

Microsoft, Ministry Fight Corruption

By Natalya Krainova

November 01, 2010



Microsoft and the Communications and Press Ministry have teamed up to open <u>a web site</u> that sets price ceilings for Microsoft software in an attempt to fight corruption at state agencies, the ministry said Monday.

Similar agreements with other software companies are under way, ministry spokesman Konstantin Gorokhov said by telephone, without elaborating.

Microsoft's official dealers will have to set prices according to the price limits indicated on the new web site, while state agencies will have to choose dealers that abide by the price limits or risk being cut off from state financing, Gorokhov said.

Currently, market prices are "chaotic," and the cost of similar software among various dealers can "differ manifold," which opens the way for corruption, Gorokhov said.

The new price ceilings on Microsoft software for state agencies will be an average of 20 percent lower than prices for ordinary customers, Gorokhov said.

Microsoft Russia said in a written reply to a request for comment that the company had discussed the project with Russian officials since last year as part of its global policy of cooperation with local authorities.

Alexei Maximov, editor of the Russian edition of PC Week, said regulating prices on Microsoft products was "not a market initiative but acceptable as an extraordinary anti-corruption measure." But he called the regulation of prices for all software companies "utopian" and said a more sensible anti-graft measure would be to amend the 2005 law on state tenders to radically change the mechanism of state purchases.

Ivan Pavlov, board chairman of the St. Petersburg-based Institute for Information Freedom Development, praised the new web site. "The more transparent the activities of state bodies are, the less corruption there will be," he said.

The web site contains a calculator offering the "approximate" cost of Microsoft licenses depending on the number of computers in the agency, the period for using the software and other parameters.

The web site requires that Microsoft Silverlight be installed to use the calculator.

"This is an important step within the framework of President Dmitry Medvedev's anti-corruption course, and it will also establish more transparent relations with large foreign vendors," Communications and Press Minister Igor Shchyogolev <u>said</u> in a statement on his ministry's web site.

In the meantime, the government plans to produce software to compete with Microsoft, <u>Vedomosti reported</u> last Wednesday.

Microsoft found itself in an uncomfortable position in September when <u>The New York Times</u> reported that its lawyers had effectively facilitated a government crackdown on dissent by helping investigators provide evidence in court of copyright violations against nongovernmental organizations.

After the report, <u>Microsoft said</u> it would issue a software license that would run automatically until 2012 for pirated software used by Russian nongovernmental organizations and independent news media.

Original url: https://www.themoscowtimes.com/2010/11/01/microsoft-ministry-fight-corruption-a2670