

Kickbacks Still 'Dwarf' Top Officials' Salaries, Despite Raises

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The salaries of top state employees have doubled since December, but such remunerations remain minute compared with unlawful kickbacks to the echelons of power, an anti-corruption expert said Wednesday.

Higher pay amounts to buying loyalty from bureaucrats, but state salaries can hardly act as an efficient tool against corruption, said Yury Korgunyuk, an analyst with the INDEM think tank.

"They are still dwarfed by the cash flows from corruption," he said by telephone.

The Kremlin is waging an ongoing high-profile campaign against graft, and several government officials, including senior defense ministry staff, have been accused of pocketing millions of rubles.

Critics say the campaign is not consequent because it targets only mid-level officials who have fallen out of favor with the Kremlin.

Kremlin spokesman Dmitry Peskov confirmed Tuesday that a recent pay raise for staff in both the presidential and government administrations amounts to a doubling of incomes.

In an interview with Business FM radio, Peskov explained that the motive for this was to bring pay levels in line with those in the security services.

"This was done to equal remuneration with salaries in the siloviki bloc," he said, using a Russian term for military, police and other security service <u>employees</u>.

The spokesman also said the increase would compensate officials for certain privileges that were recently abolished, such as subsidized medical services and the use of vacation centers.

The pay raises, decreed by President Vladimir Putin last fall and effective since January, upped a department head's monthly salary from 125,000 rubles to between 300,000 and 330,000 rubles (\$9,750 and \$10,724), Forbes Russia reported this week.

According to recruitment agency Antal Russia, top management jobs in competitive sectors such as IT and telecommunications typically offer earnings between 200,000 and 500,000 rubles.

Putin first decreed the raises only for Kremlin administration staff shortly after he began his third term in office in May. He was forced to include White House staff in the fall after officials there complained that they were being left out, the report quoted an unnamed government source as saying.

If the salary rises are extended to ministries and federal agencies, they would benefit some 38,000 state employees and could cost state coffers some 2.3 billion rubles per year, the report said.

Perceived corruption remains sky-high in the country, which ranks 133rd out of 174 states in Transparency International's 2012 Corruption Perception Index.

Surveys suggest that government and state sector jobs remain significantly more popular for graduates in Russia than for their peers in Western countries.

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