

accommodation centres for illegal migrants are under construction near the airport Minsk-2 and near Brest.

*Vadim Ignatenko. 12.01.06.*

## ALARMING PROSPECTS

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*Belarusian experts predict a growth of crimes related to corruption and an active development of shadow economy*

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Corruption-related crime is characterized by a high latency and will be on the rise in the near future. This opinion is presented by specialists from the Institute of Criminology and Criminal Science of the Ministry of Justice of Belarus. According to criminal law experts, the statistical data of the last 10–12 years about corruption-related crimes demonstrate that this type of crime has a positive dynamics. This gives grounds to presume that future increase of corruption-related crimes would represent a stable trend, and it will be in place, at least, in the coming years. In 1992, there were about 2,700 crimes of this kind in Belarus; in 2004, this number was over 6,800. According to experts, today, the most common among them bribes, abuse of authority or official position, misappropriation or embezzlement. Also, they indicate that corruption-related crimes are very latent now due to their hidden nature and the close character of entities where this crime prospers.

Speaking about the types of punishment adjudicated by Belarusian courts of law for these crimes, criminal law experts told that correctional labour is now the most common punishment, over 53%; though in 1992, less than 5% of suspects of corruption were sentenced for correctional labour. In the last two years, not more than 3% of suspects have been sentenced to pay fines, whereas in 1992 this type of punishment was used in relation to almost 32% of suspects. In 1992, not a single sentence included punishment for corruption-related crimes represented by deprivation of the right to hold specific positions, while in the last year about 10% of suspects had this ruling. In the last 10 years, more lenient punishment adjudicated by courts of law, compared to what is stipulated in the law, has been more common. This judicial practice, at least, indicated to inadequacy of sentencing for the above crimes as compared to the scale of corruption-related crimes. According to experts, such practice does not help prevent crimes or enhance law and order and legality.

At the background of corruption-related crimes as well as crimes in the field of economy and financial and credit sectors, there has been a boost of the shadow economy, by means of which criminal circles avoid paying taxes, legalize their incomes and use a significant part of incomes to pay off corrupt officials. This creates a vicious circle: the shadow economy nourishes the criminal circles, which, in their turn, create a good ground for corruption and economic crimes.

According to data obtained during interview with officers from law-enforcement, fiscal and judicial authorities, currently, corruption-related crimes are committed due to three main reasons: social and economic; moral; and related to underdeveloped criminal legislation. At

the same time, the surveys conducted among officers of criminal justice and control authorities indicated that ordinary human greed is often the main factor facilitating corruption in Belarus. People inclined to obtain or extort bribes associate their life ideals with financial concept of success and, when they take or demand bribes, they stem from the fact that power, money, public status and ostentatious luxury play the main role in their life.

According to interviews among officers of prosecution departments, state security and police officers, corruption is most widely spread among customs officers, tax inspections and administrative authorities of regions, towns and districts. The second dozen of the most corrupt institutions, according to law-enforcement officers, include banks, police, trade and communal service institutions, and health institutions. According to law-enforcement officers, the three least corrupt institutions include the National Assembly, state security bodies and social support institutions. Interview among law-enforcement authorities working in this field indicates that corrupt officers receive bribes mostly in foreign currency; the second in rank is gifts and other material values; the third in rank is free of charge performance of construction and repair work; and the fourth in rank is immovable property, like flats.

According to experts, corruption-related actions, like placing of children to prestigious educational institutions, employment of relatives, promotion, sending to long-term business trips abroad, have become less popular in Belarus in the recent years. Results of analysis of questionnaires among law-enforcement officers showed that information about corruption-related crimes is received by law-enforcement offices in the course of field surveys and inquiry and from field sources, as well as from individuals who contact law-enforcement authorities.

About 26% of law-enforcement officers who were enrolled into the interviews indicated that they themselves met with cases of pressure from state authorities and higher officials asking them to neglect their official duties in the interests of corrupt state officials. Over 6% of the respondents indicated that such pressure was exerted by the corrupt officials or by their relatives. Over 12% of the interviewed law-enforcement officers reported that they were in situations when they were pressed because of investigation into corruption cases and were offered bribes; 7% met with cases when they were pressed through persuasion, and 3% indicated to being faced with threats. In general, according to the majority of the respondents from the law-enforcement authorities, the fight against corruption in Belarus is not at a proper level.

#### **FOR INFORMATION**

Administrative burden on small and medium businesses in Belarus is among the heaviest in countries in transition. This conclusion was included into the survey «Business environment in Belarus» done by the International Financial Corporation (IFC), which also contained recommendations for the government of the country to develop small and medium businesses. The survey indicates that as of 1 January 2005, there were 32,800 small enterprises and 184,000 private entrepreneurs in Belarus. In 2004, the number of small enterprises went up by 6%, while the number of private entrepreneurs reduced by 1%. The total number of people employed by small and medium businesses is about 1 million, which makes 25% of economically active population of the country.

However, Belarus is significantly lagging behind in its indicators of development of small and medium businesses, compared to other countries. Thus, Belarus has 3 small businesses per 1,000 persons; in Russia this indicator is 6, and in Tajikistan 5. As a result, the share of products manufactured by small enterprises makes in Belarus 9%, compared to 36% in Uzbekistan, 50% in France, and 54% in Sweden.

According to experts of the IFC, qualitative and quantitative growth of small and medium businesses in Belarus is hindered by complicated administrative procedures and their high costs. During the survey among 1,200 Belarusian small enterprises and private entrepreneurs, organized in all regions of the country, the surveyors identified that the complexity of procedures is explained, primarily, by a great number of required documents, the protracted procedure and lack of clear interpretation of the requirements. This answer was given by 88% of the respondents from small and medium businesses. It was also identified that almost 70% of entrepreneurs think that personal relations and acquaintances are the best way to settle disputes with state authorities, and 64% of them indicated that unofficial payments are the best solution. According to experts of the IFC, in 2004, small and medium businesses spent, on the average, \$3,800 for registration, licensing and obtaining permits and certifications. In doing so, 17% of entrepreneurs indicated to forced unofficial payments during administrative procedures. The average amount of bribes was \$665.

Analyzing the conditions for registration of small businesses, the authors of the survey indicated that two-thirds of all small businesses registered in 2004 called this procedure complicated. On the average, the registration process takes three months, and to do this, it is necessary to visit, at least, 10 organizations and collect 13 packages of documents. 80% of the small and medium businesses indicated that registration expenses are very high, making on the average \$746. The high cost of registration is related to the fact that more than 80% of these expenses relate to notary certification of the documents.

*Vadim Ignatenko. 09.02.06.*

## **THE GREATEST FRIEND**

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*Belarus is able, in some measure, to set off adverse implications of the ban on supplying the latest models of Western weapons developments to China*

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When making an official visit to China in early December of last year, President of Belarus Alexander Lukashenko had in advance announced the trip objectives through Belarusian and Chinese mass media. He declared that he intended to use the continuously growing potential of the People's Republic of China as an «accelerator» for imparting new dynamics to the national economy of Belarus. The Belarusian President reiterated the same thesis when summarizing the results of the Belarus-China summit in Beijing. To quote him, the major success of the visit can be clearly seen from over a dozen of signed interagency and intergovernmental