
The influence of the financial oligarchy on politics in Russia

Benzita Hadjira ^{1*}, Salmi Laifa ²

¹ Faculty of Political Science and International Relations, University of Algiers 3, Algeria

² Faculty of Political Science and International Relations, University of Algiers 3, Algeria

* benhadjira47@gmail.com

ABSTRACT

The financial oligarchy in Russia has greatly influenced the political landscape since the Soviet Union's collapse. This elite group, enriched during the 1990s privatization, has shaped government policies through their economic resources, control over industries, and ties to political elites. They use their wealth to influence elections, lobby for legislation, and secure contracts, creating a system of crony capitalism. Under Putin, the dynamics shifted, with some oligarchs sidelined and others aligning with the Kremlin, leading to a state-controlled oligarchy where regime loyalty is crucial. This ongoing influence questions Russia's democratic accountability and economic equality.

The financial oligarchy in Russia has significantly shaped the political landscape since the collapse of the Soviet Union, influencing government policies, elections, and economic equality

Keywords

The financial oligarchy; Privatization; Economic Power, Political Influence, Russia.

Introduction

1.1. Background on the financial oligarchy in Russia

The term "oligarch" has come to define Russia's new elite—individuals with immense resources who wield significant influence over national politics. Originally coined by Lenin in 1916 to highlight the financial sector's role in imperialism, the term now underscores the powerful position this privileged group occupies in modern Russia. These oligarchs are instrumental in shaping government policy and dominating key industries, using their wealth to sway political decisions. Their close ties with political leaders allow them to influence elections, push for favorable legislation, and secure profitable contracts. This manipulation contributes to economic inequality, as the oligarchs amass wealth and power, eroding democratic accountability (Hoffman, 2024).

The roots of Russia's financial oligarchy trace back to the privatization efforts of the 1990s, which enabled a small group of individuals to gain control over critical sectors of the economy. Under President Putin, the landscape has shifted towards a state-managed oligarchy, where certain oligarchs align closely with the Kremlin for protection and support. As Russia faces various political and economic challenges, curbing the

influence of the financial oligarchy is crucial for fostering transparent and accountable governance. Implementing measures to limit their undue political influence could help establish a fairer system that better serves the entire population (Fidrmuc & Gundacker, 2017).

1.2. Thesis statement

The term "tycoon" describes Russia's emerging business elite, denoting individuals whose considerable wealth allows them to influence both market dynamics and political affairs. This concept of a financial oligarchy dates back to the early 20th century when Lenin emphasized the role of finance in imperialism. The rise of Russian tycoons became particularly evident during the privatization wave of the 1990s, leading to a concentration of wealth and power among a select few (Welt & Nelson, 2020).

These post-Soviet tycoons have profoundly impacted Russian politics by shaping government policy, controlling economic resources, and maintaining close relationships with political elites. Their influence extends to election manipulation, lobbying for favorable legislation, and securing lucrative contracts. Under President Putin, the dynamics within the financial oligarchy have evolved; some tycoons were marginalized, while others aligned closely with the Kremlin,

resulting in a state-controlled form of oligarchy (Fidrmuc & Gundacker, 2017).

The dominance of this financial oligarchy has significant implications for democratic accountability and exacerbates economic inequality in Russia. Concentrating wealth and power in the hands of a few undermines transparency and accountability in governance, stifling political pluralism and citizen engagement.

As Russia grapples with these challenges, addressing the financial oligarchy's influence on politics is vital for building a more equitable and democratic society. Efforts to enhance transparency, accountability, and anti-corruption measures can mitigate the adverse effects of tycoon control over Russian politics and its broader societal impact (Hoffman, 2024).

The central argument focuses on the significant influence of the financial oligarchy on Russia's political landscape, a power that emerged from the privatization initiatives of the 1990s. This group has been pivotal in shaping government actions, managing industries, and cultivating ties with political leaders. Their broad influence over political decisions and economic resources is demonstrated through tactics like election interference, legislative lobbying, and securing contracts. The shift under Putin's regime toward a state-managed oligarchy has marginalized some tycoons while others have become deeply entrenched in the state, perpetuating economic disparities (Sitaraman, 2018).

The ongoing impact of the financial oligarchy on democratic processes highlights the urgent need for reforms to reduce their disproportionate power (Ben-Achour, 2022). Recommendations for addressing this influence will be discussed, offering potential solutions to counteract the undue authority held by Russia's financial elite, ultimately striving for a more balanced and participatory democracy (Pleines, 2019).

2. The origins of the financial oligarchy in Russia

2.1. Privatization in the 1990s

In the 1990s, as Russia moved from a socialist to a market economy and successive governments

privatized state industries in often scandalous deals that created new fabulously wealthy individuals known quickly as oligarchs. These individuals became fabulously wealthy and powerful, a key force in shaping the post-Soviet economic environment. More importantly, they secured control of industries and resources that were in very short supply due to the process whereby almost every state-owned enterprise was rapidly transferred over into private hands. There was a key episode in this process during President Yeltsin's 1996 re-election campaign when the authorities effected the 'loans for shares' program. The move amounted to a giveaway of key natural resources companies, under private control, straight into the hands of oligarchs in return for financial support and strengthened their hold on both economic activity (previously relying solely upon strategic sectors) as well political power. The attempts to privatize were filled with corruption and coercion. Lacked adherence, to the law. This resulted in economic disparities that harmed regular people according to Sitaraman in 2018.

The landscape changed significantly with Vladimir Putin taking charge in the 2000s. His government aimed to limit the influence of individuals by regaining authority over key industries like media and resources. The introduction of laws favored government run businesses strengthening the Kremlin's control over the economy and altering the relationship, between the authorities and the oligarchs (as cited in Simeon D., 2023). During Putin's administration there was a shift in the dynamics of power between the government and wealthy individuals known as oligarchs. Some of these oligarchs lost influence while others formed ties with the Kremlin. This transformation highlights the nature of elite power in Russian politics and shows how shifts, in leadership can alter the country's political landscape. During the privatization era in the 1990s in Russia oligarchs played a role in influencing both politics and economics of the country. According to Robert E. Berls Jr. (2021), the period that followed under Putin saw a balance, between state power and the interests of the elite class which has shaped the current political landscape in Russia.

2.2. Enrichment of the elite group

The emergence of a class in Russia can be traced back to the privatization of state resources in the 1990s when a select few capitalized on this opportunity to accumulate wealth and influence significantly through dubious means such as corruption and nepotism by leveraging their ties, with government authorities to bolster their status quo and dominance in the economic landscape as reported by Stanislav M., 2022.

During the loans for shares auctions in 1995 in Russia the government handed over majority ownership of companies to local banks resulting in control being passed to individuals with close ties to the government. This led to the emergence of a group of business figures known as oligarchs, who swiftly gained significant political influence. However, following the crisis of 1998 and Vladimir Putin's ascent, to power the authority of these oligarchs waned as the state bolstered its regulatory powers (Robert E Berls Jr., 2021).

Despite attempts to limit the influence of the group of wealthy individuals known as oligarchs in Russia's political landscape under Putin's leadership his administration actually enabled a fresh wave of new oligarchs to rise to power by awarding them lucrative state contracts. These new oligarchs profited significantly by overcharging for their services and offering kickbacks in return thus accumulating wealth and influence within circles to the government. Thanks to their connections, with the authorities and their willingness to adhere to government mandates these second-generation oligarchs have flourished in their positions (Robert E. Berls Jr., 2021).

throughout history. Over time, in Russia's upper class circles an ongoing pattern emerges – one marked by dishonest dealings and nepotism intertwined with strategic political partnerships to uphold control in vital industries. The existing situation has resulted in economic disparity that has caused dissatisfaction among the public and raised questions about the transparency of the political system according to (Gelman, 2024).

3. Influence of the financial oligarchy on politics in post-Soviet Russia

3.1. Shaping government policies

In post-Soviet Russia, the wealthy elite have significantly influenced government decisions with their sway and lobbying activities, over the years. These influential individuals tend to focus on cutting down their expenses without taking into account the wider concerns of fellow business owners. This approach often results in policy alterations that mainly benefit their interests. After assuming leadership of the Russian Union of Industrialists and Entrepreneurs (RSPP) in 2000 these elites have successfully turned it into a supporter of major corporations. Leaders of the RSPP have had discussions, with President Putin to influence economic strategies and legal changes in ways that benefit them. This includes advocating for taxes and a trustworthy judicial system while also seeking to improve the profitability of natural monopolies through restructuring (Pleines, 2019).

The strong bond between elites and politicians enables them to wield considerable sway over governmental choices. Arranging meetings with the President and providing input on economic matters empowers them to steer policies in line with their own agendas. Utilizing their clout, the elite have molded laws and official actions in ways that favor their enterprises sometimes neglectful of the wider business community. This imbalance of power underscores how the elite manipulate Russia's arena, for their own benefit (Guriev & Rachinsky, 2005).

The influence of the elite on the development of government policies in post-Soviet Russia is clearly shown by their dominance over industrial assets and relationships with political leaders. There is also evidence of strategic lobbying campaigns designed to benefit their own interests. This highlights the pressing requirement for actions to mitigate the disproportionate power of oligarchs, in Russian politics and encourage more equitable decision making processes that take into account the concerns of all parties involved (Welt & Nelson, 2020).

3.2. Economic resources and control over industries

The wealthy elite in Russia holds a sway over both the economic and political spheres of the country by influencing government decisions and

affecting political figures with their vast riches—a situation that poses intricate challenges, for the nation (source; Guriev & Rachinsky 2005).

Oligarchs in Russia have played a role in driving the country's economic growth and pushing for institutional changes since the late 1990s the oligarchs have been strong proponents of market development and have invested in different sectors while also pushing for reduced taxes and a more just legal system They are viewed as essential in offsetting the widespread corruption, within the government system and promoting economic progress and stability according to Guriev & Rachinsky (2005)

Critics counter that oligarchs have harmed the economy by siphoning assets from businesses and transferring money overseas while exacerbating income inequality in a manner instead of positive impact as argued earlier on by supporters of the oligarchs' practices.

In brief the influence of the elite on Russia has both positive and negative aspects. Their involvement in the political spheres is notable highlighting the importance of understanding power dynamics between these affluent individuals and the government to promote transparency accountability and fair economic growth in Russia (as cited in Guriev & Rachinskys work, from 2005).

3.3. Ties to political elites

The connection between individuals in finance and influential figures in politics has significantly impacted the political landscape of Russia over time. Driving this network is Vladimir Putin, a figure whose reach extends to government officials state owned enterprise leaders and prominent business figures. This unofficial power hierarchy encompasses personalities such as Sergei Chemezov and Igor Sechin. While they may not hold government positions the enduring relationships, they have with Putin from his KGB past and early political days, in St. Petersburg have granted them considerable influence (source; Gelman 2011).

Over the few years there has been a clear change in the power dynamics within Putin's close circle. Starting from 2014 a number of ranking individuals linked to Putin have either stepped down or been given lower ranking roles,

suggestive of shifts within this select group. Although Chemezov and Sechin still occupy roles there are signs emerging that their sway might be diminishing gradually (as per Gelmans findings, in 2011).

The connections between individuals and politicians go beyond just personal connections to involve substantial economic interests as well. Numerous affluent individuals have amassed their wealth by securing contracts from the government and acquiring state owned assets through privatization. This enables them to fund initiatives and sway governmental choices on a range of matters, like infrastructure and political tactics.

The close relationship between the individuals, in finance and the political leaders underscores how economic power and political sway are closely linked in Russia's post-Soviet era (Welt & Nelson, 2020).

4. Methods used by the financial oligarchy to influence politics

4.1. Influence on elections

The sway of the financial oligarchy over electoral processes in Russia has played a pivotal role in shaping the country's political arena. With their immense financial wealth and control over mainstream media platforms, the oligarchs have been instrumental in influencing the results of elections. Take, for instance, the 1996 presidential campaign, where figures like Boris Berezovsky and Vladimir Gusinsky utilized their media empires to propagate pro-Yeltsin messages and secure his reelection. This illustrates how the financial elite can mold public opinion through media manipulation to tilt election outcomes in favor of their chosen candidates (Rosalsky, 2022). Furthermore, the oligarchs have not shied away from using their riches to finance political campaigns and enlist political operatives to ensure victories for candidates aligned with their interests. By contributing substantial sums of money and extending support to political figures, they have wielded significant power over the electoral process. This power dynamic between the financial oligarchy and politicians has fostered an environment where elections are often skewed towards candidates endorsed by the oligarchs,

rather than being fair and competitive. In essence, the influence of the financial oligarchy on elections in Russia underscores the anti-democratic nature of the political system, where affluent elites can manipulate results to advance their own agendas. This raises issues regarding democratic accountability and transparency in Russia's electoral mechanisms, along with perpetuating economic inequality by consolidating power among a privileged few. (Rosalsky, 2022).

4.2. Lobbying for legislation

In Russia's scene powerful financial figures wield influence by promoting laws that serve their own agendas. These affluent individuals hold sway over a portion of the nation's economy using their wealth and networks to impact governmental decisions. Through funding election campaigns and offering assistance to politicians they secure support that favors their commercial ventures. This fosters a reliance, between politicians and wealthy elites hindering substantial political change (Pleines, 2019).

Wealthy individuals known as oligarchs leverage their influence to push for laws that shield their businesses from global rivals by endorsing tariffs and winning profitable government deals through skillful maneuvering of the legal system in order to preserve their riches and uphold their authority (source; Guriev & Rachinskys study, from 2005).

The connection between individuals and politicians is commonly seen as mutually beneficial. Financial contributions from the wealthy often result in policies that favor their businesses This strengthens the wealthy's control over political choices The outcome is a structure where money and authority are centered around a select few individuals heightening economic disparity and weakening democratic oversight To sum up the affluent class in Russia effectively leverage their wealth to push for laws that strengthen their sway and impact, in politics The continuous loop of support and biased policy decisions worsens social inequalities and limits the chances, for real democratic governance (as stated by Guriev & Rachinsky in 2005).

4.3. Securing contracts

Securing contracts plays a role for the wealthy individuals in Russia to uphold and boost their power in politics effectively. An excellent

illustration of this is seen with Arcady and Boris Rotenberg who successfully obtained contracts worth a substantial seven billion dollars during the Sochi Winter Olympics. This accomplishment underscores their connections with President Putin and the governmental authorities. In another instance when Putin kickstarted the development of a bridge spanning across the Kerch Strait to link Russia with Crimea numerous contractors expressed concerns about the project's nature, from a political standpoint. In 2018 Arcady Rotenberg's company embraced the challenge. Accomplished it effectively. It shows how wealthy individuals like Rotenberg are ready to participate in delicate ventures in return, for profitable government deals (Rosalsky 2022).

Furthermore... Russian wealthy individuals have received assistance from the government in the form of financial aid packages and tax incentives that safeguard their interests... This connection not ensures their allegiance but also empowers them to sway governmental decisions in their favor... The bond between the elite and the authorities is marked by special privileges granted to wealthy backers of state programs... Reinforcing their influence, in the realm of politics. In essence obtaining contracts is a method for the financial elite to uphold their political sway by using economic assets and fostering strong ties, with government authorities (source; Gelman, 2011).

Conclusion 5. Evolution of the financial oligarchy under Putin's regime

5.1. Oligarchs sidelined

During the 2000s era Vladimir Putin introduced a tough approach towards Russia's oligarchs which resulted in reducing their authority and impact significantly. A significant event was the detention of Mikhail Khodorkovsky, the wealthiest individual, in Russia. He had backed opposition groups financially and openly defied Putin. This incident served as a warning to oligarchs that their prosperity depended on Putin's approval.

Putin's government exerted pressure on influential oligarchs in key industries to hand over control of their companies to the state in order to reduce

their economic influence. Under laws enacted during this period state owned corporations were given preference over private businesses solidifying the Kremlin's control over the economy. As a result, numerous oligarchs started looking for opportunities as they realized that their assets were becoming more at risk in Russia. On the hand the ones who remained loyal, to Putin enjoyed ongoing success and support (Stanislav M., 2022).

During Putin's leadership era the oligarchy changed from being a power with significant political sway to a group that heavily relies on the president for their wealth and status now. The introduction of the siloviki – businessmen linked to security and military fields – highlighted this change more and gave rise to "silovarchs," who are even more reliant, on Putin compared to the oligarchs of the past decade. This transformation marginalized the oligarchs and essentially stripped them of their ability to influence policies or control political results. In this changed environment context of Russia's turbulent 'state takeover' it became crucial to demonstrate loyalty to Putin, for one's survival strategy as the oligarchs saw themselves gradually marginalized while Putin consolidated his authority and strengthened the state's ability to assert control. The economic downturn in 1998 diminished the control that large corporations had on government choices and paved the way for Putin's arrangement with the oligarchs known as the 'barbecue agreement.' In this pact they pledged their allegiance to the government. Refrained from extensive political meddling in exchange for assurance of property rights protection. Interlopers who violated these terms faced consequences such, as confiscation of assets or forced exile. As a result, the surviving oligarchs were left with no option but to align themselves with Putin in order to safeguard their interests (Kim 2022).

The shift signaled a shift in the dynamics between the wealthy elite and Russian politics during Putin's reign of power as they had to adapt to a new environment where their influence was tied to their allegiance to the government, in Moscow. (McFaul, 2021).

5.2. Oligarchs aligning with the Kremlin

During the 1990s era in Russia business tycoons known as oligarchs played a significant role in shaping governmental decisions and sometimes even held official posts within the Kremlin hierarchy. However, when Vladimir Putin ascended to power in the 2000s there was a notable shift in the country's political landscape. Putin initiated negotiations with these oligarchs which led to an agreement where they agreed to steer clear of politics in exchange for state protection of their business interests. This pivotal arrangement played a role in solidifying Putin's authority, over both Russia's political and economic frameworks (Stanislav M., 2022).

Putin's approach involved exert pressure on oligarchs in key sectors to give up their majority stakes to the government. A move that aimed to strengthen the Kremlin's influence, over both the economy and these influential figures. Legislation was enacted that favored state-owned enterprises, reinforcing a system of state-controlled capitalism rather than crony capitalism. As a result, nearly all political decisions began to emanate directly from Putin, consolidating his authority (Stanislav M., 2022).

Under his leadership, the dynamics of the oligarchy shifted significantly, emphasizing loyalty to the Kremlin. Many oligarchs aligned themselves with Putin's military During Putin's time in office as president of Russia business leaders and politicians collaborated closely to safeguard their assets against restrictions. Economic sanctions hindered the freedom of enterprises leading to a fusion of interests between the state and businesses. This integration reshaped the role of oligarchs transforming them from independent influencers to allies of the Kremlin. As a result of this shift in dynamics power became concentrated within Putin's circle strengthening government control, over both political and economic spheres in Russia. (Simeon D., 2023)

5.3. State-controlled oligarchy

During the time Vladimir Putin has been in charge of Russia's government the country has shifted towards being more of a state-controlled oligarchy. When he took over in the 2000s Putin had a significant meeting with top oligarchs where he gave them a straightforward choice; avoid getting involved in politics if they wanted to keep

their wealth. This deal, known as the 'barbecue agreement' effectively sidelined any dissenting oligarchs resulting in their assets being seized or facing forced exile if they resisted. Putin's strategy has reshaped how the relationship between the government and oligarchs works bringing surviving individuals closer, to the interests of the Kremlin. Of functioning as separate influential figures with power of their own accord these wealthy elites now function as dedicated supporters of the government, which uses both rewards and pressure to ensure they stay faithful. This change has made it difficult to distinguish between business and politics as the oligarchs are now required to follow the Kremlin's agenda closely strengthening Putin's control, over authority (source; JIM H., 2023). Despite attempts at privatization in the 1990s in Russia's history which was followed by a shift towards state-controlled dominance over time as of 2018 when the government had ownership of more than 850 companies and partial stakes in over 1,100 others specifically in key industries like energy, defense and finance there are growing worries, about the considerable economic influence being consolidated among a select few government figures (Kim, 2022). During Putin's leadership period well as a key emphasis has been placed on enhancing infrastructure and implementing national projects to boost the economy. Oligarchs are being urged to collaborate with the government in light of its endorsement of import substitution tactics designed to lessen dependence on nations. These efforts have led to debates about their impact, in propelling expansion and broadening (Kim 2022). The merging of the elite with state interests blurs the line between individual wealth accumulation and governmental supervision over time. The system controlled by the government brings up concerns about transparency and democratic responsibility by concentrating control in a small group linked to political leaders. Recognizing how these financial movements affect decisions is vital in assessing their impact, on Russian politics (Kim 2022).

6. Impact of the financial oligarchy on democratic accountability in Russia

- Establish a scientific basis and a clean environment for such projects.
- Use the media effectively. Our channels are currently being used for sanitation rather than economic development and the country has reached an unbearable level of triviality.
- Strengthen universities through similar projects, especially if funding is available. In the time of Harun al-Rashid, he made great progress and became a patron of scholars, encouraging the search for knowledge and translation. Every translated book was rewarded with its weight in gold.
- To advertise and promote every project adopted by the government, instilling the idea of a productive university rather than a consumer-oriented one.
- Facilitate communication between project owners and experts, linking the working environment with universities.
- Enact a series of laws to protect investments and investors, such as the recently enacted Investment Law.
- Bridging the gap between the labour market and universities by organising seminars, exhibitions and forums on start-ups and the importance of establishing investment zones, especially in underdeveloped areas such as deserts, steppes and coastal regions. This can be achieved by creating a digital platform for these regions, which require various economic activities to support them.

7. Economic inequality perpetuated by the influence of the financial oligarchy

The increase in inequality in Russia is closely tied to the establishment of a powerful group of wealthy individuals following the dissolution of the Soviet Union. This influential faction holds sway over the economy and politics and plays a role in expanding income disparities throughout the nation. Their dominance is frequently bolstered by ties with figures, in positions of power enabling them to preserve and enhance their riches as the middle class shrinks and economic uncertainty grows for a significant

portion of the populace (Source; Simeon D., 2023).

Areas with a number of wealthy individuals show increased income inequality levels which emphasize the negative impact of powerful oligarchs on economic equity nationwide. This growing wealth gap poses a challenge to maintaining democratic transparency in Russia. The affluent elite group that includes associates of President Putin enjoys significant privileges compared to those with lower incomes. This situation intensifies conflicts and widens the rift between various socioeconomic classes (reference; Fidrmuc & Gundacker study, from 2017).

Dealing with this problem is pivotal in creating a political landscape and guaranteeing that every Russian citizen has access to a more even share of resources and chances for advancement. The dominance of the elite has deepened economic disparities emphasizing the importance of implementing changes that encourage inclusivity and harmony, within Russian communities (Thomas F. Remington 2023).

who control assets sought through rent and government authorities. The government's failure to curb the power of these individuals has caused a rise in wealth concentration among the elite class while squeezing the middle class and creating economic volatility, for many people.

Income disparities are widening across regions with oligarchs dominating some areas and exacerbating inequality further there. This situation underscores how the influence of elites negatively impacts economic fairness at a national level. The financial advantage held by this group also jeopardizes democratic transparency in Russia since affluent individuals like those close to Putin enjoy significant privileges over the less wealthy population. This economic gap intensifies conflicts and emphasizes the pressing necessity to tackle these challenges, for a fairer political setting.

The growing power of the elite in Russia has widened the wealth gap and deepened social disparities in the country significantly. To tackle this issue effectively is crucial for promoting transparency in governance and paving the way for a fairer and more unified tomorrow, for all citizens.

8.2. Implications for Russia's political landscape

The powerful elite in Russia has had an impact on the political scene there and many people feel like property rights don't hold much weight because of it. This makes it tough to build a country that's both democratic and prosperous. The wealthy few who hold a lot of power have a strong sway over government choices and are closely connected to political leaders. This makes progress, towards democracy quite challenging.

As the rich get richer and more powerful individuals assert their influence in society economic inequality is on the rise. They use their wealth to gain power ensuring that their riches are safeguarded and their reach extended. This leads to an increase, in nationalism and authoritarianism being employed as tactics to uphold this dominance empowering elites to divide communities and shape the political landscape to quash any challenges to their control.

During Putin's time in office as the leader of Russia's administration groupings have changed

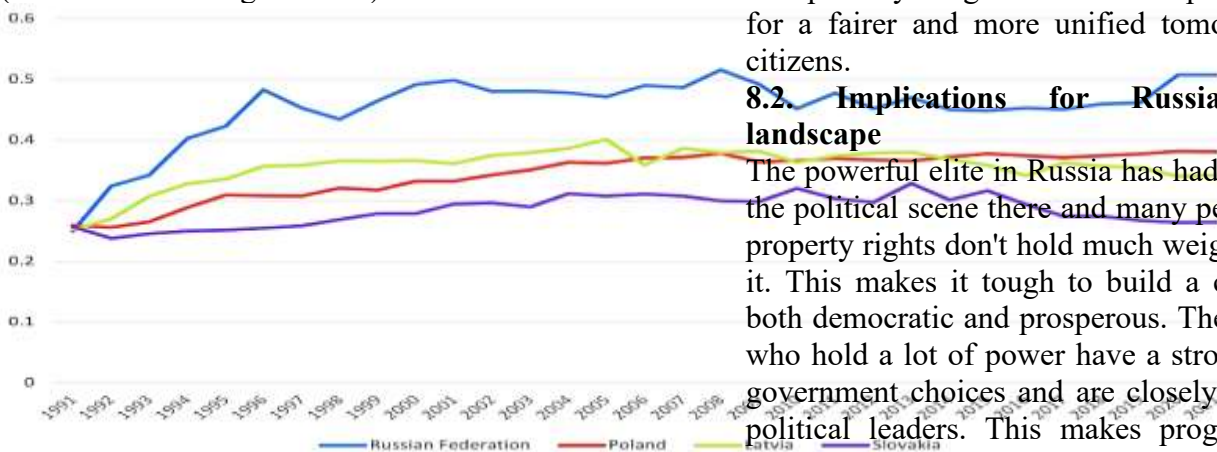


Figure 1: Pre-tax national income top 10% share trend, 1991-2021 (source: Simeon D., 2023).

Conclusion

- 8.1. Summary of key points

The growth of disparity in Russia is mainly linked to the development of a wealthy elite class after the Soviet era ended. Rich individuals hold influence in both financial and political domains leading to increased gaps in income throughout the country. This unequal division of wealth is exacerbated by connections, between individuals

between businessmen and government officials have shifted over time with some businessmen being pushed to the sidelines or forming closer ties with the Kremlin this transformation highlights the changing connections between business figures and political leaders in Russia as for the future of Russia's economy it is unclear with forecasts ranging from a standstill, to potential social and economic unrest.

In Russia's context the widespread influence of the elite creates obstacles to attaining democratic responsibility and economic fairness. Achieving improvements demands thorough changes geared towards increasing openness promoting fair competition and guaranteeing accountable leadership. By addressing the challenges arising from the presence of oligarchs, in political and economic realms Russia can progress towards establishing a society that is more inclusive and democratic.

8.3 Recommendations for addressing the influence of the financial oligarchy on Russian politics

Dealing with the impact of elites in Russian politics demands a thorough plan that focuses on important areas of interest. It is crucial to improve transparency and responsibility in financing measures. Implementing rules for campaign contributions and enacting laws to block unlawful funds from influencing elections can reduce the influence of powerful individuals. Furthermore, supporting freedom of the press and combating information campaigns play a vital role, in addressing propaganda propagated by media channels owned by elites.

Another crucial factor to consider is diversification—this involves decreasing dependency on natural resources to limit the influence of oligarchs in decision making processes by the government Investing in a range of industries and promoting healthy competition, in the business sphere can help break the monopolistic hold that oligarchs have on key economic sectors.

It is crucial to enhance measures against corruption well by enforcing current laws and ensuring that those engaging in corrupt activities are held responsible irrespective of their wealth or political affiliations to uphold the rule of law and

promote democratic responsibility effectively. This strategy can disrupt the relationships, between wealthy elites and political figures.

Global cooperation is crucial in this scenario with the coordination of sanctions and asset freezes targeting oligarchs who interfere with processes serving as a key strategy to combat financial oligarchy collectively united against such malpractices it is imperative to focus on individuals who misuse their wealth for personal benefits while disregarding democratic values as a vital step, towards promoting constructive transformation.

In short address the influence of oligarchy on Russian politics by taking a comprehensive approach that includes legal changes, economic variety, anti-corruption efforts, global collaboration and public education campaigns. The goal is to create a system in Russia that is transparent and responsible, to all its citizens.

References

- [1] Cory Welt, Rebecca M. Nelson. (2020). Russia: Domestic Politics and Economy. Congressional Research Service. <https://crsreports.congress.gov/product/pdf/R/R46518>
- [2] David Hoffman. (2024). Russian oligarchs. <https://www.britannica.com/topic/Russian-oligarchs>
- [3] David Szakonyi. (2017). Why Russian Oligarchs Remain Loyal to Putin (Op-ed). The Moscow times. <https://www.themoscowtimes.com/2017/12/01/centrifugal-forces-why-russian-oligarchs-remain-loyal-to-the-putin-government-op-ed-a59760>
- [4] Fidrmuc, J., & Gundacker, L. (2017). Income inequality and oligarchs in Russian regions: A note. *European Journal of Political Economy*, 50, 196-207.
- [5] <https://www.sciencedirect.com/science/article/abs/pii/S0176268016302130>
- [6] Greg Rosalsky. (2022). How 'shock therapy' created Russian oligarchs and paved the path for Putin. NPR. <https://www.npr.org/sections/money/2022/>

- 03/22/1087654279/how-shock-therapy-created-russian-oligarchs-and-paved-the-path-for-putin
- [7] JIM HEINTZ (2023). Under Putin, the uber-wealthy Russians known as 'oligarchs' are still rich but far less powerful. APnews.
- [8] <https://apnews.com/article/russia-putin-oligarchs-rich-ukraine-war-9b167bb98ed050c5fbfadf0b069a0b8c>
- [9] McFaul, M. (2021). Russia's road to autocracy. *Journal of Democracy*, 32(4), 11-26.
<https://www.journalofdemocracy.org/articles/russias-road-to-autocracy/>
- [10] Pleines, H. (2019). The political role of business magnates in competitive authoritarian regimes: A comparative analysis. *Jahrbuch für Wirtschaftsgeschichte/Economic History Yearbook*, 60(2), 299-334.
<https://www.degruyter.com/document/doi/10.1515/jbwg-2019-3001/pdf>
- [11] Remington, Thomas F., (2023). 'Autocracy and Oligarchy in Russia', *The Returns to Power: A Political Theory of Economic Inequality* (New York, online edn, Oxford Academic)
- [12] <https://academic.oup.com/book/46065/chapter/404549922>
- [13] Robert E. Berls Jr. PhD. (2021). *The State of the Russian Economy: Balancing Political and Economic Priorities*. NTI.
- [14] <https://www.nti.org/analysis/articles/state-russian-economy-balancing-political-and-economic-priorities/>
- [15] Sabri Ben-Achour. (2022). Who are the Russian oligarchs being sanctioned, and how did they get so rich? Marketplace.
<https://www.marketplace.org/2022/03/10/who-are-russian-oligarchs-being-sanctioned-how-did-they-get-so-rich/>
- [16] Sergei Guriev, Andrei Rachinsky. (2005). The role of oligarchs in Russian capitalism. *Journal of Economic Perspectives*, 19(1), 131-150.
<https://pubs.aeaweb.org/doi/pdfplus/10.1257/0895330053147994>
- [17] Simeon Djankov (2023). How the war is increasing inequality in Russia. cepr.
- [18] <https://cepr.org/voxeu/columns/how-war-increasing-inequality-russia>
- [19] Stanislav Markus (2022). Meet Russia's Oligarchs, a Group of Men Who Won't Be Toppling Putin Anytime Soon. Davis Center for Russian and Eurasian Studies.
<https://daviscenter.fas.harvard.edu/insights/meet-russias-oligarchs-group-men-who-wont-be-toppling-putin-anytime-soon>
- [20] Vladimir Gelman. (2011). Russia's crony capitalism: the swing of the pendulum. Open democracy.
<https://www.opendemocracy.net/en/odr/russias-crony-capitalism-swing-of-pendulum/>
- [21] Whizy Kim. (2022). Can Russian oligarchs influence Putin's war?
- [22] <https://www.vox.com/recode/22971179/russian-oligarchs-influence-putin-ukraine-war-sanctions-limits>