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Report on EU Corruption Could Spur Russian Recrimination

By Delphine d'Amora

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Correction appended:

A report declaring that not a single member of the European Union is corruption-free will likely be taken as political vindication in Russia, a representative from Transparency International Russia said.

The report, which was released by the European Commission on Monday and examined corruption in all 28 EU member states, estimated the total cost to the European economy at 120 billion euros ($162 billion).

"The extent of the problem in Europe is breathtaking," EU Home Affairs Commissioner Cecilia Malmstroem said in an article in Swedish daily paper Goeteborgs-Posten, adding that the total cost was "probably much higher" than the number cited in the report.

It is "highly likely" that Russian politicians will use this report as political firepower against the EU, which has criticized Russia for its own corruption record, said Denis Primakov, a senior lawyer at Transparency International Russia.

To put the number in context, while 120 billion euros is clearly a substantial sum and roughly equal to the EU's total budget, it is also less than 1 percent of the member states' combined 2012 gross domestic product of $16.7 trillion, as reported by the World Bank.

Meanwhile, $300 billion may be lost to corruption every year in Russia, according to an estimate by the National Anti-Corruption Committee, an independent watchdog group.

This would amount to 15 percent of Russia's 2012 GDP.

Many of the problem areas noted in the report are also issues for Russia, such as corruption in public procurement, lack of regulation in the private sector and insufficient control of lobbying, Primakov said.

However, Russia is unique for having a fundamental disconnect between mass media and the legal system. While corruption exposed in the European media generally lead to criminal cases, law enforcement agencies in Russia may not respond, Primakov said.

Although the report found traces of corruption throughout Europe, some countries are clearly doing better than others.

Bribery was least pronounced in Denmark, Finland, Luxembourg and Sweden, where less than 1 percent of respondents reported incidents in which they had been expected to pay a bribe, the report found.

On the other hand, personal experiences of corruption were highly concentrated in Hungary, Slovakia and Poland, where 13, 14 and 15 percent of people reported such incidents, primarily in acquiring health care services.

Croatia, the Czech Republic, Lithuania, Bulgaria, Romania and Greece also showed elevated levels of graft, with between 6 and 29 percent of respondents saying that they had been asked or expected to grease someone's palm in the past year.

The political and financial atmosphere in several countries has apparently skewed public perception — in Portugal, Slovenia, Spain and Italy, reports of bribery were between 1 and 3 percent, but upwards of 90 percent of respondents considered corruption to be widespread.

More than 4 out of 10 European companies asked said that corruption, patronage and nepotism impeded business, with small companies more likely to encounter corruption as a barrier.

An earlier version of this article made reference to a senior lawyer at Transparency International Russia called Denis Brimakov. His named is actually Denis Primakov.

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