

International Retrospective of the Anti-Corruption Standards Development in the Economic Security System of Ukraine

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Abstract: The thesis that corruption is a negative phenomenon that massively permeates all spheres of both the public and public sectors does not require proof, not just in two, but in a significant number of states around the world. The modern existence of the phenomenon under consideration is historically conditioned and quite natural. This problem is relevant for any country, even for one where, it would seem, there are long-standing democratic traditions and a certain structure of public power has been formed. The fact is that sooner or later both external and internal conditions change, and this requires an understanding of the effectiveness of the adopted model and, possibly, its revision. Moreover, an analysis of the effectiveness and degree of optimality of constitutional constructions is necessary for post-totalitarian countries with still weak traditions of public political life. This paper investigates the modern vectors to the formation of the effective anti-corruption policy as the component of a legitimacy of the economic security system in Ukraine. The article presents practical recommendations for improving effective anti-corruption policy in Ukraine and ways for using of state regulatory imperatives to combat systemic corruption in the national economy. The paper examines in detail the historical evolution of views on the basis of the origin and perception of corruption in public relations; explored and substantiated the key foundations of systemic corruption and its basic varieties; studied the anti-corruption strategy of Ukraine in 2020-2024. Authors have considered and substantiated the implementation of the experience of foreign countries in the area against corruption in national legislation, the barometer of global corruption in the coordinates of the economic development of Ukraine. Now there are a number of fundatory international acts-specialized and secondary, which relate to certain aspects of the international legal regulation of the fight against corruption in the world. The initiators of their adoption (union recognition of the problem and the same, cooperative opposition to it by a group of states of the world) are global and regional international organizations. Accordingly, within the framework of this work, international standards for combating corruption are analyzed in the retrospective aspect. The authors in this scientific work investigated the state guarantees of anti-corruption security as a determining condition for real progress on the European integration path of Ukraine.

Keywords: Anti-Corruption Dirigism, Anti-Corruption Policy, Economic Security, Global Corruption Barometer, Corruption, Living Wage

1. Introduction

In Ukraine, as in the whole world, corruption is classified as one of the main political, economic and social problems. It is recognized as one of the most threatening phenomena of our time, which affects the efficiency of the state authorities, inhibits economic development, threatens many elements of

the constitutional and social order, as well as the national security of the state. Corruption undermines the foundations of democratic system, trust in the government, violates the principles of the rule of law, justice and equality before the law, responsibility for the committed act, fair competition; leads to the growth of the shadow economy and the decline of the state's authority in the international community. In the

absence of systemic opposition to corruption on the part of the state and society, it is capable of spreading and taking root in social relations and in the state system as a whole.

Corruption issues today are the global trend, and the area against corruption is a kind of “fashion” of the 21-st century. Corruption embodies its shadowy, secretly sinister essence in the corrupt elements of political, social and economic destruction. Preventing and combating corruption is one of the most discussed issues at the international level, namely: the United Nations, the Organization for Economic Cooperation and Development, the Independent non-profit organization Global Integrity, the World Bank, the International Monetary Fund, the United States Agency for International Development (USAID), etc. Each of these institutions deals with a wide range of issues in the area of corruption: an analysis of the causes, scope and consequences of this ominously destructive phenomenon, the implementation of regulatory imperatives to combat corruption.

International ratings show that corruption has sporadic manifestations on the territory of civilized and economically developed countries, while in Ukraine this phenomenon is permanent and is based on a whole complex of illegal actions and actions aimed at obtaining illegal benefits and illegal enrichment. In the Ukrainian dimension, corruption is a multifaceted political, socio-economic and psychologically immoral phenomenon. Due to this, the circle of corruption beneficiaries is unprecedentedly wide. The fault of the state power here is indisputable. After all, throughout the existence of Ukraine as an independent state, corruption has acquired significant proportions and is currently systemic. And this, despite the adoption of a diverse list of normative legal acts of the highest legal force (laws) in the anti-corruption direction, as well as presidential decrees and official resolutions and orders of the executive authorities, which were not actually implemented [1].

However, regulatory anti-corruption imperatives acquire real effectiveness only when they take into account existing objectivities, are based on the political will of the head of state and inspire the confidence of the masses, that is, they reflect basic state and public interests and priorities and, what is especially important, work ahead of schedule. Effective counteraction to this systemic and malignant phenomenon requires strict and strictly controlled application of a wide range of state regulatory anti-corruption imperatives. As a rule, the latter are based on basic principles, laws, regulations, instructional requirements, orders, etc. At the same time, laws as normative legal acts of higher legal force are increasingly ignored and not perceived as a defining imperative, that is, a mandatory rule for the orderly performance of official duties and public behaviour. Therefore, there are good reasons to argue that in the domestic territories, systemic corruption is actually displacing the state as an imperative (determining) subject of power, appropriating and deforming fundamentally important public attributes [2].

2. Literature Review

The analysis of international legal documents shows the existence of different approaches to understanding corruption. Various theoretical and applied aspects of combating corruption are presented in a large number of scientific works, in particular by lawyers, economists, political scientists, civil servants.

Many scholars have paid attention to the study of effective anti-corruption policy as the component of a legitimacy of the economic security system in Ukraine. A wide range of issues related to research in the area of state regulatory imperatives to combat systemic corruption in the national economy. For example, Melnyk M. presents corruption according essence, concepts, and countermeasures in his monograph [5]. Mykhalchenko M. in the work paid attention to corruption in Ukraine according political and legal analysis [7]. Research in the formation of ways to timely detection and neutralization of corruption risks can be seen in articles of scientist Voloshenko A., Vasilyeva O., for instant, had dedicated her works to foreign experience of anti-corruption activities in public authorities [11, 12]. Karpenko L. is working on the issues of innovative trends in the process modelling of international strategies and anty-corruption policy, the systematic of fundamental factor models [6]. Naumchuk K. explores modern factors in flouncing the development of anticorruption activities of the state [8].

However, despite the sufficiently large amount of scientific output and the interest of domestic and foreign researchers in the chosen topic in the process of forming the state anti-corruption policy, the very mechanism of preventing the occurrence of corruption in state authorities, which is the main reason for belonging to the most corrupt countries in the world, remains insufficiently researched. The ineffective mechanisms that exist today necessitated the development of new and improvement of existing forms and methods of state control over the implementation of the state’s anti-corruption policy.

3. Research Goal

The purpose of the article is theoretical justification and development of practical recommendations for improving effective anti-corruption policy as a component of the legitimacy of the economic security system in Ukraine; the use of state regulatory imperatives to combat systemic corruption in the national economy.

The object of the study is the organizational, managerial and regulatory principles of the application of state regulatory imperatives of combating corruption in the national economy in Ukraine.

To achieve the goals and solve the problems, modern general scientific and special research methods are used in the work, namely: terminological analysis and operationalization of concepts - used to reveal and clarify general theoretical propositions that reveal the essential nature, peculiarities and nuances of scientists’ views on the

interpretation of the category of corruption; scientific abstraction and concretization - with the author's formulation of the basic types of corruption; systemic and dialectical approaches, as well as the method of structural and functional analysis; the method of analysis and synthesis in their systematic combination, as well as the ascent from the abstract to the concrete - to determine the influence of anti-corruption dirigism; economic and statistical methods for comparing the size of the subsistence minimum in Ukraine in accordance with international standards in 2017-2022.

Research information base is the legislative and regulatory acts defining an effective anti-corruption policy as a component of the legitimacy of the public administration system in Ukraine, sources of international organizations, scientific works and monographs of domestic and foreign economists and civil servants, periodical specialized scientific literature.

4. Data and Methodology

The existence of systemic corruption in Ukraine negatively affects both the foreign and domestic policies of the state. This makes it necessary to seriously review the already existing anti-corruption measures and to eliminate the gaps by means of legislative regulation of these issues.

When analyzing the concept of "systemic corruption", we consider it expedient to proceed from the following types of corruption:

- 1) political corruption;
- 2) power-oligarchic corruption;
- 3) corporate-clan corruption;
- 4) offshore corruption;
- 5) administrative and bureaucratic corruption;
- 6) economic corruption;
- 7) domestic corruption.

During the study on the perception of corruption in Ukraine, which was carried out in the public sector of Ukraine within the framework of the implementation of the Threshold Program of the "Millennium Challenges" corporation, the first four causes of this phenomenon were highlighted. These included, in particular:

- 1) overly complex and imperfect legislation of Ukraine (10.9%);
- 2) abuse of office among public officials (17.4%);
- 3) imperfection of the system of control over corruption and its prevention or imperfection of tracking and punishment methods (14.7%);
- 4) for a long time, corruption was so common that it is now difficult to eradicate (9.2%).

Among the main transformations that should take place in the legislation on the prevention of corruption in the public service, the following should be included:

- 1) updating the law on civil service and service in local self-government institutions;
- 2) legislative regulation of issues of professional ethics of civil servants;
- 3) reforming the state personnel policy;

- 4) improvement of legislation on liability for corruption offenses.

When updating the legislation on public service and service in local governments, it is necessary to:

- 1) take into account the uniform principles of public service and service in local governments, determine the principles of public service and conditions for employment;
- 2) define the conceptual apparatus, in particular, disclose the content of the concepts of "public service", "civil servant", which will be further used in the current legislation and law enforcement practice will be used;
- 3) to determine the service-legal status of civil servants, the constituent elements of which are: official duties and rights of civil servants, restrictions and prohibitions in the course of civil service, guarantees and incentives in the civil service;
- 4) to consolidate the principles and general standards of professional ethics of civil servants, which will ensure the priority of state interests over the private interests of a civil servant, and will contribute to improving the culture of behaviour of a civil servant, and therefore - will strengthen the confidence of citizens in the authorities.

The state should also take care of changes in the personnel policy with the aim of creating proper conditions for passing the service and improving the system of material and financial support of state employees. Candidates for the state service should not consider holding a position as a way to get places for material enrichment and profit. The main ways of filing corruption are:

- 1) enshrining clear legal prescriptions of acts aimed at closing and fighting corruption;
- 2) ensuring the transparency of law enforcement procedures;
- 3) establishment of monitoring of compliance with anti-corruption legislation;
- 4) creation of a system of bodies fighting corruption;
- 5) ensuring the inevitability of responsibility for corruption.

Thus, the main goal of state policy in the area of combating corruption should be the creation of an effective system for preventing and combating these phenomena, identifying and overcoming social preconditions and consequences, exposing corruption offenders, and mandatorily bringing the guilty to justice. Successful counteraction of corruption crime is possible in the presence of appropriate legislation, its effective application by competent state authorities and coordination, public awareness of the implementation of measures to prevent and counter corruption crime, interaction of civil society institutions with state authorities in the sphere of formation and implementation of state anti-corruption policy, support anti-corruption measures by civil society.

Let's consider and justify the expediency of the anti-corruption strategy in Ukraine. The Anti-Corruption Strategy is the document that helps to ensure that all authorities work

together to combat corruption. The development and coordination of the implementation of the Anti-Corruption Strategy is the responsibility of the National Agency for the Prevention of Corruption (NAPC), assigned to it at the legislative level. To ensure the high quality of the document, the NAPC involved experts, social activists, international partners and all interested citizens in writing the strategy through online discussions held in early July.

Every year, the NAPC evaluates the implementation of the Anti-Corruption Strategy by preparing a National Report on the implementation of the principles of the anti-corruption policy. Also, thanks to this, changes can be made to the state program for the implementation of the Strategy every year so that this document does not lose its relevance. The proposed anti-corruption strategy will cover 2020-2024. What are the main principles of the new anti-corruption strategy?

The development of the Strategy is based on 5 main principles:

- 1) optimization of the country functions and local self-government. In particular, it is envisaged to deprive the authorities of excessive powers and eliminate the duplication of their functions;
- 2) reduction of the human factor and increase in transparency and efficiency in relations between the state and citizens and organizations. This will be achieved thanks to the introduction of the rules of general administrative procedure and digitization of most processes and services;
- 3) creation of convenient and legal alternatives to corrupt practices;
- 4) ensuring effective state control over compliance by public servants with the rules of moral behaviour and requirements of the anti-corruption legislation;
- 5) ensuring the inevitability of responsibility for corruption and corruption-related offenses.

Effective prevention and anti-corruption are impossible without the coordinated work of all state institutions. Without an anti-corruption strategy, state institutions act chaotically: the measures introduced by them to prevent corruption may be ineffective, since they only take place in one small area. The anti-corruption strategy unites the authorities into a single team and helps them to cooperate to achieve the best results. The OON Convention against Corruption, signed by Ukraine, speaks of coordination as a necessary condition for an effective fight against corruption.

5. Key Research Findings

The effective development of the state consists of the whole system of national security elements. One of the most important is economic security, which serves as the basis for the prosperous life of the population, preservation of their sovereignty and ensuring the appropriate standard of the population living. At the current stage of the development of the Ukrainian state, the shadow economy and corruption should be considered as one of the main threats to national security and one of the most significant obstacles to the

development of Ukraine [3].

Considering the problem in such a combination, it should be noted that the phenomenon of corruption and the shadow economy are mutually generating factors. In turn, corruption and the shadow economy threaten the existence of not only the country's economic security, but also the state itself. The phenomenon of corruption is one of the reasons that the standard of the population living is quite low, its manifestations become an obstacle to the development of the economy, the formation of a civil society and do not allow to fight crime effectively. One of the main barriers that prevent attracting foreign investments and being an investment-attractive state is the shadow economy, which threatens the economic security of the state [4].

Having considered the functions of ensuring economic security, it should be noted that any of the functions presented differ in their assigned and views. Therefore, at the legislative level, it is necessary to more clearly prioritize the functions necessary to form the proper level of economic security, which in reality has certain problems.

Despite the fact, the country's development aspirations can be more successful by increasing the transparency of public authorities: accelerating the pace of improving e-government (increasing transparency); establishing monitoring of the expenses of civil servants and establishing compliance with the submitted declarations; application of a simplified mechanism for issuing licenses, permits, public procurement, etc.

Compliance with these tips will accelerate the country's economic growth and increase the level of citizen confidence in the public service, because the country's economic security is realized through public financing, the basis of which is always GDP, and acts as a lever that is necessary to ensure the sustainability of all types of state security from internal and external threats, promotes competitiveness at the international level [5].

The success of the economic security of the state depends on a greater extent for the successful development of the economic system as a whole, taking into account all possible components that are in certain connections and dependencies of all components. The main reason for the need to combat corruption in the system of ensuring the economic security of the state is the presence of constantly functioning phenomena of a negative nature, the scale of which is constantly increasing and beyond the capabilities of public administration to manage them [6]. Most of the negative phenomena, including corruption, are caused by the lack of a well-founded strategy that meets the needs of development based on economic guidelines and contributes to the development of theoretical foundations. If economic security is neglected, it is possible to achieve not only negative consequences of a socio-economic nature, but also contribute to the deterioration of the state of economic sectors, increase the level of dependence on import positions, therefore there is an urgency to identify the negative factors of the influence of corruption on the state economic security [7].

State authorities endowed with functions that guarantee economic security, the main ones are shown in the Table 1.

Table 1. Functions of guaranteeing economic security.

Function	Characteristics of the function	Impact on the state economic security
Informational	Used to constantly inform subjects of economic security about the appearance or occurrence of real and potential threats	Increases the level of the state economic security
Preventive	Associated with the use of a set of measures aimed at preventing or reducing economic losses, and with the possibility of preventive measures aimed at preventing the occurrence of potential threats in the economic sphere	Plays a key role in the timely detection of possible negative consequences in ensuring the economic security of the state
Prognostic	It is manifested in the development of scientific bases for predicting the prospects of economic development in the future	In essence, it boils down to the development of forecasts of long-term programs for economic development, taking into account potential threats
Regulatory	Consists of strengthening the relationship between economic policy and the main directions of innovative and socio-economic development of the state and administrative-territorial units. The protective function of the mechanism is reduced to the strengthening of economic security, including control over compliance with legislative norms, as well as the ability of the mechanism to ensure economic security to perform the role of a means of influencing security subjects on the inviolability and protection of their own national interests, national values from internal and external encroachments	Effective provision of economic state security through the implementation of uniform regulations for the regulation of this process by all business entities
Control	It is manifested in the control over the correctness of the use of appropriate methods and levers by subjects of economic security in a specific situation related to the protection of national interests and the prevention of potential threats	It requires the creation of a separate body that would carry out control over the economic security of the state

Source: systematized by authors on basic Naumchuk, K. (2021) [8].

Corruption is a negative phenomenon that negatively affects the economic policy of the state, the most destructive of which are:

- 1) decrease in the level of GDP, which at the same time reduces the level of investment and innovation activity, reduces the scientific and technical potential, reduces the number of studies of strategically important areas in innovation, weakens state regulation and control [9];
- 2) low level of reproduction processes, overcoming structural deformation, creation of dependence of the national economy on external factors, decrease in the rate of development of the domestic market;
- 3) irrationality of export services, which led to an increase in debt dependence, an increase in the number of internal and external debts;
- 4) growth of the share of foreign capital in strategically important sectors of the economy;
- 5) low efficiency of antimonopoly policy and the mechanism of state regulation thereof [10];
- 6) low efficiency of the use of fuel and energy complexes, slow rates of diversification of their supply sources [11].

Therefore, the mentioned threats are a reflection of the real state of affairs of economic security of the state,

which covers all spheres of life and development of a person, but is constantly dependent on manifestations of corruption, which is caused by the abuse of official position for personal enrichment. Also, the presence of legislative gaps, which are largely related to the need to solve problems related to ensuring effective control over the export of raw materials of natural origin. These factors are not only a real threat to the economic security of Ukraine, but also directly undermine the foundations of national security [12].

The Global Corruption Barometer is an annual sociological study by Transparency International, which is conducted to find the corruption perception index, citizens' opinions about which state and public institutions are the most corrupt, and take into account the practical experience of dealing with corruption. The study also takes into account respondents' assessment of the effectiveness of the authorities' activities in combating corruption. The study has been conducted annually since 2003 in more than 60 countries around the world [13].

The next step of the study is considered appropriate to carry out calculations to compare the subsistence minimum in Ukraine in accordance with international standards in 2017-2021 (see Table 2).

Table 2. Comparison of the size of the subsistence minimum in Ukraine in accordance with international standards in 2017-2022.

2017					
The actual size of the LW* in the prices of August, UAH	Legislated amount of LW*, UAH	LW* according to OON standards (\$ per day), UAH	UAH exchange rate against the dollar (included in the budget), UAH	Deviation of legally established LW* from LW* according to the OON standard	
				Absolute deviation, UAN	Relative deviation, %
2954	1624	4080	27.2	-2456	-60.2
2018					
The actual size of the LV* in the prices of August, UAH	Legislated amount of LW*, UAH	LW* according to OON standards (\$ per day), UAH	UAH exchange rate against the dollar (included in the budget), UAH	Deviation of legally established LW* from LW* according to the OON standard	
				Absolute deviation, UAN	Relative deviation, %
3161	1700	4395	29.3	-2695	-61.3

2019					
The actual size of the LV* in the prices of August, UAH	Legislated amount of LW*, UAH	LW* according to OON standards (\$5 per day), UAH	UAH exchange rate against the dollar (included in the budget), UAH	Deviation of legally established LW* from LW* according to the OON standard	Absolute deviation, UAN
3706	1936	4410	29.4	-2474	Relative deviation, %
2020					
The actual size of the LV* in the prices of August, UAH	Legislated amount of LW*, UAH	LW* according to OON standards (\$5 per day), UAH	UAH exchange rate against the dollar (included in the budget), UAH	Deviation of legally established LW* from LW* according to the OON standard	Absolute deviation, UAN
3967,89	2189	4500	30.0	-2311	Relative deviation, UAN
2021					
The actual size of the LV* in the prices of August, UAH	Legislated amount of LW*, UAH	LW* according to OON standards (\$5 per day), UAH	UAH exchange rate against the dollar (included in the budget), UAH	Deviation of legally established LW* from LW* according to the OON standard	Absolute deviation, UAN
4477,52	2393	4335	28.9	-1942	Relative deviation, UAN
2022 (data of the Ukraine Finance Ministry from 1, July, 2022 to 30, November, 2022)					
The actual size of the LV* in the prices of August, UAH	Legislated amount of LW*, UAH	LW* according to OON standards (\$5 per day), UAH	UAH exchange rate against the dollar (included in the budget), UAH	Deviation of legally established LW* from LW* according to the OON standard	Absolute deviation, UAN
...	2509	4290	28.6	-1781	Relative deviation, UAN
					-41.5

LW* - Living Wage

Source: calculated by authors on basis of Ugur, M. & Dasgupta, N. (2011) [14], Transparency International (2021) [15] and Ukrstat (2022) [16].

The calculations show that over the past 6 years there has been a negative absolute and relative deviation of the legally established LW from the LW according to the OON standard, which indicates a negative state in the economy of Ukraine, a lack of funds in the budget. Specifically, the effective fight against corruption and the return of funds to the budget or the promotion of the preservation of funds, the prevention of theft are considered as components of the system of economic development and economic security of Ukraine.

6. Conclusions

The main results of the study are expressed as follows:

- 1) The existence of systemic corruption in Ukraine negatively affects both the foreign and domestic policies of the state. According to GRECO, Ukraine is in the same row as the countries that are considered the most corrupt in Europe. This makes it necessary to seriously review the already existing anti-corruption measures and to eliminate the gaps by means of legislative regulation of these issues.
- 2) When analyzing the concept of systemic corruption, we consider that it expedients to proceed from the following varieties: political corruption, power-oligarchic corruption, corporate-clan corruption, offshore corruption, administrative and bureaucratic corruption, economic corruption, domestic corruption.
- 3) The conducted research revealed an insufficient reflection in domestic science and in legislative documents of the strategic importance of issues characterizing political corruption as a systemic criminal phenomenon and a key threat to national security. Also, the analysis of the manifestations of political corruption according to the hierarchical levels of state power that it affects allows us to conclude that Ukraine currently lacks effective state regulators to prevent and overcome political corruption.
- 4) One of the ways of usurpation of power is power-oligarchic corruption - the combination of political and economic corruption, which manifests itself through the merging of business and politics, directing the efforts of oligarchic circles to monopolize power. In Ukraine, clan-corruption relations are the cemented monolith that unites law enforcement agencies, the prosecutor's office, and courts, which is the reason for the amorphousness of efforts to counter the illegal enrichment of domestic business and officials. Characteristic signs of corporate-clan corruption are: clannishness, cronyism (family), nepotism, protectionism, favoritism. Corporate-clan corruption is organically connected with political corruption.
- 5) The effective fight against corruption in Ukraine requires proper legislative support, the formation of an effective system of state institutions, ensuring proper coordination of the formation and implementation of anti-corruption policy, and preventive measures to prevent corruption. The development of such an institutional system must comply with international standards and best global practice. Ukraine joined the international anti-corruption movement, ratifying a number of international legal documents and developing national anti-corruption legislation based on them.
- 6) The anti-corruption strategy is a document that helps to ensure teamwork of all authorities to fight corruption. The development and coordination of the implementation of the Anti-corruption Strategy is the responsibility of the National Agency for the Prevention of Corruption (NAPC), assigned to it at the legislative level. In order to ensure the high quality of the document, NAZK involved experts, public activists, international partners and all interested citizens in the writing of the strategy through online discussions that took place in early July.

- 7) The study of the foreign experience of anti-corruption allows us to state that it is impossible to avoid well-established mechanisms of legal, organizational, personnel, and informational and explanatory support for anti-corruption policy. The most important measures to prevent and stop corruption, as evidenced by the experience of successful countries in the fight against corruption, include the following:
- formation of the highly effective legal strategy and strong anti-corruption legislation;
 - creation of the well-established system of state institutions, organizations and divisions, capable of ensuring high-quality implementation of anti-corruption decisions at a high professional level;
 - increasing the level of management processes transparency; improvement of control and reporting; reduction of power monopoly, etc.
- 8) Overcoming corruption risks and reducing corruption offenses will be possible if certain directions are implemented in the activities of social protection institutions: adoption of internal ethical standards and implementation of control over conflicts of interest in the public service, increase of procedural independence of employees at the executive level (inspector, specialist, social worker); development of the function of internal financial control and anti-corruption.
- 9) Taking into account international recommendations, we strongly support the need to create systems that ensure appropriate supervision of discretionary decisions (when confirming the right to receive state assistance or to receive social services); regulating conflicts of interest and ensuring transparency through the reporting and/or control of personal assets and liabilities, ensuring that contacts between government officials and businessmen are inappropriate and that officials can report cases of corruption without jeopardizing personal safety and professional status.

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