

Federal Tax Service Named Russia's Priciest Bureaucracy

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Sergey Kiselev / Moskva News Agency

The Federal Tax Service has been [named](#) Russia's most bloated and expensive bureaucracy.

Russia employed 1.2 million federal, regional and municipal workers in 2017, according to the latest open data from Russia's Finance Ministry. The figures show the first increase in public employees over the past three years, following budget cuts due to an economic recession in 2015.

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The Federal Tax Service alone employs 146,000 workers, or almost a quarter of Russia's entire federal labor force, the new figures show. It spends 134.1 billion rubles (\$2.1 billion) on salaries and other operations.

"There is potential for cuts," Andrei Margolin, vice-rector of the Russian Presidential Academy of National Economy and Public Administration (RANEPA), [told](#) the RBC business portal, which reviewed the figures.

Russia's system of arbitration courts placed second, with 15,000 employees and 111.5 billion rubles (\$1.8 billion) in spending, followed by the Prosecutor General's Office with more than 40,000 staffers on the payroll of over 55 billion rubles (\$883 million).

The spending figures exclude Russia's defense and interior ministries, the National Guard and other law enforcement and security agencies.

"Supervisory authorities are, in my opinion, of course, too well-staffed," RANEPA's Margolin told RBC.

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