Strategic Political Modeling in Practice: Enhancing Efficiency in the Russian Political Arena

Zukkof Krumea

Plovdiv University, Paisii Hilendarski, Bulgaria

ABSTRACT: This research explores the theoretical framework of strategic modeling within the political landscape. The term "political landscape" is examined through the lenses of classical economic theory, military strategy, and political philosophy. The analysis divides this concept into two interconnected dimensions: the zone of political competition and the domain of effective governance. Through a case study of contemporary political dynamics in Russia, the authors conclude that strategic modeling presents a valuable approach to optimizing the modern political process. It facilitates the structuring of power distribution mechanisms, stabilizes actorrelationship dynamics, and boosts the efficiency of frictional engagements in political administration.

Keyword: Political efficiency, Russian political dynamics, Power distribution, Governance optimization, Frictional interactions in politics

KEYWORDS - Political efficiency, Russian political dynamics, Power distribution, Governance optimization,

I. INTRODUCTION

The Political realities can be interpreted from various scientific perspectives, such as sociological, psychological, cognitive, or semiotic approaches. However, the accelerating processes of globalization, industrialization, and technological advancements in the 20th and 21st centuries have drastically reshaped modern civilizations, influencing the relationship between political space and fundamental economic theory. This shift is particularly evident in the integration of marketing research and classical management paradigms into political strategy. In today's world, society increasingly relies on information and communication technologies, necessitating more efficient governance and transparency in political administration.

Historically, the traditional models of political space and the communication frameworks between social groups and political structures have been anchored in competition and based on basic marketing strategies. These strategies aimed to establish a steady "sale" process, satisfying political demands through exchange. However, these models have become outdated and insufficient. Close examination of political struggles and the consumption of political "products" reveal that modern political actors can no longer rely on merely acquiring administrative skills. In the past, operational victories over competitors and proficiency in local administration were regarded as the pinnacle of political art.

A prime example of the inefficiency in political management is the case of Ukraine. Assessing Russia's political investments in Ukraine, which ultimately proved futile, Russian Prime Minister Dmitry Medvedev stated:

"The total of Russian investments, preferential credits, and deliveries made on favorable terms far exceeds \$100 million. Thanks to cheap natural gas deliveries, Ukraine saved more than \$82.7 billion. None of the former Soviet republics received such significant support. We didn't just help Ukraine's economy, we practically sustained it" (Medvedev, 2014).

In contrast, since Ukraine's independence in 1991, the U.S. support aimed at fostering democracy, civil activity, and state administration efficiency aligned with European standards amounted to around \$5 billion. This highlights a stark difference in political strategy and the importance of strategic decision-making.

It has now become clear that the analysis of political processes must include a new level of action, one that focuses on the mechanisms of efficient political and administrative decision-making, exercising power, and managing political organizations. However, these actions, while essential, are secondary to the primary goal of

political dominance. Thus, the foundational level of political action—securing a competitive advantage through political marketing—must be closely integrated with another vital aspect: efficient political management.

Strategic modeling emerges as the most effective tool for structuring the functioning of political space. It is a critical resource that harmonizes and organizes political power, implementing patterns of efficient decision-making and performance in political arenas. This approach becomes essential, particularly in cases of resource-dependent economies.

For instance, the concept of the "resource curse" suggests that countries rich in natural resources may experience economic stagnation due to over-reliance on these assets (Auty, 1993). However, this dependency only becomes problematic when resource revenues lead to irresponsible economic policies and the concentration of power in narrow elite (Richardson, 2009). Natural resources themselves are not inherently problematic; it is the strategic capabilities of political elites in utilizing these resources that are crucial.

Countries with responsible governance use resources to develop other economic sectors and secure the future of their workforce. In Russia, the absence of strategic modeling in resource management is evident in the inefficiency of oil and gas extraction. For example, while the U.S. has 65,000 hydrocarbon license blocks and 17,000 license holders, Russia has only 3,000 blocks and 500 license holders. The depletion of large oil deposits further exacerbates this issue. As of the early 1980s, oil fields produced 60-70 million tons, a figure that has now dropped to 200-300 thousand tons. These challenges pose significant political and social risks, given that approximately 80% of Russia's federal budget revenue relies on hydrocarbon exports (Rutland, 2008).

Moreover, scholars such as Acemoglu and Robinson (2012) have argued that political institutions play a decisive role in shaping economic outcomes. Their distinction between inclusive and extractive institutions emphasizes that nations prosper when their institutions promote innovation, invest in human capital, and mobilize talent. Conversely, extractive institutions, which concentrate power and wealth in the hands of small elite, often lead to conflict and societal instability. Russia's distribution of wealth is highly skewed, with 15% of the population controlling nearly all national assets (Lvov, 2006).

Research by the Independent Sociological Institute "Yuri Levada Analytical Center" confirms the pervasive distrust in Russia's economic system. Approximately 70-80% of respondents believe it is impossible to amass significant wealth honestly in Russia, and over 50% view the country's leadership as corrupt (Shevcova, 2011). Moreover, the top 30 Russian oligarchs employ 42% of the population, while the federal government employs only 15% in the same sectors (Guriev and Rachinsky, 2005). These stark imbalances contribute to the increasing gap between rich and poor, with the richest 1% of Russians controlling 40% of the country's wealth, compared to 8% in the United States (Shkaratan, 2011).

The failure of Russian political elites to implement strategic modeling in resource management and political administration has led to significant inefficiencies and socio-economic disparities. Strategic political modeling provides a crucial framework for addressing these challenges, ensuring more effective governance and resource management for long-term stability and growth.

II. THE PHENOMENON OF STRATEGY

The concept of strategy has deep historical roots, evolving significantly over time. According to several American researchers, strategy is one of the most multifaceted and complex terms within modern academic discourse, often interpreted in various ways. Its origins can be traced back to ancient Athens, where the term "strategoi" referred to elected military leaders of the highest board, drawn annually from Athenian citizens (Xenophon). Xenophon, a notable historian and soldier, further developed this idea by extending "strategos" to military generals. He made critical observations about implementing and evaluating strategic plans, many of which bear striking similarities to modern marketing and management strategies.

In contrast, Eastern interpretations of strategy, particularly from Chinese philosophy, provide a different perspective. Chinese stratagems closely align with the modern interpretation of strategy, though they focus on the actions of an individual. Chinese strategists emphasized the moral dimensions of strategy and judged campaigns solely by their efficiency—measuring success in terms of resource expenditure and outcomes—while disregarding

moral considerations. They viewed human nature as fundamentally negative and assumed constant hostility, whether overt or latent, in military, political, or economic interactions (Richardson, 2009).

Despite the dramatic evolution of global politics and business, Chinese strategic principles, particularly the emphasis on pragmatism and hostility, remain relevant today. However, in the modern political arena, efficiency and goal-setting demand a different approach, one that integrates the achievements of contemporary economics, philosophy, and political theory (Auty, 1993). The simplistic utilitarian schemes of ancient warfare no longer suffice for the complexities of modern political processes, which require more sophisticated models of strategy development.

Historically, strategy was predominantly a subset of military science, with primary attention given to principles and tactics for achieving superiority over adversaries through armed forces. In the 18th and 19th centuries, European thinkers like Joubert and Carl von Clausewitz advanced the conceptualization of strategy, with Clausewitz's seminal work *On War* marking a turning point in strategic thinking (Clausewitz, 1832). By then, the term "strategy" began to encompass not only military operations but also socio-political dimensions.

Many modern scholars find it peculiar that strategy, despite its deep philosophical and practical implications, remained a nominal concept for centuries, undergoing significant transformation only after societies reached a certain complexity (Mesquita et al., 2003). This phenomenon suggests that strategic thinking requires a mature social and political environment for its full realization.

By the 19th century, it became evident that war was an inextricable component of the political process, with both domains of human activity deeply intertwined. A continuous exchange of ideas and concepts between war and politics was essential for any state to grow in power and prestige (Acemoglu & Robinson, 2012). The synthesis of military and political strategies provided a foundation for the development of modern strategic political models, enhancing both efficiency and effectiveness in governance.

Core Concepts of Strategic Thinking

Strategic thinking, shaped by centuries of development, can be distilled into three key concepts:

- 1. The Concept of Time: This involves positioning individuals, organizations, or plans within a temporal framework. It helps determine whether strategies are designed for long-term success or short-term gains, a crucial consideration in both military and political contexts.
- 2. The Concept of Culture: This metaphysical notion allows strategic actors to use time as a tool to achieve objectives. Cultural factors often define how strategy unfolds and the methods employed to carry out tasks effectively (Shevcova, 2011).
- 3. The Concept of Resources: Resources are the tools through which strategic plans are executed. Whether in the form of economic, political, or military assets, resources play a pivotal role in determining the feasibility and success of any strategy (Guriev & Rachinsky, 2005).

In today's complex global arena, strategic political modeling must integrate these core concepts to enhance the efficiency and effectiveness of political decision-making and governance. Russia, in particular, faces numerous challenges that require the strategic management of its resources and political institutions to maintain stability and power in an increasingly competitive world (Rutland, 2008). These insights from both Western and Eastern traditions offer valuable lessons for constructing effective strategic models in the Russian political arena.

Politics represents a multi-faceted network of interactions among individuals, groups, and circumstances, defying any attempt at universal generalization. It is a process of continuous exchange involving resources, information, influence, authority, and opinions, weaving together various societal groups into a dynamic system that evolves over time and across contexts (Bobbio, 2005). Strategic analysis, therefore, seeks to isolate key characteristics of political processes in order to construct strategic models. These models serve as conceptual tools aimed at managing specific processes, phenomena, or programs within the political sphere. However, constructing such models involves navigating various value systems, epistemological frameworks, organizational factors, and social components, which makes the development of a universal and optimal theory for modeling political processes nearly impossible (Keohane, 1984).

A political model can be viewed as a simplified representation of reality, based on a set of criteria that define the boundaries of political space. The specific nature of this political space significantly influences the mechanisms through which strategies operate (Weber, 2004). For instance, in order to correctly define strategic modeling, we must first analyze the limits of its application within the political space. Max Weber, in his analysis of political dynamics, did not prioritize traits like competence or responsibility in politicians but instead focused on a certain "eye estimation"—a capacity to analyze political space from a distance, considering interactions among people, institutions, and objects. This distant analysis offers a clearer view of how politics operates in its various contexts (Weber, 2004).

Similarly, Oswald Spengler's work, *The Decline of the West*, discusses the importance of isolating political space from broader worldviews to create patterns, scenarios, and strategies. Spengler argued for a detached analysis of political realities, which allows for the construction of effective strategic models (Spengler, 1991).

Political space itself is a synthetic reflection of a system's political organization. It serves as a framework to observe, evaluate, and assess political processes by employing models, archetypes, stereotypes, and algorithms. Some thinkers, such as Karl Marx, have equated political space with economic space, while Jürgen Habermas proposed that political space merges with social-communicative space (Habermas, 1991). However, from a metaphysical perspective, political space is more accurately understood as existing at the intersection of various axes—social, economic, and others—that influence political dynamics. It includes both mobile elements (like ideological structures and political institutions) and more stable components (such as political consciousness and culture) (Giddens, 1984).

The relativity and fluidity of political space are key in understanding strategic modeling. While it undergoes constant transformation, certain objective structures—resembling Weber's "ideal types"—persist. These include political actors (individual leaders, institutions, or organizations), political forces (elites, interest groups, and informal networks), and mechanisms for setting and achieving goals. The dynamic nature of political space means that political behavior can manifest in various forms, including ideological, legal, personal, and many others depending on the resources available and the specific implementation context (Fukuyama, 1995).

Strategic modeling in political space is therefore the process of developing and executing the most efficient methods for wielding political power to satisfy the needs of actors, institutions, and the broader public. This process is attracting growing attention from researchers, especially as it reconciles the often conflicting interests of individuals, the state, and the public (Nye, 2004). Moreover, the term "strategic modeling" itself is not a random semantic construct but reflects the increasing complexity of modern political environments. Developing political strategies—essentially, finding the best ways to implement political actions—requires a deep understanding of both the unique and fundamental aspects of political transformation (Huntington, 1993).

By the end of the 20th century, the creation and implementation of strategies became essential to political and economic systems. However, strategies were often criticized as inconsistent, prone to irrationality, and lacking universal applicability. This critique highlighted the need to refine and clarify the essence of strategies by merging them with models. Models, with their simplicity and formality, offer a more accessible and reliable means of navigating modern political realities (Bobbio, 2005). They allow for the creation of common behavior patterns within political competition and state governance.

To construct a reliable analytical model of strategy, it is crucial to avoid political reductionism, which oversimplifies complex political spaces into synthetic elements. Political systems are vast networks of both formal and, more importantly, informal (latent) connections (Keohane & Nye, 1977). The task of modern political science is to identify universal characteristics and conditions for implementing political strategies, regardless of the specific context or methods involved. This requires a nuanced approach that balances formal and informal determinants, thereby providing a robust framework for political strategy development and execution (Putnam, 1993).

III. CONTEMPORARY ACADEMIC VIEW ON THE STRATEGIC MODELING PROCESS

To fully grasp the modern concept of strategic modeling, it is essential to trace its historical development as a component of theoretical, semantic, and empirical domains. The origins of strategic modeling can be traced back

to the early 20th century when it emerged as a form of long-term forecasting. Initially, the sole aim was to predict business and political activities for several years ahead. Given the relatively slow rate of environmental change, long-term forecasting relied heavily on extrapolating established patterns from existing structures onto the current state. This method, known as the "planning system based on achieved levels," was commonly employed in countries with centralized, dogmatic administrations, such as the Soviet Union. Here, the focus was on government directives rooted in past ideological experiences, rather than adapting to real-time political dynamics. Notably, remnants of this approach still linger in contemporary Russia.

By the 1960s, breakthroughs in economic thought prompted a shift from long-term forecasting to strategic planning, aligning more closely with the evolving scientific discourse. As internal crises intensified and international relations grew increasingly complex, the limitations of prediction-based strategies became apparent. These forecasts, often too optimistic, diverged sharply from the realities on the ground.

Peter Drucker, regarded as a pioneer in modern management, highlighted the pitfalls of long-term forecasting by examining the Kennedy administration's failures. Despite the presence of capable advisors, the administration only achieved one significant political victory—the resolution of the Cuban Missile Crisis. According to Drucker, this failure was rooted in what he called "strategic pragmatism", where the administration clung to outdated post-World War II assumptions that no longer applied to the political realities of the 1960s (Drucker, 1998). As the global landscape shifted rapidly, cultural values evolved and international competition intensified, a new paradigm emerged. This paradigm, known as strategic planning, rejected the notion of predictability in global affairs. Instead of relying on historical precedents, strategic planning emphasized the analysis of internal structures, goals, and the broader environment to gauge organizational effectiveness. This period also saw the rise of comparative political science and systems for assessing risk and dynamic political factors.

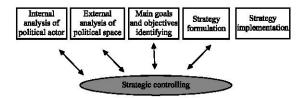


Fig. 1: Strategic management process

By the 1980s and 1990s, however, the need for new management frameworks became pressing once again. The rise of consumer society, globalization, and rapid technological advancement made the traditional mechanisms of strategic planning seem outdated. These limitations, coupled with insufficient emphasis on integrating short-term and long-term actions, paved the way for a new approach called strategic management. This new model merged elements of modern management and marketing, particularly relevant to political space analysis.

In strategic management, the process of strategic modeling is divided into two equally critical components: analyzing and selecting strategic positions, and taking operative actions in real-time. Central to this approach is a correct understanding of the term "model," which in this context is synonymous with "strategy." A model is not just a static plan; it is a dynamic, semantic construction that mirrors reality and aids in navigating it.

Unlike the more rigid and linear approach of strategic planning, strategic management is far more adaptive and responsive. It divides the modeling process into structured stages that integrate both long-term goals and immediate operative responses. As I. Ansoff noted, strategic management is management based on results, while strategic planning is based on adherence to preset plans (Ansoff, 1979). He argued for continuous monitoring of the environment to ensure decisions are timely and adaptable. This flexibility is crucial in times of uncertainty, allowing strategies to evolve as conditions change.

The key achievements of strategic management, particularly in the context of political modeling, include the integration of traditional budgeting, extrapolation of stable factors, and the discipline of classic strategic planning, all while adapting to real-time developments. Strategic management is also notable for its dual reaction system: long-term planning responds to environmental changes over time, while short-term operative reactions allow for immediate adjustments that can reshape entire strategic cycles. This model underscores the need not only for environmental adaptation but also for proactive strategies aimed at transforming the environment to align with strategic goals.

This dynamic has led to increasing integration between political elites and business structures—a trend that continues today. Four main criteria are often used to assess the potential success of political strategies:

- 1. Consistency and unity: The ability of political actors to leverage internal communication channels effectively within their hierarchies and institutions.
- 2. Competency: The capacity to evaluate situations realistically and address key issues within the political landscape.
- 3. Legitimacy: Gaining public support and building trust among the electorate, ensuring that political actors are perceived as the most viable options.
- 4. Efficiency: The practical effectiveness of decisions and their implementation within the political sphere.

Throughout the 20th century, political processes in developed countries largely prioritized the final criterion—efficiency—to varying degrees. However, in the 21st century, the rise of representative democracies has highlighted the critical importance of legitimacy. Trust in political actors has become a decisive factor, transforming political strategy from traditional forms of influence to what is now known as "trust marketing." This shift has profound implications for the creation of modern political strategies, both in state governance and political competition.

In conclusion, the concept of "strategy" has evolved into a multi-methodological term that intersects various domains, including military science, modern management, and political theory. Strategic modeling today serves as both a scientific discipline and a practical administrative tool. Its primary objective is to ensure the effective positioning and development of political actors and institutions within the ever-shifting landscapes of politics, economics, and culture.

Strategic modeling involves crafting complex decisions that shape the trajectory of political actors and a series of operative actions that respond quickly to external challenges. As an example, Russia's reliance on oil exports dramatically increased from 27.1% in 1990 to 57.3% in 2010, while its export of machinery and equipment plummeted. Only after the significant currency devaluation in 2014 did President Vladimir Putin admit the failure to diversify Russia's economy. Despite favorable foreign economic conditions, which steered investments toward quick profits, efforts to overhaul this system have proven difficult (Putin, 2014).

This highlights how strategies can be undermined by systemic factors like corruption, a point reinforced by Nobel laureate Paul Krugman, who observed that Putin's Russia exemplifies crony capitalism, where the corruption sustaining the regime has left the economy in a precarious state (Krugman, 2014).

Russia traditionally ranks high in the corruption perceptions index list developed by Transparency International

The utilization of diversification strategies in highly corrupt states often leads to significant economic losses. These states tend to invest in complex, costly, and inefficient projects that are difficult to assess objectively. In such environments, small and medium-sized enterprises (SMEs) find it nearly impossible to participate. For comparison, SMEs in the U.S. contributed 55% of the GDP in 2012, while in Germany, 61% of GDP was generated by companies that have never been publicly listed on stock markets. This indicates a stark contrast to Russia's economic model, which is heavily reliant on large-scale, state-controlled projects. A strategic approach focused solely on compensating for oil price drops—driven by political decisions rather than economic rationale—only exacerbates the problem, causing Russia to fall behind fast-growing, private businesses that foster technological innovation.

Fred Block (1994) emphasizes that while state regulation of the economy is essential, the critical challenge lies in distinguishing between actions that promote a predatory state and those that balance economic efficiency with democratic values, equality, and personal rights. In Russia, however, corruption hinders effective diversification. Expert estimates suggest that every \$10 invested in Russia's economic diversification results in a loss of \$9 due to

corruption. Political interests of a small elite close to the government skew resource allocation, leading to inflated project costs. According to McKinsey Global Institute, Russia's infrastructure development costs for the period 2013-2030, projected at \$1.5 trillion, are overstated by 40% (Dobbs and Poll, 2013).

In his thesis, A. Sokolov (2013) highlights how large state-owned or "state-friendly" businesses profit from excessive budget expenditures while delivering poor-quality results. Financial losses in various state corporations range from 25-35% to as high as 50-60%. For instance, the "Rosnano" corporation's capital cost overrun is 44.2%, while the "Olympstroy" corporation, involved in the construction of Olympic facilities in Sochi, exhibited a staggering 145% cost overrun. Sokolov argues that state corporations, far from fulfilling their modernization promises, serve the personal interests of bureaucrats, turning into instruments of corruption due to a lack of transparency and accountability. This makes it challenging to discern whether failures in management are due to incompetence or self-interest.

These corrupt practices often lead to capital flight, with assets being moved offshore. Global Financial Integrity reported that cumulative illicit capital outflows from the top 15 countries between 2001 and 2011 amounted to \$4.2 trillion, with Russia accounting for \$881 billion (Kar and LeBlanc, 2013). Between 1994 and 2011, Russia's total capital outflow reached \$1 trillion, including \$211.5 billion in legal outflows and \$782.5 billion in illicit capital. In 2012 alone, \$49 billion was illegally transferred out of Russia, accounting for 2.5% of the country's GDP. Sergey Ignatyev, former Chairman of the Central Bank of Russia, noted that these funds were likely tied to drug trafficking, gray imports, bribes, and tax evasion schemes. In the same year, Russia's net capital outflow amounted to \$56.8 billion, with \$35.1 billion generated through dubious activities, meaning that up to 60% of the capital exiting Russia did so illegally. Ignatyev estimated that these activities deprived the Russian budget of 450 billion rubles, rising to 600 billion rubles when including domestic illegal operations, a sum comparable to the federal expenditures on education or healthcare in 2012 (604 billion rubles and 614 billion rubles, respectively).

The scale of corruption is further highlighted by the prevalence of tax evasion via shell companies. Maxim Mironov, whose doctoral thesis was commended by Nobel laureate Gary Becker, estimated that tax evasion through such companies constituted 7.5% of Russia's GDP in 2004, with 60% of Russian businesses engaging in these practices. The primary beneficiaries of this method are state-controlled corporations. For example, between 2003 and 2004, entities affiliated with "Gazprom" transferred \$1.9 billion to shell company accounts (Mironov, 2004).

This widespread corruption within Russia's political and economic systems continues to undermine the country's ability to develop efficiently and equitably. The lack of transparency and accountability in managing public funds, combined with the state's predatory nature, hampers Russia's ability to move beyond resource-based industries and develop a competitive, diversified economy.

Table 1: Prices for Corruption Services in Russia

Purpose of a Bribe Amount of the Bribe

Getting into a party list \$2-5 million
Submitting a bill for consideration \$250,000

State monopolies 20% of project cost

Getting a government contract (National projects) 30-40% of project cost

Securing a budget line for a project 3% of project cost

Issuance of a license or avoiding recall of a competitor's

license

Participation in national projects (Big business) 1/3 of project cost

Handling a transaction (Small business)

Assistance from civil servants (Customs)

Lowering custom duty (Tax authorities)

1/3 of transaction cost
10% of gross profit
30-50% of the difference

\$1000 to 30-50% of arrears

Writing off tax arrears

amount

\$1-5 million

Purpose of a Bribe Amount of the Bribe

Central Bank of the Russian Federation (Considering \$0.5 million

documents)

Transferring budgetary funds 5% of the transferred amount Success in a legal action (Civil and arbitration courts) 10% of the acquired amount

Winning a grant (Charitable foundations) 30% of the grant amount

Criticism against a civil servant (Mass media) \$20,000 monthly

Russia's corruption landscape is pervasive, with various sectors exhibiting clear patterns of bribery and illicit dealings. For instance, securing a position in a political party list or submitting a bill for consideration demands bribes in the millions, while obtaining or retaining government contracts often involves kickbacks amounting to 20-40% of the project cost.

Notably, the Russian economy is dominated by what can be termed "crony capitalism," where oligarchs and political elites control critical industries, primarily centered around the export of mineral resources such as oil, gas, and metals. This concentration of wealth is significantly higher in Russia than in other major economies, with the wealth of the top 100 richest individuals constituting 20.5% of the nation's total wealth, compared to 6.7% in the United States, 4.9% in China, and 2.5% as the global average (Sokolov, 2012).

Mironov (2006) highlights an example involving the oil giant Yukos, which in 2003 transferred \$9.5 million to ephemeral companies—a figure significantly lower than similar sums involved with Gazprom. The control over major industries such as energy, mining, and the state budget is primarily responsible for the structure of political organizations and mass media operations in Russia.

Additionally, economists estimate that 84% of Russia's largest companies are engaged in resource extraction and raw material processing, leaving only a small percentage involved in other industries, many of which, such as car manufacturing, survive due to heavy state protectionism through import duties and other forms of intervention.

A "crony capitalism" in Russia is constructed mainly around the export of mineral resources (oil, gas, ferrous and non-ferrous metals), control over energy and money of the state budget. According to the calculations made by the Russian economists, 84% of the largest companies are engaged in the extraction of mineral resources and processing of raw materials. Only eight of the largest companies (16%) are employed in other industries and five of them produce cars that are not competitive on the international markets and are kept afloat only due to high

Estimates suggest that corruption in Russia accounts for over \$300 billion annually, or about 15% of the country's GDP, with corruption in government contracts and state procurement contributing to approximately 30% of budgetary expenditures (Subbotin, 2010). The average sums of bribes and kickbacks in Russia are significant and pervasive across various sectors, revealing systemic corruption deeply embedded in the political and economic frameworks.

Stanislav Belkovsky introduced the concept of the "Economics of ROZ," which encapsulates the three main components of corruption in Russia: "raspil" (cut), "otkat" (kickback), and "zanos" (bribe). "Raspil" refers to the portion of money meant to be stolen through various methods, "otkat" is the return of part of the received money as a kickback, and "zanos" represents a preventive bribe before a project begins. These practices form the foundation of the bribery market in Russia, where public funds and assets are distributed through corrupt dealings. The distribution of funds typically follows a ratio of 60% for the cut, 30% for the kickback, and 10% for the bribe.

Despite these widespread practices, enforcement against corruption remains minimal. According to Chief Justice Vyacheslav Lebedev of the Russian Federation's Supreme Court, among 1,300 people convicted of bribery in 2013, 60% were accused of taking bribes under 5,000 rubles, 21% took between 5,000 and 10,000 rubles, and only 2.7% were convicted for bribes exceeding 1 million rubles. This highlights a focus on smaller offenders rather than the large-scale corruption that permeates government contracts and procurement processes.

Similarly, Olga Egorova, President of the Moscow City Court, noted that cases involving bribery represent less than 1.5% of all criminal cases handled by Moscow's courts. Most often, those convicted are professionals like doctors, law enforcement officers, regulatory employees, and teachers. More than half of these convictions result in conditional sentences, with only 25% leading to imprisonment and 10% resulting in financial penalties.

Sergei Ivanov, Chief of Staff of the Presidential Executive Office, reported that from January to October 2014, 8,000 people were convicted of corruption. These included 45 deputies and candidates for deputy positions, 1,200 civil servants, 1,200 government employees, and 500 law enforcement officers, including court marshals and customs officials.

IV. CONCLUSION

Despite the existence of numerous tools, methods, and expert recommendations for combating corruption in Russia, strategic political modeling continues to overlook the inherent challenge of achieving a corruption-free administration. Political actors often substitute genuine anti-corruption efforts with superficial campaigns that imitate reform rather than address the root causes. Recognizing and addressing this deeply entrenched problem is a crucial requirement for the development of a well-organized political system. Such awareness is necessary to increase the efficiency of strategic decision-making, foster political adaptation, and stabilize relationships within the political sphere.

Strategic political modeling, as a theoretical and practical tool, plays a vital role in addressing the challenges of contemporary governance. It not only aids in resolving current conflicts and harmonizing political processes but also helps to mitigate key issues in today's political discourse, such as the growing instability, diminishing political trust, corruption within the state and municipal administrations, and weak political-legal frameworks. Enhancing efficiency in the Russian political arena requires moving beyond the superficiality of anti-corruption campaigns to genuine efforts aimed at reform, transparency, and accountability. Only by confronting these challenges can Russia hope to create a more stable and efficient political system capable of navigating the complexities of modern governance.

REFERENCES

Acemoglu, D., & Robinson, J. (2012). Why Nations Fail: The Origins of Power, Prosperity, and Poverty (1st ed.). Crown Business. ISBN 978-0307719218.

Ansoff, I. (1979). Strategic Management. John Wiley and Sons.

Auty, R. (1993). Sustaining Development in Mineral Economies: The Resource Curse Thesis. Routledge. ISBN 978-0415094825.

Block, F. (1994). The Role of the State in the Economy. In N. Smelser & R. Swedberg (Eds.), *Handbook of Economic Sociology* (pp. 691–710). Princeton University Press. ISBN 978-0691044859.

Dobbs, R., & Poll, H. (2013). *Infrastructure Productivity: How to Save \$1 Trillion a Year*. McKinsey Global Institute.

Drucker, P. F. (1998). *Peter Drucker on the Profession of Management*. Harvard Business School Publishing. ISBN 978-0875848365.

Guriev, S., & Rachinsky, A. (2005). The Role of Oligarchs in Russian Capitalism. *Journal of Economic Perspectives*, 19, 131–150.

Kar, D., & LeBlanc, B. (2013). *Illicit Financial Flows from Developing Countries: 2002-2011*. Global Financial Integrity.

Kolonvagin, P. (2013). Shadow Economy and Fighting Corruption. NapisanoPerom Publishing House.

Krugman, P. (2014, December 18). Putin's Bubble Bursts. The New York Times.

Lvov, D. (2006). Russia: Reality Boundaries and Outlines of the Future. Economy and Management, (4), 1-25.

Medvedev, D. (2014). [Russia and Ukraine: New Rules of Life]. Retrieved from http://www.ng.ru/ideas/2014-12-1511medvedev.html

Mesquita, B. B., Smith, A., Siverson, R., & Morrow, J. (2003). *The Logic of Political Survival*. MIT Press. ISBN 978-0262025461.

Mironov, M. (2006). Economics of Spacemen: Estimation of Tax Evasion in Russia. University of Chicago Press.

Putin, V. (2014). News Conference. Retrieved from http://eng.kremlin.ru/news/23406

Richardson, N. P. (2009). Export-Oriented Populism: Commodities and Coalitions in Argentina. *Studies in Comparative International Development*, 44, 228–255.

Root, H. L. (2000). When Bad Economics Is Good Politics. In B. B. Mesquita & H. L. Root (Eds.), *Governing for Prosperity* (pp. 1–16). Yale University Press.

Rubtzov, B. (2007). Modern Stock Markets. Alpim Business Books.

Rutland, P. (2008). Putin's Economic Record: Is the Oil Boom Sustainable? Europe-Asia Studies, 60, 1051–1072.

Shevcova, L. (2011). [Russia: The Logic of Decline]. Novaya Gazeta, November 14.

Shkaratan, O. (2011). The Russian Pseudo-Elite: Their Identity in the Global and National Context. *University of Russia*, 20, 68–88.

Sokolov, A. (2012). [Oligarchy in Russian Economy as a Degrading Factor]. Retrieved from http://newsland.com/news/detail/id/999277/

Sokolov, A. (2013). *Influence of Enrichment-Oriented Behavior on the Investments of Russian State Corporations* (Master's thesis, Moscow, Russia).

Spengler, O. (1991). The Decline of the West. Oxford University Press.

Subbotin, M. (2010). Economical Losses Caused by Artificial Criminalization of Business: Review of Contemporary Tendencies. In *Concept of Modernization of Criminal Legislation in the Economical Sphere* (pp. 136–147). Liberal Thought Fund.

Weber, M. (2004). The Vocation Lectures. Hackett Publishing Company.