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**Types of corruption and anti-corruption
strategies in Ukraine**

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Abstract

The thesis investigates corruption and the anti-corruption strategies. Focusing on the case study of Ukraine, it is shown how corruption can affect society and what particular measures can be undertaken for tackling this phenomenon. It is illustrated that the current level of corruption in Ukraine is high in all fields of public management: the customs and taxation systems, law enforcement agencies, the judicial system, business, and so on. The analysis of the Ukrainian government's anti-corruption strategies reveals that they are based primarily on deregulation, demonopolization, the creation of a strong institutional environment, and digitalization. In recent years, Ukraine has been able to achieve institutional advancements through the creation of new anti-corruption bodies and has initiated digitalization as a new strategic direction against corruption. However, none of these activities have brought tangible results so far. The thesis analyzes why the government's anti-corruption strategies have been fruitless to date and how the situation might develop in the future.

Keywords

anti-corruption strategies, bribery, corruption, European Union, institutional reforms, public officials, Ukraine.

Abstrakt

Práce zkoumá korupci a protikorupční strategie se zaměřením na případovou studii Ukrajiny. Je ukázáno, jak může korupce ovlivnit společnost a jaká konkrétní opatření lze podniknout pro řešení tohoto jevu. Je znázorněno, že současná úroveň korupce na Ukrajině je vysoká ve všech oblastech veřejné správy: celní a daňové systémy, orgány činné v trestním řízení, soudní systém, obchod atd. Z analýzy protikorupčních strategií ukrajinské vlády vyplývá, že jsou založeny především na deregulaci, demonopolizaci, vytvoření silného institucionálního prostředí a digitalizaci. V posledních letech byla Ukrajina schopna dosáhnout institucionálního pokroku vytvořením nových protikorupčních orgánů a zahájila digitalizaci jako nový strategický směr proti korupci. Žádná z těchto činností však dosud nepřinesla hmatatelné výsledky. Práce analyzuje, proč protikorupční strategie vlády byly dosud neúspěšné a jak by se situace mohla v budoucnu vyvinout.

Klíčová slova

Evropská unie, instituční reformy, korupce, protikorupční strategie, Ukrajina, úplatkářství, veřejní činitelé.

Range of thesis: 141,766 characters.

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Declaration of Authorship

1. The author hereby declares that he compiled this thesis independently, using only the listed resources and literature.
2. The author hereby declares that all the sources and literature used have been properly cited.
3. The author hereby declares that the thesis has not been used to obtain a different or the same degree.

Prague, 04.01.2021

Sofia Smorodina

A handwritten signature in black ink, appearing to read 'Sofia Smorodina', written in a cursive style.

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Introduction

This diploma thesis has topic 'Struggle against corruption in Ukraine'. It is necessary to explain how this topic appeared and its meaning, because the etymology of the word 'struggle' points to the psychological aspects of the fight against corruption rather than to institutional ones. However, in the context of Ukraine, which is the subject of analysis in this work, this title of the diploma thesis seems to be the most appropriate. The Ukrainian nation has been struggling with corruption since independence in 1991. Since then, corruption in the country has caused so many negative consequences and hindered the development of the state.

Corruption has always been a significant problem for national governments of states. As noted by Campbell and Lord (2018, p.106), corruption stands for the unlawful practices applied by holders of public office, who abuse their powers for the purpose of achieving personal benefits. The preconditions for corruption are largely based on human nature, as the access to power provides people with significant temptations to improve their living conditions at the expense of the state. This opinion is also supported by Stapenhurst and Kpundeh (1999, pp.128-129). The researchers suggest that corruption cannot be eliminated at all in any state, regardless of how effectively the law enforcement agencies operate. However, the aim of society is to minimize the manifestations of corruption and thus to bring to minimum levels the negative effects caused by corruption.

Nicholls et al. (2011 p.531) claim that the implementation of anti-corruption measures is more effective in developed states, where the level of civic self-consciousness is higher, and society monitors the activities of public authorities. On the contrary, in developing countries the level of corruption tends to be significantly higher. The Organization for Economic Cooperation and Development (2013, p.30) notes Eastern European countries among those where corruption is the highest in Europe and where the actual effectiveness of anti-corruption measures is the lowest.

This diploma thesis studies type of corruption in Ukraine and focuses on anticorruption strategies and their suitability in Ukraine. Being a developing country from the post–Soviet area, Ukraine still struggles with corruption on its various levels. Unfortunately, even the change of the political power that happened in the last ten years, did not lead to the improvement in this area.

The Wilson Center (2018) notes that there are major problems in different fields which prevent an effective struggle against corruption in Ukraine. According to the research institution, corruption has penetrated deeply into the political, economic, and social fields, and the fight against corruption is used as a populist slogan in electoral campaigns. Though, the example of the Eastern European countries shows, that anticorruption struggle can manifest if both sides – population of the country and officials’ authorities will cooperate.

4.1 Research problem, objectives and goals

The research problem of this thesis is to find out current status of corruption in Ukraine.

The aim of the thesis is to find out, which types of corruption prevail in Ukraine in the last twenty years and nowadays.

The goals of the thesis are the following:

- to find out, which types of corruption exist,
- to find out, which type of corruption prevail in Ukraine
- and find out, how different anti–corruption measures are efficient in Ukraine.

The research questions of the thesis are the following:

- RQ1: based on the results of the research, what are the main reasons of corruption in Ukraine?
- RQ2: what measures should be done and what relevant anti-corruption measures can be implemented to prevent corruption in Ukraine?

4.2 Methods of research

To achieve the set goals, a literature search should be conducted using sources that describe the types of corruption and anti-corruption strategies. For definition of systemic and individual corruption Antac (2017) and Anders (2013) were examined and chosen of the literature research in order to find the most complex definition of those types of corruption. Among literature sources there are numerous internet sources, electronic articles and books. One of the most relevant for the topic is Karklins (2018) *Typology of Post-Communist Corruption*, which describes the source, origin and conditions of development of corruption on the countries of former Soviet Union. Campbell and Lord (2018) provide definition of corruption and discuss on its effects on the economy of the country. After studying the literature about corruption, Hart (2019) has been chosen to study the means of penetration of corruption to the society. Also, Hart establishes means of measuring the corruption in the country by stating different criteria of measuring (see Chapter 1.2).

To study the scale of corruption in Ukraine, two main sources have been chosen. First of them is international comparison of Ukraine in terms of corruption. To compare countries, Transparency international statistics and evaluation is used. The Corruption Perception Index (CPI) is analyzed in chosen countries: Ukraine, Russia, Czech Republic, Poland, Germany, France. Due to this comparison, there can be draw a conclusion on whether corruption is one of the indicators of developing country and whether there are similarities in the CPI of post-soviet countries, countries of Central Europe and Western European countries. In other words, if there are similarities in CPI relating to the stage of economic development of the countries.

Other source of evaluating the scale of corruption in Ukraine is National Survey on Corruption conducted by The Fund of Democratic Initiative by Ilka Kucheriv. This Survey was aimed to detect the evaluation of corruption in Ukraine by local citizens. It provides the internal information about corruption and its main sources in Ukraine.

Since corruption is one of the most important problems that hinder the development of every state, this topic is widely studied by international organizations, in particular, the European Union, the World Bank, OECD. These organizations develop methods of combating corruption and put forward requirements and conditions for combating corruption before

entering into any economic relations with countries. For a long time, Ukraine asked for help from these organizations, so it had to comply with the requirements for anti-corruption strategies. The thesis will investigate what these requirements were and how they were implicated in Ukraine.

5 Theoretical Part

5.1 Corruption: Definition and Key Concepts

According to Stapenhurst and Kpundeh (1999, p.128), corruption can be defined as “*the abuse of public power for personal gain or for the benefit of a group to which one owes allegiance.*” The authors explain that corruption can occur in cases when public officers or any other responsible persons having the access to the distribution of public wealth, provision of public services, and so on, have the opportunity to abuse their powers for the sake of achieving particular personal benefits by favoring other persons.

Transparency International (Transparency international, 2019) – the Global Coalition Against Corruption define corruption as the abuse of entrusted power for private gain. Corruption erodes trust, weakens democracy, hampers economic development and further exacerbates inequality, poverty, social division and the environmental crisis.

Another definition of corruption can be found in Campbell and Lord (2018, p.106), who note, citing Wagenaar, that “At its most basic level, corruption can be defined as ‘breaking the rules pertaining to a certain office, it can be defined economically, and it can be defined as acting against general interest.’” This definition of corruption emphasizes another important aspect of the phenomenon considered, namely the fact that corruption always act against the general interest. Thus, when public officials commit an act of corruption such as accepting bribes, they pursue only their own private interests and the interests of the citizens or entities which prompt them to commit the crime. In this case, they use the available public goods ineffectively, and as a result society incurs major damages. These damages are evaluated in particular amounts lost by the state budget, but also in non-economic terms, for instance, in terms of how the rights and freedoms of the population are suppressed and in terms of how the overall social environment in the country is affected.

Campbell and Lord (2018, p. 106) also cite another definition of corruption, namely the one given by the World Bank Group: corruption is “*the abuse of public office for private gain. Public office is abused fir private gain when an official accepts, solicits, or extorts a bribe.*”; and the definition provided by Transparency International: corruption is “*The abuse of entrusted power for private gain. Corruption can be classified as grand, petty and political,*

depending on the amounts of money lost and the sector where it occurs.” These definitions additionally describe the ways in which corruption can occur and the different scopes which it can have.

Finally, another definition of corruption worth considering is the one provided by Arnone and Borlini (2014, p.1), who cite Huber: corruption is “*a deterioration in the decisional process that characterizes all cases where the decider (a private or a public agent) accepts to, or asks for, deviating from the criteria that should lead his (or her) decision for his (or her) private gain; however, the reasons that lead his action cannot justify his decision.*”

In other terms, it can be stated that corruption is described as the amount of monopolist and discretionary power that public official use without being held accountable for their actions. Thus, the lower the level of accountability against the available monopolist and discretionary powers, the greater the level of corruption. In this case, accountability stands for the degree of control which both the public authorities and society apply to public officials and the degree of effectiveness of such control measures. At the same time, the formula identifies clearly the direct correlation between the number of available powers and the greater risk of corruption.

Thus, as can be seen from the overview provided above, even though the definitions of corruption in literature are slightly different in their formulations, in general, they all describe corruption in the same way, namely as the phenomenon of abuse of powers by public officers for the sake of gaining private benefits which go in contrast with the benefits of the wide public. As a result of the performance of corruptive activities, society incurs major negative consequences and damages.

5.2 Types of Corruption

Vannucci (2011) divides corruption into petty corruption, individual corruption, structural corruption and systemic corruption.

5.2.1 Petty corruption

“Petty corruption occurs when the interaction between corrupt agents and private counterparts is occasional and presumably not repeatable, while the rent at stake is relatively small”. (Vannucci, 2011)

This type of corruption is characterized by the fact that we are talking about irregular, small bribes, not necessarily paid in money. The purpose of such small bribes is to facilitate small bureaucratic processes that are part of our daily life or to speed up processes. An example is a bribe to police officers in order not to pay a fine for a traffic violation, or a sign of attention to government officials in order to speed up bureaucratic processes.

In ordinary life, people may not perceive such signs of attention as bribes, but only as a way to quickly resolve issues, but with the massive use of this method, such signs of attention turn into systemic corruption and demotivate government officials to do their work and duties without additional "signs of attention."

Vannucci (2011) cites the example of India, where the corruption index reaches 80 points (Transparency international, 2019). In India, an anonymous website was set up where citizens could post their experiences with everyday corruption. Over the 4 months of the site's existence, more than 2300 cases of petty corruption were mentioned, in particular, against police officers and government officials. From the description of the experiment, it follows that this type of bribe helped people avoid higher fines (for parking or other administrative offenses), and, therefore, was beneficial for the citizens who committed these offenses.

Hall (2012) states that petty corruption occurs when people are forced to pay government officials bribes for services to which they are entitled. An employee abuses his position in order to generate additional income at the expense of citizens and the service itself.

Obviously, this type of corruption is not harmful if it is committed by one person at one time, but it becomes a massive problem and develops into the category of systemic corruption when used by all the citizens and becomes a public habit.

5.2.2 Systemic corruption

According to Stefes (2007) “*systemic corruption is characterized by extensive corrupt activities such as bribery, extortion, and embezzlement, ranging from petty to grand corruption*”.

Anders (2013) states that systemic corruption is based on the links between various parts of the government and state system. This forms the interconnection of people from various spheres of public administration and the private sector. The structure of ties and relationships figuratively represents a network, in the nodal points of which are placed reliable figures (officials, politicians, businesspeople), ensuring the functionality of the entire system. There are at least two basic types of ties between the figures:

- mutual reciprocity of obligations and benefits (often career advancement, financial bonuses, retention in power in the case of politicians, net profit in business, public procurement, etc.),
- mutual complexity, which holds the system as a whole and the individuals in it as pillars supporting the building (= everyone knows each other and is blackmailing each other).

Within the public administration, systemic corruption establishes completely new norms and rules that replace the legal ones. The figures involved in the system are forced to comply with these standards, otherwise they risk punishment (end of career, marginalization within the office, public sanctions etc.). The public institution then loses its basic role, that is, to defend the public interest, and becomes an agency of private interests. Although it is still headed by appointed officials or elected or appointed politicians, it is only a formality. In fact, it is governed from the background by an informal system of corruption.

Systemic corruption is a completely different phenomenon from individual corruption, which means ordinary bribes). It has a devastating impact on all spheres of society, it disrupts democratic order, diverts public finances to the private sector, causes lack of funds for public and social policies and degrades ethics and morality.

Rothstein (2011) states that there are two main questions that every society faced to the systemic corruption has to ask. The first question is: “What types of structural reforms have to be undertaken to reduce systemic corruption?” And what is even more important: “Which

processes are likely to be successful for enacting such reforms?” Rothstein thus claims that it is primarily first question that governments and politicians pay attention to. But in most cases, there are no structural changes of processes that governments undertake to change the situation in the society.

5.2.3 Individual corruption

On the contrary, according Public Safety (2018), individual or isolated corruption is when corruption takes place rarely, not within the whole society. Individual corruption has less negative impact, but even such isolated examples of corruption can bring to negative consequences, because the more people learn how to avoid legal requirements, the wider is corruption distributed.

According to Vannucci (2011), in individual corruption the involvement is restrained to one or to a small number of public agents. Those can be high-level bureaucrats or politicians which control the processes by their own decision. Thus, it is these high-ranking politicians who collude with one or two participants in the process on the other side, promising a successful solution to the case. Often, we are not talking about the monetary reward of a politician or bureaucrat for the "successful outcome of the transaction", but about the promise of other benefits or future profits if the issue is resolved.

Vannucci states that with individual corruption, there is a place for intermediaries who become an intermediate link between high-ranking officials and a person who wants to solve the problem with the help of corruption. Mediators can mitigate the effect of mistrust between the parties or even act as a communication channel so that the parties do not have to meet in person.

Individual corruption means individual misconduct. It can have many forms. Public Safety (2018) divides it into following groups:

1. Bribery. Silkenat, Aresty and Klosek (2009, p.241) suggest that a bribe can be defined as an unlawful payment which an individual or a legal entity provide to a public official in exchange of their abuse of powers for gaining particular benefits. Bribes can be either demanded by the public official or offered by the aforesaid persons. Based on this criterion, bribery can be conditionally divided into passive and active respectively.

2. Patronage. This type of corruption relates to favoring relatives, friends or other persons in particular activities. Often, it takes the form of help provided for finding employment in government institutions, and so on.
3. Influence peddling. This type of corruption exists when a person sells their influence in particular decision-making processes to another person.
4. Electoral fraud. This type of corruption stands for the interference in the electoral process, as the public authorities apply administrative levers to affect the outcomes of the voting process.
5. Embezzlement. This type of corruption exists when an official thieft the funds which have been conferred to them according to their job duties at the public institution.

5.2.4 Structural corruption

Structural corruption is one of the most negative types of corruption, because it is integrated in all the levels of society and becomes a part of government, public and social life. Vannucci (2011) states that there are three main features of structural corruption:

1. The prevailing part of processes in society is associated with giving or accepting bribes.
2. There is a network in society that everyone knows, but at the same time is in the gray zone. This network involves different actors who have their own roles. We are talking about civil servants, politicians of different levels, intermediaries in bribes, people who are willing to give these bribes to solve their own problems or to obtain benefits. At the same time, the system itself identifies "honest players" and gradually excludes them from the system. The network works so smoothly that the newcomers to this system are taught how to work and how to make corruption invisible.
3. All members of this network know the rules by which this system works. They get used to this kind of society and do not know that this society can exist differently. Moreover, each side has its own benefits from this system.

A characteristic of structural corruption is that society itself knows not only about the possibility of giving bribes, but also the method and number of bribes for certain processes or actions. It becomes a rule, just like the laws in society. Without this, it is impossible to conduct business, perform your own administrative affairs or live in this society. This

invisible, but familiar regulation of corruption in society simplifies the process, so the system participant should not spend additional time discussing the size of the bribe or the method of transferring it. Moreover, when planning any actions, citizens include the amount of the bribe in their expenses, in addition to the basic state taxes. (Vannucci, 2011)

In case of disobedience to this system, a situation may arise that a person will be assigned fines or sanctions for non-compliance with the rules of this corruption system. Those punishments come for such ridiculous violations, which, perhaps, this person even did not commit. The less the system becomes fair to individuals who do not want to submit to structural corruption and try to do everything in accordance with the law.

This leads to two possible consequences - an individual begins to obey these rules and the system, or he is forced to leave this system due to disagreement with the order, which often leads to mass immigration.

There are also other types of corruption considered in literature, including parochialism, nepotism, organized crime. All these different types of corruption describe the particular ways in which public officers can abuse their powers for the purpose of achieving their goals.

5.3 Levels of Corruption

Designing particular anti-corruption measures to be used as remedies for reducing the present amounts of corruption in a given state, it is worth understanding precisely what level of corruption currently exists. Measuring the level of corruption is inherently complex due to the fact that corruption is a versatile phenomenon which includes a great number of different elements.

Hart (2019) notes that the main difficulty in assessing the levels of corruption consists in the fact that corruption is commonly considered as a hidden phenomenon. Therefore, there can be no exact calculations which would allow understanding the true level of penetration of corruption in society. Furthermore, it should be understood that corruption is a cyclical and continuous phenomenon which evolves dynamically, and thus its level can be changing in real time. Finally, the researcher states that different types of corruption require the application of different assessment techniques and actually demonstrate different levels.

Table 1 Corruption-related statistics

Type	Description	Examples	Considerations
Administrative statistics	Characteristics of government or its performance relevant to corruption or anti-corruption outcomes	<ol style="list-style-type: none"> 1. number or percentage of procurements conducted under specific rules or systems 2. percentage of civil servants that meet certain position qualifications 3. number of negative audit findings per agency 	This information is hard data insofar as it is ‘countable,’ but there may be issues with reliability of data reported internally by the government, especially if it is not audited for accuracy.
Criminal or legal statistics	Data on corruption complaints, investigations, prosecutions, convictions	<ol style="list-style-type: none"> 1. number of corruption arrests, investigations by a specific agency 2. number of corruption convictions 3. ratio of arrests to convictions 	This data is ‘countable,’ but unreliable as a corruption measure because: <ul style="list-style-type: none"> -much corruption goes unreported -more arrests or convictions may reflect more anti-corruption efforts, but not necessarily more corruption
Population surveys and user surveys	Survey data on corruption perceptions or experience (also called victimisation surveys)	<ol style="list-style-type: none"> 1. regional Barometer surveys (Afrobarometer, Latinobarometer, etc.) 2. Global Corruption Barometer (experience survey) 3. surveys of population sub-groups (e.g., Enterprise Surveys, ad hoc user surveys) 	<p>More reliable to the degree that the surveys are well-designed and executed and terms are carefully defined.</p> <p>However, corruption perceptions are unpredictable and are not good measures of anti-corruption progress on their own.</p> <p>Experience surveys may be more reliable in tracking changes, but they also suffer from under-reporting.</p> <p>Experience surveys ask about only a few specific types of corruption (usually bribery) and therefore may not represent the actual ‘amount’ of corruption.</p>

Source: Hart 2019.

As can be seen from the table above compiled by Hart (2019), there are three key types of statistics which can be used for measuring the level of corruption in a given state. Those are namely administrative statistics, criminal or legal statistics, and population surveys and user surveys. Based on these types of statistics, public bodies use a wide number of statistical indices which aggregate information related to corruption and evaluate it in numerical terms. Such indices can be classified into three groups:

1. Composite indices of corruption or governance. These ratios evaluate the overall penetration of corruption on the national scale. They also include data from third parties and context elements used for raising the precision of formulas. Examples of such indices include the Transparency International Corruption Perception Index (CPI) and the Worldwide Governance Indicators Control of Corruption (WGI CoC). The main shortcoming of these indicators is the fact that they can be biased and rather static, as they only include a limited number of basic smaller indicators and cannot embrace all of corruption's aspects. Also, smaller differences in scores can be meaningless due to the existing time lags.
2. Framework-based or survey-based indexes. In contrast to the previous group, these indexes are based on a smaller range of indicators taken as a basis for calculations. They are simpler and require less time for evaluations. On the other hand, these indices have limited comparability across both different time periods and different countries. Examples of such indices include the Global Competitiveness Report Executive Opinion Survey, African Integrity Indicators, World Justice Project Rule of Law Index, World Bank Doing Business scores, and so on. As can be seen already from their names, they do not focus solely on corruption and cover a wider range of target fields, which affect their precision.
3. Sector governance or government function indices. These corruption indices focus specifically on particular industries, sectors, or government functions, and thus do not seek evaluating corruption on the national level as a whole. The shortcomings of this group are similar to the previous one. However, their advantage is that they can reveal information on narrower industries. Examples of these indices include the Resource Governance Index, Open Budget Index, Open Data Index, PEFA indicators, and so on.

Thus, as can be seen from the information above, there are many tools for measuring corruption available to the public authorities today, but each of the indices has its own limitations and can be used most effectively only in particular conditions and for particular purposes.

The most widely used corruption assessment tool today is the Transparency International Corruption Perceptions Index. According to Transparency International (2019), the Corruption Perceptions Index (CPI) evaluates the perceived level of corruption in the public sector of a given state. This index is based on expert assessments and opinion surveys from a number of institutions such as the Economist Intelligence Unit, the World Bank, the World Economic Forum, the African Development Bank, and so on. While CPI is used widely by both international organizations and public governments, this indicator has several important shortcomings. Thus, corruption it does not embrace the whole complexity of corruption and can provide inaccurate data when converted into numbers. Also, the index measures only corruption in the public sector, while it ignores completely the corruption which exists in the private sector. Despite this, the index has shown practical importance and a high level of correlation with the real economic situation in the analyzed states.

Having understood the inherent difficulties in measuring the level of corruption, it is also worth providing an overview of the main types of corruption. It should be understood that there is no commonly accepted single classification of corruption and different authors tend to use different approaches to such classification, putting particular criteria into the core.

5.4 Anti-Corruption Strategies

After studying types and levels of corruption in society, it is important to make theoretical overview of anti-corruption strategies that fight and prevent spreading corruption within one society. Given the overview in the previous chapter, it can be stated that anti-corruption strategies should be understood as particular strategic frameworks which the public authorities of a particular states undertake and implement for the purpose of tackling corruption and minimizing its effects.

According to Kameswari (2006, p.241), anti-corruption measures can be understood as a set of policies which the public bodies implement in order to tackle corruption and to minimize

the manifestations of corruption in society. The practical specific traits of anti-corruption measures can be seen precisely on the anti-corruption strategies which the state implements. Anti-corruption strategies stand for those sets of actions which countries undertake on a strategic scale to tackle corruption. They are inherently complex and require the cooperation of a great number of official bodies and representatives of companies and individuals in society. The effectiveness of anti-corruption strategies predefines the actual level of corruption in the state and thus affects the living conditions of people.

Zhang and Lavena (2015) note that “*Anti-corruption strategies are long-term efforts that are constantly being reshaped under the pressure of international actors and the agenda of the domestic decision-makers.*” The authors suggest that anti-corruption strategies currently exist not only on the level of individual states, but also on the level of the international community as a whole, as the struggle against corruption is one of the most topical global issues, and countries need to cooperate effectively in order to combat the manifestation of corruption. The efforts undertaken jointly in terms of the formation and implementation of anti-corruption strategies are supported by common frameworks and guidelines developed within international organizations and by mutual agreements between states.

This is also supported by Rose-Ackerman (2007, p.247), who notes that anti-corruption strategies are “*supposed to build momentum for change across a wide range of constituencies, to demonstrate the government's commitment to change, and to serve as a benchmark for measuring the government's success in the long-term struggle to reduce the incidence and impact of corruption.*” This emphasizes that the effectiveness of states in the implementation of anti-corruption strategies is a factor which reflects their actual position on the international arena and the ability to be attractive to foreign partners. The effects of anti-corruption strategies are not limited solely to domestic policies, but instead extend to the field of international relationships.

Based on the formula of corruption cited in the previous chapter of the thesis, Stapenhurst and Kpundeh (1999, p.128) suggest that successful anticorruption strategies should target three components of public policies at the same time:

1. First, anticorruption strategies should aim at reducing the officials' monopolist powers.
2. Second, they should seek limiting discretionary powers.
3. Third, they should enhance accountability.

The reduction of monopolist powers can be achieved through market-oriented reforms: the liberalization of the economic environment and the field of public relationships is an essential way to contain the growth of consolidated monopolist powers in the hands of public officials. As for discretionary powers, they can be tackled by administrative reform, which includes the optimization of relationships between different public authorities, the implementation of the most effective interaction scenarios, limitation of risk points, improvement of communication, decentralization in decision-making, re-allocation and redistribution of resources, and so on. Finally, as for the accountability parameter, it can be done through the establishment of more effective control measures and more effective supervision. The greater the transparency of the public authorities and the closer they are located to people, the greater control powers society has, and thus the smaller the levels of corruption.

Stapenhurst and Kpundeh (1999, p.129) explain further that in every case the three elements for tackling corruption should be involved in public policies at the same time, which is explained through phenomenon of system integrity. As the authors put it, *“Such mechanisms, when designed as part of a national effort to reduce corruption in the public sector, constitute an integrity system. Put another way, an integrity system creates a system of checks and balances that limit situations in which conflicts of interest arise or have a negative impact on the common good.”* System integrity in terms of the implementation of anti-corruption measures can be achieved only through a balanced use of both prevention and penalty. Prevention is aimed at avoiding corruption by eliminating those factors which favor its development and by limiting the amounts of risks incurred by the state apparatus and society in general when dealing with the performance of public duties. On the other hand, penalty stands for the punishment which is actually applied to those public officers who have abused their powers and thus committed corruption crimes. The application of penalty is important not only for punishing those who have already resorted to corruption, but also to show to the population that corruption is not tolerated and will be punished anyway. Moreover, prevention and punishment are applied not only to public officers, but also to all citizens, as citizens can incite public officers to commit corruption. Therefore, system integrity assumes that the measures should be directed not only to those who abuse their powers, but also to those who incite the abuse of powers.

Further the types of anti-corruption strategies are discussed.

Gillespie and Okruglik (1991) introduce the following means of anti-corruption strategies:

Societal strategies. This type of fight against corruption implies increasing the social responsibility of citizens, primarily through education, habituation of ethical norms and skills. Social examples are used to explain the consequences of corruption to people and to appeal to their morality.

Legal strategies mean prohibiting corruption by means of civil codes and legal instruments. Every modern country uses this anti-corruption method, but unfortunately, it cannot be effective alone. In order for a legal anti-corruption strategy to work, it is necessary that mechanisms that prevent the spread of corruption work at other levels (social, market). It is necessary that institutions exist in society that will enforce legal institutions.

Market anti-corruption strategies. Gillespie and Okruglik (1991) introduce another problem, which can be solved by market anti-corruption strategy. The crux of the problem is that the state is integrating too much and interfering with market structures. Sets quotas, price limits. The more such restrictions and quotas, the more there are opportunities for corruption. An anti-corruption strategy is to allow the market structure to work and develop without or with little government intervention.

Political anti-corruption strategies pay attention to three main problems: power, access to political process and administrative reforms. The main problem of power is its centralization in the hands of one person who usually makes decisions. The proper solution – power decentralization and creation of committees instead of individual power.

Access to political process means that political solutions in the societies are undertaken by politicians, without legal rights of public to this process. This makes corruption possible. In order to decrease this problem, it is necessary to create system of public access to political decisions. In this case there will be low probability that one or other politician will prohibit its own political interests instead of public interests.

The third aspect of political anti-corruption problem is administrative reforms. They have to be undertaken in order to decrease the profitability from corruption for different actors of administrative interaction. Primarily, the main instrument of administrative reforms should be increase of salaries, pensions of employees in the public sector so that corruption becomes unnecessary and dangerous for them.

In many countries, when implementing legal and political anti-corruption strategies, anti-corruption committees and societies are created. Their main goal is to conduct and follow-up monitoring of anti-corruption measures and reforms, qualitative and quantitative assessment of changes in the country in connection with the introduced reforms (Gillepsie and Okruglik, 1991).

Klitgaard (2011) introduces four stages of introducing anti-corruption strategies.

The first step is diagnosis. It is necessary to understand the current stage by using country-level indicators of governance and competitiveness. The state can compare itself with other countries and evaluate improvements that have to be undertaken in order to enforce changes. Basing on the results of diagnosis, the state must choose proper anti-corruption apparatus, which can be efficient in this particular situation. Further on, diagnosis includes internal (state) public surveys. Only people in its scale can define and describe scale of corruption and its level. Surveys can be useful.

Basing on the quantitative and qualitative research the corruption systems in the state must be analyzed. Those systems have their weaknesses and disorders. The main goal is study them and create such anti-corruption strategies, which can focus primarily on those disorders and weaknesses. In this case it is more efficient to focus on the whole systems, not individuals. (Klitgaard, 2011)

In diagnosis stage the leaks must be counted and assessed. Corruption causes inefficiency, large outflows of stolen assets through embezzlement, fraud, and kickbacks.

The second step is creating strategies. This step is logical after the diagnosis of the system, because it becomes clear that corrupt systems are part of the state structure. These systems are deeply embedded in all or most structures. The first thing to do to eliminate corruption is to find a way to undermine these structures and root out corruption at its root.

The country needs to understand that if corruption has penetrated deep into the structures, then it is beneficial to high-ranking politicians and officials. Consequently, when disclosing the main participants in corruption schemes, shareholders, company owners, and citizens who participated in corruption schemes may also be involved. Therefore, it is necessary to

undermine corruption structures in such a way that the "weak sides" who were forced into corruption by the structure itself, provide proper protection.

It is also necessary to understand that entrepreneurs participate in corruption schemes because of the "Prisoner's Paradox", that is, they follow the general rule. In this case, it is necessary to carry out a number of activities aimed at raising awareness among citizens and entrepreneurs and increasing their interest in disclosing corruption schemes. Foreign experience can be helpful. They should analyze the anti-corruption experience in other countries and apply those methods that have shown a high percentage of effectiveness. (Klitgaard, 2011)

The third step of anti-corruption strategies is implementation. this stage includes the implementation of prepared strategies and methods for combating corruption. It is worth noting that it is a big mistake to start implementing everything at once. It is necessary to start with especially large players in structures that "determine the size and scale of corruption" and set a bad example for the rest.

Further, it is necessary to set short-term goals when implementing the strategy and evaluate each stage. During implementation, the necessary amendments can be made, if required. Within the framework of governmental and non-governmental organizations, it is necessary to create coordination of anti-corruption bodies and involve representatives of government and commercial structures.

Within the framework of the implementation program, it is necessary to use social networks, which have shown great efficiency in different countries. People should be directly involved in anti-corruption strategies. They must see that this is a massive trend and that by their actions they are improving the situation in the country. It is necessary to awaken in them social responsibility, to inform them about the consequences of corruption and their actions, to increase their knowledge of the laws that prevent corruption and punish individuals.

According to Klitgaard (2011), **the fourth step is the outreach.** The final and final step in anti-corruption strategies is propaganda. After certain actions have been taken and some results have been achieved, it is necessary to convey this information to the general public. First of all, mass media comes into play, in which it is necessary to promote and cover individual success stories of the fight against corruption and show by examples how the actions of citizens lead to a decrease in the level of corruption in the whole society.

For this, the state must create checklists, forms and other unified propaganda materials that will be publicly available.

5.5 International anticorruption programs

In the previous chapter is it mentioned several times that a country can learn from the practice and experience of foreign states that have already implemented anti-corruption strategies. But also, there are international organizations that set rules for the World's society about corruption. And recommend those programs and strategies to other countries.

That is why in the following chapter the anti-corruption strategies implemented within the European Union, the World Bank, and the Organization for Economic Co-operation and development are described.

5.5.1 Anti-corruption program of the EU

As noted by the European Commission (n.d.), corruption is seen as one of the major crimes in the European Union and one of the most considerable threats to the economic integrity of the EU; *“The Treaty on the Functioning of the EU recognises corruption as a “euro-crime”, listing it among the particularly serious crimes with a cross-border dimension for which minimum rules on the definition of criminal offences and sanctions may be established (TFEU Art. 83.1). With the adoption of the Stockholm Programme Search for available translations of the preceding linkEN•••, the Commission has been given a political mandate to measure efforts in the fight against corruption and to develop a comprehensive EU anti-corruption policy, in close cooperation with the Council of Europe Group of States against Corruption (GRECO).”* The European Union focuses on improving its legislation in the field of money laundering and the prevention of terrorism. An important direction is to ensure the transparency of reporting within the EU member states.

According to the U4 Anti-Corruption Centre (2018), the anti-corruption strategies make an integral part of the European Union's Neighborhood Policy. As U4 suggests, *“Thus, a key element of the Neighbourhood Policy is the bilateral ENP Action Plan mutually agreed between the EU and each partner country³. The Action Plan sets out an agenda of political*

and economic reforms with short and medium-term priorities, and usually covers areas such as political reform, including anti-corruption; justice sector; and economic and social development; among others.” This approach is seen as crucial for the European Union to support the anti-corruption initiatives of its partners and potential future member states. The Action Plan which the EU sets as a framework for its partners enumerates in detail and explains the actions which the partners are required to undertake and fulfill prior to obtaining the opportunity to adhere to the EU. This allows spreading the common anti-corruption strategies and guaranteeing the highest standards in the fight against corruption on the European scale.

5.5.2 Anti-corruption Strategy of the World Bank

The World Bank (2018) explains that the institution sees corruption as one of the most topical global problems and focuses on combating this negative phenomenon in its activities. For the purpose of tackling corruption, *“The Bank Group works at the country, regional, and global levels to help its clients build capable, transparent, and accountable institutions and design and implement anticorruption programs relying on the latest discourse and innovations.”* In this domain, the World Bank works with both state and non-state actors for the purpose of establishing and continuously implementing the best anti-corruption policies and practices.

According to the World Bank (2018), *“The World Bank Group has a zero-tolerance policy toward corruption in its projects. The Bank Group's approach to fighting corruption combines a proactive policy of anticipating and avoiding risks in its own projects. The Bank Group subjects all potential projects to rigorous scrutiny and works with clients to reduce possible corruption risks that have been identified.”* The World Bank has its independent Sanctions System responsible for investigating and revealing frauds related to the World Bank’s projects. In addition to this, the World Bank integrates public complaint mechanisms into all of its projects for the purpose of inciting social oversight and ensuring maximum transparency of such projects through social control. As soon as any fraud is detected in the projects implemented under the auspices of the World Bank, the institution can eliminate any financing to the firms and debar them from further investment projects, at the same time

informing the governments of the states concerned of any misuse of funds revealed and other valid information.

In addition to this, the World Bank seeks helping countries fight corruption. For this sake, the World Bank considers the cooperation with individual states as an ecosystem. As suggested by the World Bank (2018), *“First, every effort must be made to meet corruption at the gate, putting in place institutional systems and incentives to prevent corruption from occurring in the first place. This includes mitigating and detecting potential risks, as well as addressing weaknesses in the institutions critical to this effort.”* Prevention is considered to play an essential role in effective anti-corruption struggle, and it should rely upon accountability and enforcement mechanisms. Finally, the World Bank believes that it is critically importance to take into consideration the dynamic evolution of standards and to direct such changes toward long-term and sustainable effort to struggle against corruption.

The World Bank (2018) cites several practical examples of the implementation of its anti-corruption strategies in particular states. For example, *“Afghanistan is making inroads to root out corruption, improve the management of its public finance, and make its procurement system more transparent. The country’s National Procurement Authority (NPA) was instrumental in developing a transparent procurement system. The early data and information on procurement processes is accessible to everyone on the NPA website. Robust oversight and monitoring have helped the government save about \$270 million.”* Other successful examples include Guinea, where the country implemented a system of biometric control over its civil servants in order to reduces the rates of fraudulent activities; the Dominican Republic, where the public authorities established the Participatory Anti-Corruption Initiative, a forum for different actors where they can unite their efforts to tackle corruption, with the practical success of cutting public spending on medication by 64 %; Brazil, where data analytics trials have been implemented for the sake of revealing suspicious patterns of interaction between citizens and public officials, and so on.

5.5.3 The anti-corruption Strategy of OECD

According to the OECD (2018), *‘The OECD’s work has been instrumental to the global anti-corruption movement in three complementary directions: fighting against*

transnational bribery and other forms of unfair competition, including in the development efforts; the promotion of integrity and transparency in the public sector; and the promotion of good governance in both the public and private sectors.' Thus, as can be seen from this presentation, the OECD focuses on a broad range of directions in terms of combating corruption on the international scale. For fulfilling the stated aims, the OECD has developed its Strategic Approach to Combating Corruption and Promoting Integrity, which resides on five key pillars:

1. The OECD seeks strengthening the evidence-based approach to the struggle against corruption and the promotion of integrity. Within this pillar, the OECD wants to overcome the current issue of the lack of sufficient analytical data to track the effectiveness of particular anti-corruption strategies. As the OECD (2018) puts it, “OECD experience shows that concerted efforts to combat corruption can be seen as too onerous and resource-heavy by many governments and firms. This often translates into a lack of political commitment to effectively implement anti-corruption obligations.” Therefore, the OECD seeks identifying the most effective statistical indicators to measure both the actual impact of corruption and the effectiveness of anti-corruption measures.
2. The OECD aims at breaking down siloes when tackling particular dimensions and causes of corruptions. The OECD believes that an integral and holistic approach to anti-corruption measures is required for tackling the phenomenon of corruption effectively on the international scale. For this sake, the OECD wants to break the barriers existing in the implementation of anti-corruption functions by different bodies. For this sake, the OCED organizes joint meetings of its bodies, creates joint instruments for leveraging mutual power, and so on.
3. The OECD wants to globalize its efforts in the implementation of its ant-corruption and integrity standards. Having the institutional powers of a large international organization, the OECD seeks spreading its experience and expertise on the global scale for maximizing the positive outcomes of the ongoing anti-corruption struggle. The organization mainstreams active engagement with partner countries and seeks broadening its international community.

4. The OECD explores further how its approaches and principles in terms of anti-corruption activities can be applied on the micro-level. The main challenge in this respect is the fact that the OECD can only develop guidelines and recommendations for anti-corruptions measures, which do not necessarily become the official law of individual states. Therefore, the OECD has to persuade the governments of states to adopt these measures and to integrate them into their national policies.
5. The OECD seeks expanding and deepening non-government stakeholder engagement. The OECD believes that non-governmental organizations, non-profit entities, educational institutions, individuals, and so on are at the forefront of anti-corruption struggle. Therefore, the organization seeks maximizing their involvement in anti-corruption activities for achieving the best results in this domain.

6 Case study – corruption in Ukraine

In order to analyze the current state of corruption of Ukraine and being along with the anti–corruption strategies introduced in the first part of the thesis, it is necessary to start the research and the creation of the anti–corruption strategies in Ukraine **with the first step – diagnosis.**

6.1 Diagnosis of corruption in Ukraine

According to Transparency International (2019), in 2018, Ukraine ranked 120th among the 180 countries taken into account in the research, with a total score of 32 out of 100 in the Corruption Perceptions Index. The organization explains that the level of corruption in Ukraine can be deemed overall high and it has penetrated into different fields of activities. Thus, Transparency International highlights the fact that corruption is high among the public officials of different levels. Public officials tend to abuse their positions largely in order to fulfill their individual or business interests, and the state fails to respond effectively with its law enforcement agencies. The intensity of corruption in the corporate sector is high as well, and this is one of the main reasons why the interest of international investors in Ukraine is considerably lower than it could have been. Corruption has also penetrated into the fields of healthcare, education, and the law enforcement agencies. Therefore, it is worth considering these effects in more detail to understand why and how corruption exists in the country.

Darden (2019) notes that corruption has been a key characteristic of Ukraine’s national authorities since the times of the country’s independence. In the light of the recent scandal with the telephone conversation between Trum and Zelensky, the author notes that *“Ukrainian presidents have used their prosecutor generals to prosecute their rivals for corruption since the country was founded in 1991. If there was one constant in Ukrainian politics before the election of Zelensky, it was the use of graft to enrich the top elite — and the threat of selective prosecution to keep that elite in line.”* At the same time, as Darden suggests, the promise to fight against corruption and to put an end to selective justice has been steadily one of the main factors of struggle on the electoral field, yet none of these promises were ultimately implemented. Despite this, there is always high demand for

equitable justice and the elimination of corruption in Ukrainian society, which gives the chances to politicians to use these promises again in electoral struggle.

Darden (2019) continues further, bringing direct charges against Ukraine's higher officials in the law enforcement agencies, "*Ukraine's prosecutor general, who has the exclusive right to bring criminal charges, played a central role in this system. With this legal monopoly, the prosecutor general could then prosecute the president's political rivals. More important, the prosecutor general could also grant de facto immunity from prosecution to a corrupt but loyal elite. That's exactly what Ukrainian prosecutor generals have done for the past 20 years.*" The author is persuaded that one of the root causes for the existence of this situation is the concentration of high powers in the hands of Ukrainian presidents. Thus, according to the country's Constitution, Ukraine is a mixed semi-parliamentary semi-presidential republic. However, in practice, the powers have always been concentrated in the hands of the president, and this monopolization of powers, namely in the field of law enforcement, creates preconditions for greater corruption.

De Waal (2016, pp.2-3) states that Ukrainian society has undertaken several efforts to combat corruption by means of revolutionary events, which were namely the cases of the 2004 Orange Revolution and the 2014 Revolution of Dignity. The events of the Revolution of Dignity brought hope that the situation in Ukraine would change. However, the lack of effective reforms and the continuation of the previous political loyalty to corruption have made it impossible to improve the situation. De Waal (2016, p.2) emphasizes that "*The result has been a weak public service culture, while ordinary Ukrainians have learned skills of self-reliance and see the state more as a predator than as a supplier of public goods.*" At the same time, the author suggests that the Ukrainian people have weak understanding of what corruption actually is and where corruption begins. As a result, by offering bribes to officials, Ukrainian citizens incite and support corruption among the public officials. This situation can be associated with the Soviet past of Ukraine, as the deficit of goods and authoritarian ruling in the USSR had made the powers of officials virtually unlimited.

OCCRP (2018) notes that, according to estimates, the Ukrainian government is losing as much as USD 880 million every year due to tax avoidance. Bribes remain an important problem as well. Surveys show that 37 % of Ukrainians have been asked a bribe during the year and 15 % have offered one. The situation has deteriorated since the time of the

Revolution of Dignity, and the occurrence of corruption encounters tends to become more frequent.

According to GAN Integrity (2018), the legislation of Ukraine criminalizes all forms of bribery, extortion, money laundering, abuse of office, and other forms of corruption. Both individuals and corporations are liable for committing any activities violating the anti-corruption legislation. After the Revolution of Dignity, laws have been passed to strengthen further monitoring and control, and a number of new anti-corruption bodies were established (which will be analyzed in more detail in the next chapters of the thesis). However, despite having quite a developed legislative framework, the country still fails to minimize the occurrence of corruption, which is due to the deep flaws of the whole system of public management in Ukraine.

GAN Integrity (2018) explains further that one of the major drawbacks affecting the implementation of anti-corruption activities by the public authorities in Ukraine is the flaws of the judicial system. Thus, as the report states, *“Businesses report that irregular payments and bribes in exchange for favorable judgments are common... the processes of dispute settlement is ineffective because of an inadequate legal framework and poor enforcement of arbitration decisions which further weakens investor confidence.”* Cases are widespread when Ukrainian courts adopt decisions which are deemed clearly unlawful by the wide public and even by the law enforcement agencies, but no legal consequences ensue for the judges. Thus, those judges who had undertaken illegal activities and adopted unlawful rulings against the participants in the Revolution of Dignity still have preserved their positions and have not been either legally prosecuted or simply dismissed.

The European Council on Foreign Relations (2019) notes that as of 2019, the level of corruption in Ukrainian courts is high despite the reforms which have been implemented. Thus, Ukrainian judiciary bodies still remain significantly dependent on political elites and the oligarchy. The ECFR notes further that *“Even more detrimental to the reform effort in Ukraine is the apparent tendency of some judges who were part of the old system to try to dilute transparency measures, as well as checks and balances on their power, and thereby protect vested interests or conceal past crimes.”* Among the most recent cases is the decision of Ukraine’s Constitutional Court which ruled unlawful the law on illegal enrichment of public officials, which made the Ukrainian law enforcement agencies ultimately terminate

all investigations previously investigated against the officials with unconfirmed sources of income.

Another important aspect of corruption activity in Ukraine is the corruption activities implemented by the police. As GAN Integrity (2018) notes, “*Companies face significant risks when dealing with the Ukrainian police. More than half of Ukrainians consider the police to be corrupt (GCB 2015). The police have often been able to act with impunity (HRR 2016). The United Human Rights mission in Ukraine has highlighted frequent impunity for law enforcement abuses, which they attribute to pressure on the judiciary, as well as the inability and unwillingness of the country’s prosecutors to investigate the abuses.*” However, this is not the only problem. According to reports from citizens, the police does not investigate the cases of corruption in Ukraine, and even under the tensions put by civic society, there are no actual sentences passed on corrupt police officers or other representatives of the law enforcement agencies. As a result, the police have great powers in Ukraine, and abuses of such powers are common, namely in the corporate sector. This acts as an important demotivating factor for foreign investors and thus limits the amounts of funding which Ukraine can receive within the framework of international cooperation.

The European Council on Foreign Relations (2019) notes that the law enforcement agencies of Ukraine are among the actors which oppose most the implementation of reforms and the minimization of corruption. Citing the example of the prosecutor’s office, the ECFR shows how different Ukrainian ruling bodies struggle for the preservation of their fields of influence and commit corruption activities on a regular basis: “*In 2015 and 2016, then-prosecutor general Viktor Shokin sought to confound the lustration and appointment processes by placing Yanukovich-era personnel in positions of power before the QDPC became operational.*” In the light of the recent scandal with the conversation between Trump and Zelensky, these issues have been brought to light again on the international scale. At the same time, the ECFR points out that the Ukrainian legislation still has important flaws which make it possible for the country’s highest officials to affect the decisions of the prosecutor’s office.

An important institution in terms of the spreading of corruption in Ukraine is the Security Service of Ukraine (SBU). According to the ECFR (2019), “*the SBU still has powers that in a western European country would be divided across several separate agencies. In addition to its domestic and foreign intelligence work, the SBU runs domestic counter-*

intelligence and counter-terrorism operations, as well as investigations into organised crime, economic crime (including corruption and tax fraud), smuggling, and other offences.” The institution has been involved in a number of important corruption scandals and has been involved in activities commonly referred to as “raiding” (illegal takeover of companies from their owners). Furthermore, in the conditions of the undeclared Russian-Ukrainian war, the powers of the SBU and other law enforcement agencies have become even greater than before, which is another factor inciting corruption in the sector of public management in Ukraine. The ECFR (2019) concludes that *“Due to its wide array of competences and direct subordination to the president, the SBU can act as a weapon well suited to political wars and personal enrichment. In Ukraine’s semi-presidential system, it rivals the ministry of interior and its respective investigative services and special police forces, as well as the ministry of finance (on issues such as financial crime).”*

Of particular importance to a country in a state of war is the level of corruption in the military. According to Higgins (2018), the situation in the defense sector is in no way better compared to other domains of public management in Ukraine. Thus, according to official reports, military spending in Ukraine has grown almost twice and amounts to 5 % of the national budget. However, as the researcher emphasizes, *“by pumping so much money through the hands of Ukrainian officials and businessmen — often the same people — the surge in military spending has also held back efforts to defeat the corruption and self-dealing that many see as Ukraine’s most dangerous enemy.”* Here, it is worth noting the recent scandal which erupted in the Ukrainian military on the verge of the latest presidential elections: journalist investigations have revealed that the Ukrainian public authorities are using illegal schemes to import low-quality spare parts for military equipment from the Russian Federation at prices up to 6 times higher compared to real. This situation illustrates the extent to which corruption has penetrated into the country’s military sector and illustrates the actual threats which the country incurs in the light of military opposition with the Russian Federation.

The situation with foreign companies, already emphasized earlier in this chapter, is particular dangerous in Ukraine in terms of the opportunities of the country’s economic growth. Thus, as noted by GAN Integrity (2018), *“Companies face a significant risk of corruption when dealing with Ukraine’s land administration. Almost three-quarters of companies indicate they expect to give gifts when obtaining a construction permit... Foreign*

companies expanding to Ukraine should beware of the high risks of corruption within the country's public services. Corruption is the most problematic factor for doing business in Ukraine, and dealing with government administrative requirements is burdensome." Also, foreign companies often become subject to excessive control on the part of the local authorities, which set to incite the owners of such enterprises to give bribes to the officials. Particular high risks exist in the interaction with the tax authorities of Ukraine, which are characterized by particularly high levels of penetration of corruption and bribes. Given the weaknesses of the Ukrainian judiciary system outlined above, it can be stated that foreign companies also do not have the ability to resort to effective protection of their interests and rights. This affects significantly the overall investment attractiveness of Ukraine and impairs the country's financial situation.

Significant problems with corruption also exist in the field of public procurement. According to GAN Integrity (2018), "The public procurement system in Ukraine carries high risks of corruption. Companies indicate that bribes are highly common in public procurement procedures... Companies further report that diversion of public funds due to corruption and favoritism in decisions of government officials are very common... About one in six companies indicates that corrupt practices give access to government tenders...".

Antac (2017) points out that corruption is high in strategic sectors of Ukraine. Namely, the energy sector is controlled by the Ukrainian oligarchy, and issues are resolved through loyal courts and the public authorities. The authors show how the state privatizes the national property selectively, favoring oligarchs such as Rynat Akhmetov: "*There are numerous ways to rid the state of its factories and plants. All of them were tried in Ukraine: from voucher privatization allegedly with the working staff interests in mind in the early 1990s and to assets withdrawal through bankruptcy procedure and readjustment, as it happened with Dniprenergo in the end of 2000s. Unambiguously fraudulent schemes were legalized by the decisions of the Cabinet of Ministers, State Property Fund of Ukraine (SPFU) and the Verkhovna Rada.*" This leads to a situation in which the public authorities of Ukraine are dependent on business groups and individual oligarchs. In the conditions of war, as strategic resources are not controlled by the state, this becomes particularly important. Furthermore, as there is consensus between Ukraine's political elites, there are currently no obvious ways to put an end to the situation and to normalize the mechanisms of the use of powers by the authorities in strategically important sectors.

Thus, as can be seen from the information outlined above, the level of corruption today is quite high in Ukraine. It can be stated that the reforms have not yielded due results, and the levels of corruption have remained steady throughout the whole time of the country's independence. A characteristic trait of Ukraine's public management system is that corruption has penetrated deeply into different sectors of public life. Due to the fact that the whole system is infected, sporadic reforms and changes in either the legislation or the practical approaches to the regulation of corruption cannot actually bring the desired results. The achievements and flaws of Ukraine's anti-corruption activities and anti-corruption reforms are considered in more detail in the practical part of the thesis.

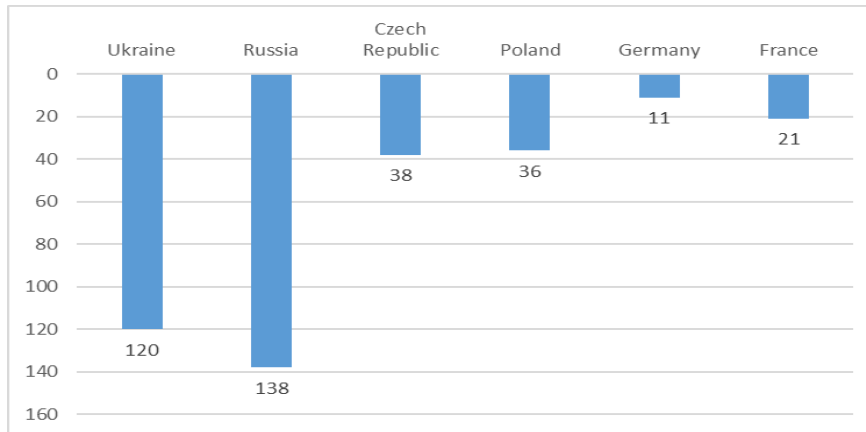
In order to analyze what type of corruption is currently in Ukraine, two secondary analyzes were selected - an analysis by Transparency International and a comparison of corruption in Ukraine and other countries, as well as a national survey of Ukrainians about corruption in the country and the measures being introduced to counter corruption in this country.

6.1.1 Transparency International Report on Ukraine

In order to get a comprehensive picture of the current situation with corruption in Ukraine, it is worth comparing the country against other state actors. For the purposes of this research, it is proposed to compare Ukraine against the following states: Russia (as another ex-USSR state and the current geopolitical opponent of Ukraine), Poland and the Czech Republic (as post-socialist states which make a part of the European Union), and France and Germany (as developed Western European states).

As can be seen from the chart below, there is a significant gap between Ukraine and Russia on the one hand and the member states of the European Union on the other hand in terms of the penetration of corruption into public life. As the chart reveals, Ukraine ranks 120th among 180 states in terms of corruption. Only Russia ranks lower, with the 138th position. The positions of the EU member states vary between 11 and 38. It should be noted that the post-socialist Czech Republic and Poland rank lower compared to developed Germany and France; nevertheless, it can be stated that all of the EU member states featured on the chart succeed in tackling corruption.

Figure 2. Comparison of Ukraine and other chosen states' positions in the Corruption Perceptions Index, 2018



Source: Transparency International 2019.

According to GAN Integrity (2019), the level of corruption in the Ukraine is high. Corruption significantly influences businesses operating or planning to invest in Russia or in Ukraine. High-level and petty corruption are common, especially in the judicial and public sectors. The business environment suffers from inconsistent application of laws and a lack of transparency and accountability in the public administration. The authoritarian model of Ukrainian's and Russia's government assumes the maximum concentration of powers in the hands of the Russian or Ukrainian President and the loyal political elites. State lobbying in favor of local oligarchs creates a situation in which foreign investors are demotivated to invest in those countries. The local law enforcement agencies are controlled directly by the Presidents and the government and are involved largely in political repressions. The suppression of market competition with both regulatory means and the use of law enforcement agencies highlights the problems of corruption in Russia and Ukraine.

The prevailing power of the president and a small group of persons in Ukraine indicates a developed individual corruption with the participation of a few actors / agents who determine the rules of conduct, the amount of bribes or benefits for specific high-ranking people. This also leads to significant inefficiency of the entire management system.

Another similar trait with Ukraine is the deep penetration of corruption into Russia's judicial system. According to GAN Integrity (2019), "*Companies dealing with the Russian judicial system contend with high corruption risks. Corruption in the courts takes many forms, including bribery and the fabrication of evidence (ICS 2016). Bribes and irregular payments are widely exchanged in return for favorable court decisions (GCR 2015-2016). Even though the law provides for an independent judiciary, judges are subject to undue influence from politicians, the executive branch, the military and other security forces (HRR 2016).*" Companies and individuals in Russia and Ukraine do not have the access to equitable courts, and therefore they do not enjoy any due level of protection. The direct dependence of courts on the executive branch of power leads to their inherently high corruption.

This shows the presence and deep penetration of **systemic and structural corruption in Ukraine**. When corruption is present in the highest structures, with great power and legislative power, it is almost impossible to deal with other forms of corruption. First of all, it is necessary to eradicate precisely the structural and systemic type of corruption in Ukraine, so that the judicial authorities can further introduce the necessary laws and legal acts to combat corruption.

As for Poland, the situation is significantly better compared to both Ukraine and the Russian Federation, as can be seen from the Corruption Perceptions Index illustrated above. However, Poland suffers from corruption as well, and the government struggles to implement effective anti-corruption measures. As noted by GAN Integrity (2019), in contrast to Ukraine and Russia, Poland does not face major issues with judicial corruption. Accepting bribes is uncommon to Polish judges. However, companies blame the low effectiveness of the Polish legislation in the field of courts' activities and believe it to be a risk factor for potentially growing corruption. The situation with law enforcement agencies is positive as well, since the democratic model of government in Poland prevents authoritarian control over the police and the prosecutor's office. The highest levels of corruption are found in the field of public procurement. Thus, according to GAN Integrity (2019), "*Poland's public procurement sector suffers from high levels of corruption. Companies indicate that diversion of public funds and favoritism in decisions of government officials are both very common (GCR 2017-2018). Among the most important corruption risks in the sector are tailor-made specifications for particular companies, unclear selection or evaluation criteria, collusive bidding, and conflicts of interest (EUACRP, Feb. 2014).*"

The situation in the Czech Republic is very similar to the one witnessed in Poland. Thus, according to GAN Integrity (2019), *“Corruption can impede business in a number of sectors in the Czech Republic; corruption risks in the public procurement sector are perceived to be especially high, but many other sectors, including the public administration, carry moderate corruption risks.”* It should be understood that, although the Czech Republic is a post-socialist state, similarly to Poland, it had implemented effective reforms for liberalization in the 1990’s and thus had created foundations for the subsequent improvement of its public management. There is no concentration of executive powers in the Czech Republic, which allows creating independent law enforcement agencies, including the police and other security services. Foreign investors are guaranteed relatively effective protection in Czech courts, even though a moderate risk exists in terms of corruption in the Czech judicial system. Bribes with public services occur sometimes, and their risk can be evaluated as moderate to high. However, the main problems exist in the field of public procurement: *“Over two-thirds of businesses consider corruption to be widespread in national and local public procurement (European Commission 2014). The energy, rail, forestry and postal services are particularly susceptible to undue influence and conflicts of interest (EUACR 2014). Irregular payments and bribes in the process of awarding public contracts and licenses are perceived to be very common (GCR 2015-2016).”*

The case of Germany is different from the countries analyzed above. Thus, Germany is among countries with the lowest levels of corruption in the world. According to GAN Integrity (2019), this is achieved thanks to the effective systems of public management and societal control in the country: *“Corruption is not a significant obstacle for businesses in Germany, and companies are unlikely to encounter bribery or other corrupt practices. Fraud and corruption risks are most prevalent in the construction and public procurement sectors. Germany has strong institutional and legal anti-corruption frameworks.”* German courts and law enforcement agencies are not controlled directly by executive powers or political elites, and the country has a well-developed legislative and institutional framework for the fight against corruption. The social activity of the German population minimizes further the risks of the occurrence of corruption events. Foreign investors are protected, and the locals are provided with equitable opportunities in all respects.

France is closer to Germany than to Poland and the Czech Republic in terms of corruption and the struggle against corruption. According to GAN Integrity (2019), France is characterized by a low level of corruption. Similarly to Germany, the country has a developed legislative and institutional framework for minimizing corruption. Law enforcement agencies operate effectively, and French courts are not characterized by any significant corruption risks. However, GAN Integrity notes that *“Corruption is perceived to be a problem in public procurement and whenever business and politics overlap. Cases involving illegal political funding have tainted the careers of several high-ranking French politicians.”*

Based on this comparative overview provided above, it can be stated that the level of corruption in Ukraine is significantly higher compared to all European member states: both developed Western European countries and post-socialist states. This is predefined by the fact that Ukraine has weak institutions and a lack of understanding of how corruption should be tackled on the part of society. The situation in Ukraine is quite comparable to Russia, even though the government in Russia is significantly more authoritarian. The findings of this comparison allow suggesting that Ukraine requires deep institutional reforms in order to minimize the current manifestations of corruption in public life and to lay foundations for the subsequent prevention of corruption.

6.1.2 National Survey on corruption in Ukraine

What is even more important to examine in terms of corruption problem, is the opinion of the locals in Ukraine that can judge corruption from the perspective of their own individual experience. That is why it was necessary to find local Ukrainian survey on public opinion about corruption. (DIF, 2019)

A nationwide survey of the population of Ukraine was conducted by the Ilko Kucheriv Democratic Initiatives Foundation together with the Razumkov Centre's sociological service. The survey was conducted from May 19 to 25, 2018 in all regions of Ukraine except Crimea and the occupied territories of Donetsk and Luhansk. Total 8 thousand of respondents aged 18 and older were interviewed. The theoretical sampling error does not exceed 2.3 %.

The survey was funded under the Get Involved Civic Action Program project, funded by the United States Agency for International Development (USAID) and implemented by the Pact in Ukraine.

For comparison, the results of a nationwide survey conducted by the Ilko Kucheriv Democratic Initiatives Foundation together with the Razumkov Centre's sociological service from December 15 to 19, 2017 are presented.

The vast majority of the population (83 %) considers the fight against corruption in Ukraine unsuccessful, and 50 % - a complete failure. Almost 9 % of the population see success in the fight against corruption, and only 1% assess this fight as completely successful. Compared to December 2017, the share of positive assessments decreased by 6% and the share of negative assessments increased by 3 %. (DIF, 2019)

This shows that the residents of Ukraine do not see the results from the introduced measures and legislative documents. Many of the respondents are negative. From these statistics, it can also be concluded that new measures are being introduced in Ukraine, that is, there is an awareness of the problem and even attempts to solve it, but control and monitoring is completely absent. Worse yet, the lack of positive change contributes to social pessimism and negative expectations.

A significant part of the population (48 %) does not see any organisation that would actively fight corruption in Ukraine. The rest of the population sees active fighters against corruption primarily in the media, journalists (26 %), anti-corruption teams (18 %). Next are the National Anti-Corruption Bureau of Ukraine (11 %), the population (10,5 %), some politicians, public figures (10 %), Western countries (6 %). A very small percentage of the population among active fighters against corruption was indicated by those state institutions that should fight corruption: SBU – National Security Agency (5 %), Specialized Anti-Corruption Prosecutor's Office (5 %), National Agency for Prevention of Corruption (4 %), Prosecutor General's Office (4 %), President (4 %), police (3 %), government, ministries (2%), the Verkhovna Rada (2 %), local authorities (1.5 %) and judges (1 %).

None of the bodies that are supposed to fight corruption has received a positive assessment of the effectiveness of this fight. The National Anti-Corruption Bureau of Ukraine (NABU) has the most positive assessments, but it is only 15 % of such assessments.

The courts (79 %), the Prosecutor General's Office (75 %), and the National Police (74 %) have the most negative assessments. At the same time, a significant part of citizens could not give a definite assessment of the activities of these bodies (from 16% for the National Police to 34 % for the National Agency for the Prevention of Corruption).

From the results of this survey, it follows that the population is not sufficiently aware of which authority or organization has assumed responsibility for combating corruption in Ukraine. If one half of the respondents cannot answer this question unambiguously, and the other half propose different organizations as the correct answer to this question, this means that there is no institutional approach to combating corruption in the country. But it is the institutional approach that should be one of the first steps in the fight against corruption and the creation of an anti-corruption strategy.

If we look at the literature research carried out in the first part of this thesis, we will see that in the fight against corruption, an independent, authoritative state body should be created that will inspire confidence and promote new methods and principles of combating corruption throughout the country, as well as announce the results of their activities. If there is no such PR at the moment in Ukraine, then any measures taken by various authorities will fail.

Among the factors that, in the opinion of citizens, most hinder the National Anti-Corruption Bureau of Ukraine to perform its work well, first of all, is the lack of political will of the authorities to fight corruption was noted (44 %); another 33% named shortcomings in the legislation, 21 % - opposition from other law enforcement agencies, 23 % - unreformed judiciary, 22 % - corruption within NABU, 21 % - lenient attitude to corruption in Ukraine. Only 19 % are sure that nothing really prevents NABU from fighting corruption.

This survey result also needs to be commented on. The survey shows that the population of Ukraine is dissatisfied with the organization and results of the work of NABU. The population points to the absence of political power as the main reason, which once again confirms the theses about the lack of independence and authority of this body. The fact that citizens are confident of corruption within the institution itself (NABU) suggests that even conceptually, this body does not work correctly if corruption also flourishes in its ranks. Apparently, NABU employees and investigators are not sufficiently motivated and do not

believe in the success of measures to eliminate corruption if they themselves are ready to take a bribe.

The next question shows, that the majority of the population (53 %) supports such a method of fighting corruption as offering bribes to officials from special agents, 27 % were against, and 20 % could not decide. This ratio remained virtually unchanged compared to December 2017.

In this case, one also need to understand that special agents who will test officials and high-ranking officials for corrupt behavior must have a high level of protection and independence. With this level of structural and systemic corruption, the lives of individual anti-corruption agents should not be endangered. If corruption has penetrated from the highest to the lowest ranks of officials, then this must also be fought systematically, not limited to individual methods of anti-corruption struggle.

The Survey also showed that citizens are more willing to entrust the formation of an anti-corruption court to representatives of anti-corruption NGOs (47 %) and experts from Western countries (38 %). Much less ready to entrust this case to deputies of the Verkhovna Rada (13%), judges from judicial self-government bodies (9 %), representatives of the President (5 %). And compared to the end of 2017, the distribution of opinions on this issue has hardly changed, except for some increase in confidence in anti-corruption NGOs (from 41 % to 47 %).

Representatives of anti-corruption organizations and Western experts in the formation of the anti-corruption court are preferred by voters of all political forces and all regions of Ukraine.

It follows from this that the population of Ukraine is so strongly disenchanted with local authorities and governance that the country is unlikely to be able to cope without the participation of outside experts or observers. Therefore, several times in the survey there is a mention of Western European countries. And the population trusts them much more than the local authorities.

When asked what citizens are personally ready to do to fight corruption, the vast majority of respondents (73 %) indicated a refusal to pay bribes. The rest of the possible actions were chosen much less: informing law enforcement agencies – 19 %, reporting information on corruption cases - to the media and blogs and social networks – 17 %, complaints to the

authorities about corruption cases in their institutions – 16 %. And 13 % answered that in principle they are not going to do anything. (DIF, 2019)

The rejection of people in the fight against corruption is quite high. The problem is that in practice not so many people believe in a successful solution to the problem of corruption, and therefore they lack motivation. There is a lack of proper PR from the government and constant informing people about how measures against corruption have affected the state in the country. There is no so-called success story in the fight against corruption at high management levels and in state bodies. There is no completely indicative punishment of officials who take bribes. There is a lack of transparent statistics on inspections and criminal offenses on corruption.

As follows from this report, corruption in Ukraine is a systemic and structural problem. We are not talking about individual corruption, but about a whole corrupted system, where bribes are an alternative to legal measures to resolve administrative and legal issues. The whole problem is that people themselves do not believe in the state apparatus in the country. People do not believe in judges who should be the guarantors of the anti-corruption system. People have lost confidence in the president who was elected instead of the previous one and was one of the main hopes of Ukrainian people. People understand that the system in this form does not work, that it needs to be completely changed. And they do not see the possibility of changes without attracting outside experts from Western Europe.

Perhaps the involvement of Western European countries to solve the corruption gaps in the country will be one of the most correct decisions, in terms of increasing the motivation of local residents, as well as ensuring transparency and accountability of all processes.

6.2 Anti-corruption reforms undertaken in Ukraine in the last 20 years

However, it cannot be argued that the Ukrainian government did not take any action to combat corruption. Over the past 20 years, a host of legislative acts and other institutional measures have been adopted. Various National Anti-Corruption Strategies were created, which were designed to change the situation in the country. This chapter will describe all the anti-corruption measures that the government of Ukraine has taken over the past 20 years, as well as reasoning about why these measures have not brought results.

6.2.1 Timeline of the main legal acts in Ukraine in terms of corruption

After Ukraine gained independence after the collapse of the Soviet Union, many public areas and problems were unresolved. The new government of Ukraine was looking for a way how, after a long existence, as part of the Soviet Union, to begin an independent political and social life, to be a sovereign state. The issue of corruption was not a top priority for the new Ukraine. It was much more important to ensure the main economic areas, to regulate privatization, to establish trade relations with neighboring countries for the livelihoods of Ukraine and its inhabitants with the necessary resources.

Unfortunately, it was this period, which lasted more than 10 years, that led to the rapid development of corruption. People came to power who did not seek to introduce the principles of democracy in the country but tried to derive their own benefit from their political position. Many government officials began to accept bribes, since they regarded the bribe as an additional incentive to make a decision.

Until 2004, various normative acts and presidential decrees on methods and measures to combat corruption were issued, but in fact, there was no single strategy and one law that would impose sanctions and government measures for those who violate these rules. First, in 2000, concrete measures to combat corruption, which were demanded by the Ukrainian and international community, began to be taken.

The first on the list was the Decree of the Cabinet of Ministers of Ukraine **dated 13.06.2000** No. 950 *“On approval of the Procedure for conducting an internal investigation in respect of persons authorized to perform the functions of the state or local authorities”*.

Two years later, the *Decree of the Cabinet of Ministers of Ukraine dated 02.06.2003* No. 828 *“On measures to improve the skills of employees of state authorities and local authorities on the prevention and combating corruption”* was developed. It was designed to raise awareness of the current problem of corruption in the country among people who own power.

The first international act on corruption, which was further transformed into domestic laws **in 2004**, was the *Action Plan of the Regional Anti-Corruption Initiative with the participation of Armenia, Azerbaijan, Georgia, the Kyrgyz Republic, the Russian Federation, Tajikistan and Ukraine*, which was developed by the OECD. In this document,

special attention was paid to uncontrolled corruption in Ukraine and other countries of the eastern bloc, and it was shown that this is a global issue.

The next law, which was adopted at the international level and was further implemented in the laws of Ukraine, was the *United Nations Convention against Corruption (Law of Ukraine of October 18, 2006 No. 251-V)*. And this time it was about the general postulates of the fight against corruption, which were not practically implemented in the legal field in Ukraine.

However, until 2011, only a few laws and regulations were passed. Since 2011, the issue of corruption has become very acute. First of all, public outrage in connection with the arbitrariness that took place in Ukraine greatly increased. Secondly, there was general political dissatisfaction with the government, which subsequently led to a revolution and the removal of President Yanukovich.

The entire list of laws and other legal acts is described in Annex 1 of this thesis. In the framework of this chapter, I would like to express my opinion that in **total from 2011 to 2018**, more than 10 laws and more than 20 additional legal acts were issued that were aimed at solving the problem of corruption.

So, after the ratification of the aforementioned UN Convention against Corruption, it would be fair to say that there were two waves of reform in the legal framework of anticorruption strategies, one of which began in 2011 and was characterized by a number of measures taken. Another wave began in 2014, and to this day it is conventionally considered the main one, since it is undergoing systemic transformations and changes up to the present time. It was in 2014 that such anti-corruption bodies as National anticorruption Bureau (NAB), National Agency on prevention corruption (NABK) and Specialised anticorruption Procuracy (NAP) appeared. The latter were also joined by The Supreme Administrative Court of Ukraine and National Agency of Ukraine for Detection, Search and Asset Management. This is how these institutions positioned themselves, and this is exactly what the Ukrainian society demanded.

It is therefore necessary to start the analysis of the laws **from the period of 2014**, when the new law "On Prevention of Corruption" was adopted.

The analysis will include the comparison of the three laws that in certain periods of time regulated the issue of preventing and combatting corruption. In particular, these are:

- the Law "On Combating Corruption" of 05.10.95, which expired in 2011;
- Law "On the Principles of Prevention and Counteraction to Corruption", which was adopted in 2011 and expired in 2016;
- Law "On Prevention of Corruption" of 14.10.2014, which is still valid today.

The concept of the Law on Prevention of Corruption was fundamentally different from the Law on the Fight against Corruption, however in some issues and approaches it was not so fundamentally different from the Law on the Principles of Prevention and Counteraction to Corruption. Thus, after analyzing the difference between the legislators in the approaches to the agreed regulations, it can be stated that the definition of corruption in the Law "On Combating Corruption" described corruption as *'the activities of persons authorized to perform state functions for the illegal use of the powers granted to him to obtain material goods, services, benefits or other advantages'*. By that the legislator independently created the ground for society to believe that corruption is inherent exclusively in officials.

The consequences of a one-sided approach to overcoming this phenomenon, ie only through the application of repressive anti-corruption legislation aimed solely at punishing public servants, without eliminating the other factors that forced corruption, did not give any tangible results in reducing its level. Thus, both the Law on Prevention of Corruption and the Law on the Principles of Prevention and Counteraction to Corruption were planned as part of the system of anti-corruption legislation, in which priority is given to preventive activities.

Thus, the Methodological Recommendations of the Ministry of Justice of Ukraine dated 09.10.2013 indicate that the wave of reforms launched in 2011 eliminated the fragmentary legislation that existed until then, proposing a fundamentally new model, which combined as a traditional exposure of law enforcement agencies in terms of implementation the principle of inevitability of punishment, as well as preventive measures aimed at forming intolerance among the population to the manifestations of corruption. At the time of adoption of the Law *'On Principles of Prevention and Counteraction to Corruption'* many were outraged by the hasty adoption of this Law. The same situation has repeated in 2014, when Verkhovna Rada has adopted the new *'Law on Prevention Corruption'*.

So, what were the main reasons of the change of the laws in such a short period of time? What were the main reasons of the urgent change in anti-corruption legislation? In my opinion, there were several reasons of this legislation change.

The first reason is primarily political. The people's deputies during the presidency of Petro Poroshenko were forced to take a partial step back in order to eliminate the gaps and strengthen their positions in places where they were not properly worked out by the Government during the presidency of Viktor Yanukovich. A completely new government was formed, which had one of the main goals - to conduct a full audit of the legislative bodies in order to bring them closer to World standards. It was found that the previous law and legislation did not provide the necessary regulation of corruption issues and in many provisions did not reflect international standards on anti-corruption policy.

The second reason can be called as public reason. The year 2014 in Ukraine is a year of significant reforms not only in the government, but in the entire state structure. The people demanded coordinated changes, especially in the area of corruption and uncontrolled government of officials. The people first of all demanded to reduce the powers of officials and take the direction to the constitutional state. A simple addition to the anti-corruption law, which has been in effect since 2011 and was ratified by the old government, was not enough in a tense society.

The third reason can be called as financial. In 2014 Ukraine was in need of financial aid from the World organizations and institutions. As indicated in the analytical report of the Institute for Economic Research and Policy Consulting, the renewal of power and anti-corruption reform was among the top ten reforms and programs identified in the Sustainable Development Strategy of Ukraine - 2020. Anti-corruption reforms have also been the focus of the IMF's attention. In particular, cooperation within the framework of the IMF Expanded Financing Program constantly provides for Ukraine's obligations to effectively combat corruption. Back in April 2014, the fight against corruption was identified as one of the key areas of reform in cooperation with the IMF. Failure to comply with the established criteria and rules could lead to a halt of the EU tranches, which Ukraine so badly needed. In addition, in accordance with the Agreement between the Government of Ukraine and the European Commission on the financing of the event '*EU Anti-Corruption Initiative in Ukraine - phase II*', the Government of Ukraine was to receive funding in the amount of 22,900,000 euros. (The total contribution from the EU budget is 15 million euros.)

This agreement between Ukraine and European Commission indicates that the persistent challenges of corruption and the slow implementation of reforms indicate that support for Ukraine's anti-corruption efforts must continue.

6.2.2 Types of implemented anti-corruption measures

Deregulation

As noted in the previous chapter of the thesis, one of the most prominent focuses of anti-corruption strategies in Ukraine is **deregulation**. According to Lough and Dubrovskiy (2018), *“Deregulation since Yanukovich’s time has occurred through several channels. First, the government abolished or re-vitalized several ineffective government agencies that previously had a reputation for high levels of corruption. These include the Price Inspectorate, the Sanitary Inspectorate, the Traffic Police Inspectorate and the Real Estate Registration Agency. Price regulations were scrapped all together (except for natural monopolies), while other regulations were to some extent reassessed and, in some cases, updated.”* It can be stated that deregulation has remained one of the main points of the struggle against corruption in Ukraine in recent years. However, the actual effectiveness of the deregulation policies has remained rather low throughout this time. The main reason is the high impact of oligarchy and the existing ties between the oligarchs and the law enforcement agencies, who control many strategically important markets in the country. Also, the lack of effective and equitable courts makes it impossible to break the circle of corruption with the authorities.

Demonopolization

The focus on demonopolization and privatization has remained steady under the previous presidents as well. Thus, according to the Financial Times (2005), significant improvements in this field had occurred already after the Orange Revolution in 2004, as the state started selling its ineffectively managed property and even engaged large foreign investors in the process. Since then, this has always been one of the key factors of anti-corruption reforms. However, as noted earlier in this thesis, the lack of effective control and the conflicts of interests of political elites make it impossible to guarantee free and equitable processes of privatization in the country, due to which the state continues losing both funds and its

strategic property. Thus, while this domain of the anti-corruption strategy has remained unchanged in terms of the proclaimed goals, it has also remained unchanged in terms of the practical effectiveness of the results achieved so far.

Creation of law enforcement agencies

Another focal point of Ukraine's anti-corruption measures which has remained the same as proclaimed by the government is the institutional support for corruption. However, while this domain had been supported only formally in the previous periods of Ukraine independence, the last five years saw the creation of a number of law enforcement agencies dedicated specifically to the fight against corruption and the development of the Ukrainian legislation in a way to become harmonized with the best practices of the European Union. While these reforms have not yet yielded any important large-scale results and have generated a number of scandals, the overall scenery of institutional struggle in Ukraine is changing for the better under the tensions put by both the international community and Ukrainian society. The creation of agencies such as the National Anti-Corruption Bureau, the National Agency for Prevention of Corruption and the High Anti-Corruption Court show positive dynamics of Ukraine's efforts to revert the negative tendencies with corruption. In years to come, these institutional changes can be expected to become the foundations for the subsequent optimization of the country's public management system and the gradual minimization of the effects of corruption in the state.

Digitalization for combating corruption

A completely new direction in Ukraine's anti-corruption strategies, which has never been implemented by the Ukrainian authorities before, is the government's focus on digitalization as a tool to combat corruption. Thus, in 2019, the Cabinet of Ministers of Ukraine established a new ministry, namely the Ministry of Digital Transformation. As noted by the Cabinet of Ministers of Ukraine (2019b), *"the newly established Ministry will be responsible for the formation and implementation of the state policy in the sector of digitization, open data, national electronic information resources and interoperability, the introducing of electronic services, electronic trust services and more. The Ministry of Digital Transformation will also embark on the building of digital skills among citizens."* The current directions on which digitalization is performed in Ukraine include the creation of online access to all public services, the transformation of all paper workflow in the field of

public management into electronic archives, and the provision of the free access to public reports in the online environment. Also, an important achievement is the mandatory submission of public declarations by all officials on a yearly basis. The government believes that the subsequent development of digitalization should allow enhancing societal control over the public bodies and should improve the interaction between the authorities of society. Also, it should raise social standards in the state.

Thus, as can be seen from the information outlined above, the only principal change in Ukraine's anti-corruption strategies which has occurred in recent years is the current focus on digitalization as an attempt to reduce the level of corruption in public management. The other policies and tools within the anti-corruption strategy remain the same, and in most cases their effectiveness is only declared and has not yielded any practical results yet.

However, in addition to the efforts of the Ukrainian government, it is also worth noting other actors involved in the struggle against corruption. An overview of such actors and their achievements is provided in the next chapter of the thesis.

6.2.3 Actors involved into anti-corruption fight in Ukraine

Beyond the efforts of the government, other actors involved in the fight against corruption in Ukraine involve civil society (represented by various non-governmental organizations, investigative journalists, and so on), businesses, and citizens. The activities of such actors cover both active and passive engagement in anti-corruption activities.

Civil society

According to Harasymiw (2019, pp. 289-300), civil society plays an essential role in anti-corruption activities in Ukraine, which has become particularly prominent after the end of the Revolution of Dignity. The author notes that in post-Communist Ukraine the level of corruption is very high, and without societal control, it would be impossible to control the government effectively and to prevent acts of corruption.

As noted by CIFAR (2018), "Civil activists in Ukraine, though lacking resources, provide oversight of business and political leaders that the government does not. Anti-corruption

campaigners range from part-time volunteers to professional investigative journalists.” The organization notes that the growing activity of civil society in Ukraine after 2014 has led to the emergence of activist non-governmental organizations such as Kantselyarska Sotnya and the Anti-Corruption Action Centre, which unite activities from different cities of Ukraine and implement voluntary control over the activities of public officials of different levels. The main problems of such organizations is that they often confront with the government and accuse each other of the undue fulfilment of their activities.

CIFAR (2018) notes that a negative tendency in Ukraine is the growing level of attacks against social activists, which are often allegedly connected with the local political elites and presumably aimed at limiting the intensity of volunteers’ activities against corruption. If the situation persists in the future, this will affect the situation further, leading to increased corruption.

An important part of civil-society’s contribution to anti-corruption struggle in Ukraine is the activities of investigative journalists. According to Deutsche Welle (2019), the situation with journalists is becoming dangerous as well as with social activists, which raises further fears among the population.

Businesses

As explained by Kyiv Post (2018), the role of businesses in anti-corruption measures in Ukraine is rather limited. Thus, one of the most important ways in which businesses can affect the situation is the spreading of information on corruption activities committed by public officials. Such cases occur sporadically with foreign corporations which cannot act on an equitable basis in Ukraine. Another important direction of the corporate sector’s activities is the participation in mutual forums and meetings with the Ukrainian government and other responsible public authorities. Such platforms are created for the exchange of opinions and generation of new options to fight against corruption. Despite the fact that the regularity of such forums has risen in recent years, Kyiv Post suggests that the current impact of companies in the anti-corruption activities in Ukraine is rather low, and therefore they cannot contribute in a major way to the improvement of the situation, which is partially a consequence of Ukraine’s ineffective institutional infrastructure and legal framework.

Citizens

The role of citizens in the anti-corruption struggle in Ukraine is limited in institutional terms beyond non-governmental organizations and activist groups. However, as noted by CIFAR (2018), Ukrainian citizens represent a major constraining factor for containing the level of corruption and controlling the public authorities. The occurrence of the Revolution of Dignity became possible thanks to the high social activity of Ukrainian citizens, and one of its major reasons was the need to make the struggle against corruption more active. Today, the potential force of citizens in the field of anti-corruption is high. However, it is limited significantly by the flaws of Ukraine's institutional infrastructure and the high corruption among the law enforcement agencies and in the judicial branch.

6.3 The results and critics anti-corruption strategy

In order to understand the current achievements and failures of Ukraine's anti-corruption reforms, it is worth first analyzing how the country's government itself presents its main focus in the anti-corruption strategies today.

The Cabinet of Ministers of Ukraine (2019a) had published the following goals and objective of anti-corruption policies for the year 2019:

- Approve the Procedure for Monitoring the Declaring Persons' Lifestyles;
- Approve the Procedure for Exercising Financial Control in Respect of Persons Serving at Intelligence Agencies of Ukraine and/or Holding Positions Restricted by State Secret;
- Get automated access to 3 registers of the Ministry of Justice (the State Register of Public Vital Statistics Records, the Unified Register of Powers of Attorney, and the Inheritance Register) and improve the System of Logic and Arithmetic Control;
- Enhance the productivity of full audits of declarations;
- Introduce e-statements for parties (a public Statements Register) and automated audit of such statements;
- Start introducing the Case Management System that will enable authorized persons to trace cases, coordinate decision-making, and analyze large arrays of information;
- Coordinate and elaborate NAPC-drafted laws and support draft laws already under review of the Verkhovna Rada of Ukraine.”

According to the Cabinet of Ministers of Ukraine (2019a), the current anti-corruption reform in Ukraine targets several key important aspects, which are namely the following:

1. Appropriate and effective operation of the Unified State Register of Declarations.

The current scope of Ukrainian anti-corruption laws seeks establishing harsher penalties for those officials who have been engaged in corruption activities. For the purpose of preventing corruption and minimizing its effects, the Ukrainian authorities have implemented

mandatory electronic declarations for all officials and their relatives. However, to date, the Unified Register of State Declaration has shown a number of important flaws and have been violently criticized by society. Therefore, the current reform is destined to improve the operation of the Unified Register. As the Cabinet of Ministers (2019a) notes, *“it is indisputable that electronic declarations contained in the Unified State Register of Declarations of Persons Authorised to Perform the Functions of the State or Local Governments (the “e-declaration register”) are a source of information for both competent anti-corruption authorities and civil society activists to detect corruption. This substantiates the EU requirements for the proper operation of the e-declaration system and verification of declarations.”* In 2018, there were more than 1,25 million registered users in the system and almost 3 million uploaded e-declarations.

This anti-corruption measure was taken in order to reduce individual corruption. The published declarations of officials make it possible to see the level of their earnings and further monitor the standard of living of officials. In the case when the level of earnings and the standard of living do not coincide, in other words, the official cannot afford such a standard of living with the declared earnings, an investigation should begin on the source of capital and funds. However, in Ukraine, a fairly developed practice is the use of nominee directors of companies and owners, as well as the creation of shell companies in order to launder funds received as a result of corruption or bribery. Such schemes have existed and still exist today and allow officials to receive hidden funds in the name of other people, as well as withdraw them from abroad.

Along with the publication of tax returns and incomes of high-ranking officials, in Ukraine in 2017 a new version of the anti-money laundering law began to operate in the context of AML 4. This means that any companies had to declare their real beneficiary, that is, the owner, including a foreign person or company. Under the same law, officials who own assets in companies are designated as politically exposed persons (PEPs), which prohibits them from owning shares in companies and businesses. The PEP Lists are public and available in all countries that support anti-money laundering and anti-terrorist financing policies. Therefore, even at the international level, this practice is prohibited.

2. Strengthening integrity in the public sector.

According to the Cabinet of Ministers (2019a), *'Low integrity of some public officials, abuse of authority, lack of critical attitude of most Ukrainians towards petty corruption and perception of bribery as an efficient means of solving problems are among the main factors contributing to corruption and adding complexity to its eradication.'* In recent years, the National Agency for Prevention of Corruption (NAPC) of Ukraine has approved the corruption risk assessment methodology, which is destined to ensure a holistic approach to the evaluation of the risks inherent of the field of public management in terms of corruption.

This anti-corruption measure is intended to increase public and population intervention against petty corruption. This is exactly the measure that should have one logical consequence - increasing the motivation of ordinary people to fight against corruption, without fear of the risk of being punished by the corruption system itself.

If one is to believe the results of a survey of the population of Ukraine, this measure did not have a positive expected effect. The population agrees to report cases of corruption to the state, but at the same time a mechanism for such reporting should be created. An anonymous website should be created for the public, where they can report incidents of corruption with all the necessary details. The results of this mechanism should be regularly reported in the media and discussed in a wider community. Only such a systematic approach will allow fighting corruption.

3. Ensuring the performance of the State Bureau of Investigations and the National Agency for Finding, Tracing and Management of Assets Derived from Corruption and Other Crimes.

The State Bureau of Investigations of Ukraine (SBI) was established in 2018 and is currently seen as the main body responsible for the unbiased investigation against top officials. It is one of the focal points of the ongoing anti-corruption reform, as the SBI is destined to minimize the manifestations of corruption from top officials and from the law enforcement agencies, which, as shown earlier in this thesis, is one of the main problems in terms of corruption in Ukraine on the present stage. The National Agency for Finding, Tracing and Management of Assets Derived from Corruption and Other Crimes (ARMA) is destined to improve the effectiveness in the uncovering of assets derived through crime and corruption.

In theory, it is an excellent tool for combating individual and structural corruption. But as in the previous example, there is no proper publicity and mechanism for the implementation of these measures. If one looks at the history of the last ten years, then this practice has found an excellent application during the change of power from President Yanukovich to President Poroshenko. All personal assets of the former president were arrested, confiscated and transferred to the new authorities. After that, there were only minor raids to prevent corruption and confiscation of property received by officials as a result of bribes. Specific illustrative cases are very few and far from enough to assert that high-level corruption has been eradicated.

Also, according to the results of the survey, it is clear that the people do not trust this state body, and moreover, 22 percent believe that there is corruption even among the officials of the anti-corruption body.

4. Ensuring an effective communication support of the reform.

As noted earlier in this thesis, there is a low level of confidence in the public authorities in Ukraine, and the population does not believe in the effectiveness of the anti-corruption measures undertaken and the reforms implemented by the government. Therefore, the government is aware that the effectiveness in the implementation of reforms in the field of struggle against corruption today is dependent to a large extent on the effectiveness of communication with the public. The NAPC adopted the 2018-2020 Communication Strategy in 2018: it assumes the implementation of a number of information campaigns to ensure due understanding of the negative sides of corruption and the nature of the anti-corruption reforms initiated by the government among the wide public.

However, in 2020, there were no significant changes in the communication of the government with the people regarding corruption. There are private press conferences at which President Zelenskiy spoke and publicly announced measures to prevent corruption. No other public announcements were made. No public anti-corruption campaign has been launched. Perhaps a similar campaign is being prepared next year, but a lot of funds from the state budget were spent on counteracting the epidemic Covid-19, so one cannot be sure that the state has enough funds to start a massive anti-corruption campaign.

5. Improving control of partisan finance

In October 2015, the Ukrainian Parliament adopted a law according to which political parties are provided with public funding according to their proportional share in the most recent parliamentary elections. This step is destined to reduce the influence of the oligarchy on political parties and to provide the parties with the opportunities of independent growth. For the purpose of ensuring due control over the public officials and to implement effective anti-corruption struggle, the Ukrainian government has established a number of anti-corruption agencies, namely the National Anti-Corruption Bureau of Ukraine and the National Agency for Prevention of Corruption. According to the Cabinet of Ministers of Ukraine (2019a), *“NAPC’s other preventive functions are to monitor and control compliance with laws governing ethical conduct, prevent and resolve conflicts of interest affecting persons authorised to perform the functions of the state or local governments and persons equated to them, and supervise compliance with anti-corruption restrictions.”* The current activities of all anti-corruption bodies have not yielded major results, in part due to the inherent weaknesses of Ukraine’s judicial system and to the high levels of corruption in Ukrainian courts. These aspects and failures of anti-corruption strategies are considered later in this chapter.

Despite the fact that anti-corruption measures are being implemented in Ukraine and are declared widely as effective by the public authorities, independent sources suggest that the actual situation is different (which is also proven by sources such as the Corruption Perceptions Index by Transparency International considered earlier in this thesis).

The reform of the tax system is seen as one of the main sources of corruption in Ukraine due to its inherent flaws. Thus, as Lough and Dubrovskiy (2018) note, since the end of the Revolution of Dignity, the Ukrainian government has implemented a number of anti-corruption steps in this domain. Namely, it introduced an automatic system of VAT refunds in 2017, which allowed reducing the losses associated with VAT fraud. This reform in Ukraine was sabotaged by the State Fiscal Service, which again highlighted high levels of corruption among the Ukrainian official bodies. Despite this achievement, other major sources of corruption were not effectively tackled by reforms. Thus, according to Lough and Dubrovskiy (2018), *“The enterprise profit tax (EPT) is widely abused because of the*

level of discretion exercised by officials when verifying calculations of profits... Another problem is the excessively high tax on salaries that leads to massive 'shadow' payments and resulting losses to the state budget. The problem is mostly the result of high payroll taxes that neither employers nor employees are interested in paying because of their understandable distrust in the value of future pension benefits." The authors conclude that the State Fiscal Service remains one of the main sources of corruption in Ukraine and that this body should be radically reformed.

The customs service is another domain target by anti-corruption measures, but which still remains an important source of corruption in Ukraine. Lough and Dubrovskiy (2018) state that the government's strategy to fight corruption in this sphere was simply to implement a 'single window' system for the exchange of data between the inspection agencies. However, even this single window is not working properly: *"The system for the valuation of goods crossing the border provides customs officials with ample room for discretion, with inevitable consequences as businesses find themselves forced to bargain. Importers either voluntarily agree or are forced to agree lower customs values for their goods with the difference 'shared' with customs officials. Goods can be held for days or weeks at the border in the absence of adequate regulation. This provides customs officials with further powers of discretion."* The anti-corruption reforms in the customs sector are facing two vectors of conflicts of interest. Thus, anti-corruption measures are supported by legal importers, domestic producers, and the public, who constitute the majority. However, they are opposed by those who avoid duties and are in alleged criminal unions with law enforcement officers.

As noted by VOX Ukraine (2019a), Maksym Nefyodov, the new head of the Customs Service, stated that "One thing is clear: the customs are a problem. We need to turn it into something nice, something that will not be associated with corruption, bribes, delays of cargo, illegal trafficking, violations, lines, illicit schemes" and added further that the main lever in the fight against corruption in the customs sector of Ukraine is digitalization: by implementing an all-state electronic workflow and the minimization of contacts with public officials, the Ukrainian government seeks limiting possible abuse of power and thus guaranteeing equitable access to services to all citizens and companies.

In the field of public procurement, digitalization was as well the main focus of the Ukrainian government for minimizing the occurrence of corruption cases. Thus, according to Lough and Dubrovskiy (2018), the implementation of the ProZorro system for public trade had

allowed Ukraine saving as much as 2 billion US dollars on prevented corruption in 2016. However, the system is not perfect and has major flaws and leakages, which, according to the authors, include *“insufficient auditing of the efficiency of government spending, weak anti-trust policies that fail to prevent collusion in procurement tenders, additional agreements that are signed after tenders have taken place, ‘tender trolls’ that dispute the results of tenders until other bidders withdraw, and special conditions that only preferred companies can satisfy, including specially introduced technical specifications.”*

The field of healthcare is probably the one in which anti-corruption reforms yielded the greatest results for Ukraine. Thus, as Lough and Dubrovskiy (2018) suggest, the reform of the procurement system for medicines and medical products allowed removing business elites from the control over the drugs purchased for Ukrainian hospitals, made it possible to improve significantly the quality of medicines, and spared as much as 40 % of the funds which had previously been lost due to corruption effects. Nevertheless, the authors point out, *‘However, as the Anti-Corruption Action Centre has noted, distributors who lost out because of the change to the procurement system for centralized purchases switched their attention to regional health budgets (previously 60 per cent of the procurement budget) where controls can be lax⁴⁵ and ProZorro does not provide sufficient protection.’*

In the field of the law enforcement agencies, the results of the Ukrainian government have been scarce up to date. Thus, according to Kyiv Post (2019), the reform of the Ukrainian police has not changed the system of the law enforcement agencies significantly, and the level of corruption in the system remains high. The Ukrainian government organized a mass cleansing in the police, proclaiming the need to hire new and honest officers. However, the process of certification failed, and instead of cleansing, the old staff mostly kept its positions. Social activities and non-governmental organization who wished to participate in the certification process were actually deprived of this opportunity and had no actual chance to affect the process anyhow.

As for the activities of the National Anti-Corruption Bureau of Ukraine, the State Investigation Bureau and the other newly created anti-corruption bodies, Kyiv Post (2019) notes that they had fallen under the influence of political elites and have been involved in numerous scandals in which they opposed each other. As a result, no top official has been sentenced in Ukraine since the end of the Revolution of Dignity, which provokes further greater distrust among the Ukrainian people.

As for the judicial branch of powers, a number of anti-corruption reforms have been implemented in Ukraine in recent years. Transparency International Ukraine (2019) notes that the main achievement of the Ukrainian government in the field of judicial reforms is the launch of the High Anti-Corruption Court, which came into operation in September 2019. The importance of this court is explained by the organization as follows, *“According to the State Judicial Administration, there are over 3.5 thousand of such corruption-related cases that can potentially be transferred to the High Anti-Corruption Court according to the legislative criteria of crime elements, special subject and amount of damage inflicted. Many of these cases have already expired or will expire soon, which will automatically release corrupt officials from criminal liability. Moreover, excessive workload will essentially block the court’s effective work for years. As a reminder, one of the key reasons for creation of a separate Anti-Corruption Court was fair justice within reasonable time.”* The law enforcement agencies have blamed the national courts for the lack of sentences for top officials for their corruption activities. The launch of the High Anti-Corruption Court is expected to put an end to this situation. However, beyond this reform (which is yet to prove its practical effectiveness), the Ukrainian government has failed to improve the quality of the country’s judicial system. The level of corruption remains high. Lustration has not yielded any results as most judges won their court cases and were renewed on their positions. Even the judges who had sentenced illegally the protesters in the Revolution of Dignity still hold their places.

According to Lough and Dubrovskiy (2018), an important achievement of Ukrainian anti-corruption reforms is the liberalization of the natural gas market which had been one of the major corrupt sectors in Ukraine and which had been bringing major damages to the Ukrainian economy: *“Arbitrage schemes that exploited the difference between subsidized prices and market prices were central to the siphoning of state funds that left Naftogaz with huge annual losses. In 2014, Naftogaz’s deficit was 5.7 per cent of GDP.¹⁸ The government plugged these holes with quasi-fiscal subsidies that in turn hurt public finances.”* The reforms on the natural gas market were implemented under the pressures on the part of the International Monetary Fund. The reforms allowed raising the output of Naftogaz, Ukraine’s gas market monopolist, by over 4 %. The cessation of gas supplies from the Russian Federation allowed raising the transparency of the natural gas sector further. However, as of December 2019, Ukraine is in negotiations with the Russian Federation to renew the

supplies and transit of gas. Nevertheless, despite these advancements achieved through reforms, Lough and Dubrovskiy (2018) note that major problems in the sector still remain unaddressed by the government: *“Naftogaz sells gas via regional supply companies (oblgazes) that are de facto monopolies owned mainly by Gaztek, which also owns the regional gas networks. The oblgazes have been dogged by allegations of corruption related to the sale of subsidized household gas to commercial companies at commercial prices.”* Earlier in this thesis, it has been emphasized that the energy market of Ukraine is controlled by the local oligarchy and remains one of the country’s main sources of corruption.

A characteristic case of corruption in Ukraine’s energy sector, as suggested by Lough and Dubrovskiy (2018), was the use of the so-called ‘Rotterdam+ formula’ for the supplies of coal. According to investigative journalists, the scheme falsely claims to supply coals from South Africa, while it is in fact moved from the occupied Eastern territories of Ukraine. As a result, the state is paying significantly more under fake documents for what is presumably shipped from abroad. This scheme had been one of the main points of criticism against Ukraine’s ex-President Poroshenko. Today, the scheme has been eliminated by the new authorities, but no beneficiaries were punished for the abuse of their powers and financial fraud, which again testifies the high level of corruption in the Ukrainian judicial system.

According to Wendle (2017), another sector with major corruption levels in Ukraine in terms of the extraction of natural resources is illegal amber trade. Thus, the author notes that, in the Western regions of Ukraine, the extraction and sales of amber are carried out without any due control on the part of the public authorities and are completely illegal. Organized illegal group deplete Ukraine’s mineral without contributing anyhow to the budget. Activists’ efforts to stop the illegal mining are not supported by the law enforcement agencies. High levels of corruption prevent the police, the Security Service of Ukraine and other law enforcement agencies from intervening in the situation. This situation is also highlighted by Lough and Dubrovskiy (2018), who note that *“The state has failed to tackle the problem probably because of a combination of the interests of local elites and concerns about cutting off a revenue stream that is vitally important to the local population. The government otherwise lacks the resources to address socio-economic problems in these areas.”*

Lough and Dubrovskiy (2018) note further that deregulation in the corporate sector is one of the main focal points of Ukraine’s anti-corruption strategies. Thus, Ukraine is

implementing reforms aimed at de-monopolization. However, they are limited to formal statements and have not brought major results, except for the natural gas market. According to Lough and Dubrovskiy (2018), *“The slow progress on de-monopolization reflects the desire of Ukraine’s power groups to retain their control over key parts of the economy. While the ‘oligarchs’ have lost considerable ground since 2014, they retain significant residual influence in the economy, and in politics since the two are inseparable. The Revolution of Dignity aspired to change the system but has not yet done so. The forces seeking to preserve the status quo have deep defences and are well equipped.”* Privatization run in Ukraine is another strategic tool to prevent further monopolization. Nevertheless, according to the International Monetary Fund’s evaluations, privatization in Ukraine is not carried out on equitable conditions, and this is another field of major corruption. Due to the rigidity of the law enforcement agencies and the corruption in the judicial system, oligarchs can use the privatization processes for concentrating further larger powers in their hand and for controlling larger shares in target markets. The implementation of the ProZorro system has contribute to the process’s greater transparency, but the lack of interest on the part of powerful investors strengthens the positions of the local oligarchy.

Finally, speaking of natural resources, it is worth noting that one of the scopes of Ukraine’ current anti-corruption policies is the creation of a free land market. According to VOX Ukraine (2019b), the implementation of the free land market was one of the electoral promises of Ukraine’s President Zelensky. In 2013, Ukraine established a single land cadaster for monitoring the condition and state of all agricultural lands. Despite this, the moratorium for the sales of lands has remained valid since then, which means that Ukrainian farmers do not have the right to sell their lands officially, which they do illegally in favor of large agricultural holdings. Today, the anti-corruption strategy in this domain assumes the need to open the market: *“Lifting the moratorium would restore the property rights of land owners, reduce risk to investments in agriculture and would provide for allocation efficiency, investment and productivity growth. Secure land market would also stimulate investment in climate change mitigation technologies such as irrigation”* (VOX Ukraine 2019b). Another plan of the government is to restructure the State Geocadastre to make it open to the population. Another important point is to accelerate the sales of the state-owned agricultural lands which hare currently not in use by state-owned enterprises. Also, the state plans to establish a number of additional official bodies to ensure the due accreditation of

traders, monitoring, control, and updated of inventories. Despite this, a part of the population does not welcome these planned reforms, fearing that they might lead to uncontrolled sales of Ukrainian lands to either local oligarchs or major foreign institutional investors.

Therefore, it can be stated that the current anti-corruption strategies in Ukraine are based on a number of strategic initiatives supported by the Ukrainian government, namely decentralization, demonopolization, the development of the institutional infrastructure for the struggle against corruption, and digitalization. However, as shown in the overview in this chapter, the effectiveness of these reforms is low. Today, the only significant results have been achieved in the deregulation of public procurements in the sector of healthcare and the partial demonopolization of the natural gas market. Otherwise, Ukraine suffers from the deep penetration of corruption into all fields of public life, which entails negative effects described earlier in this thesis. Now, it is worth considering the anti-corruption efforts of the Ukrainian authorities from the historical perspective and outlining the main changes in the country's anti-corruption strategies.

6.4 International anti-corruption strategies in Ukraine

In the theoretical part of the work, the introduction of anti-corruption strategies was presented, which are proposed by international organizations - World Bank, OECD and the EU. Ukraine claims a place in the world society as a European country, therefore it is obliged to be guided by these strategies and follow the tendencies introduced by the international community to fight corruption. In addition, according to the results of a national survey, according to a series of unsuccessful anti-corruption reforms, Ukrainians themselves trust more and hope for the intervention of third parties, namely, international organizations.

This chapter will present how the anti-corruption strategies of international organizations were introduced in Ukraine.

1.1.1 Anticorruption strategy of OECD in Ukraine

The main anti-corruption measures that were introduced in accordance with the OECD anti-corruption policy were aimed at criminalizing corruption in the country and measures to

prevent corruption. Amendments to the laws in 2011 and 2014 were aimed at establishing criminal liability not only for officials who participated in corruption schemes and conspiracies, but also for individuals / legal entities who supported corruption by their actions. The main problem with the hitherto existing legal framework was that the laws in force until 2011 and 2014 did not allow the fight against high-level corruption, since the proceedings were hampered by the presence of diplomatic immunity of high-ranking officials.

This led to the need to create state apparatus - organizations that will monitor corruption in the ranks of the deputy and other high-ranking officials. It was decided to create a National Anti-Corruption Bureau and supporting organizations, the purpose of which would be to track corruption and schemes leading to corruption in the high authorities of Ukraine.

Also, in this context, it is necessary to mention the law on lustration, which was adopted in 2014. Its main goal was to cleanse the ranks of government employees, dismiss and punish those of them who violated their powers for a long time, participated in illegal acts and corruption schemes. This law received a lot of approval from the adherents of the new President P. Poroshenko, but at the same time it received a lot of criticism from politicians and analysts. The problem with the lustration law was the resignation of many authorized officials who had been fulfilling their duties for years and had extensive experience in politics and government. Instead, political mandates were to be occupied by people with little or no experience in politics. The public also discussed the fact that by 2014 there were no reforms in the main areas of public administration, that is, new officials who took office after the lustration of the government could be even more corrupt than their predecessors. And in the end, referring to the results of the National survey (see chapter 3.2 of this thesis), the level of corruption has not decreased as expected with the adoption of the lustration law, and in the opinion of the majority, the situation has not improved in any way.

The second important step in accordance with the OECD strategy was to carry out a number of measures aimed at preventing corruption in all areas of state and civil life. The main task was to carry out a number of reforms, primarily related to the transparency of public procurement tenders, the activities of the Accounts Chamber, and audit of all government orders. One of the main tasks was to ensure that employees are properly trained to conduct audits and identify corruption schemes. One of the tasks was to train employees in the field

of risk management and to identify all manifestations of corruption, not only within the framework of their consequences, but also as prevention.

6.4.1 Requirements to anti-corruption strategies of the World Bank to Ukraine

In the context of the World Bank, Ukraine had to very strictly adhere to the stated strategies and goals in the field of combating corruption. The World Bank allocated significant financial tranches to Ukraine already during the revolution and the change of government (President Yanukovich to President Poroshenko). Since it was an international organization that allocated tranches of money, and which was completely intolerant to any manifestation of corruption, Ukraine had to comply with all requirements for transparency of spent funds and other rules for receiving financial assistance.

As World Bank states (World Bank, 2019), since May 2014 the World Bank has provided the overall amount of US \$750 million. This first financial aid helped approve the investment climate in the country and attract more than US\$1 billion of private financing. The other financial tranche of US\$500 million from the World Bank to Ukraine was aimed to ensure the security of gas purchases.

Up to 2019, there were financial aids from the World Bank on the overall amount of US\$2.25 billion in various sectors, primarily investments to the economic growth, social infrastructure and political reforms.

One of the components of the anti-corruption strategy of the World Bank was to reform the law on access to public information. This reform was carried out, with the exception of a rather important factor that has not yet been implemented in Ukraine - the lack of an effective oversight mechanism with sufficient resources and independence. Open data standards were to be introduced, in particular by publishing public interest information in open formats (for example, property declarations of public officials, the state register of legal entities, regulations). Until today, this system has not been put into operation, and has not even passed the testing stages, although there were certain ambitions and attempts by the government. One of those good examples of “tries” on information publicity was the program ProZorro mentioned in this thesis, but still there was lack of practical implementation of anticorruption monitoring. This software was developed by very strong maintenance of the World Bank

officials and seemed to be very similar to the same IT platforms (softwares) used in other European countries. The problem which happened with this software, in my opinion, was lack of experience of Ukrainian public with such systems of public tenders.

The system was made to ensure transparency of all transactions, as well as to simplify the application for participation in the state procurement tender. However, the bureaucratic history that has reigned in the country for the past fifty years has not been taken into account. By this I mean the habit of entrepreneurs and government bodies to provide all documents in paper form, the lack of correct and clear procedures when submitting applications for tenders. In this case, simplification was de facto a complication of the task for absolutely everyone - civil servants and applicants.

Information appeared in the media that an ordinary entrepreneur (potential contractor) could not fill out the paperwork correctly and provide the entire list of necessary documents. That is, even if there was a good offer on favorable terms, it was broken about standardization, to which the contractor was not used. There was no call center or other help desk where everyone could inquire about the correct way to fill out the forms, as well as the timely submission of a tender application.

Another problem was incorrect deadlines, which contractors often set only to gain an advantage over others. The system could not track the accuracy of these facts, and therefore the algorithms evaluated the application completely incorrectly, leaving reputable applicants far away. This led to the inefficiency of the entire system.

Further, relying on our own experience, we can assume that entrepreneurs appeared in the country who offered paid services for filing an application in the ProZorro system (consulting companies). Among other things, they offered the "correct" filling of the application with the provision of a "protégé" on the side of state bodies. This information cannot be confirmed; therefore, it is my personal hypothesis based on the realities of Ukraine.

Based on the foregoing, it can be assumed that the system was made for formal compliance, but its practical application will still be impractical for some time for ordinary entrepreneurs and government officials who are faced with such a system for the first time.

Nevertheless, even with significant problems associated with the introduction of all necessary transparency systems on the part of Ukraine, the World Bank did not suspend financial tranches to Ukraine, as critics suggested in 2018. Just a few months ago (in July

2020), the World Bank reaffirmed its determination to provide Ukraine with low-interest loans in the amount of USD 5 billion under the 18-month “Stand-by” program. These funds should go to the recovery of the Ukrainian economy in connection with the decline in economic growth associated with the Covid-19 pandemic.

6.4.2 Requirements on the anti–corruption strategies of the European Union to Ukraine

The EU's anti-corruption strategy towards Ukraine is a direct condition for many of the important issues of this country. First of all, the European Union made the financial economic tranches conditional on the observance of the World Bank conditions by Ukraine. At the moment, the EU has allocated a total of 1.2 billion Euros to Ukraine for ensuring social rights, economic growth and political reforms.

For Ukraine, a very important issue has been and remains a visa-free regime in the EU for all Ukrainian citizens, which, among other things, was conditioned by full compliance with measures to combat corruption in state bodies. The EU together with the World Bank annually monitors compliance with these measures. In the event of violations by Ukraine, the EU pledged to abolish the visa-free regime and call into question the coveted association agreement between the EU and Ukraine.

In this regard, the newly elected President V. Zelensky was the initiator of the "State in the Phone" or "State in the Pocket" program, which includes an absolute digitalization of all public services. This program was designed to reduce the influence of individuals in the public service in decision-making.

Another important condition was the implementation of the reform of the judicial system, the purpose of which was to create an Anti-Corruption Supreme Court. The judges should include judges fully screened by a special commission for participation in corruption schemes and collusion, as well as judges proposed by the European Union. At the moment this project is under preparation.

If we assess the degree of implementation of the EU anti-corruption policy in Ukraine, we can say that all measures are in preparation. In fact, these measures look like a significant improvement in the situation with corruption in the country, but they cannot be evaluated

until they are implemented and tested in the Ukrainian realities. As mentioned above, in Ukraine over the past 9 years there have been a lot of initiatives that could lead to a significant improvement in the situation with corruption, but in practice these measures have not (so far) led to the desired result or significant improvement, because all measures should work in a system that does not yet exist in Ukraine. In particular, there is no working system due to the change of power, and not only the presidential one, but also the change of political officials, which occurs with each change of the president.

The fight against corruption should be systematic, long-term, transparent and evaluating the results in the long-term perspective.

7 Discussion and recommendations

Based on the results of the research carried out in this work for Ukraine, it is necessary to propose a number of measures that can lead to the improvement and effectiveness of anti-corruption measures. And also analyze the effectiveness of individual anti-corruption strategies introduced in Ukraine in the last 20 years.

Evaluating the current type of corruption in Ukraine it can be stated that in Ukraine, absolutely all types of corruption are manifested.

Petty corruption manifests itself in the everyday life of citizens. Small bribes are accepted at the lowest hierarchical levels: city police officers, doctors, teachers, petty officials. People understand that it is easier to bribe to solve their problems. The amounts and methods of giving bribes are regulated in society. For example, a police officer can be given approximately \$ 5 for a traffic violation to avoid a fine that can be ten times higher. In schools, teachers accept small courtesies so that children get the best grades. Moreover, the child's grades are often deliberately underestimated in order to force the parents to thank the teacher. The reason is that teachers, police officers, doctors and small officials have very low salaries, which are equal to the subsistence level and do not correspond to the size of the work and responsibilities that are assigned to these people.

Systemic corruption in Ukraine also takes place. Corruption in its various forms is an integral part of society. Moreover, society is so accustomed to corruption and the ways of its

manifestation that it begins to accept this situation as natural, and no one tries to fight it individually.

Individual corruption also occurs in Ukraine. Since the power of decision is still concentrated in the hands of high-ranking officials, there is a high risk that they are using their position to enrich themselves. At the same time, there are a number of intermediaries (agents) who represent the interests of officials and act as their press officer.

All this results in **structural corruption** that has penetrated all social structures in Ukraine. And we are not talking only about state structures. Bribery solutions to problems exist on a large scale in civil society. For example, when applying for a job, the big advantage is still not the knowledge of the candidate, but his acquaintances and connections.

The findings of the thesis allow stating that the level of corruption in Ukraine is high today, and the country ranks very low in the Corruption Perceptions Index. A comparative cross-country analysis carried out in this thesis has revealed that the situation with corruption in Ukraine is comparable to the Russian Federation, which is an authoritarian state with an underdeveloped institutional system and the direct control of the President and the government over all fields of public management, rather than to both post-socialist EU member states such as Poland and the Czech Republic and developed Western European countries such as France and Germany. This situation is very characteristic of the lack of effectiveness in Ukraine's anti-corruption measures implemented by the Ukrainian public authorities.

It can be affirmed that there have been changes in Ukraine's anti-corruption strategies, but they did not yield any tangible results, and the general situation with corruption in Ukraine remains the same as before and even worse in comparison with 2018 when a public survey on corruption was published. The main reason is the absence of three factors:

1. A unified law that provides for sanctions for corruption by citizens and officials.
2. A control group, which would be responsible for compliance with laws and anti-corruption rules by officials. Such a control group should be formed of independent people who do not have political influence from Ukrainian politicians, and who have diplomatic or similar immunity in order not to fear persecution from influential persons.

3. The faith of the people, which is the main factor in ensuring the operation of the law and other anti-corruption measures. The people do not believe that individual actions of each person to prevent corruption can lead to good results. Worse yet, the people are confident that the actions they take may incur persecution from politicians or administrative bodies, so they are simply afraid to speak out against corruption. Also, people are afraid and do not believe that any administrative or legal issue can be resolved legally. Because in their minds the opinion is clearly fixed that the one who gives the most bribe wins in the processes.

However, it is worth noting several important achievements. Namely, those are the creation of a number of top-level anti-corruption bodies endowed with large functions for combating corruption and the recent launch of the High Anti-Corruption Court. In institutional terms, these actions can be deemed important for the long-term perspective and indeed should become the base of the government's anti-corruption strategy. However, it has been highlighted that the legislation in Ukraine is unsuitable for the effective activities of such authorities, and these bodies inevitably fall under the impact of the executive powers. The obsolete system of public management in Ukraine inherited from the Soviet Union has not undergone radical reforms such as the ones which had been implemented in Poland and the Czech Republic in the 1990's. As a result, the potentially effective government initiatives in Ukraine inevitably fail.

Another major difference in Ukraine's current anti-corruption strategies against the previous periods is the **focus on digitalization**. The government officially recognizes the need to increase the integration of digital and online technologies in the field of public management to minimize the effects of corruption. The government has designed a strategy aimed at making the workflow in the public authorities electronic, providing services to citizens in the online format, and so on. This idea can be praised for its innovativeness and for the fact that it is in line with the present-day tendencies in developed states. Indeed, the minimization of direct contacts between individuals and public officials should limit the opportunities for the latter to abuse their powers and for the former to pay for the provision of particular state services. However, comparing this situation against the previous periods, it should be understood that this step is rather a logical effect of the ongoing technological progress rather than a wise-thought step designed by the government. Furthermore, the changes in these terms have only been declared, but there have been no tangible results so

far, and therefore the effectiveness of this strategic step is yet to be measured in future periods.

In other terms, there have been no radical changes in the situation with corruption in Ukraine. Thus, the level of corruption is high in Ukraine in different fields, and reforms have not yielded major results. The judicial system and the law enforcement agencies remain highly corrupt, which affects both the social standards of the population residing in Ukraine and the interest of foreign investors in carrying out any business activity in the state. The ruling political elites seek preserving their authority in the country, and therefore they can initiate no effective anti-corruption efforts, as there is a direct conflict of interest. The weaknesses of the judicial system have made it impossible to change the situation even after the victory of Ukraine's 2014 Revolution of Dignity.

The situation is also the same in terms of other declared focuses of anti-corruption strategies. For example, the Ukrainian government still puts deregulation and privatization at the forefront of its anti-corruption activities. While these tools are indeed important for reducing the effects of corruption, they cannot be deployed effectively without deep institutional reforms and systemic changes in the principles of public management, which is testified explicitly by the country's previous experience of anti-corruption reforms. Moreover, as the findings of this thesis illustrate the government's efforts in these domains have become largely ineffective in the present conditions, as privatization is used actively by the local oligarchy and political elites for seeking their own benefits, and an unequitable situation is created for the Ukrainian companies and citizens not engaged in corrupt practices.

It can be also summarized that there are several important obstacles which impede the effective implementation of Ukraine's anti-corruption strategies. Thus, the first main factor limiting the effectiveness of the aforesaid activities is the lack of a vigorous institutional system and the ineffective legislation in the field of anti-corruption struggle. The second main factor is the impact of the local political elites and the oligarchy, who oppose directly the implementation of reforms and act as a containing factor in Ukraine's anti-corruption struggle. The third key factor is the deep corruption in Ukraine's law enforcement agencies and the judicial system, which makes it virtually impossible to sentence the official who have actually participated in corruption activities. Finally, the fourth main factor is the limited opportunities available to the civic society and other non-governmental actors to

engage in strategic anti-corruption activities and to optimize the state's efforts in this domain.

While the three former factors had been assumed by the author initially when writing the thesis, the fourth factor was discovered in the course of the research. Here, two opposing tendencies exist at the same time. Thus, on the one hand, Ukraine's society is active, which was testified by the 2004 and 2014 revolutions, and it plays an essential role in controlling the activities of the public authorities and in inciting institutional change. On the other hand, the Ukrainian people do not know much about corruption and do not know how to oppose corruption in practice. Moreover, the limitations of the Ukrainian institutional system and the country's legislation outlined above reduce the access of people to equitable courts and the protection of their rights and freedoms. As a result, it can be deemed that the current system favors a situation in which people can be deceived and the public officials can continue performing corrupt activities despite social discontent.

In order to make any predictions about the development of corruption in Ukraine in the next ten years, several conditions must be fulfilled.

1. It is necessary to create an independent media outlet, to provide individual journalists with immunity and anonymity in order for them to film and publish cases of corruption.
2. It is necessary to create an anti-corruption committee directly in the police and empower individuals to deal with situations of corruption. Giving them a fair salary is one of the conditions for fulfilling their duties well without fear of being left without a livelihood tomorrow.
3. It is necessary to impose sanctions and criminal prosecution for those who have stumbled. It would be correct to cover the anti-corruption path of Western states and show, using the example of the Czech Republic, Slovakia and other Western countries, that anti-corruption measures lead to a better result and to a better economic situation in the country.
4. There is a need to highlight anti-corruption measures and their results, thereby motivating local residents and restoring them to faith that anti-corruption measures work and bring results. Without local residents, it is impossible to achieve any positive results in this area. It is necessary to restore their faith in the system and to

engage the active position of young people. It is the young generation, not burdened by the socialist past and following the situation in more developed countries, that can be a significant support for the new order, the new system and the new anti-corruption future of Ukraine.

Based on these findings, it is currently hard to make any forecasts regarding the possible effects of Ukraine's anti-corruption measures in the near future. Obviously, this will be preconditioned to a large extent by the effectiveness of control on the part of society and by the tensions put on the Ukrainian authorities by the European Union member states as Ukraine's geopolitical partners. However, the current flaws of the system and the negative aspects of corruption in Ukraine described above allow assuming that the situation will be unlikely to change in years to come. Only deep institutional reforms together with effective anti-corruption measures could potentially yield the desired results.

Conclusion

In this part of the thesis, I will summarize the results and answer the research questions stated in the introduction.

Corruption can be defined as an abuse of powers committed by a public official, often for gaining private benefits. Corruption is inherent of humanity and has been present in the field of public management since the ancient times. Corruption brings major negative consequences to states, as it reduces the amounts of funds received by the state budget and limits the access of people to equitable opportunities of doing business, equal rights in different fields, and so on. Corruption is inherently higher in developing states and lower in developed countries. This depends on the level of the state's institutional development, effectiveness of the national legislation in preventing and tackling corruption activities, the active involvement of society, and a number of other factors. For the purpose of effectively counteracting the spreading of corruption and minimizing its adverse consequences, states need to develop and implement effective anti-corruption strategies.

The case study of Ukraine carried out within the framework of this thesis has brought several important findings. Ukraine is an ex-USSR country located in Eastern Europe. It has inherited all the flaws of the Soviet public management and today suffers from their consequences. The level of corruption in the country is high, as it ranks 120th among 180 states in the Corruption Perceptions Index.

The current situation in Ukraine is characterized by a deep penetration of corruption into all fields of public life, the concentration of powers in the hands of political elites and the local oligarchy, the high corruption of the law enforcement agencies and the judicial system, and the lack of understanding of how corruption should be tackled among the population.

In recent years, Ukraine has been making steps to implement anti-corruption reforms and achieve improvements in the field of struggle against corruption. The government's main focuses in these terms include deregulation, demonopolization, the creation of a developed institutional system for anti-corruption struggle, and digitalization. The two former factors had been prioritized by the government throughout the whole time of Ukraine's independence. However, due to the containing factors and the opposition of the system, they

have not yielded the desired results. Moreover, privatization is used by the local political elites for fulfilling their own interests.

The creation of a developed institutional infrastructure is not a new focus either. However, in recent years, several important steps have been undertaken. Namely, Ukraine has established a number of anti-corruption bodies both among the law enforcement agencies (National Anti-Corruption Bureau, National Agency for Prevention of Corruption, etc.) and in the judicial system (High Anti-Corruption Court). However, while these achievements can be deemed important for the long-term perspective, they have not yielded tangible results to date.

Digitalization is a new focus in the government's anti-corruption strategy. The Ukrainian authorities believe that digital and online technologies can not only make state services more affordable to the population but should also reduce the frequency of direct contacts with public officials, which is one of the key preconditions for lower corruption.

Unfortunately, effective results have only been sporadic in Ukraine's anti-corruption struggle (deregulation of public procurements in healthcare and demonopolization of the natural gas market), but the weak institutional infrastructure and the opposition of the political elites have been a major constraining factor and will be likely to remain so in the near future.

The research problem of this thesis is to find out current status of corruption in Ukraine. The research showed that Ukraine has very high level of corruption. This level has not significantly changed in the last twenty years.

The aim of the thesis is to find out, which types of corruption prevail in Ukraine in the last twenty years and nowadays. In Ukraine, structural and individual corruption prevail, though all other types of corruption can be found there as well.

The goals of the thesis are the following:

- to find out, which types of corruption exist. In the thesis there were defined four types of corruption: petty corruption, structural corruption, individual corruption and systemic corruption.
- to find out, which type of corruption prevail in Ukraine. It has been concluded that deep structural and individual corruption prevail in Ukraine.

- and find out, how different anti–corruption measures are efficient in Ukraine. It can be concluded that all taken measures had very little effect on corruption and its level. But primarily to win corruption Ukrainian government has not only to introduce new laws and establish government institutions but arise public motivation to prevent corruption. Only when people of Ukraine believe that corruption can be won, the total system can succeed. Also, to prevent corruption or to decrease its scale, it has been suggested creating anti–corruption committee, impose strong sanctions on the officials supporting and creating possibilities for corruption and involve public into anti–corruption struggle.

Summary

This thesis discusses the problem of corruption, types of corruption and the process of creating an anti-corruption strategy. In the theoretical part, the types of corruption were analyzed: petty, systemic, individual and structural corruption. The practical part presents the example of Ukraine. This is a country with a high level of corruption, which has not changed for a long time. The paper examines the measures that were taken by the Ukrainian authorities to combat corruption and the results to which they led.

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Annexes

Annex 1 – regulation on corruption in Ukraine

INTERNATIONAL DOCUMENTS

United Nations Convention against Corruption (Law of Ukraine of October 18, 2006 No. 251-V);

Civil Convention for the Suppression of Corruption (Law of Ukraine of March 16, 2005 No. 2476-IV);

Criminal Convention for the Suppression of Corruption (Law of Ukraine of October 18, 2006 No. 252-V);

LAWS OF UKRAINE

Law of Ukraine of 07.04.2011 No. 3206-VI "On the principles of preventing and combating corruption";

Law of Ukraine of 07.04.2011 No. 3207-VI "On Amending Certain Legislative Acts of Ukraine Concerning Responsibility for Corruption Violations";

Law of Ukraine of April 18, 2013 No. 221-VII "On Amending Certain Legislative Acts of Ukraine Concerning Bringing National Legislation Into Standards Of The Criminal Convention Against Corruption";

Law of Ukraine dated 05/14/2013 No. 224-VII "On Amending Certain Legislative Acts of Ukraine Concerning the Implementation of State Anti-Corruption Policy";

The Law of Ukraine of October 14, 2014 No. 1700-VII "On the Prevention of Corruption"

Law of Ukraine of October 14, 2014 No. 1698-VII "On the National Anti-Corruption Bureau of Ukraine"

Law of Ukraine of 12.25.2015 No. 922-VIII "On Public Procurement"

ACTS OF THE PRESIDENT OF UKRAINE

Decree of the President of Ukraine dated 05.10.2011 No. 964/2011 “On priority measures for the implementation of the law of Ukraine“ On the principles of preventing and combating corruption ”;

Decree of the President of Ukraine dated October 21, 2011 No. 1001/2011 “On the National Anti-Corruption Strategy for 2011-2015”;

Decree of the President of Ukraine dated 25.01.2012 No. 33/2012 “On the Procedure for Conducting a Special Verification of Information Regarding Persons Pretending to Occupy Positions Associated with Performing the Functions of a State or Local Government”;

ACTS OF THE CABINET OF MINISTERS OF UKRAINE

Resolution of the Cabinet of Ministers of Ukraine dated 13.06.2000 No. 950 “On approval of the Procedure for conducting an internal investigation in respect of persons authorized to perform the functions of the state or local self-government bodies”;

Decree of the Cabinet of Ministers of Ukraine dated 02.06.2003 No. 828 “On measures to improve the qualifications of employees of state authorities and local authorities on the prevention and combating of corruption”;

Decree of the Cabinet of Ministers of Ukraine dated 12.10.2011 No. 1072 “On approval of the Procedure for informing the National Agency for Public Service on persons authorized to fulfill the functions of the state or local government, dismissed in connection with prosecution for corruption offenses”;

Decree of the Cabinet of Ministers of Ukraine of November 16, 2011 No. 1195 “On approval of the Procedure for the transfer of gifts received as gifts to the state, the Autonomous Republic of Crimea, territorial community, state or communal institutions or organizations”;

Decree of the Cabinet of Ministers of Ukraine dated 11.01.2012 No. 16 “On approval of the Procedure for storing documents and statements specified in declarations of property,

income, expenses and financial obligations, and information on opening a foreign currency account with a non-resident bank”;

Decree of the Cabinet of Ministers of Ukraine dated 08.02.2012 No. 64 “On the production of forms for the declaration of property, income, expenses and financial obligations”;

Resolution of the Cabinet of Ministers of Ukraine dated 25.07.2012 No. 666 “On the Approval of the Procedure for Conducting an Official Investigation”;

Resolution of the Cabinet of Ministers of Ukraine dated 11.07.2013 No. 484 “Issues of the Government Commissioner for Anti-corruption Policy”;

Resolution of the Cabinet of Ministers of Ukraine dated 04.09.2013 No. 706 “Issues of the Prevention and Detection of Corruption”.

Decree of the Cabinet of Ministers of Ukraine dated 04.12.2013 No. 949 “On approval of the Regulation on the Government Commissioner for Anti-corruption Policy”.

Decree of the Cabinet of Ministers of Ukraine dated 04.29.2015 No. 256 “On approval of the State Program for the implementation of the foundations of the state anti-corruption policy in Ukraine (Anti-corruption Strategy) for 2015-2017”.

MINISTRY ORDERS OF UKRAINE

Order of the Ministry of Justice of Ukraine dated June 23, 2010 No. 1380/5 “On approval of the Methodology for conducting anti-corruption expert examination of draft regulatory legal acts”;

Order of the Ministry of Justice of Ukraine dated 11.01.2012 No. 39/5 “On approval of the Regulation on the Unified State Register of Persons who Commit Corruption Offenses”;

Order of the Ministry of Justice of Ukraine dated March 23, 2012 No. 448/5 “On approval of the Procedure for conducting a special audit of the availability of corporate rights for

persons applying for posts related to the performance of functions of the state or local self-government”;

Order of the Ministry of Justice of Ukraine and the Ministry of Economic Development of Ukraine of September 30, 2013 No. 2055/5/1153 “On the national system for assessing the level of corruption”;

Order of the Ministry of Justice of Ukraine dated March 18, 2015 No. 383/5 “Some issues of anti-corruption expertise”.

LEGISLATIVE ACTS OF OTHER STATE AUTHORITIES

Order of the Ministry of Health of Ukraine dated July 30, 2012