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**CORRUPTION ON THE FINNISH-RUSSIAN BORDER**

**Experiences and observations of Finnish and Russian civil servants and  
businesspersons on corruption on the border between Finland and Russia**

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# 1 INTRODUCTION

According to Transparency International, the Finnish-Russian border represents one of the sharpest corruption borders in the world (cf. the home page of Transparency Finland). For this reason, research on corruption on the Finnish-Russian border is of particular interest and also of particular importance. There is only fragmentary knowledge concerning this phenomenon, and even this is largely based on hearsay and informal experience. There are, for example, different kinds of beliefs about corruption in commerce between Finland and Russia and in the relationships between the Russian and Finnish authorities, but these beliefs are not based on systematic research on the topic.

This research project was carried out on the initiative of the Finnish Ministry of Justice. Its objective has been to provide the relevant authorities with new and better knowledge regarding corruption on the Finnish-Russian border. The results can also be used as working material at joint seminars and training events. This is expected to facilitate constructive debate between the authorities of both countries, based on more concrete observations than what has been available previously.

The Finnish part of the project was carried out by the European Institute for Crime Prevention and Control, affiliated with the United Nations (HEUNI), in cooperation with the National Research Institute of Legal Policy. The study approached Finnish civil servants and representatives of Finnish enterprises active in Russia, in order to shed light on their observations and experiences of corruption, corruption prevention, and cooperation among authorities on the Finnish-Russian border and in cross-border activities. Furthermore, the study has looked at the experiences of civil servants and of employees of business enterprises about corruption on the border, as well as other problems met in cross-border activity.

Parallel to the Finnish study, a similar study was carried out in Russia (Republic of Karelia) by the Northern Branch of the Russian Legal Academy of the Ministry of Justice of the Russian Federation. This study targeted representatives of the Russian authorities and of Russian business enterprises active in Finland, focusing on the same topics as the Finnish part of the project.

The focus of the project is on corruption specifically on the Finnish-Russian border, and in particular on the border between Finland and the Republic of Karelia. Consequently, the study does not seek to grasp the full picture of the phenomenon of corruption in either Finland or Russia. This joint report summarises the central findings of both studies. The full report of the Finnish

study is published separately.<sup>1</sup> The Russian report was received as a manuscript.<sup>2</sup>

The structure of this report is as follows. Chapter 2 explains the background and objectives of the study. Chapter 3 presents the research methodology and research data. Chapters 4–7 present the main results of the study. First, Chapter 4 analyses the issue of how the respondents understood the phenomenon of corruption and how they felt about corruption. Next, Chapter 5 discusses the personal experiences that the interviewed representatives of the authorities and business enterprises disclosed with regard to border corruption. Chapter 6 deals with cooperation and activities by the authorities that relate to border corruption. Chapter 7 presents the respondents' observations and opinions about corruption control and prevention. Finally, Chapter 8 summarises the conclusions and recommendations of the study.

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<sup>1</sup> Viuhko, Minna, Lehti, Martti (2009). Korruptio Suomen ja Venäjän rajalla. Suomalaisten viranomaisten edustajien ja liikemiesten kokemuksia ja näkemyksiä korruptiosta itäraajalla. Oikeuspoliittisen tutkimuslaitoksen tutkimustiedonantoja 99. HEUNI Publication Series No. 60.

<sup>2</sup> Taybakov, A.A., Demin, P.I., Tumanov, R.V., Klemeshov, P.A. (2009). Corruption on Russian-Finnish border. Comparative analysis in Finland and the Republic of Karelia, Russia. The Northern Branch (Petrozavodsk) of the Russian Legal Academy of the Ministry of Justice of the Russian Federation. Unpublished manuscript.

## 2 THE BACKGROUND AND OBJECTIVES OF THE STUDY

### 2.1 Background

Corruption prevention was included as a new topic in the 2007–2008 cooperation programme between the Finnish and the Russian Ministries of Justice. For the cooperation programme it was agreed to organise two seminars and one study tour for the Russian authorities. When the cooperation events were being organised, it became evident that there is hardly any research-based knowledge about corruption issues on the Finnish-Russian border.

Accordingly, a research project was organised in 2008–2009 upon the initiative of the Finnish Ministry of Justice. The objective of the project was to obtain concrete and timely information concerning corruption on the Finnish-Russian border, both from the Finnish and from the Russian perspective. The project was carried out in cooperation with the Northern Branch of the Russian Legal Academy of the Ministry of Justice of the Russian Federation. The main objective was to provide the authorities with information about corruption on the Finnish-Russian border that would be more reliable than what has been available to date and that would be derived from several sources. A further objective was that the results would be available for use as discussion materials for joint seminars and training events, and in this way facilitate constructive dialogue between the Finnish and Russian authorities.

The current research project was intended to provide research-based knowledge to replace impression-based “knowledge”. Furthermore, it is important for authorities to receive first-hand knowledge about what kinds of corruption-related problems have been experienced on the Finnish-Russian border, what are the attitudes towards such problems and what kinds of attempts have been made to solve them, and eventually, how the trust and cooperation between the different actors on the border could be increased.

### 2.2 The objectives of the study

One of the objectives of the study was to analyse attitudes related to corruption, and how corruption is understood and defined in Finland and in Russia. The idea was also to analyse whether there are differences in this regard between authorities and business representatives. A second central objective was to collect timely information about the (possible) personal experiences that the research respondents had about corruption on the Finnish-Russian border and in cross-border activity. One further point of interest was whether there have been similar experiences in different business sectors, what harm corruption does to business, and whether there have been initiatives to prevent or reduce

such harm. Further topics of the study were corruption prevention and cooperation between the Finnish and the Russian authorities.

For both studies, the Finnish partner prepared detailed research guidelines that were also discussed at joint meetings. The questions to be studied were:

- 1) What is corruption as understood by representatives of the authorities and of businesses?
- 2) What particular phenomena are linked to corruption?
- 3) What are the limits of corruption? What is understood to be allowed and what is not?
- 4) What kinds of corruption-related problems have the respondents come to know about in practice?
- 5) What kinds of corruption-related problems have been observed on the border and in cross-border cooperation in practice (if any)?
- 6) What is known about the regulation of corruption (both in Finland and in Russia)?
- 7) How do the representatives of the authorities see corruption prevention and their own role in prevention?
- 8) How do the representatives of the authorities perceive Finnish-Russian cooperation, and what possible problems do they see as being related to this cooperation?
- 9) What is the opinion of representatives of business enterprises about the effectiveness of the activities of the authorities and corruption prevention?

The Finnish study targeted police, customs and border guard authorities, and business enterprises that were active across the Finnish-Russian border. The research material was collected in qualitative thematic interviews that were systematically recorded.

In the Republic of Karelia, the study was carried out in a similar fashion. The target groups of the study were defined in an analogous fashion as in Finland. However, because of differences in the authority structures, the selected target authorities were not identical to the Finnish case, because on the Russian side, some special authorities exist that have no direct counterpart in Finland. The starting point was that the fieldwork was to be carried out in the same way as in the Finnish study. However, deviations from this became necessary, since personal interviews turned out to be impossible in many cases (see Chapter 3, “Data and methodology”).



## 3 DATA AND METHODOLOGY

### 3.1 Data collection

Separate interview topic lists were developed for the interviews with the representatives of the authorities, and with the representatives of businesses. They were partly overlapping, with a number of the same questions for both respondent categories, but there were also some questions designed for each respondent group separately (for example, the questions concerning the professional history of the respondents and, for business respondents, the business sector of the company). Otherwise, the questions dealt with the topics defined above in section 2.2.

The Finnish data were collected in two parts. Researcher Minna Viuhko conducted the interviews with representatives of the authorities between late November 2008 and the end of January 2009. Researcher Martti Lehti conducted the business representative interviews in January-February 2009. The interviews were qualitative thematic interviews. In the interview situation, the researcher met with one respondent at a time, with the exception of three business interviews in which two company representatives participated simultaneously. In the interviews, the topic list was followed in a flexible fashion so that the questions were not always presented in an identical order. The interview began with the researcher asking the respondent to describe his/her work and his/her work history. After these background questions, the researcher asked questions related to the definition of corruption before the interview moved on to questions about possible concrete cases and experiences of corruption.

All the Finnish interviews were recorded and transcribed. Each respondent was asked for his or her permission to record the interview, and all of them agreed to this.

Also in Russia, the fieldwork was made in two parts. The interviews with civil servants were carried out between early December 2008 and the end of February 2009. The interviews of business representatives were conducted from early January to early March 2009. In the Russian study, the interviews could not be recorded at all due to the refusal of the respondents to allow this. Five unrecorded interviews were conducted with civil servants. In the other cases, the civil servant respondents refused to be interviewed, and were asked to complete a written questionnaire. The business representatives refused to be interviewed but agreed to complete an e-mail questionnaire.

The possible implications of these differences in data collection are discussed below in section 3.4.

## 3.2 Interviews with representatives of the authorities

In both countries, the target was set at 15 interviews of civil servants.

In Finland, the final data comprised interviews with five representatives of the police, six customs officers, and four border guard representatives. The interviews were conducted between the end of November 2008 and the end of January 2009. Their length varied between 30 minutes and three hours.

The respondents were recruited by various methods. First, the researcher listed persons employed in the three sectors, whose work was in some way related to the cooperation between Finland and Russia, in particular the Republic of Karelia. The choice of respondents was then made by prioritising persons who had expertise in issues related to corruption. The selected persons were contacted by telephone and e-mail. Most of the contacted persons agreed to be interviewed. Some of the potential respondents also recommended a colleague to be interviewed in his/her place or in addition to him/herself. The researcher also asked during the interviews who else the respondent thought should be interviewed.

The contents and the information yielded by the interviews varied considerably depending, for example, on the length of the respondent's work experience or his/her occupation. Some had much to tell, while others were quite laconic, saying they had no experience or opinions about corruption, or even about cooperation between the Finnish and Russian authorities. It is relevant to note that the topic was quite delicate and challenging. Some respondents did not want to talk about corruption even on a general level, or they said that they had no knowledge of the topic whatsoever. Many respondents also felt that it was difficult to define corruption as such. Some of them may also have felt uneasy about discussing corruption-related issues, whether referencing the Russian or Finnish authorities. On several occasions, the respondents seemed to be quite reserved, and chose their words very carefully. This may in part be because the respondents did not want to jeopardise cooperation between the two countries, and were reluctant to disclose information or opinions that the other party might interpret as being insulting. On the other hand, some respondents were very talkative and ready to speak about specific corruption-related incidents and about problems in cooperation between the authorities.

In Russia, the data relating to the authorities were harder to come by. The set of respondents comprised six customs officers, seven representatives of the administration of the federal service on veterinary and phytosanitary control, one representative of the administration of the federal service of officers of justice, and one representative of the department of international cross-border cooperation and protocol of the Ministry of Economic Development. The respondents were identified after formal applications for official permission from each of the relevant authorities. It was at this stage that the border administration declined to participate in the study. Many of the civil servants

who were approached refused or recommended their colleagues. Only five people agreed to be interviewed, but without recording. All the others agreed only to completing an anonymous questionnaire.

The contents and the value of information directly depended on the legal education, length of work experience and occupational position of the respondent. Respondents with longer work experience gave more detailed answers and also answered all of the questions thoroughly. Other less-informed respondents usually claimed no knowledge of the issues in question.

### 3.3 Interviews with business representatives

The target was to obtain 15 business representative interviews in both countries.

In Finland, the arranging of the business representative interviews was initiated by developing a list of potential targets. This was achieved by asking the Finnish-Russian Chamber of Commerce and Finnish enterprise authorities and chambers of commerce for information about companies established in Karelia or operating in Karelian territory. Of these sources, the Finnish-Russian Chamber of Commerce proved to be the most useful one, providing a list of more than ten member companies. Furthermore, the Internet was searched for participants at business seminars related to trade with Karelia and for lorry companies engaged in road transport to Russia. Suggestions for potential contacts were also asked in the interviews with representatives of the authorities.

From these sources, a list of 50 companies was compiled, and these were contacted by telephone. The selection criteria were that the travelling distance from Helsinki to the company office should not be more than 350 kilometres, and that the respondents should be persons who had extensive (at least 5 years) experience with trade with Russia. The target was to locate a group of 15 companies engaged in exporting, importing, production, or transport.

Eventually, interviews were completed with 13 persons representing ten companies. In addition, one business consultant was interviewed in connection with the interviews with representatives of the authorities. The interviews were conducted in January and February 2009, and their length varied between 40 minutes and one and a half hours. Because more than half a year passed between the interviews and the publication of the research report, some of the respondents were contacted again in July 2009. The objective was to find out whether, from the perspective of the company, the situation had changed since the end of February.

The majority of the respondents had at least ten years of experience with trade with Russia, and one-third had also lived in Russia for extensive periods of time. All respondents were Finnish nationals. The companies comprised both

Finnish and foreign-owned businesses; however, none of them were Russian-owned.

When contacting the businesses, transport companies and timber import companies indicated that they were particularly interested in the study. Since the objective was to locate information about phenomena that the companies felt to be problematic, it was decided that companies that were reluctant to participate should not be pushed to do so. Of the companies that were contacted, four had terminated their activity in Russia in the course of the previous year, five refused to participate, and six did not respond to repeated contact requests.

Two observations deserve attention in this context. First, the participation of only one representative of the export trade could be secured. It is possible that export businesses felt that the topic was unfamiliar or irrelevant to them. However, it is also possible that the topic is more delicate for export businesses. In corruption related to the export trade, the role of the business is active and predatory, in contrast to, for example, corruption targeting the import trade and the transport sector, where the businesses are more clearly in the role of passive victims. Also, financial interests are likely to be larger in corruption that is – possibly – related to export trade. The second relevant observation was that both of the two companies with a Russian background flatly refused to participate in the study. The persons who were approached in the companies with a Russian background were Finnish nationals. However, since the number of such companies approached was only two, this may of course also be explained by mere chance.

The selection of respondents for the Russian business survey was made by approaching the Industrial Business and Trade Association of the Republic of Karelia. From this source, information was received about 34 entrepreneurs and companies that had activity connected with Finland. Many potential respondents refused to participate, referring to business and commercial secrets. Eventually, 15 companies agreed to participate. They represented small and medium-size businesses, and their activity was connected with the timber trade and the transport of goods and people. One respondent represented a large-scale company.

All respondents agreed to answer only anonymously and by e-mail. They were encouraged to contact the research team and ask for clarification, and they often used this opportunity. It is the impression of the researchers that all of the respondents treated the questions responsibly and were interested in the results of the study.

### 3.4 Discussion of methodology

Since the samples are not random and the research approach is qualitative, the results cannot be generalised in a statistical sense to correspond to all relevant authorities and companies in Finland and Russia. The results provide

information about the attitudes and experiences of the selected persons. The qualitative approach is understood to be a good tool for illuminating a phenomenon that has not been studied much and about which there are only rather vague ideas and subjective, often prejudice-based knowledge. The qualitative approach is also suitable for research that attempts to study how a given phenomenon is generally understood and what people mean by it. It is also relevant to observe that certain issues emerged from several interviews, making it likely that the observation in question is not merely the view of a single person but is representative more generally of the group (such as the authorities operating on the border) from which the respondents are selected.

It may be relevant to ask how good a research method it is overall to ask representatives of the authorities about corruption related to the authorities. Even in cases where the interviewee does know about corruption issues related to his or her own organisation or to the corresponding organisation on the other side of the border, it is possible or even likely that the respondent does not want (or would even dare) to talk about it. With regard to one's own organisation, to talk about problems and unlawful behaviour may often not be considered to be acceptable even if the person himself or herself has not been involved. Sometimes there may be fears of reprisals or other unpleasant consequences within the organisation even if the interview is anonymous. There may also be the feeling that it is not desirable to speak openly about problems in the neighbouring country either. Negative views may be thought to damage cross-border cooperation with colleagues on the other side. This cooperation and confidential relations with the colleagues in the neighbouring country are necessary for the authorities to be able to carry out their duties successfully.

The Finnish business representatives talked more openly than civil servants, and came forward with many critical observations. They reported many corruption-related problems that the other respondents – both Finnish and Russian – remained rather vague about. This would imply that the Finnish businesspersons saw the study as a new opportunity to get attention to their everyday problems, with regard to which they felt they had not received sufficient support from the Finnish authorities and government.

The replies of the Russian businesspersons were rather brief and did not go into very much detail. This is likely to be a consequence of the survey mode (anonymous e-mail questionnaire) which had to be applied in this case because the respondents categorically refused to be interviewed in person. Written replies may be seen as potentially dangerous, but also as simply too much work. What is most consequential is the fact that the questions were designed for use in a qualitative face-to-face interview, and not for use as a written questionnaire. In a face-to-face interview, numerous follow-up questions are typically used for increased detail. This cannot be done if the survey is made with a short written questionnaire that comprises only the general points of the study.

In a comparative perspective, it is problematic that the two studies were not identical. They were not identical with regard to the data collection methods, nor were they identical with regards to which sectors the survey respondents represent. Furthermore, the results were not reported in a consistent manner for both countries. Some of the interview questions also seem to have been misunderstood by the Russian team. This has given rise to some difficulty in the compilation of a joint research report. This problem would certainly have been much alleviated if it had been possible to achieve more systematic and intensive cooperation between the two research teams, including a common working language. In this case, due to time and resource constraints, this was not done. Should similar cooperation continue, such issues would need more attention.

A classic question concerning the applied methodology is whether the results represent the “truth”. If somebody tells an anecdote to the interviewer, this is of course just an anecdote or a story that the respondent chooses to tell. The qualitative interview and its variants are in the first place able to inform the researcher about how the respondents understand the research topic, and how they see the topic. The stories they are telling about observations related to the topic represent anecdotal evidence that is not equivalent to proven facts, and they do not constitute evidence that would hold in court. They do, however, unveil culturally common and shared observations that become more convincing if a large proportion of the target group corroborates them independently of one another. As explained above, this particular method was chosen because there was little systematic and documented knowledge about the phenomenon in question, and such a study was deemed to be likely to provide new insight into how corruption is perceived among the people comprised in the target groups. A typical case of added value is when the results differ from expectations formulated on the basis of earlier work, thereby informing the researcher that the frame of reference needs to be adjusted and complemented with insights derived from the qualitative work.

## 4 CORRUPTION AS A PHENOMENON

### 4.1 Defining corruption

#### Finland

In Finland, many representatives of the authorities had difficulties in defining corruption. Some respondents were not able to answer anything at all to this question. Most of them, however, did have some kind of a general idea of a definition. The majority defined corruption to be, in the first place, equivalent to bribery. However, they did understand that, in addition to bribes, any kind of abuse of a position of authority for benefit was illegal. The views of businesspersons corresponded closely to the Finnish Criminal Code description of the offence of giving a bribe. In both groups, a bribe was understood more broadly than as just a financial payment, to include any other kinds of direct or indirect material or immaterial benefits.

With regard to different possible constellations of corruption, the representatives of both the authorities and businesses focused on corruption between authorities and businesses. Corruption located solely in the private sector did not emerge as a topic in the interviews.

Many respondents distinguished large-scale from small-scale corruption. In large-scale corruption, large sums of money were involved, while small-scale corruption was of an everyday nature, such as giving a pack of cigarettes, a chocolate box, or a small amount of cash in exchange for flexible service by the authorities. Both types of corruption were seen to go together. Additionally, no difference was seen in the reproachability or harmfulness of either. The Finnish respondents, both the representatives of the authorities and businesspersons, felt that everyday small-time corruption was illegal and unacceptable in the same way as grand corruption.

In several interviews, corruption was explicitly stated to exist “on the other side of the border”, or it was said to “be part of that culture”. Both the representatives of the authorities and the businesspersons generally thought that corruption is closely related to the Russian authority culture (bureaucracy). Even so, some businesspersons with broad international experience observed that in an international perspective, the relatively low corruption of the Finnish authorities is the exception, not the corruption in Russia.

The businesspersons as well as some of the representatives of the authorities were of the opinion that the limits of corruption and the rules of the game regarding corruption are dissimilar in the two countries. According to the representatives of the Finnish authorities, for instance, bribery in the civil service is always strictly condemned in Finland, while small-scale corruption in Russia was seen as the “national custom”.

Overall, both groups had a largely convergent view about corruption, and this view was largely congruent with the definition in the Finnish Criminal Code. Corruption was understood to comprise rather broadly different phenomena in the grey economy, as well as the discretion exercised by the authorities. The examples that were referred to would usually be classified as crimes according to Finnish and Russian law alike.

## Russia

In the Russian data, most civil servants defined corruption as, for example, abuse of an official position for one's own interest, or the granting benefits in exchange for money, or receiving benefits that are not always in the form of money. They also referred to situations where government decisions or the decisions of an authority can be bought. Corruption was also seen to comprise cases where a representative of an authority neglects his or her duties, or conceals violations. Another example of corruption was if civil servants rendered exceptional services, or reduced regular fees.

The Russian businesspersons had slightly more general ideas about corruption. Many saw corruption as a way of solving problems with the authorities in order to get the "right" kind of decision. Another common notion was that corruption refers to the bribing of the authorities as well as the blackmailing of entrepreneurs by the authorities. One respondent said that corruption means a relationship between the authorities and business where both benefit. One other respondent saw corruption as a socially dangerous phenomenon, where officials deliberately use their position in exchange for (material) benefits. All business respondents connected corruption of state authorities and corruption in business with the bribing of officials or with the blackmailing of businesspersons by the authorities who have the power to assist in solving their problems.

## 4.2 The limits of corruption

### Finland

According to the civil servants who were interviewed, the borderline between gifts and bribes was vague, and this was also understood to depend on the situation. The formal position of the recipient (director general vs. lower official, or individual official vs. a delegation) as well as at which stage the gift is received (e.g. before or after negotiations), together with the motive for giving the gift were seen to be relevant when the limits of acceptability are assessed.

A gift was understood to be an expression of politeness, friendship or goodwill, nothing more. A standard working lunch, a bag of coffee or a small souvenir



were regarded as acceptable gifts. The basic requirement was that they must not be of a high value.

The representatives of the authorities commented generally that it has become less common in Finland over time to give any gifts to the authorities, and Finnish authority practice has become increasingly strict about accepting different kinds of hospitality and other benefits. However, they also took notice of the fact that the limits on and the attitude towards gifts vary internationally. Some respondents commented that in Russia, “nothing works without presents”.

In this respect, the businesspersons had views that were very similar to those of the civil servants. Several respondents underscored that in Russia, the limits between acceptable and illegal influence in respect to the authorities are more flexible than in Finland. It was said that, culturally, it was more common in Russia than in Finland for businesspersons to give gifts to the authorities with whom they cooperate, and the gifts are more valuable. Gifts and active signs of cooperation are also directly expected in Russia, which is different from what is the case in Finland. At the same time, the businesspersons commented that also in Russia, the line between bribes and gifts is clear, both for the giver and the recipient.

The difficulty in distinguishing the limits to corruption was reflected in the problem that when respondents spoke about gifts, presents and bribes, it was not always clear whether reference was being made to a bribe in the sense used in the Criminal Code, to a morally questionable “present” or to an acceptable gift. If a Finnish respondent says that a Russian does not see the giving and receiving of presents as being corruption, is he/she then himself/herself speaking of a gift in the sense of a bribe? Further, is such a gift or bribe considered to be acceptable if there is no other alternative? In other words, in cross-border activity should one apply the cultural norms of the person who is giving the benefit or of the one person who is receiving it? In cases where the action is unacceptable according to both sets of cultural norms there is no problem, but the grey area between clearly criminal and clearly legal behaviour may often be broad.

## Russia

The civil servants thought in general that corruption in civil service is not acceptable. However, one respondent was of the opinion that the limits are set by one’s conscience. In his view, it is thus not prohibited to express gratitude in the form of small presents, such as flowers to the amount of 3000 roubles (approx. 66 euros).

Four-fifths, or a clear majority of the interviewed businesspersons said that it is not allowed to give presents to officials. A few respondents said that small presents or souvenirs are acceptable.

Thus, the Russian views quite clearly reject the giving of presents, with a few exceptions where small gifts are seen to be unproblematic. There is not a large difference between the views of representatives of the authorities and of businesspersons. It is interesting to notice that the Russian respondents (both civil servants and businesspersons) seemed to define the limits of acceptable gifts contra corruptive presents in Russia more narrowly than did the Finnish respondents.

## 4.3 The attitudes towards corruption

### Finland

Finnish civil servants said that their attitude towards corruption was extremely negative. For them, corruption and bribery were not acceptable under any circumstances, and in particular not in the work of civil servants. They also thought that any corruption cases that come to light must always be dealt with very severely.

According to the representatives of the Finnish authorities, the Russians also know that Finnish civil servants cannot be bribed, and attempts to bribe them are now very rare. Some respondents said that Russians often think that Finnish civil servants are stupid and simple-minded since they do not understand how to use their position to their own benefit.

The civil servants had different kinds of opinions about corruption in Russia. Some maintained that Russia is very corrupt, and that there is a lot of money in corruption. Others thought that the Russians themselves do not consider “speed money” and the principle of mutually beneficial arrangements to be corruption or reproachable, and because of this it cannot be judged as corruption by the Finns either. According to this view, the problem is a cultural one rather than a criminal one.

Some representatives of the authorities also maintained that in some situations in Russia, Finnish citizens were not given any alternative other than to pay what was required. Such situations were said to be particularly relevant for employees of business enterprises. Consequently, the differences between Finland and Russia in public sector corruption were to a large extent also seen as a cultural difference. Unlike their Finnish colleagues, Russian civil servants were thought to consider that it is acceptable to ask for a fee or a service in exchange for carrying out their official duties.

Most of the interviewed representatives of the Finnish authorities thought that Russian society was fundamentally different from Finnish society: friendship and survival networks were thought to be a necessity for a Russian, in order for everyday life to work out at all.

The different attitudes towards corruption were understood to result partly from differences in incomes and the standard of living and social structures.

Explanations were also seen in whether society was seen as being a just one for everybody, and whether there was high or low confidence in the authorities. The example was cited that the confidence of the public in the police is at a totally different level in Finland than in Russia. The Russians' distrust of the authorities was seen to promote corruption.

According to the representatives of the authorities, corruption was also supported by the complicated structure of the Russian government and its conflicting jurisdictional relationships. They considered that the "endless bureaucracy" in Russia has created the situation where it was necessary to use various methods in order to speed up bureaucratic procedures.

The Finnish businesspersons had a more pragmatic attitude towards corruption in Russia than did the civil servants. Their attitude was also basically negative, but this was in part because corruption was considered to be something that was causing harm to business. The more experience the respondent had with operating in different kinds of cultures, the more complex was his/her understanding of corruption as a phenomenon as well. The businesspersons saw corruption as an acceptable practical method of solving problems. To participate in corruption, to "play by the local rules" was explained to be necessary in business directed at Russia. In the cases given by the businesspersons as examples, the corruption almost always involved the company submitting to illegal requests made by the Russian authorities, not cases in which the companies themselves would have taken the initiative, corrupting the authorities for their own gain.

Nevertheless, some respondents also described instances where they did try to corrupt authorities on their own initiative. For example, businesspersons had, in connection with court cases, attempted to influence the court's decision by a bribe. The respondents were of the opinion that also this was justified in some special cases. They regarded themselves as the victims of corrupt practices rather than as criminals.

## Russia

Half of the interviewed Russian civil servants said that corruption cannot be justified under any circumstances. However, others thought that there are situations where corruption is acceptable. Such situations were connected with the weak social protection of civil servants and their family members. One example of such situations was that "when a person is being influenced, blackmailed, threatened, or his family members are being threatened, he may use his official position to pass information to third persons". Another example was that "if a close relative is seriously ill and money is needed for an expensive operation, such a case can be understood on humanitarian grounds". A further example of an acceptable situation was "if a person cannot afford to feed his children, or his close relative is seriously ill, or all his property has been burned in a fire, and in such a situation a concerned party offers money".

All three examples refer to quite extreme situations of distress, not to everyday routine requests for fees to be paid for services.

With one exception, all of the Russian business respondents replied that there is no situation in which corruption would be acceptable. The one exception was a respondent who stated that such a situation might occur if corruption is needed to save one's own business.

Both the Russian civil servants and the Russian business respondents gave only very brief comments on this issue. This may very well be a consequence of the survey mode: written answers tend to be more careful and shorter than answers given in a face-to-face situation where follow-up questions can also be used to obtain more complete answers.

In any case, the replies of the Russian respondents as to whether corruption could be justified seem to imply that they were thinking of exceptional and "serious" corruption rather than everyday "speed money" situations. The written question referred to "corruption", not to "presents" or other terms that might fall in the grey zone between acceptable gifts and clear-cut bribery offences. On the other hand, as mentioned in the previous chapter, the Russian respondents (both civil servants and businesspersons) seemed to define the grey zone between acceptable gifts and illegal bribes very strictly, even more narrowly than the Finnish respondents.

When discussing explanations for what gives rise to corruption, the Russian civil servants thought along lines similar to those of their Finnish colleagues. They said that corruption is created by the government itself by the unclear drafting of normative and legal acts, and the complicated procedures for preparing documents. Furthermore, corruption is facilitated by the lack of civil control of state institutions, together with the lack of a system of timely investigation of complaints from citizens, and the limited access that citizens have to state institutions. A final contributing factor was said to be the fact that officials often cover up one another's illegal behaviour.

## 4.4 Summary and discussion

Finnish civil servants and businesspersons understood corruption basically in a very similar way. Both rejected corruption as a phenomenon. However, some of the business respondents did not consider situations where one agreed to pay bribes on request as being particularly reproachable when doing business in Russia since this was in their view a necessity.

The respondents' perceptions about corruption were strongly influenced by their extensive personal experiences in Russia. In their view, it is currently impossible to be involved in business or to work with the authorities in Russia without coming into contact with at least some issues related to corruption.

A particular dilemma, identified by both the Finnish civil servants and the Finnish business respondents, was the difference between the two countries in

the sociocultural norms related to corruption. In the Finnish view, the limits of corruption in Russia were not identical to those in Finland. In cross-border activity, this became a problem: should one behave according to the Russian or the Finnish standards? The answer of the businesspersons was to follow the Russian sociocultural norms. This became a problem when doing so constituted an offence according to Russian criminal law also. Even in such a case, the understanding among businesspersons was that paying a bribe on demand was sometimes the prerequisite for being able to operate at all, i.e. being a party to corruption was a necessary evil. The Finnish civil servants were less flexible about this, perhaps since they were able to comment on the question on an abstract level, while for the businesspersons the problem was a matter of their livelihood.

The Russian responses seemed to focus more clearly on “real” or large-scale corruption rather than on everyday small-scale “speed money” collection. On this level, their attitude towards corruption was clearly negative. However, the comments by civil servants may be interpreted to refer also to small-scale money collection when they said that corruption is created by the government itself by the unclear drafting of normative and legal acts, the complicated procedures for preparing documents, and the lack of a system for the timely investigation of citizen complaints. It is unclear why they did not discuss this more openly since it is hard to believe that they did not know about common practices. The study itself provides no clue as to how to settle this issue. Thus, it is only on a speculative basis that we may suggest as one possibility that the Russian civil servants did not talk more openly because they wanted to protect their colleagues or themselves, together with the speed money culture in general.

The Russian responses also indicated that the attitudes of Russian civil servants and businesspersons towards corruption, the “rules of the game”, may be more ambiguous than many Finnish businesspersons and civil servants tend to think.

## 5 CORRUPTION IN PRACTICE

### 5.1 Experiences of civil servants with corruption

#### Finland

The respondents were asked about concrete experiences with corruption, either personal cases, cases that occurred in their working environment, or other generally known cases. The focus was on corruption related to the activity of the authorities and business, in particular to events on the border.

The respondents told only about a few bribery attempts. These were individual cases, and the persons offering bribes were individual citizens. The incidents involved small amounts of money, and the matters concerned situations where a person had been fined or turned back at the border. The person in question had offered money in order to have the measure waived or in order to take care of the matter “on the spot”. The civil servants said they had never accepted such offers. Over the recent years, such incidents were said to have decreased but at least three respondents had personal experience with such situations. In two cases, the bribe was offered by a Russian, and in one by a Finnish citizen. In addition, there had been incidents at passport control where a banknote had been inserted inside the passport. In these cases, the person crossing the border was simply informed that “in Finland, you don’t need to pay”.

No other examples of bribery were found in the interviews. Some respondents commented that cases might easily remain uncovered. Some of the representatives of the authorities were very careful about what they said, and they did not seem to like discussing the matter even in very general terms. Of the different representatives of the authorities, the customs officials talked more openly about corruption and problems related to corruption, and gave concrete examples.

Some of the respondents underscored that the difference between Finland and Russia has diminished over the recent years. Some civil servants said that it is unrealistic to believe that there is no corruption at all in Finland. In their view, corruption in Finland is mainly to be found in the private sector. In particular, double invoicing was mentioned in several interviews as an example of business-related corruption. (Double invoicing along the Finnish-Russian border generally involves declaring goods at their true value when exporting them from Finland, but then declaring them at a much lower value on the other side of the border, when importing them into Russia. The benefit lies in the fact that the import duties are imposed on the basis of this artificially lower value.)

## Russia

All of the Russian respondents stated that they had no first-hand information about corruption in cross-border cooperation between Russia and Finland. Basically, what they know about corruption comes from media and rumours, and these are mostly about corruption violations involving the customs authorities of the Russian Federation.

Most of the Russian civil servants had never actually seen any indications of corruption cases in their working environment although they did not exclude the possibility that such cases may exist. One respondent, however, did point out that corruption was to be found in the customs during the 1990s. In his view, it was easy at that time to exploit the imperfections of the law and constant regulatory changes.

Two civil servants stated that they had been offered bribes but had rejected these because of the serious consequences. Most of the respondents thought they had not been offered bribes because of their low official positions. They also explained that usually corruption cases, if detected, are kept secret.

The civil servants said that most corruption cases in Russia are connected with the border and arise at points in transit at customs control, especially when crossing the border is simplified for timber transport and large-scale consignments. According to these civil servants, corruption is still possible in Russia today, with the customs authorities, in the migration service, in travel companies, at the Finnish consulate, and among Finnish entrepreneurs.

As to the Russian situation generally, most Russian respondents thought that corruption is a mass phenomenon. They believed that corruption in Finland is possible only among individual civil servants, citizens and companies, and that corruption on the ordinary level is practically impossible and strictly suppressed. In this view, one respondent suggested that joint anti-corruption measures would promote cooperation between the authorities, the exchange of experiences and the detection and apprehension of lawbreakers. Such cooperation would provide a useful learning experience.

## 5.2 Experiences of businesspersons with corruption

### Finland

None of the Finnish businesspersons told about experiences of corruption involving the Finnish authorities. The cases of corruption in Finland were all related to customs or tax fraud in trade from Finland to Russia (such as double invoicing), where Finnish export companies and forwarding agencies were

involved, or to corruption connected with crimes in the Russia to Finland direction (such as the illegal fuel trade).

The Finnish businesspersons had a more direct relationship to Russian corruption than the civil servants. Almost all respondents had first-hand experiences with corruption in Russia. Mostly, these concerned small-scale corruption where the businessman was in the role of a victim who must consent to various additional illegal or pseudo-legal fees for permits, licences and services, or illegal or pseudo-legal fines for (alleged) misdemeanours. The individual amounts of money involved were usually small but over time, they represented a considerable extra cost burden. In addition to the direct costs of corruption, this form of criminality caused significant indirect expenses to the companies in the form of delays, obstacles to competition and business activity, various extra processing and court costs, and the general insecurity of the business environment.

The greatest problems with border corruption were experienced by transport companies. During the time period covered by this study, money was collected from transport companies mainly at the border in the form of so-called excess weight fees (imposed when the total weight of the lorry was alleged to exceed a certain weight) and inside Russia in the form of various summary fines for alleged traffic violations, collected during traffic control checks. The reason why the Finnish respondents considered these fees and payments as corruption was the fact that these often had an unclear legal basis, and the companies always had to pay in cash without getting any receipt or other documentation.

The relative extra expenditure burden caused by this money collection was approximately the same for all companies. In a business sector that is subjected to stiff competition, this burden was considerable. Apart from the road transport companies, only the timber import companies had been directly subjected to border corruption.

A general policy that was followed (when it was possible) by Finnish companies in order to avoid corruption was to transfer those activities to Russian middlemen or local staff where the potential for corruption was known to exist. The companies did not want to know how these middlemen or staff members dealt with these issues. The only thing that mattered was that any problems were taken care of.

The businesspersons saw the long-term consequences of corruption in Russia as being mainly harmful for Finnish business. Corruption caused extra costs, and impaired in general terms the working environment of both foreign and local businesses. It was also considered to be harmful for the economic development of Russia, for the economic growth, and for the development of a stable state with the rule of law. Corruption was also considered to be an obstacle for Finnish companies trying to increase their trade with Russia, or to invest in the country, and also in general terms harm the business relationships between the two countries. On the other hand, some respondents argued that corruption in Russia has also created economic advantages for Finland which were, nonetheless, assessed to be of a short-term character. For instance transit



transport through Finland was thought to be significantly influenced by this circumstance.

Overall, the problems that Finnish businesses had experienced with regard to border corruption were primarily problems of road transport. The main reason seen for the problems was that the Russian operational authorities on the border and in the border region (customs, RTI<sup>3</sup>, GAI<sup>4</sup>, licensing authorities) either did not act at all, or acted only selectively, in accordance with international and bilateral agreements ratified by Russia, and in this way impeded the business of Finnish companies. This was usually thought to be based simply on the fact that the representatives of the authorities in strategic positions wanted to collect money illegally from the companies; sometimes, however, latent protectionist motives were also thought to be behind this behaviour. The Russian central government was assessed to be so weak that it was unable to make the border authorities comply with regulations and stop the illegal collection of money.

## Russia

Of the Russian business respondents, only one said that he had been faced with corruption in Finland. Most thought that corruption in Finland is very rare, and if there is some, it is only insignificant. When asked about concrete experiences of corruption, they either said they did not know of any such cases, or they did not answer the questions at all. In this regard, the replies of the businesspersons did not illuminate the situation at all. This is likely again to be in part a consequence of the survey mode (anonymous e-mail questionnaire) applied in this case. Written replies may be seen as potentially dangerous, but also simply as requiring too much work. A face-to-face interview would most likely have provided a richer overview of the situation.

## 5.3 Summary and discussion

The civil servants interviewed in Finland had much less first-hand experience with corruption on the Finnish-Russian border than did the Finnish businesspersons. The business respondents were also more open than were the civil servants in speaking about corruption-related cases and problems. Many representatives of the authorities were very careful about what they said, they stated that they did not know about any cases, or they did not want to talk about them. Some of the examples that they mentioned were said to be based on hearsay only. Some civil servants also commented that Finland may not be quite as corruption-free as is commonly believed.

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<sup>3</sup> Traffic Inspection Authority

<sup>4</sup> Traffic militia

None of the Finnish respondents had any experience with corruption involving the Finnish authorities. All of the corruption cases described were connected with activities of the Russian authorities or were directed at the authorities by private citizens. Some of the Finnish civil servants interviewed had first-hand knowledge of (unsuccessful) bribery attempts. These were usually bribes offered by private citizens. Usually those offering bribes had been Russians. Several civil servants said that on the basis of their observations, corruption on the Russian border and in Russia in general had decreased over recent years.

In contrast, the Finnish businesspersons had a lot to tell about the volume and variety of corruption experiences on the Russian border and its environment. The problems ranged from active grand corruption, export-related corruption, bribery of representatives of the authorities in administrative matters or in order to receive forged documents, to corruption where the businesspersons were passive victims, and to systematic money collection under a large number of pretexts. These comprised consultation services, asking for fees on the basis of ambiguous legislation, charging for documents, arbitrary charges in ad hoc situations, border crossing fees, fees collected at traffic control checks, excess weight fees, service charges, and random ad hoc money collection. Mostly, the examples concerned small-scale corruption where the businessman had the role of a victim who must consent to various extra illegal or pseudo-legal fees for permits, licences and services, or illegal or pseudo-legal fines for misdemeanours.

The greatest problems with border corruption were experienced by the Finnish road transport companies. Their main reason was thought to be that the Russian operational authorities on the border and in the border region (customs, RTI, GAI, licence authorities) were abusing their strategic positions to collect money illegally from the companies.

The Russian civil servants said they had no first-hand knowledge about corruption at the border. Most of them also stated that they had never noticed indications of corruption in their working environment. They did however point out that most corruption cases arise at points in transit at customs control, and suggested that corruption occurred in Russia with the customs authorities, in the migration service, in travel companies, at the Finnish consulate, and among Finnish entrepreneurs. Despite their lack of first-hand knowledge, they shared the opinion that in Russia, corruption is a mass phenomenon.

The replies of the Russian businesspersons did not illuminate the situation at all. They either said they did not know of any concrete corruption cases, or they did not answer these questions at all. In this respect, the applied survey mode (e-mail questionnaire) proved to be a failure.

## 6 COOPERATION BETWEEN THE FINNISH AND RUSSIAN AUTHORITIES

### 6.1 Observations of representatives of the authorities concerning cooperation between the Finnish and Russian authorities

#### Finland

In general, the Finnish civil servants were of the opinion that Finnish-Russian cooperation among the authorities is smooth and has improved over the years. According to them, this cooperation was not affected by corruption in any way. Some respondents said, however, that the cooperation may at times be bureaucratic and rigid. Trust was said to be the most important as a basis for good cooperation, and it was observed that years of joint efforts are required to build mutual trust. Some respondents mentioned that there are situations where one has to be careful about what one says and what information it is safe to give to the authorities of the other country. Some civil servants also commented that the exchange of information is not balanced, since one party prefers to receive rather than provide information, and it is also not possible to openly share all available information.

Some respondents were of the opinion that there is a need for more cooperation. One civil servant saw the reason for the lack of cooperation to be a reserved attitude on the part of the Russian authorities. One particular problem was felt to be that Russia had in recent times refused several requests for executive assistance made by the Finnish police, where Russian authorities were asked to interrogate crime suspects in Russia. Consequently, the volume of requests for executive assistance had decreased in both directions. (The majority of such requests come from Russia to Finland, not vice versa, and thus the respondents considered that the policy change on the part of the Russian authority was quite self-sabotaging.)

#### Russia

When discussing possible corruption in the cooperation between the authorities (in Finland and in Russia), the Russian civil servants pointed out that they lacked experience with such cooperation, since such functions are the responsibility of the heads of the institutions. Three respondents out of four thought that corruption can influence the cooperation between the authorities because it gives rise to distrust.

## 6.2 Observations of business respondents on the activities of the authorities

### Finland

The Finnish business respondents were not asked about their assessment of the impact of corruption on cooperation between the Finnish and Russian authorities. Instead, they were asked how the Finnish authorities had been able to promote and defend the interests of Finnish businesses in issues concerning border corruption. They were also asked about how the information exchange with the Finnish authorities was working with regard to corruption and other problems at the border.

The representatives of transport companies were the largest sub-group among the business representatives interviewed. For this sector, also a representative of a group that promotes the interests of transport companies was interviewed. If we compare the comments made by the transport company representatives with those of the representative of their interest group, one conclusion was that information about different problems at the border was being transmitted openly and fully from the businesses to the interest group. The interest group had close contacts with the key bureaucrats. Therefore, there is no reason to suspect that the information about the problems experienced by transport companies on the border is not reaching the state authorities responsible for dealing with problems at the border. This indicates that the central authorities are well informed about the current forms of border corruption as well as of the problems that these are causing to the transport business. How this information has been utilised in the work of the authorities and in the cooperation between Finnish and Russian authorities is another question.

None of the respondents said that the Finnish authorities had had much success in this matter. However, most were of the opinion that the failure was not the fault of the Finnish authorities. The possibilities that the Finnish authorities had to influence social phenomena in Russia were seen to be practically non-existent. In individual specific problem situations, help was usually received when this was needed. In the assessments of the businesspersons, the Finnish embassy, the consulates and the other Finnish authorities operating in Russia were considered to be competent and well-informed.

The representatives of transport companies were particularly critical regarding what the Finnish authorities were doing about corruption on the border. Russian lorry companies were seen to enjoy general advantages in the traffic to Russia as a result of the corruption. Finnish lorry companies were subjected to systematic money collection on the border and on the Russian side of the border. In addition, the close connections that the Russian lorry companies were seen to have with customs and tax crimes committed on the border gave them a significant advantage in the competition for freight contracts, in

particular contracts concerning transit transport but also transport from Finland to Russia.

The Finnish authorities, both at customs and the Ministry of Transport and Communications, were said to be fully familiar with the situation. This was also confirmed in the data of the current study. Since the situation and the problems were well known, most of the transport entrepreneurs were of the opinion that the Finnish authorities had left the Finnish transport companies at the mercy of the Russians. Since the existing bilateral agreements provide instruments that could be used to influence the situation, some of the businesspersons thought that the Finnish authorities preferred their own comfort to the interests of the businesses, in that they did not want to jeopardise their friendly relationships with their Russian colleagues.

The transport entrepreneurs, on the other hand, had observed that the possibilities that the Finnish authorities had of controlling the traffic from Russia to Finland, and in this way of creating some balance in the situation, had collapsed over the last years as a result of reasons over which the authorities had no control: the decision taken in Finland on the political level to reduce police and customs staff.

The staff reduction policy has achieved small budgetary savings, at a time when thousands of jobs in the transport sector and related business have been lost and the government has lost significant tax revenue. A further factor – in addition to a lack of effort and lack of staff – influencing the inability of the Finnish authorities to control the situation was said to be the insufficient language skills of the Finnish authorities.

The Finnish transport entrepreneurs maintained that a good way to improve the situation would be the application of the principle of reciprocity: the conditions for Russian businesses in Finland should be made equivalent to the conditions for Finnish businesses in Russia. In this respect, the Finnish transport entrepreneurs felt that they had been let down by their own government and its representatives.

A constructive proposal was that the central authorities, interest groups and transport companies should create a cooperation group that would make a list of the problems in border dealings. They could then identify the three most important problems, and draft an action plan on how to eliminate or at least minimise these. It was observed matter-of-factly that, in the Russian negotiation culture, timidity or tact were not successful approaches. The notion that the negotiations could be conducted in accordance with the Finnish rules of the game was thought to be unrealistic.

The most central current problem related to border corruption was said, in the majority of the interviews, to be the discrepancy between the Russian and EU regulations concerning axle weights. This facilitates extensive illegal money collection at the border stations. The harmonisation of the Russian regulations with those in the EU was seen to be the most acute issue that Finnish authorities were expected to focus on in the Finnish-Russian cooperation

between the authorities and in the relevant bodies of the European Union. Further high-priority issues that several respondents took up were the need to reduce the number of different authorities operating on the Russian border, the importance of introducing electronic customs documents, and the need to improve the control of Russian transport of dangerous substances.

## Russia

The Russian business respondents did not have anything to say about cooperation between the authorities. This is in part because they could not be interviewed in person, as this was a clear example of a topic where a lengthy face-to-face personal discussion could be able to come up with substantially more information than a written questionnaire. A serious problem in this respect was that the list of research questions designed in Finland was explicitly developed to serve as a skeleton guideline for qualitative interviews, not as a standardised questionnaire. Since the list was nevertheless used as a written questionnaire, it was particularly unsuccessful in this case where a confidential talk with enough time could have unveiled more interesting experiences and ideas than what is the case now.

### 6.3 Summary and discussion

In the interviews with the civil servants, cooperation between Finnish and Russian authorities was not dealt with in much detail. Mostly, the cooperation was seen to work well, and it was not seen to be influenced by corruption. Some of the Finnish civil servants, however, were not willing to discuss the Finnish-Russian cooperation between the authorities in detail. This could mean that no problems in the cooperation were perceived. But even if problems were felt to exist, the Finnish civil servants did not want to discuss them. This may be because it was important for continued cooperation that the other party is not put in a negative light. Nonetheless, some of the Finnish civil servants did experience the cooperation as working well and as having positive results.

The Finnish businesspersons were much more critical with regard to the Finnish-Russian cross-border cooperation between the authorities. The criticism was directed in particular at the weak ability of the Finnish authorities to defend and promote the interests of the Finnish businesses. According to the business respondents, the Finnish authorities had not been able to have an impact on the corruption problem in their cooperation with their Russian colleagues. It was understood that the possibilities of the Finnish authorities to influence matters were very limited. Part of the business respondents were nevertheless of the opinion that the Finnish authorities have not made full use of the instruments that were in fact at their disposal if they wished to guarantee that the Finnish and Russian companies were dealt with on an equal basis. The reason for this failure was thought to be that the Finnish authorities do not want

to jeopardise their good relationships with their Russian colleagues. However, a simple lack of effort was also seen to be an additional reason: it is easier to close one's eyes to unpleasant facts than to try to do something about them. Criticism was also expressed with respect to situations where the authorities were obviously thoroughly familiar with the problems, but kept silent about them, and even tried to silence the businesspersons who went public about the problems. The openly critical attitude of the business respondents towards the cooperation between the authorities was undoubtedly influenced by the circumstance that they were assessing the cooperation from the position of an outsider and they had no reason to be polite or muted in their criticism. Furthermore, the failures of the cooperation had a direct and concrete impact on the entrepreneurs: they paid the bill for the failures.

The Russian civil servants and businesspersons did not have much to say about these issues. This may to a great extent reflect the different data collection mode used with most of them: a written questionnaire without detailed questions is not a good instrument for such a purpose. The Russian civil servants, however, also pointed out that they lacked experience with such cooperation because such functions are the responsibility of the heads of the institutions. This conveys a clear message: if the Russian representation in the cooperation between the authorities is very much centralised and is on a high level, the remaining staff are effectively not participating, and such cooperation cannot be very pervasive.

An important comment by the majority of the Russian civil servants who were interviewed was that corruption may influence the cooperation between the authorities because it gives rise to distrust. The message is clear: trust is at the core of open and functional cooperation, and corruption and suspicions of corruption destroy this trust.

## 7 REGULATION AND PREVENTION OF CORRUPTION

### 7.1 Corruption-related training, guidelines, and familiarity with legislation

#### Finland

When asked directly, many of the civil servants admitted that they were not familiar with the details of the Finnish law on corruption, and even less with international anti-corruption agreements. Some respondents maintained that the moral-ethical aspect is more important than familiarity with the law, in other words the civil servant instinctively knows when his or her behaviour violates the limit of what is acceptable.

The respondents underscored that the civil servant himself or herself must know and recognise the difference between right and wrong. The civil servants thought it was almost self-evident that every civil servant is familiar with his or her rights and duties, and knows how to act accordingly.

Both the Finnish civil servants and the businesspersons were nevertheless able to define corruption rather accurately and comprehensively, and much in accordance with the Finnish Criminal Code.

A large proportion of the interviewed civil servants had not received any specific training concerning corruption or corruption prevention. They were, however, familiar with the general rule that if some indication of corruption is observed, the matter must be reported immediately.

Many civil servants had no clear recollection as to what instructions had been issued about corruption issues. Some respondents were of the opinion that some sort of training or guidelines would be necessary. On the other hand, some other respondents did not think that they needed special training. All of this would support the idea that there is a clear need for some kind of basic training regarding corruption issues.

The business respondents who were interviewed represented many kinds of different businesses, from large and medium-sized to small companies, and companies listed on the stock exchange as well as family enterprises. In most large companies, some kind of general training on corruption issues was given. In small enterprises, training and guidance on these issues had often been less systematic, or provided on an ad hoc basis. In any case, all of the respondents were familiar with the central stipulations of Finnish law. That is to say, the problem was not that the persons involved did not know what corruption is and what it is not.



Sometimes problems arose as a result of situations where it was necessary to follow different rules in Russia than those in Finland. This gives rise to a new recommendation: persons involved in Finnish-Russian trade should be given more systematic guidance concerning these issues. If such guidance is to be provided, it is important to consider what such guidance or training should comprise in order for it to be valuable for entrepreneurs. Especially for small and medium-sized enterprises about to initiate business in Russia, such training would certainly be helpful if it is practical and realistic. In point of fact, private consultancies have already been selling such services since the 1990s.

## Russia

On the basis of what they said in the interviews, the Russian civil servants are fully familiar with the legislation concerning corruption. Russia has a national anti-corruption plan and several other laws concerning the topic. The civil servants knew nothing about the corresponding legislation in Finland except that some civil servants thought that in Finland civil servants who commit a corruption violation are permanently disbarred from office.

The Russian civil servants explained that for corruption to be prevented, civil servants must be familiar with the normative framework and all of the results of the efforts by the authorities regarding corruption. In addition to this, citizens must have free access to public institutions and information about the work of each institution.

## 7.2 The prevention of corruption

### Finland

Some of the Finnish respondents said that corruption or the prevention of corruption had not played a direct role in their work, and they had not paid any particular attention to the matter. Therefore, it was also difficult to define one's own role in corruption prevention. On a general level, the civil servants made suggestions regarding various ways to prevent corruption both in Finland and in Russia. A central point regarding corruption prevention in Russia was that the salaries ought to be better in order for civil servants to secure a reasonable standard of living. If this were the case, there would be less need for corruption. According to some authors, corruption may be regarded as a part of subsistence and social security in Russia.

The Finnish respondents also said that awareness concerning corruption should be increased, and popular attitudes should be changed. In this, information has a key position. The objective should be that extra fees are not paid and that people should not think that it is possible to get privileges by paying.

According to the Finnish civil servants, the rules should be clear and the punishments should be sufficiently hard. In the prevention of corruption, it is important that the authorities can be trusted and that corruption is handled in an uncompromising manner. It is important that risks are dealt with at an early stage and that when recruiting people, their reliability should have a high priority.

Suggestions for specific improvements were also made. One was the introduction of electronic customs declarations that would make double invoicing very difficult. Furthermore, making the border crossing procedure less complicated was mentioned as an anti-corruption measure. A particular problem on the Russian side of the border was observed to be that there was much bureaucracy and a large number of control points, all of which can lead to opportunities for corruption.

According to some Finnish civil servants, corruption and the abuse of privileges have already been made quite difficult in Finland by the introduction of control systems, transparency, audits and controls.

The civil servants interviewed in Finland said that one item of central importance is that the administrative system is good and reliable, and that all decisions by the authorities must be open for scrutiny both before and after the fact. It was also underscored that confidence in the authorities is a key factor in the prevention of corruption.

The civil servants often noted that parallel to surveillance and controls, the moral dimension also has a central role. Thus, it is not sufficient that the systems are good, if the people (the civil servants in particular) do not share ethically sustainable rules and they do not implement these in practice. They were of the opinion that it is central for corruption prevention that the structures of society and of the working environments facilitate and motivate individual persons to behave in a way where there is no need for corruption, and that people consider corrupt behaviour to be morally suspect. A popular notion in Finland is that one factor that prevents corruption is public shaming. If somebody is found out to have given or taken bribes, the social disapproval is considerable, and it is likely that the person in question is remembered in the future only for his or her crime rather than for his or her positive achievements. In a small country where corruption cases are rare, the incidents that are uncovered receive considerable attention in the media.

The civil servants interviewed in Finland had observed shortcomings in the prevention of corruption in both Finnish and Russian society. In Finland, there is for example a need to speak more openly about the financing of election campaigns and the many kinds of existing “old boy networks”. It was also pointed out that corruption prevention should be more visible, and a credible monitoring mechanism for the UN Convention against Corruption should be created. Russia was criticised for a situation where the prevention of corruption is given much high-level attention, but on the level of concrete action, nothing of great significance takes place. In the worst case, an increase in anti-corruption resources creates more corruption, since the number of civil

servants and bureaucracy grow. Moreover, the system that allows double invoicing was heavily criticised in particular because the problem has been well known for years.

In the interviews with the Finnish business respondents, the prevention of corruption was not discussed as an independent topic. As a rule, the businesspersons thought that the Finnish authorities had no realistic possibilities of influencing Russian corruption. They also thought that the Russian central government had only very limited power to eliminate corruption.

Many respondents, in particular those who had been living in Russia for longer periods of time, thought that corruption is a permanent and unavoidable evil. Rather than being concerned about corruption prevention, they were interested in how to control corruption and to avoid the problems it caused. In this, the actions of the Finnish authorities also play a role. It was seen to be highly important that existing international and bilateral agreements are followed and that full use is made of all existing international and cross-national mechanisms in order to guarantee that the operating environment of Finnish businesses in Russia becomes the same as that provided to Russian businesses in Finland and in the European Union.

## Russia

The Russian civil servants made many comments on how to prevent corruption. They said that one measure would be to make people aware of the relevant legal provisions, and to introduce strict law enforcement. They also recommended that the security services should be used to prevent violations. Regarding existing prevention mechanisms, they mentioned the commission for the observance of requirements concerning service behaviour and for settling conflicts of interest, and the commission on corruption prevention.

An important feature in the prevention of corruption was said to be increased openness. Citizens should have free access to state institutions, and they should have free access to information regarding the work of the institutions. The majority of the Russian civil servant respondents were reluctant to name any anti-corruption measures in use at the general level and in particular in their own organisation.

When asked how the civil servants saw their own role in anti-corruption work, one-half did not see that they had a role in this because if you accuse someone of corruption, you must have evidence that can be tested by law enforcement and that must hold in court. Other civil servants said that their role in corruption prevention is that they fulfil their obligations honestly and conscientiously, that they do not accept the use of information for personal gain, and that they will not take a bribe and will not allow others to take bribes.

When asked whether they had been given instructions concerning what is acceptable and what is not, four civil servants out of five said that this was the case. The remaining (one out of five) respondents said that they had never heard about such instructions. Half of them had been given instructions about the obligations related to their position, and had been presented documents on the prevention of corruption. Most of the civil servants were of the opinion that there should be special training on corruption and its prevention.

The Russian civil servants said that they are not aware of any specific examples of anti-corruption measures between the Finnish and Russian authorities, and thought that the heads of the organisations were not interested in learning about anti-corruption work in Finland. This opinion was also related to the fact that federal agencies in the regions of Russia are not allowed to make independent decisions about cooperation, and the federal central authority does not always allow them to cooperate across the border.

Regarding general methods to prevent corruption, the civil servants made a wide range of suggestions. They recommended that new staff members should be selected carefully and that the staff should be given serious anti-corruption training. Next, they recommended that there should be an increased openness in the activity of state authorities, and that there should be an open commitment to official obligations. Furthermore, they thought that complicated issues should be subjected to collective decision-making. Also, the public should have open access to state institutions.

Next, the civil servants thought that a state council should be created, the task of which would be to control the work of the state administration. They also recommended that open telephone and internet connections to institution heads be created in order to facilitate communication with them. They further said that there is a need for clear regulations and clear standards for fulfilling responsibilities.

The Russian civil servants also thought it would be helpful if all corruption cases were made public, and that those guilty should be removed from office and disbarred from official positions forever. They also maintained that improved salaries would have a positive influence on the situation.

The Russian business respondents did not appear to know much about existing anti-corruption legislation. Only a few of them said that they thought corruption is a criminal violation. The others thought that relevant legislation is only now being drafted. All of the businesspersons thought there was such legislation in Finland. None of them said that Russian companies or their own company were applying any anti-corruption measures in Finland. Regarding their own role in anti-corruption efforts, the majority said that they could inform the law enforcement authorities about corruption-related evidence.

None of the surveyed Russian businesspersons had received any corruption prevention training. All of them thought that such training would be useful. Half of them even said that such training would be essential. Not one had been given instructions on corruption issues by their employer, and they did not

know of any anti-corruption guidelines being applied in their company. A representative of a large company said that there had been anti-corruption cooperation with the state authorities, while all other respondents answered negatively to this question. None of them had any cooperation with Finnish authorities.

In discussing recommendations regarding measures for the prevention of corruption in Russia, the Russian business respondents generally thought that it is important to introduce stricter legislation in this area. One respondent also maintained that enforcement of existing legislation should be increased. Three businesspersons said that the positive experience of Finland could be used to learn about the matter.

### 7.3 Summary and discussion

In the Finnish data, the prevention of corruption was discussed mainly in the interviews with the civil servants. They underscored the importance of moral and ethical issues in anti-corruption work. A good knowledge of corruption-related laws was not seen to be as important as the ability to distinguish between right and wrong. This was considered to be an essential characteristic required of the authorities.

Several of the Finnish civil servant respondents admitted that they did not know the law in detail, and knew even less about international conventions on corruption. When discussing definitions, however, they were very close to that of Finnish criminal law.

The Russian civil servants said that they are fully familiar with the Russian legislation concerning corruption. Russia has a national anti-corruption plan and several other laws concerning the topic. They explained that in order for corruption to be prevented, civil servants must be familiar with the normative framework and all the efforts of the authorities regarding corruption.

The majority of the civil servants in both countries said that they had not received any kind of corruption-related training at their workplace. The respondents did nevertheless make suggestions as to how corruption could be prevented. The Finnish civil servants mentioned improved salaries (this in particular with regard to Russia), electronic customs declarations, and transparency and openness for all decision-making. The respondents maintained, however, that it is not enough that the systems are in order, if the authorities do not comply with agreed-upon ethical rules. Morality was seen as a central factor here. Corruption-related training was also seen to be useful.

Overall, the Finnish civil servants commented on these issues on a rather general level. This is understandable because they said that they had no direct experiences with corruption in their own working environment or in Finland, and it was also no acute problem in relationships with their Russian colleagues.

Consequently, they had no direct reason to think about specific corruption prevention methods.

Furthermore, the Russian civil servants made a number of suggestions as to how corruption could be reduced in Russia. Their ideas on prevention measures were not very different from those of their Finnish colleagues, but these were more specific. They were of the opinion that corruption-related training would be useful. Furthermore, they suggested that new staff should be selected carefully, the work of the authorities should be made more transparent, and that the access of the public to the authorities should be improved. They also recommended that complex decisions be subjected to collective decision-making. In their view, the normative basis of their work should be clarified, penalties for corrupt behaviour should be stiff, and persons found guilty of corruption should be disbarred from public service. Finally, they proposed that a special state council should be established with the task of controlling the work of the public administration.

The Russian business respondents also felt that training in the prevention of corruption would be important for them, and suggested that Russia could learn from the Finnish experience in anti-corruption work. They were also in favour of stiffer punishment and more effective law enforcement.

## 8 CORRUPTION ON THE FINNISH-RUSSIAN BORDER

This study is about corruption on the Finnish-Russian border. Because the interviewed Finnish representatives of the authorities and businesses said that they had met with corruption only on the Russian side of the border, the topic of the Finnish part of the study became in practice “**Russian corruption on and near the border**” as seen from the perspective of Finnish civil servants and businesspersons. The Russian part of the study corroborates this result of the Finnish study as well: the Russian civil servants and businesspersons who were surveyed had experiences with corruption issues that practically related to the **Russian side of the border only**.

The research method chosen provides insight into perceptions of and experiences with corruption, not binding evidence. Furthermore, **the data suffers from some bias** because of many refusals to participate in the survey in both countries.

The Finnish respondents, both the civil servants and the businesspersons, understand corruption in a rather similar fashion. This is due to two factors that are common to both groups: a general awareness of the stipulations of the Finnish Criminal Code, and personal first-hand experiences. According to the study, knowledge concerning the provisions of criminal law on corruption offences was good in both groups. Corruption was understood to comprise a broad variety of phenomena in the grey economy, as well as abuse and malpractice by the authorities. The examples described in the interviews mostly corresponded to both Finnish and Russian criminal law definitions of corruption. No indications were found of the possibility that Finnish authorities and businesspersons have essentially conflicting views about what constitutes corruption. However, a need for learning more about corruption and its regulation, including anti-corruption training, was expressed by both civil servants and businesspersons.

Of the Russian respondents, most civil servants defined corruption in strictly legal terms, of which they were well aware. The businesspersons were more pragmatic about the issue, describing circumstances where corruption could occur. All of them connected corruption with the bribing of civil servants or with civil servants blackmailing businesspersons in situations where they had the power to assist in solving their problems. In particular the businesspersons felt they would benefit from corruption-related training.

The attitude of Finnish civil servants and businesspersons towards corruption in Russia is characterised by two different aspects. First, corruption as such was not accepted. However, when operating in Russia in practice, it was often felt to be a necessary evil to yield to unlawful requests made by the Russian authorities. To engage actively in corrupting civil servants in Russia was said to be unacceptable and almost nobody described any examples of this (which

in itself indicates that this was perceived as being unacceptable). However, some business respondents surprisingly revealed that they had been guilty even of such behaviour.

Half of the interviewed Russian civil servants said that corruption cannot be justified under any circumstances. Others, however, were more flexible about this. They made reference to distress situations where they thought it is understandable if a civil servant asks for bribes. Almost without exception, the business respondents did not accept corruption. The Russian responses seemed, however, to have in mind large-scale corruption rather than the everyday small-scale collection of money. The latter was said to be created by government itself, since the existing normative regulations were conflicting and ambiguous, thus creating the opportunity for arbitrary decision-making. Many of the Finnish respondents shared this opinion as well.

A common dilemma that Finnish civil servants and businesspersons have to cope with in Russia and in cooperation with Russians is the **difference between the two countries in the sociocultural norms related to corruption**. The Finnish respondents thought that the limits of corruption in Finland are different from those existing in Russia. In cross-border activity, it was felt to be hard to decide whether one should behave according to Finnish or to Russian sociocultural norms. In specific situations, the Finnish businesspersons seemed mostly to follow the Russian sociocultural norms. Real problems arise if in such a case one also violates Russian law. Apart from the potential punishment, this also opens the possibility for extortion. The businesspersons quite commonly thought that if compliance with corruptive requests was a necessity in order to be able to operate at all, then this was a necessary evil and acceptable as such. The representatives of the authorities had a less flexible and morally uncompromising attitude.

It is interesting to notice that the Russian responses indicated also that the attitudes of Russian civil servants and businesspersons towards corruption, the “rules of the game”, may be more ambiguous than many Finnish businesspersons and civil servants tend to think in terms of everyday money collection vs. “serious” corruption.

First-hand experience with corruption on the Finnish-Russian border was much more commonly reported among the Finnish businesspersons than among the Finnish civil servants. The business representatives were also more open about describing events and problems related to corruption. The corruption examples that were described were all about the behaviour of the Russian authorities or concerned situations where individual citizens had attempted to bribe a Russian or Finnish civil servant. Usually the examples concerned small-scale corruption in Russia, where the person in question agreed to pay various extra unlawful or pseudo-legal licence or service fees or unlawful or pseudo-legal fines to a representative of the Russian authorities. Even if the amounts of money involved in each case were rather small, they accumulated to form a considerable cost burden over time since the phenomenon was systematic. In addition to the direct costs of corruption, this criminality also caused



significant indirect costs to the businesses in the form of delays, obstacles to competition and business, extra processing and court trial costs, and general insecurity.

The Russian respondents said that they had no first-hand experience with corruption. On a general level, however, they did consider that Russia is a thoroughly corrupted society. Interestingly enough, as they claimed not to have direct knowledge of corruption cases, they were still able to pinpoint clearly where the vulnerabilities to corruption existed in the border environment: customs, migration authorities, travel companies, the Finnish consulate, and Finnish entrepreneurs. Here perceptions differ, as the Finnish respondents identified only one of these in an explicit sense, in that they complained about the behaviour of the Russian customs authorities. On the other hand, they identified other authorities that had caused problems for them and that were not mentioned by the Russians: the road traffic control authorities.

The most marked corruption problems on the border were experienced by Finnish road transport companies. At the time of the fieldwork of this study, money was said to be collected from them on the border in the form of so-called excess weight fees,<sup>5</sup> and once in Russia, as various penalty fines<sup>6</sup> collected at traffic inspection stations. The fees were collected in cash, and no receipts were given. In a strongly competitive business sector, the relative financial burden caused by this to the companies was significant. As to other business sectors, border corruption had been experienced mainly by companies importing timber to Finland.

In business sectors where it was not absolutely necessary to deal with the border authorities, the Finnish businesspersons said that they were systematically avoiding and minimising their contacts with corruption. **A common method of dealing with corruption issues was to delegate the problem to Russian middlemen or local staff**, when this was possible. Nobody wanted to know how these middlemen or staff members solved the problems; what was most important was that they were solved.

The Finnish businesspersons judged that the long-term consequences of Russian corruption were negative for Finnish business in Russia. Corruption caused extra costs, and it was seen to weaken the operating environment for both local and foreign businesses. This was also seen to make it difficult for Finnish businesses to increase their trade with Russia and to make investments in the country, and as being generally harmful to the economic relationship between the two countries. Some respondents pointed out that the corruption in Russia had also created economic advantages for Finland but these were seen to be of a short-term nature only. It was estimated that the current volume of

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<sup>5</sup> “Excess weight fees” are said to be charged by road transport control authorities, indicating that these are using rigged scales and/or weighing standards that are not in line with European Union standards.

<sup>6</sup> Penalty fees were said to be collected on an arbitrary basis from foreign lorries. Something can always be wrong with a lorry, and if you pay, the problem is solved.

transit traffic to Russia through Finland was significantly facilitated by corruption.

Overall, the problems of Finnish companies that were related to border corruption had **mostly to do with road transport**. The basis for the unlawful collection of money was created by the fact that the Russian operational authorities on the border (customs, RTI, GAI, licence authorities) did not comply at all or complied only selectively with obligations based on international and bilateral agreements and conventions that Russia had ratified, thereby damaging the working environment of Finnish businesses. The business respondents thought that the behaviour deviating from agreed rules was mostly motivated simply by the greed of the Russian civil servants, but sometimes also by protectionist objectives. The Russian central government was assessed to be so weak that even if it wanted to, it was unable to make the border authorities behave in accordance with existing regulations and to stop the illegal collection of money.

The most central current problem related to border corruption was said, in the majority of the interviews, to be the discrepancy between the Russian and EU regulations concerning axle weights. This facilitates extensive illegal money collection at the border stations. The harmonisation of the Russian regulations with those in the EU was seen to be the most acute issue that Finnish authorities were expected to focus on in the Finnish-Russian cooperation between the authorities and in the relevant bodies of the European Union.

According to the Finnish civil servants operating at the border, the *cooperation between the Finnish and Russian authorities* functions mostly well, and corruption was not seen to have any significant impact on this. However, not all civil servants wanted to discuss problems in cooperation between the authorities. This was often likely to mean that no particular problems existed. Another reason is likely to be that **it is important for continued cooperation that negative comments about the partner are avoided**. The business respondents were clearly more critical with regard to the success of the cross-border cooperation between the authorities. The criticism was particularly clear regarding the ability of the Finnish authorities to defend and promote the interests of Finnish businesses in this cooperation. According to the interviewed businesspersons, *the Finnish authorities had been unable to have an impact on the problem with corruption*. It was accepted by most of the businesspersons that the possibilities of Finnish authorities to have impact on the problem were very limited. Some respondents were, however, of the opinion that **the Finnish authorities had not made full use of the instruments that they in fact had at their disposal** if they wished to create a better balance in how Finnish and Russian businesses are treated, for example, in the freight transport sector. This was believed to be the case because the Finnish authorities did not want to jeopardise their good cooperation relationships with Russians, but also because of sheer laziness: it was easier to close one's eyes to unpleasant facts than to make efforts to solve the problems. Criticism was also directed at the situation where although the authorities were

fully familiar with the problems, they kept silent about them and, in the worst case, tried to silence the businesspersons who spoke openly about the problems. The openness and the critical attitudes of the businesspersons regarding the success (or lack thereof) of cooperation between the authorities was certainly a consequence of their outsider status, since they had no reason to hide or soften their criticism. A further reason was that the lack of success in the cooperation had a direct bearing on the businesspersons because they were paying the bill for the failures.

The study provided a unique opportunity for comparing differences between Finnish and Russian perceptions and experiences with corruption. The differences were actually not very great. The Russian and Finnish civil servants seemed to have quite similar views about what was prohibited and what was acceptable. But while all of the Finnish civil servants indicated that the abuse of one's official position for personal gain was not acceptable in any kind of circumstances, only about half of the Russian civil servants shared this view. Thus, both Finnish and Russian civil servants seemed to have a similar understanding of right and wrong; the difference had to do with the issue of whether one could abuse his or her official position or not. Many Russian civil servants were of the opinion that asking for bribes was acceptable in certain kinds of situations of personal distress. Such situations could be for example where "the civil servant's family member is seriously ill and needs an expensive operation", "one's home has burned down", or "there is not enough food for the children". Thus, in the Russian responses, **corruption was rather directly linked to low salaries and weak social security**. In that connection, it was not condemned but understood. The abuse of one's official position in violation of regulations was also seen to be acceptable in situations where "the civil servant or his family are threatened".

Additionally, the perceptions of Russian civil servants concerning the prevalence of corruption in Russia and in Finland were very similar to those of the Finnish civil servants and businesspersons. A considerable proportion of the Russian civil servants perceived the government structures of their country to be "thoroughly corrupted", and thought that corruption in Russia was "a mass phenomenon". In their view, there was much less corruption in Finland, and the "mentality" of Finnish civil servants deviated radically from that of their Russian colleagues. On the other hand, most of the Russian civil servants maintained that it was difficult to obtain information about corruption in Russia. The problems were kept secret, and what the civil servants knew about corruption cases was based on rumours, hearsay, secondary sources and the Internet. An interesting result was also that as many as **seven Russian civil servants out of ten were of the opinion that corruption had a negative impact on cooperation between Finnish and Russian authorities because it gave rise to distrust and suspicions**. The self-criticism of the civil servants on the Russian side of the border was thus much more severe than what their Finnish colleagues said about them. On the other hand, the Russian civil servants made equally positive assessments about their Finnish colleagues as those made by the Finnish civil servants with regard to the Russians.

Overall, the results of the study concerning corruption on the Finnish-Russian border and export trade from and through Finland to Russia were quite similar to expectations based on earlier research results, and reinforce the perception about its institutionalised nature. What may perhaps be surprising is that the corruption-related perceptions of the Finnish civil servants and businesspersons were so similar, and maybe even more surprising is that they were overall quite close to the perceptions of the Russian civil servants. A further surprise was perhaps that individual Russian civil servants discussed the phenomenon quite openly on a general level, but first-hand experience or incidents in their own working environment were topics that the Russian civil servants – as was the case with their Finnish colleagues – were usually not willing to discuss.

The Finnish civil servants and businesspersons seemed to share the understanding that bribes are criminalised both in Russia and in Finland. However, many of them expressed the view that they would **benefit from anti-corruption training** and some also thought it would be good to learn more about the Russian system. It was noted that persons involved in Finnish-Russian trade should be given more systematic guidance concerning Russian law and sociocultural norms. This would be valuable especially for small and medium-sized enterprises about to initiate business in Russia. In point of fact, private consultancies have already been selling such services since the 1990s.

The Russian civil servants and businesspersons expressed more uncertainty and **many of them thought that anti-corruption training would be welcomed**. They also felt that it would be useful to learn more about the Finnish system and corruption prevention in Finland.

The information exchange between the Finnish entrepreneurs and authorities seems to be working well. The Finnish authorities are usually well informed about problems troubling Finnish businesspersons on the Russian border. **The feedback from the authorities to businesses does not, however, seem to be functioning properly**. The way in which some authorities have attempted to deny or trivialise problems in public has probably been harmful rather than constructive with regard to attempts to solve the problems.

In work for solutions to border corruption problems, more **open and active cooperation and information exchange between Finnish authorities and businesses** would probably be beneficial. Such cooperation would increase the confidence of the businesses in the authorities of their own country and would diminish unnecessary suspicions. It might, however, also help the authorities by opening new perspectives on the problems and ways of solving them. How to organise the cooperation in practice is a separate issue. As such, the Finnish authorities have quite limited possibilities for influencing the corruption situation on the Russian side of the border. The criticism directed at the current policy should not, however, be shrugged off. The Finnish companies operating in Russia and having daily contact with the border have first-hand experience with the situation, and are familiar with local circumstances, problems and their solutions. This makes them a valuable resource that the authorities should use more than they are currently doing. A concrete example was given in the

majority of the interviews with Finnish businesspersons: the discrepancy between the Russian and EU regulations concerning axle weights facilitates extensive illegal money collection at the border stations, and the Finnish businesspersons expect that this issue is dealt with in Finnish-Russian authority cooperation.

Likewise, the Russian report includes recommendations on how to achieve change for better in the situation. First of all, it recommends that **special training** should be organised in government agencies with corruption prevention as the central topic. Furthermore, the work of the public authorities must be made **more transparent** and they must be made more **accessible to the general public**. Next, **businesses need to get organised** in order to decrease their dependence on arbitrary decisions by bureaucrats. The **influence of civil servants on the allocation of funds and benefits must be decreased**. Authorities must introduce a **strict selection of staff**, and the higher-level officials need to work with their staff constantly on these issues. **Public councils** should be established to control the activity of the administration. Institution heads must be accessible, and this can be achieved by providing open internet and telephone connections to them. The incoherent **normative base** that facilitates arbitrary decisions and corruption must be made less ambiguous so that it is simple and clear. Corruption cases must be **made public**, and the civil servants who have made themselves guilty of corruption must be **removed from office** and **disbarred from public service**. Finally, the civil servants should be paid **decent salaries**, and a system should be established of **granting benefits for those who disclose evidence of corruption**.

In summary, both the Finnish and the Russian respondents had quite similar views concerning the actual corruption situation on the border, its causes and consequences. Their recommendations as to what should be done to improve the situation were also often similar. Thus, the problem seems not to be that Finns and Russians perceive corruption in a fundamentally different way (although there seem to be differences also in this respect), or that there are no effective means to eliminate corruption from the border. The main problem would rather seem to be in the lack of political will to put these means into practice, both in Russia and in Finland.

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