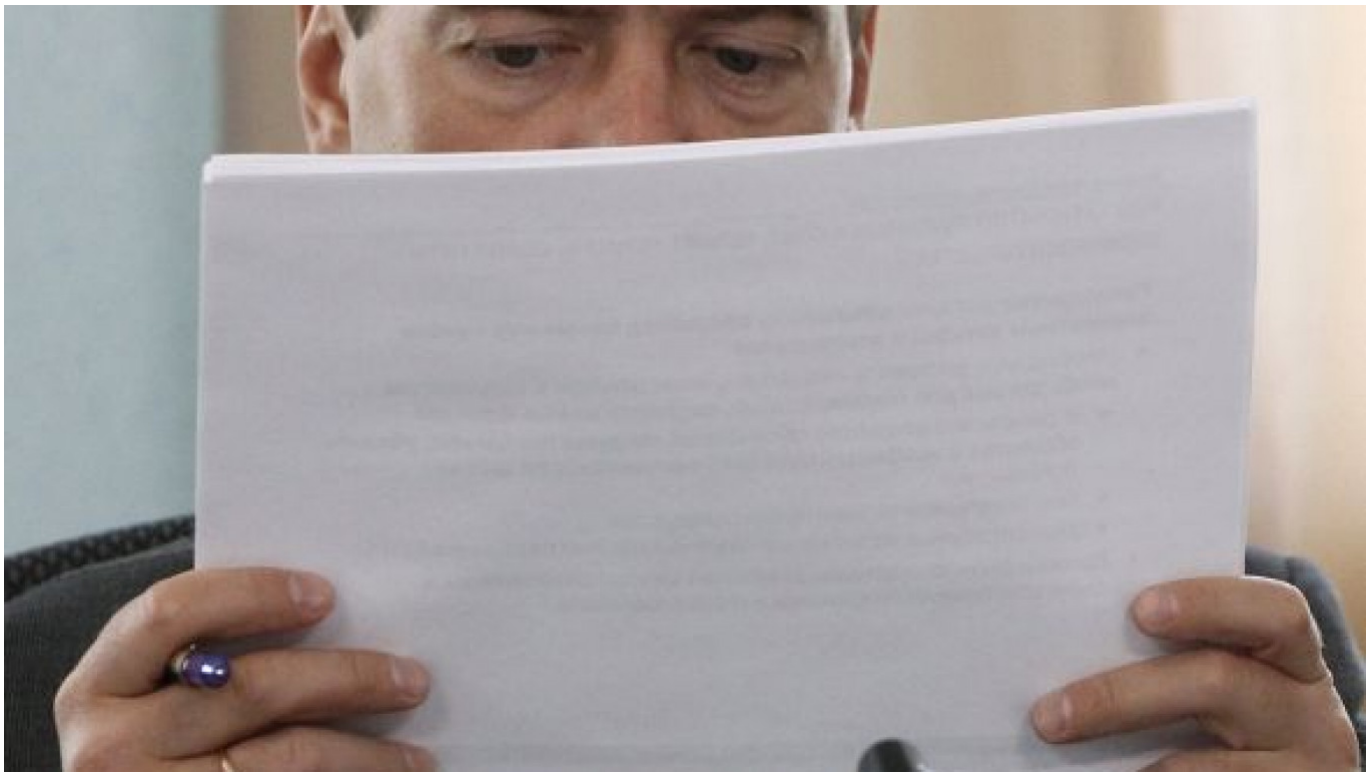
The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Medvedev Renews Corruption Battle

By Irina Filatova

March 22, 2012



Medvedev on Thursday holding a meeting devoted to fighting corruption. He acknowledged that measures taken so far have had “almost zero” effect. **Sergei Karpukhin**

President Dmitry Medvedev proposed a bundle of measures Thursday to carry forward the fight against thriving corruption, although he admitted that eliminating the problem is a goal for the future, as some of his recent initiatives failed to bear fruit.

Medvedev, who is widely expected to chair the Cabinet after his departure from the Kremlin later this year, outlined five priority areas where the corruption fight should be intensified, but analysts warned that his initiatives might die out after President-elect Vladimir Putin takes office.

The "five blocks" to continue anti-corruption work, Medvedev said, include reducing the government's presence in the economy, "fighting so-called big corruption," measures to reduce corruption in the state purchases sector and improve corporate governance in state-owned companies, lowering the level of corruption in everyday life and ensuring public oversight.

After taking office in 2008, Medvedev launched a large-scale campaign to crack down on corruption, which included establishing a presidential anti-corruption council and a requirement that senior government officials submit income declarations.

Although some progress has been made in recent years, Medvedev — who spoke at a meeting with a working group on establishing a "big government" — said he never had "illusions" that "it would take [only] a few years to radically mitigate this problem."

He also had to acknowledge that the campaign he initiated appeared to have "almost zero effect."

Indeed, only one official has been fired for submitting an incorrect income declaration since the measure was introduced in 2009: Army General Viktor Gaidukov was sacked by Medvedev in 2010 for not listing all his bank accounts.

Officials also do not have to report their spending — which can exceed earnings by several dozen times. Even Medvedev and Putin are regularly seen riding in luxury limousines and sporting wristwatches worth tens of thousands of dollars.

Medvedev said Thursday that officials who had failed to declare incomes properly could be given a second chance, but he threatened to "wipe up" everyone who doesn't submit the declaration.

However, he doubted that a new declaration campaign would bear more fruit.

As part of additional anti-corruption measures, Medvedev proposed expanding the range of officials required to declare incomes beyond the president, the prime minister, senior government officials and regional governors, saying their deputies could file declarations as well.

He also called for setting control over the officials' spending, adding that the measure is part of a new bill he had drafted. The bill doesn't require that officials declare their spending, but Medvedev said this information could be revealed on "public request."

"A public answer must be given to a public inquiry on an official's spending. There must be no secrets," he said, Interfax reported.

Despite the limited efficiency of his anti-corruption measures, Medvedev said he believed that "we haven't spent these years for nothing," according to a transcript on the Kremlin's website.

The major achievement is that the country finally got anti-corruption legislation "for the first time in Russia's 1,000-year history," he said, referring to a law passed in 2008.

Meanwhile, analysts warned that the corruption fight might not be a priority for the Kremlin after Putin takes over as president later this year.

"Putin has never mentioned the need for a systematic fight against corruption, and he could ignore Medvedev's initiatives," said Ivan Nemko, deputy director of Transparency International in Russia.

Putin, who will remain prime minister until his inauguration in May, agreed to swap jobs with Medvedev, who is expected to chair the Cabinet.

Medvedev, in turn, proposed establishing a "big government" supposed to consist of representatives of the country's civil institutions and work with the traditional Cabinet.

Medvedev's major achievement is that he acknowledged that Russia is facing a corruption problem, fostering discussions of the situation, Nemko said.

But Putin's view might be that the problem of corruption is not very serious, while those calling for anti-corruption measures just "rock the boat," he said, referring to one of the prime minister's colorful quotes.

Kickbacks in business and state services amount to 2 percent of the country's gross domestic product, which is equal to the size of the Pension Fund deficit, Interfax reported Thursday, citing a report of the working group to establish the big government.

With the elimination of corruption, the country's economy could grow 6 percent a year compared with the current 4 percent, the report said. Thriving corruption has also been scaring off foreign investors, with the Kremlin seeking to improve the investment climate by increasing transparency in business.

Medvedev sided with Putin on Thursday, calling for transparent privatization as the government aims to raise more than 1 trillion rubles from selling state assets between 2012 and 2014.

Putin vowed earlier this year to "draw the curtain" on the issue of the "unfair" privatizations in the 1990s that were conducted through so-called loan-for-shares auctions.

"I agree that the current privatization [program] must be absolutely transparent," Medvedev said at the working group's meeting. "Fair privatization means that open auctions are conducted at a maximum price, ... not that everyone get his own, as we tried to do sometimes with no success and it turns out absolutely harmful for the state."

In a move to foster the privatization program, he has ordered the government and Central Bank to provide proposals in the next few months on reducing the state's stakes in banks to below 50 percent.

Putin and Central Bank Chairman Sergei Ignatyev will have to propose changes in legislation that would make the move possible by Sept. 1, the Kremlin said on its website Thursday.

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