
Russia loses \$20 billion a year to corruption - interior minister

RIA Novosti - 24/9/2008

MOSCOW, September 24 (RIA Novosti) - Russia loses up to \$20 billion a year as a result of corruption, the country's interior minister said on Wednesday.

"According to various estimates, the state loses between 40 billion rubles (\$1.6 billion) and \$20 billion to corruption," Rashid Nurgaliyev told a meeting of top law enforcement officials.

Nurgaliyev said two thirds of Russian businessmen engage in corrupt practices, and that the bribery of officials is widespread.

"Corruption today is a smoothly functioning system of the redistribution of civil servants' shadow incomes," he said, highlighting the danger of links between government bodies and the criminal world, especially when it results in property redistribution, including the seizure of enterprises by so-called corporate raiders.

The chief of Russia's top investigation committee, Alexander Bastrykin, earlier put the damage to the economy at \$30 billion a year.

Nurgaliyev urged tougher punishment for corrupt officials to prevent a feeling of impunity, and more efforts to protect budget funds, above all those allocated to welfare projects and aid.

The Kremlin said on Tuesday President Dmitry Medvedev could submit a package of anti-corruption laws to parliament by the end of this month.

Medvedev earlier declared the fight against corruption one of his presidency's priorities, saying it was "the main internal threat" facing the country. He set up an anti-corruption council in May, two weeks after his inauguration as president.

Medvedev approved a plan to counter the problem in July, proposing that special units be created in every branch of government. In line with the plan, Russian military officers, customs officials, judges and police would also have to declare their property. Proposals have also been made to establish a special disciplinary court for civil servants.

A system of incentives and safeguards for individuals who have provided reliable information about corruption, as well as ways to "encourage anti-corruption behavior" among civil servants have also been discussed.

In its 'corruption rankings' published earlier this month, Transparency International said Russia had dropped four spots to 147th place, its lowest ranking in eight years. The rights group said corruption has taken root in all spheres of life in the country, including politics, healthcare, judiciary, business and education.
