. By design, the FOM survey does not measure political corruption or high-level bureaucracies because most respondents had little exposure to these forms (it also does not look at bribery involving businessmen). Instead, it considers corruption at the low level of interaction between citizens and public servants.

We acknowledge two important caveats. First, the FOM data may suffer from certain biases present in the public surveys on corruption; however, their availability across almost all regions of Russia, as well as general reputation of the FOM as one of the leading Russian survey organizations, make this sample an attractive one for empirical research (Libman and Kozlov 2013). Second, by regressing individual-specific data (responses to the survey on corruption) on region-specific variables (share of CPSU members in the Russian regions) we could encounter the ecological fallacy problem (King 1997). In our case, we must stress that we do not use individual-level data: FOM reported merely the region-level

aggregates of responses, which we apply in our regressions. More importantly, the FOM surveys were designed to be representative for the population of each region from which the data were extracted. The 2010 survey, for instance, covered 70 regions, with 250 respondents in each region. The sample was constructed based on a three-stage stratified sampling procedure (subregional territorial units [rayons], settlements, and households). FOM (2011a), while describing the procedure and the results of the survey implemented in 2010, estimates the sampling error not to exceed 7.5% for individual regions. The 2011 FOM survey was part of the Georating – a systematic survey of public opinion in Russian regions, again, based on a representative sample in each region in which the survey was conducted (FOM 2011b). Thus, we can (with certain reservations) treat the FOM data as accurately describing a regional-level characteristic of corruption.

Table 1 reports the correlation of various indicators of corruption. In addition, we also report how the indicators we use are correlated with another data-set: the Transparency International/INDEM data published in 2002, which cover 40 regions of Russia. We consider this indicator because it has been used in many previous studies discussed above in this paper. The table demonstrates that indeed actual payment of bribes and approval of corruption are positively and significantly correlated, as one would expect. The demand for bribes is positively correlated with the actual payment of bribes, but not with approval of corruption.

Furthermore, Figure 1 plots the kernel density estimate for all three corruption indicators we use. One can see that there is a substantial variation in responses: Approval of corruption varies between 10% and 40% in individual regions, the probability a bureaucrat requests a bribe is between 14% and 58%, and the willingness to pay a bribe if one is requested is between 27% and 70%. Higher average indicators for the willingness to pay bribes may be driven by the fact that in Russia opportunistic acceptance of bribery is generally widespread: if a bureaucrat suggests that a bribe could solve the problem, people are generally willing to offer one.

Explanatory variable

As the main explanatory variable, we used the share of CPSU members in Russian regions in the 1970s and 1980s (as a percentage of the regional adult population). To generate the variable, we followed the strategy developed in previously

Table 1. Correlation matrix for various indicators of corruption.

	1	2	3	4
1. Approval of corruption, 2011	1.0000			
2. Probability bureaucrats request a bribe, 2010	0.1580	1.0000		
3. Actual payment of bribes, 2010	0.2794**	0.3352***	1.0000	
4. TI/INDEM index (experienced corruption), 2002	−0.1854	0.3381**	0.1677	1.0000

***Significance at 1% level; **at the 5% level; *at the 10% level.

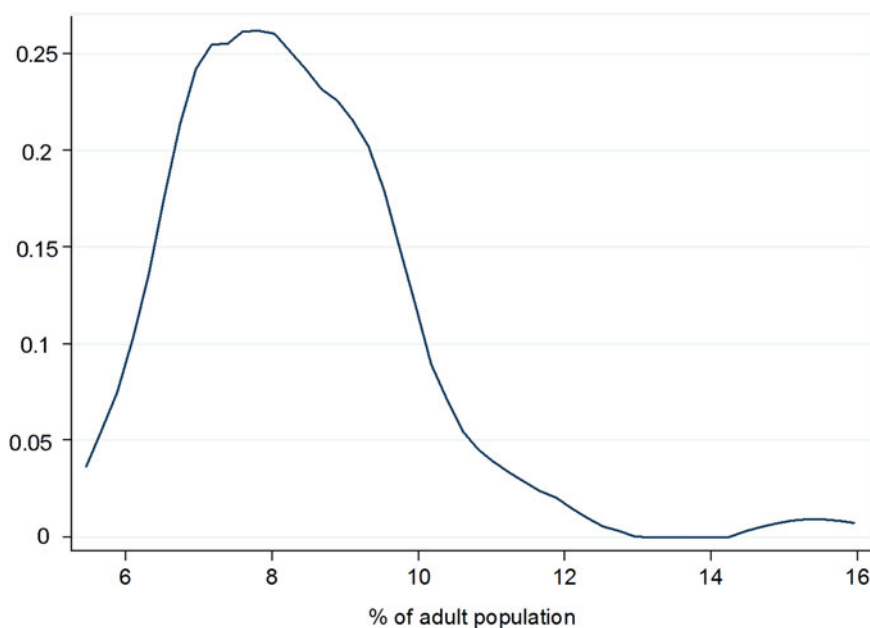


Figure 1. Distribution of corruption indicators across Russian regions.

outlined studies (Libman and Obydenkova 2013, 2014). Specifically, we extracted the share of CPSU members from the statistics of the Soviet party congresses. The party congress was the highest decision-making body of the CPSU and was composed of delegates from all regional party organizations. The spatial reach of these organizations coincided with borders of regions within the Russian Soviet Federative Socialist Republic (RSFSR) as a subunit of the Soviet Union and, in most cases, the borders of modern Russian regions. The size of each regional delegation was determined proportionally to the size of the regional organization itself. Thus, we computed the number of representatives sent by a particular region to the party congress,⁸ multiplied it by the predetermined rule for representation, and divided it by the regional adult population. The measurement problems we encountered using this approach are discussed in the Appendix.

The indicator is characterized by significant variation across regions of modern Russia. On average, 8.3% of the Russian adult population belonged to the CPSU; the lowest share was observed in Checheno-Ingushetia (6.0%) and the highest in the City of Moscow (15.4%), followed by Kaliningrad (11.7%). Thus, the range of variation in CPSU membership is about 6 percentage points of the regional population (or as high as 10 percentage points if we include the City of Moscow). Figure 2 plots the kernel density estimate of CPSU membership variation in Russia, and Figure 3 depicts the spatial distribution of CPSU membership across Russian regions.

The geographic pattern of CPSU membership penetration allows for a number of interesting observations. One can see that the share of CPSU members was the highest not only in some regions of Central Russia (such as Moscow, Leningrad,

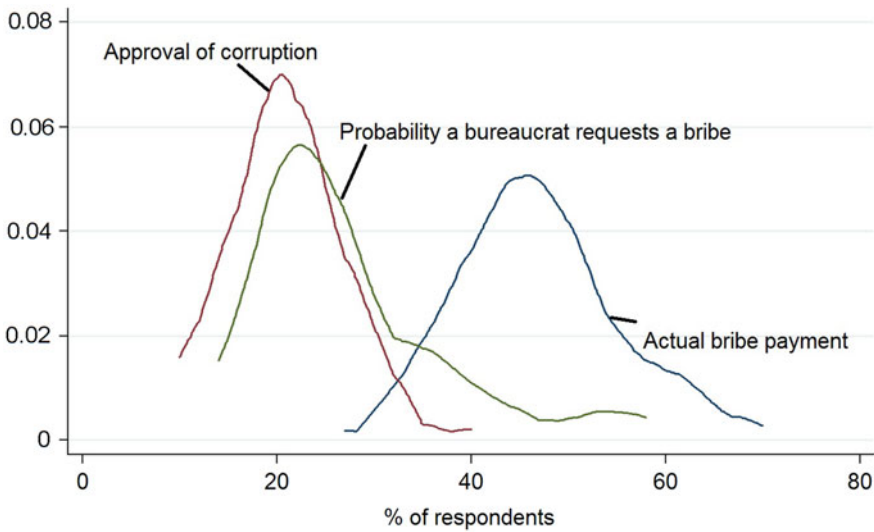


Figure 2. Distribution of CPSU membership share across Russian regions.

and Tver' oblasts) but also in two "boundary" regions: Kaliningrad (the Western enclave) and Kamchatka (on the Pacific Ocean). Generally, the share of members is relatively high in the ethnic Russian regions surrounding Moscow and in the regions of the Far East. As for Kaliningrad, a very important factor has been the traditionally strong presence of military veterans, who colonized the region after World War II and were very often Party members. However, the high concentration of Party members may also be a spillover effect of a general attempt

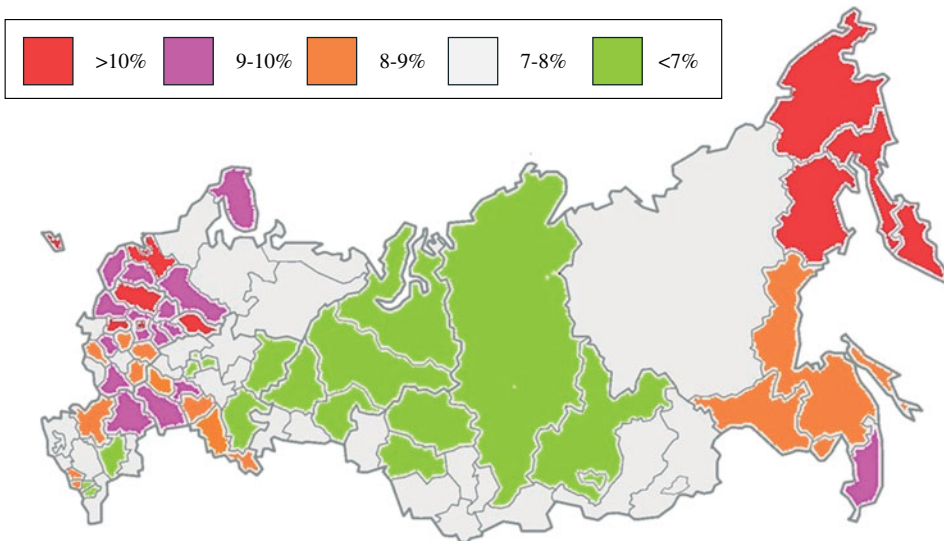


Figure 3. Share of Communists in the adult population across Soviet regions in 1976.

by the CPSU to tighten its control over a region geographically so close to the West. This factor most likely also explains the high share of Communists in the Far East. Another possible explanation of this geographic variation of the density of CPSU membership is that it may also be a consequence of large infrastructural projects implemented by the Soviet Union in this region that attracted CPSU members. The lowest membership was observed in oil and gas-rich Siberia, and in some ethnic republics. In the latter case, Kalmykia and Checheno-Ingushetia stand out as regions inhabited by peoples originally subject to resettlement under Stalin who were later allowed to return, thus making the low share of CPSU membership unsurprising.

Thus, the patterns associated with the spread of the CPSU over Russian territory appear to reflect two types of factors: social and economic development (leading to growing demand for Party membership), and geopolitical concerns of the central government associated with particular border regions. Table 2 provides a brief summary of the concentration of CPSU members in regions situated along “external” (with foreign countries) and “internal” (with other republics of the USSR) borders of the RSFSR. For the former, the role of geopolitics is obvious: more “hostile” neighbors typically necessitated a higher share of CPSU members in regions closest to shared borders (with the notable exception of China, which moved from a loyal ally to a serious problem for the USSR in the post-war period) with NATO (the USA and Norway), as well as Japan, both of which caused more concerns than neutral Finland⁹ and allied Mongolia. The “internal” borders between Soviet Union republics were less likely to be affected by geopolitics. Here, high concentrations of CPSU members may be linked to proximity to Moscow (Ukraine, Belarus) and to Leningrad (Baltic countries). Nevertheless, the logic of control could also have played a role. Finally, curiously enough, one observes very low concentrations of CPSU membership in southern Russia (Stavropol’, Krasnodar). This phenomenon is worth mention because these regions have traditionally backed Communists in modern Russian politics.

For the purposes of this paper, it is important to defend the proposition that 1976 can be used as a proxy for the concentration of CPSU members in the 1970s and 1980s. After a major jump in the 1960s (when CPSU membership increased

Table 2. CPSU membership in border regions of the RSFSR.

Share of CPSU members	High (>9%)	Intermediate (8–9%)	Low (<8%)
“External” borders	Japan USA Norway Finland	China	Finland Mongolia
“Internal” borders (within USSR)	Estonia Latvia Belarus Ukraine	Ukraine Georgia	Azerbaijan Georgia Kazakhstan

Note: The special case of Kaliningrad Oblast is not included.

from 8.7 million in 1960 to 14 million people in 1970, including those on probation), the CPSU was steadily growing, reaching 15.6 million in 1976, 17.1 million in 1980, and 17.7 million in 1982. At the same time, the population of the USSR grew from 241.7 million in 1970 to 270 million in 1982 (TsSU 1982). Thus, the share of CPSU members in the Soviet population increased by about 1%, that is, much less than the cross-regional variation in evidence (even after excluding the City of Moscow as an outlier). To ensure that the spatial distribution of CPSU penetration remained relatively stable, we also compared the size of the delegations to the 1976 Congress from each region with the size of delegations to the XIX Party Conference, a somewhat lower-ranking political event in the governance structure of the CPSU, which took place in 1988 and was formed based on a similar approach, with each region sending delegates in proportion to CPSU membership. The correlation coefficient between the size of the regional delegations for the Congress and the Conference is 99.76%, indicating a highly stable spatial structure over time. There is no evidence that 1976 constituted an outlier in terms of CPSU membership or its spread across Russian regions.

Control variables and sample

For the regressions estimating the effect of the CPSU legacy on the first two indicators of corruption, which measure the behavior of the general population, we use the following control variables. First, willingness to pay bribes and approval of corruption could depend on the well-being of the regional population and economic development (Treisman 2000). Thus, as a proxy for the economic development of and the current economic situation in the region, we control for the monthly income per capita (2009, in thousands of RUR), share of urban population (2009, by percentage), size of the population (2009, millions of people), and unemployment (2009, by percentage). Second, the public attitudes and behavior could also be affected by the cultural specificity of the region (Fisman and Miguel 2007) and by the level of education of the regional population (Glaeser and Saks 2006). Therefore, we add two characteristics of the Russian regions, extracted from the 2010 census – the educational level of the regional population (i.e., the share of the population with a university education)¹⁰ and the share of ethnic Russians in the regional population – to account for specific features of regional culture. In the same way, we control for the distance between the regional capital and Moscow (in thousands of kilometers). More distant regions may differ in terms of the preferences of the population (e.g., due to established connections to foreign countries or historical differences), particularly given the low mobility of the Russian population. Third, willingness to pay bribes and to approve of corruption may depend on inequality (You and Khagram 2005); we check for this effect by controlling for the Gini coefficient for disposable income of the regional population.

In the regression for the behavior of bureaucrats, we keep all controls mentioned above: Culture, inequality, and economic well-being affect bureaucratic behavior as well (especially because street-level bureaucrats in

Russia almost without exception are recruited from the region in which they work). Distance from Moscow, furthermore, may capture the extent of federal control over the region, which may affect the behavior of bureaucrats. We drop only one variable (unemployment) because it clearly does not affect the behavior of public officials (who do have a job). However, we also add a number of further covariates.

First, to account for the possible effect of the resource curse on public administration, we control for the share of natural resource extraction in GDP (2009, by percentage). On the one hand, natural resources increase corruption by intensifying competition for rents (Vicente 2010); regional bureaucrats even at lower levels can be involved in this competition (e.g., by receiving payoffs through patronage relations); and the access to rents can influence their willingness to (additionally) extract bribes from households. On the other, if the regional government is capable of benefiting from resource rents, it is likely to pay less attention to developing an effective bureaucracy (capable of improving economic growth in the nonresource sectors), and the lower quality of bureaucracy could be associated with higher corruption (on the resource curse, see Ross 2001). Second, we control for the proportion of state-owned companies in the total number of companies in the region (2009, by percentage) as a proxy for the extent of privatization. The path of privatization and private business formation was uneven across Russian regions, and the prevalence of public or private property could have influenced bureaucratic behavior – for instance, by affecting access to alternative sources of rents generated by state-owned companies.¹¹ Similarly, we control for the total number of companies in the region (2009, thousands of companies). This indicator has been suggested by the literature as a proxy for the extent of competition in regional markets. Third, we control for the share of federal transfers in regional expenditures (2009, by percentage). Access to federal funding could create strong windfall gains for regional bureaucracies, exacerbating problems of corruption. The inflow of transfers can follow large federal projects (again, providing ample corruption opportunities; see Fisman and Gatti 2002b), but it can also be associated with more rigorous federal oversight and control, limiting the ability of regional bureaucrats to extract bribes. Finally, we control for the size of the bureaucracy in the region (2009, number of public officials per 1000 people). Larger bureaucracies are more likely to be predatory (Dininio and Orttung 2005), but may also reflect better state capacity (Acemoglu, Garcia-Jimeno, and Robinson 2014). Summary statistics of all variables are presented in the Table 3.

The data-set we applied includes all Russian regions with the following exceptions. First, we omitted Chechnya because reliable data are unavailable for this region. Second, we excluded all autonomous okrugs, or lower-ranked units, which are part of other higher-level regions of the Russian Federation. Sufficient data were not available for these regions, and they lacked an independent party organization in the Soviet period, making it impossible to establish the size of the share of Communists in these regions using the approach presented above. Third, we excluded a few regions for which no data for a particular indicator of

Table 3. Summary statistics.

Variable	Obs	Mean	SD	Min	Max
Actual payment of bribes	69.0000	46.8406	8.4080	27.0000	70.0000
Approval of corruption	72.0000	21.1250	5.7993	10.0000	40.0000
Demand for corruption	69.0000	27.4783	10.0097	14.0000	58.0000
Share of CPSU members in the 1970s	71.0000	8.3014	1.5566	5.9825	15.4312
Distance to Moscow	79.0000	2.3675	2.7482	0.0000	11.8760
Education	79.0000	0.2521	0.0480	0.1823	0.5001
Fiscal transfers	79.0000	0.3462	0.2089	0.0411	1.3549
Gini coefficient (inequality)	79.0000	0.3909	0.0285	0.3300	0.5210
Income per capita	79.0000	14.5298	5.8555	6.4090	43.0990
Population	79.0000	1.7805	1.6363	0.0491	10.5360
Share of bureaucrats	79.0000	14.2746	6.7324	7.4462	57.7597
Share of ethnic Russians	79.0000	0.7772	0.2485	0.0078	0.9727
Share of extracting industries	79.0000	7.0848	11.8517	0.0000	55.7000
Share of public enterprises	79.0000	0.1418	0.0737	0.0128	0.4417
Total number of companies	79.0000	61.9944	134.3671	1.4760	1106.8970
Unemployment rate	79.0000	9.7468	5.6764	2.7000	52.9000
Urbanization	79.0000	69.0101	12.7004	26.6000	100.0000

corruption are available: Ingushetia, Sakha, Tyva, Kalmykia, Karachayevo-Cherkessia, Altay Republic, Buryatia, Kabardino-Balkaria, and Adygeya for the 2010 FOM data and Ingushetia, Altay Republic, Tyva, Kalmykia, Sakha, and Buryatia for the 2011 FOM data. Third, we excluded several regions for which the size of the CPSU membership cannot be determined using our method. Although there were no substantial changes of borders between the regions of the Russian Federation compared to the RSFSR period, some regions that were merely subordinated territories of other regions in the Soviet era were upgraded to full subjects of the federation in the late 1980s and early 1990s. In the Soviet period, the Communists of these regions (Adygeya, Altay Republic, Karachayevo-Cherkessia, Khakassia, and the Yevreyskaya Autonomous Oblast) belonged to larger party organizations of the higher-level territories, which were represented at the party congress. Similarly, two regions – Leningrad Oblast and Checheno-Ingushetia – were split into the city of St. Petersburg and Leningrad Oblast in the first case and Chechnya and Ingushetia in the second, and thus are thus excluded from the main specification as well.¹²

Econometric analysis and results

Table 4 presents the results of our regressions. The findings are unequivocal: the CPSU's legacy has a strong and significant effect on several dimensions of corruption. We find that both supply-side characteristics of corruption (i.e., approval of corruption and actual payment of bribes) increase if the proportion of CPSU members in the regional population in the 1970s and 1980s was larger. Thus, as we expected, stronger CPSU legacies are associated with higher

approval of corruption and greater readiness to pay bribes if bureaucrats demand it. We also find that greater CPSU penetration in the past is associated with a higher demand for corruption. Respondents from these regions were more likely to report that they were asked to pay a bribe during their last encounter with public officials. The regression for the demand for bribes (specification [3]) has a higher R^2 than the regressions for the demand for corruption (specifications [1] and [2]), but it also has larger number of control variables, automatically increasing the coefficient of determination. If we replicate regression (3) using the same covariates as in (1) and (2), R^2 is still somewhat larger (0.38) (and the effect for the CPSU legacy is confirmed). It may indicate that we can explain the propensity for taking bribes better than the likelihood of giving bribes, which may be influenced by multiple individual-specific factors that are difficult to account for econometrically.

To measure the magnitude of the CPSU effect as opposed to other standard predictors of democracy, we compute standardized beta coefficients. We then compare the standardized coefficient for the CPSU legacy with other standardized coefficients. The results are reported in Table 4: Standardized coefficients of variables exceeding the standardized coefficient of the CPSU legacy are indicated in bold type. One can see that almost regardless of specification the CPSU legacy is one of the quantitatively strongest effects on the determinants of corruption, superseded only by very few other variables. In terms of magnitude of the effects, we find that the increase of the CPSU share in the regional population in the 1970s by 1 percentage point results in an almost 2 percentage point increase of the share of those who are willing to give bribes when asked to do so; a 1.6 percentage point increase in the share of those who approve of corruption; and a 3.5 percentage point increase in the likelihood that a citizen encountered a bribe request during his/her last encounter with governmental agencies (which turns out to be the quantitatively strongest effect). A 1 standard deviation decrease in the CPSU membership in the region would result in a decrease of the willingness to pay bribe by 0.35 of the standard deviation of this variable; of the approval of corruption by 0.43 of the standard deviation of this variable; and of the demand for bribes by 0.54 of the standard deviation of this variable.

To validate our results, we ran several robustness checks (summarized in Table 5), which generally support our findings; the results are somewhat weaker for the actual bribe payment, but highly robust for all other variables – again indicating that we obtained better prediction for the bribe-takers than for the bribe-payers. Because some of the covariates in the regressions may be correlated with each other, we check how multicollinearity affects our results by dropping individual control variables one by one (particularly focusing on those which may be correlated with each other). We also add a number of covariates, which could influence the supply side and demand side of corruption: proxies of the subnational political regimes (we use the Carnegie Center score of democracy in the regions)¹³ and of the level of attention of the federal government to the region (we control for the number of visits President Medvedev made to individual regions from 2008 to 2011, according to his official website)¹⁴; the influence of the Communist

Table 4. Determinants of aspects of corruption in Russian regions, 2010–2011, OLS.

Dependent variable	Actual bribe payments (1)	Public approval of corruption (2)	Probability bureaucrats request a bribe (3)	Share of bureaucrats older than 50 years in 2009 (4)
Regression results				
Income per capita	–0.905** (0.407)	–0.33 (0.302)	1.322* (0.675)	–0.162 (0.098)
Population	2.352*** (1.061)	0.992 (0.784)	1.621 (1.619)	
Urbanization	–0.072 (0.140)	–0.034 (0.097)	–0.717*** (0.205)	0.035 (0.033)
Unemployment	–1.088* (0.599)	–0.624 (0.518)		
Distance from Moscow	1.264*** (0.413)	1.036*** (0.315)	–0.852 (0.627)	–0.073 (0.141)
Education	–32.718 (43.396)	–50.081 (35.520)	81.785 (54.789)	14.155 (11.985)
Share of ethnic Russians	–10.660* (6.361)	–10.924** (5.304)	3.881 (9.331)	4.204** (1.844)
Gini coefficient (inequality)	58.069 (70.359)	59.255 (56.550)	–11.115 (75.200)	
Resource extraction			–0.059 (0.127)	0.006 (0.037)
Share of public enterprises			–24.135 (27.158)	
Number of companies			–0.067*** (0.015)	
Share of bureaucrats in the regional population			–0.514 (0.409)	0.019 (0.049)
Fiscal transfers				
Share of CPSU members in the adult population, 1976	1.906* (0.986)	1.617** (0.643)	11.824 (13.933)	1.789 (1.493)
Constant	46.302 (30.333)	14.745 (22.366)	3.502** (1.413)	0.415* (0.230)
Observations	65	66	65	71
R^2	0.247	0.267	0.507	0.376
Standardized beta coefficients				
Income	– 0.587	– 0.319	0.697	
Population	0.467	0.293	0.262	
Urbanization	– 0.087	– 0.062	– 0.705	
Unemployment	– 0.269	– 0.242		

(Continued)

Table 4 – *continued*

Dependent variable	Actual bribe payments (1)	Public approval of corruption (2)	Probability bureaucrats request a bribe (3)	Share of bureaucrats older than 50 years in 2009 (4)
Distance from Moscow	0.397	0.482	– 0.218	
Education	– 0.176	– 0.401	0.359	
Share of ethnic Russians	– 0.254	– 0.412	0.075	
Gini coefficient	0.197	0.299	– 0.031	
Resource extraction			– 0.068	
Share of public enterprises			– 0.133	
Number of companies			– 0.900	
Share of bureaucrats			– 0.208	
Fiscal transfers			0.161	
Share of CPSU members	0.356	0.448	0.532	

Notes: Robust standard errors indicated in parentheses. OLS, ordinary least squares. Standardized coefficients, which are in terms of absolute value larger than the standardized coefficient for the share of CPSU membership, are indicated in bold.

***Significance at 1% level; **at 5% level; *at 10% level.

Table 5. Robustness checks.

Dependent variable	Actual bribe payment	Approval of corruption	Probability bureaucrats request a bribe
1a. Multicollinearity: dropping urbanization from the set of controls	Confirmed	Confirmed	Confirmed
1b. Multicollinearity: dropping education from the set of controls	Confirmed	Confirmed	Confirmed
1c. Multicollinearity: dropping Gini coefficient from the set of controls	Confirmed	Confirmed	Confirmed
1d. Multicollinearity: dropping unemployment from the set of controls	Confirmed	Confirmed	Confirmed
1e. Multicollinearity: dropping share of extractive industries from the set of controls	Not confirmed	Confirmed	Confirmed
1f. Multicollinearity: dropping income from the set of controls	Confirmed	Confirmed	Confirmed
2a. Controlling for democracy (Carnegie score)	Confirmed	Confirmed	Confirmed
2b. Controlling for Carnegie score minus the corruption dimension	Confirmed	Confirmed	Confirmed
3. Controlling for federal attention (number of presidential visits)	Confirmed	Confirmed	Confirmed
4. Controlling for CPRF presence (share of votes in 1999 and 2011)	Confirmed	Confirmed	Confirmed
5. Controlling for age structure of the population (share of youth: < 16 years; and share of elderly: > 60 years for men and > 55 years for women)	Not confirmed	Confirmed	Confirmed
6a. Modification of the sample: use only observations for which all three variables of corruption are available	Confirmed	Confirmed	Confirmed
6b. Modification of the sample: excluding Moscow City (as an outlier in terms of the CPSU membership)	Confirmed	Confirmed	Confirmed
6c. Including St. Petersburg and Leningrad Oblast (assuming that they had the same share of CPSU members in the regional population)	Not confirmed	Confirmed	Confirmed
7a. Controlling for Soviet-period variables	Confirmed	Confirmed	Confirmed
7b. Controlling for black soil dummy	Confirmed	Confirmed	Confirmed
8. Different proxy of Communists (as share of total population and not of adult population)	Confirmed	Confirmed	Confirmed
9a. Effect of religion: controlling for the share of regional population actively participating in the life of religious communities	Not confirmed	Confirmed	Confirmed
9b. Effect of religion: controlling for the share of regional population claiming to try to follow requirements of their religion in their ordinary life	Confirmed	Confirmed	Confirmed
9c. Effect of religion: controlling for the share of Orthodox Christians, Muslims, Buddhists, and atheists in the regional population	Not confirmed	Confirmed	Confirmed
10. Demand and supply side of corruption estimated as interdependent characteristics (SURE)	Confirmed	Confirmed	Confirmed

Note: “Confirmed” means that the CPSU legacy effect is significant and has the predicted sign in these specifications.

Party of the Russian Federation (CPRF)¹⁵; the age structure of the population¹⁶; and proxies of religiosity and adherence to individual religions (from a different survey of the FOM, implemented in 2012).¹⁷ We also modify the composition of the sample to deal with possible outliers and run a system of equations for all three aspects of corruption (seemingly unrelated regressions, or SURE).

Finally, we also address the following problem: although it is unreasonable to expect reverse causality to bias our results, omitted variable bias is possible. Specifically, the spread of the CPSU membership across Soviet regions was definitively not random, and was most likely associated with a number of contemporaneous factors influencing the development of the regional economy and society. We investigate this issue by replicating our results, controlling for a set of variables from the Soviet economic statistics (from the 1970s and 1980s) and census to control for these possible omitted factors of the Soviet period: measures of regional development, size, and well-being; educational background of the regional population; number of crimes committed in the Soviet era; a dummy for border regions of the USSR (where the share of CPSU members could be larger due to the location of military facilities); a dummy for regions populated by peoples repressed by Joseph Stalin in the 1940s–1950s; and a dummy for the black soil regions (*chernozem*), which are Central Russian regions with particularly favorable conditions for agriculture that have also traditionally provided strong support to the Communist party (Belgorod, Lipetsk, Kursk, Tambov, and Voronezh).¹⁸

All of these variables could have an effect on the distribution of CPSU membership in the regions of the RSFSR in the 1970s. Furthermore, they can affect post-transitional corruption in modern Russia. First, if certain regions had a higher level of well-being in the Soviet period, it could influence their populations' attitude toward informal practices and bribery, which in turn could survive during transition. Second, different social strata of Soviet society had different levels of involvement in corruption practices, resulting in differences in the level of corruption in the USSR, which could, again, be persistent. Third, criminality in the USSR could have influenced Soviet-era corruption; furthermore, criminal groups had a major impact on the paths of regional transition in early 1990s and thus affected the evolution of post-Communist corruption as well (Volkov 2002). Fourth, border regions in the USSR typically were subject to specific modes of governance (e.g., stricter control by the KGB and the army), affecting the ability to engage in corruption networks. Fifth, the experience of deportation could have left a major imprint on the regional culture, also potentially associated with corruption. Finally, rural regions are likely to differ in terms of corruption from urban ones. However, if once we control for these variables, the results remain robust, then this indicates that they are not driven by omitted variable bias.

Persistence of bureaucracy and reaction of the center

The results we obtained generally confirm all three hypotheses we posited. First, public opinion and behavior of the regional population are still affected by CPSU

legacies. This accords with the argument concerning the persistence of particular norms of behavior, values, and perceptions of life that have been inherited from the Soviet past and passed down through generations, in line with studies outlined above in the section on literature and hypothetical mechanisms. The fact that the survey question we use asks in particular about the conditional willingness to pay bribes (i.e., in case a bribe was requested) is consistent with the idea that the results were determined by the opportunistic behavior of former CPSU members; we show that in the regions with high CPSU membership in the past the compliance with requests for bribes is particularly high. Second, we also find that the CPSU legacies persist in the behavior of the regional bureaucracy. Quantitatively, the effect of the CPSU legacy is the strongest for bureaucratic behavior. We hypothesized that this persistence may be associated with the fact that in the regions with large proportional CPSU membership bureaucracies exhibited a much smaller change after transition than in other regions. In this case, we can also provide a specific formal check for this causal channel.

For this purpose we look at the share of regional bureaucrats older than 50 years in 2009 – that is, those who spent at least the first decade of their professional career before the collapse of the USSR. We regress this variable on the CPSU membership distribution in the 1970s, as well as a set of possible control variables, also affecting the composition of the public administration, and indeed do find that regions with a stronger CPSU legacy had a higher share of older bureaucrats (see [Table 4](#)). This is in line with our hypothetical causal mechanism. At the same time, however, the overall share of this group of public officials in the structure of bureaucracy is not very large – on average, only 21% of Russian bureaucrats were older than 50 years during the period of our investigation. Thus, the mechanism of legacy persistence is in this case most likely more complex than simple lack of change in personnel: there were sufficiently many newcomers in the regional administration, who have spent most of their lives in post-Soviet Russia. Still, the following mechanism explains our findings. In the early 1990s, the regions with a strong CPSU legacy indeed had a very substantial fraction of former Soviet bureaucrats in their public administrations. In line with our hypothesis, this resulted in the formation of a distinct bureaucratic culture, characterized by a higher demand for corruption. Over time, the former Soviet bureaucrats left the regional public administration (for natural reasons); however, they managed to socialize the newcomers into accepting their norms and behavior and to involve them in informal networks, facilitating bribery. The result is particularly interesting, because, as mentioned, one of the elements of argumentation for our third hypothesis was based precisely on the myopic behavior of elderly bureaucrats; we argue, however, that the socialization and rationalization of corruption could turn bribery (once caused by the short future expectations of former Soviet bureaucrats of advanced age) into a general norm among their younger colleagues. Overall, again, we suggest that the effects of the CPSU legacy are driven by horizontal value transmission: this time from older bureaucrats to younger public officials.

Bureaucratic behavior is, however, associated not merely with demand for bribes. It is also linked to the way bureaucracies (particularly, courts and the

police) enforce the anticorruption law we described in some detail earlier in the paper. To examine this aspect of bureaucratic behavior, we studied three further variables: the number of convictions for receiving a bribe issued by the regional courts; the number of prison sentences for receiving a bribe handed down by the regional courts; and the number of corruption crimes investigated by police in the calendar year 2010. All variables are extracted from the Russian official statistics. If we regress these variables on CPSU membership penetration in the 1970s, as well as a set of controls, the results are strikingly different from what we reported above: we see that the CPSU legacy is associated with a higher number of criminal convictions and prison sentences for corruption (even if we control for the population's "experienced with corruption" index from the FOM database, the effect of CPSU legacies on police investigations is insignificant). To explain the observations for court behavior, we also attempted to examine how the CPSU legacies affect the age of the regional court chairperson, who is to a large extent responsible for how regional courts interpret the law (Schultz, Kozlov, and Libman 2014). Interestingly, we find that a larger share of CPSU members in the 1970s results in a younger court chairman in the regions as of 2010.¹⁹

One is compelled to provide the following explanation for this result. As part of the anticorruption campaign pursued by the central government, the center was particularly likely to rotate court chairpersons in those regions in which concerns over perceived corruption were greater (i.e., in those regions with stronger CPSU legacies). These new judges vigilantly engaged in fighting corruption, as a result increasing the number of court convictions. Younger judges probably were more committed to implementing the goals set by the central government due to stronger career concerns or higher uncertainties they faced in the initial years of their appointments. At the same time, older judges could be partly protected from this pressure by the existence of informal coalitions at the regional level, and as a result were less likely to enforce the central policies. This observation is important, as it shows how a particular historical legacy could lead to unexpected effects, due to the role of an intermediate factor – in our case, the appointment policy of the center sending younger judges to the Russian regions with stronger CPSU legacies.²⁰ At the same time, changing the multitude of street-level bureaucrats was impossible due to the lack of resources and human capital – therefore, at the lower echelons of the bureaucracy, the culture of bribery persisted.

Conclusion

This study aimed to investigate how Communist legacies influenced demand and supply sides of corruption in contemporary Russia. It considered the subnational variation of corruption in Russia, concentrating specifically on Communist legacies associated with the variation in the penetration of CPSU membership in the 1970s and 1980s in different regions of Russia. Although previous literature has demonstrated that the regions with a greater share of past CPSU members exhibited higher corruption levels in the late 2000s, it is unclear what aspects are driving this persistent effect. Because corruption has many facets, identifying particular

aspects of its persistence is a crucial task. The analysis presented here demonstrates the strong and heterogeneous impact of Communist legacies on various aspects of modern corruption. This study incorporated and analyzed several different data-sets on corruption and discovered that each aspect of corruption is influenced differently by the Communist legacy: Stronger CPSU legacies resulted in increased demand for corruption by street-level bureaucrats, but the population also is more willing to pay bribes or to tolerate corrupt practices.

Overall, this study is the first attempt in the field to disentangle the composition of corruption as a phenomenon and to explain its growth and persistence from the historical perspective of the legacies of the previous regime. Although Russia is most likely one of the worst cases of post-Communist corruption, the analysis presented here might also help shed some light on the nature of corruption in other former Soviet republics. The persistent impact of former Communist Party members on all aspects of corruption and on society in general suggests opportunities for further investigation of both the contemporary and historical roots of corruption. The roots of corruption are also an important issue to be addressed further in the analysis of corruption in post-Soviet states.

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Notes

1. For example, Lankina and Getachew (2006), Gel'man and Lankina (2008), Obydenkova (2011, 2012), Obydenkova and Libman (2012), and many other studies have focused on differences across the regions of Russia, investigating how they account for differences in regional democratization and using the regions as a natural laboratory for developing new theories.
2. Both documents are available on the official web portal of the President of Russia at <http://archive.kremlin.ru> (accessed 2 September 2013).
3. These are descriptions summarized by the authors and derived from the text of the law, as cited in note 2.
4. However, the outcomes vary for different countries. Frye (1998) compares post-Communist Poland and post-Communist Russia. Although corruption in Poland during Communism was more serious than in Russia, the situation reversed after the collapse of Communism. Corruption in Poland decreased radically, but increased in Russia.
5. According to Inglehart (cited in Sandholtz and Taagepera 2005), culture explains 75% of the variation of the perceived corruption index in the *non*-Communist world. Sandholtz and Taagepera (2005) note that the “survival” orientation contributes twice as much as a strong “traditional” orientation to higher levels of corruption.
6. The FOM survey conducted in 2010 is referred to as FOM (2011a) and that conducted in 2011 as FOM (2011b) throughout the paper. All questions of the survey conducted in 2010 were adopted from Satarov (2006, 26–27).

7. All translations from the Russian are done by the authors.
8. Specifically, we used the 1976 party congress, for which the norm of representation was 1 delegate per 3000 Communist Party members.
9. Finland also borders a region with very high CPSU penetration (Leningrad Oblast – a very special case in the Soviet Union, where it had the informal status as the second capital).
10. University education is a meaningful measure for the Russian case, because the share of those not receiving primary and secondary education is close to zero in most Russian regions.
11. Because the FOM study investigates corruption by households and not by businessmen, this parameter should have no effect on bribe-givers.
12. The set of regions we excluded due to the lack of information about CPSU membership strongly overlaps with the set of regions for which FOM surveys do not contain any data. Therefore, the overall number of regions we had to exclude from our data is relatively small. While the Russian Federation in 2011 consisted of 83 regions, we ran regressions with 65–66 regions, depending on the specification.
13. See Stoner-Weiss (1997), Gel'man (1999), Hale (2003), Lankina and Getachew (2006), Obydenkova (2008), and Obydenkova and Libman (2013).
14. This robustness check is implemented only for the demand for bribes, since it is the bureaucracy which should directly react to the policy of the federal center.
15. To distinguish this effect from the legacy of the CPSU, we control for the share of votes received by the CPRF during the most recent parliamentary elections in 2011 and the share of votes received in the 1999 elections, the last before Putin came to power, to account for possible electoral manipulation during Putin's rule. Note that the share of CPSU members in the 1970s is almost uncorrelated with the voting for the CPRF in 1999 (the correlation coefficient is -0.099) and in 2011 (correlation of 0.232).
16. This test is performed only for regressions investigating the behavior of bribe-givers: There is no reason to expect that the general age structure of the regional population and the age structure of the bureaucracy should coincide.
17. See Lambsdorff (1999) and Treisman (2000).
18. A detailed list of the variables is available upon request.
19. Details are available upon request.
20. If the CPSU legacies were correlated with the contemporary distribution of CPRF support, one could explain the appointment of younger judges in the regions and their vigilance by the willingness to combat political opponents. However, as mentioned, CPSU legacies and CPRF support are not correlated. We also correlated the CPSU spread in the 1970s with the share of votes for Otechestvo–Vsyā Rossiya, Putin's main competitor during the 1999 parliamentary elections, as well as checked whether there is any significant difference in the past share of CPSU membership between regions run by governors who belonged to Otechestvo–Vsyā Rossiya (using the data from Lussier 2002) and other regions. We found a very low correlation coefficient (-0.016) and no significant difference.

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Appendix: Problems of measurement of CPSU membership

This appendix presents additional information about the problems encountered while attempting to measure CPSU membership in the regions of the RSFSR.

1. The indicator described in the paper may be not entirely precise (it is likely that in some cases the number of members was rounded off when determining the number

of delegates); however, the number of members entitled to elect one delegate was typically not very large when compared with the total Party membership. In 1976, for example, 3000 members were represented by one person in the Congress, with total CPSU membership totaling 15.6 million. Furthermore, although the Congress was officially the highest-level body in the CPSU, it did not have any real decision-making power: All decisions were made unanimously and as suggested by the party leadership. *Thus, there was no incentive for regional party organizations to attempt to manipulate their representation at the Congress, and there is no evidence that this manipulation ever took place.*

2. One drawback of the approach used is that there was one group of Communists that was not included in regional organizations – the military (where membership in the CPSU was a requirement for officer rank). They were listed as elected from “military organizations” in the Congress documents. Because data on the location of Soviet troops are not available, we cannot attribute these CPSU members to particular regions. However, the military represents a rather special case due to the very high territorial mobility of its members (who could easily be relocated to other parts of the USSR, as well as to locations in remote areas not accessible to civilians). Therefore, it is reasonable to look only at Communists belonging to regional organizations (these also include military veterans, who are substantially less mobile, as well as employees of the military infrastructure, etc.).
3. There are some possible exceptions whereby CPSU members lived in a location different from the one in which they were registered. However, given the strict control over population mobility in the USSR, the share of these party members is very small and should have no substantial quantitative effect on our results.
4. Since the CPSU admitted as members only individuals of at least 18 years of age, we needed to compute the share of CPSU members in the regional adult population. Unfortunately, the age structure of the regional population was reported only once a decade, based on the census data. Therefore, to obtain our main explanatory variable, the following approach was used: we divided the number of CPSU members in the region in 1976 by the product of the total regional population of 1976 and the share of adults older than 16 years (we had to use this fraction of the population due to the specifics of Soviet statistics) in 1979, the most proximate year when a census was conducted. The age structure of the population changes very slowly (at least without major social turbulence), and thus it is unlikely that in 1979 the share of adults was very different than in 1976. Still, to deal with this problem, we also computed the share of CPSU members in the total (instead of adult) regional population (thus, using only 1976 data). Using this variable in one of the robustness checks we are able to almost entirely confirm our results, with the exception of actual bribe payment.