# FUNCTIONAL DIRECTION OF ANTI-CORRUPTION POLICY TOOLS IN THE SYSTEM OF THE NATIONAL ECONOMY DETINIZATION

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**SUMMARY**

*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 functional aspect is investigated in the work and the system of indicators of anti-corruption policy is resulted. The article presents practical recommendations for improving functional direction of anti-corruption policy tools in the system of the national economy detinization; the using of state regulatory imperatives to combat systemic corruption in the national economy. The authors 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. The practical part of the work is represented by an economic and statistical analysis of the results of NABU activities in a dynamic sequence for 2021-2022.*

***Keywords:*** *anti-corruption policy, economic security, global corruption barometer, corruption, NABU activity results, national economy.*

The modern development of Ukrainian statehood positions corruption and the shadow economy as a key threat to national security and one of the biggest obstacles to the country's development. Corruption and the shadow economy endanger the very fact of the existence of the state, act as the main obstacle to raising the standard for living of the population, economic development, the formation of civil society, and the fight against organized crime.

The growth of corruption in Ukraine is one of the main barriers to attracting foreign investment and modern technologies to the national economy. All-encompassing

corruption in all spheres of the national economy and branches of state administration, the high level of development of the shadow economy create many obstacles to the implementation of relevant reforms and negatively affect the investment attractiveness of Ukraine, which significantly slows down the progress of these processes and reduces the effectiveness of the implemented reforms, which acquire only a formal character. One of the priority tasks of the state anti-corruption policy in Ukraine should be the creation and implementation of the analysis quality system and assessment of corruption risks in the sphere of public administration. Corruption and shadow economy are closely intertwined and mutually generate each other [1].

The shadow economy can exist and develop on a significant scale only in conditions of all systems corruption for state power and management. It forms corrupt relations in all spheres of politics and economy, on which its prosperous existence depends. Corruption forces it to remain in the shadows and conduct illegal business, creates the basis for the formation of its new spheres and types. The shadow economy is the financial basis of corruption, and corruption is the financial basis of the shadow economy.

One of the main reasons for the growth of corruption is the rapid, illegal and unfair enrichment of the oligarchy, which most often occurred during the intensification of foreign trade ties, as well as a result of large-scale foreign conquests, military robberies or direct bribery by foreign states. It was globalization in ancient times that was the cause of crises in corruption and the death of civilizations and ethnic groups.

Currently, there is no unequivocal definition of corruption in international and national regulatory documents, which indicates the multifaceted and contradictory nature of this phenomenon. There is a need to specify the essence of the definition «corruption», which provides the model semantics of the theoretical basis of anti-corruption mechanisms. It should be noted that the modern concept of corruption stops at the traditional understanding of corruption as the abuse of state power for private gain. We propose to consider corruption in a narrow sense as any action aimed at achieving or obtaining any benefits, privileges or benefits through illegal conspiracies and bribes, and in a broader sense as an antisocial, immoral and illegal phenomenon that includes a set of corrupt acts, which destroy the legal foundations of society and state power and are associated with the improper use by persons authorized to perform the functions of the state, the power, official powers, and relevant opportunities granted to them for the purpose of satisfying personal interests or the interests of third parties [2].

The World Corruption Barometer is an annual sociological survey by Transparency International, which is conducted to find an index of corruption perception, citizens` opinions about which state and public institutions are the most corrupt, and to take into account the practical experience of encountering corruption. The study also takes into account the respondents` assessment of the effectiveness of the authorities in combating corruption. The research is conducted every year since 2003 in more than 60 countries of the world.

The 2022 Corruption Perceptions Index (CPI) shows that most countries are failing to stop corruption. The CPI ranks 180 countries and territories around the world by their perceived levels of public sector corruption, scoring on a scale of 0 (highly corrupt)

to 100 (very clean).

The global average remains unchanged for over a decade at just 43 out of 100. More than two-thirds of countries score below 50, while 26 countries have fallen to their lowest scores yet. Despite concerted efforts and hard-won gains by some, 155 countries have made no significant progress against corruption or have declined since 2012. Global peace has been deteriorating for 15 years. Corruption has been both a key cause and result of this [3].

Corruption undermines governments` ability to protect people and erodes public trust, provoking more and harder to control security threats. On the other hand, conflict creates opportunities for corruption and subverts governments` efforts to stop it. Even countries with high CPI scores play a role in the threats that corruption poses to global security. For decades, they have welcomed dirty money from abroad, allowing kleptocrats to increase their wealth, power and destructive geopolitical ambitions [4].

The results of the «Global Corruption Barometer» study by Transparency International and the Gallup International Association showed that in 2021, Ukrainians considered the most corrupt institutions to be the most corrupt, and the courts took the first place - 66%. For comparison, law enforcement agencies – 64%, civil service – 56%, health care – 54%, parliament – 53%, political parties – 45%.

The next step in the research consist of presentation some information for 2022. Ukraine received 33 points out of a possible 100 in the Corruption Perceptions Index (CPI) for 2022. Our indicator increased by one point, and now Ukraine ranks 116-th out of 180 countries in the SRI. Algeria, Angola, Zambia, Mongolia, Salvador and the Philippines also have 33 points. Bosnia and Herzegovina, Gambia, Indonesia, Malawi, Nepal, Sierra Leone are one point ahead of us - all of them have 34 points. And there is the one point less than Ukraine - the Dominican Republic, Kenya and Niger. There are also changes in indicators among friends of Ukraine. Poland lost 1 point, but remained the leader in CRI indicators among our neighbors - with 55 points, it ranks 45-th. But Slovakia managed to improve its indicators over the year - 53 points (49-th place), Romania - 46 points (63-rd place) and Moldova (91-st place). Despite the russian invasion, our country has shown that its progress in the fight against corruption is a constant process that continues even in the most difficult period of the state's existence [4].

*What do the results of the CRI of Ukraine mean in the context of the war?* So, the 33 points scored by Ukraine in 2022 is the highest indicator of our country since the launch of the updated CRI methodology. Thus, over the past 10 years, the indicator of Ukraine has increased by 8 points.

National Anti-corruption Bureau (NABU) effectively cooperated with other institutions to identify and neutralize the external enemy. In the second half of 2022, the National Anti-Corruption Bureau of Ukraine focused on the main activity of exposing corruption. However, cooperation with law enforcement and security agencies to identify the enemy and overcome the consequences of Russian aggression, which began in the first half of the year, continued.

The cooperation between NABU and State Enterprise "Ukrainian National Center for Peace Building", which performs the functions of the National Information Bureau

(NIB), proved to be effective. Employees of the Bureau helped colleagues from the NIB to launch a "hotline" for prompt response to the facts of human rights violations during the armed aggression of the russian federation against Ukraine. In particular, on the basis of the technical complexes of NABU, calls received to the NIB "hotline" were received. During the second half of 2022, more than 15,000 appeals from citizens of Ukraine were processed [5].

NABU strengthened the international direction of its activities, concentrated its efforts on cooperation with international partners and informing the international community about achievements on the anti-corruption front [6].

Immediately two projects of the National Bureau in the II half of 2022 received international recognition. "Anti-corruption school of NABU" became the best anti-corruption initiative of the year according to the version of EPAC-EACN. And the Anti-Corruption Augmented Reality project won the Integrity Hackathon - an international innovation competition in the field of integrity and the fight against corruption, organized by the Special Investigation Service of the Republic of Lithuania [7].

Participation in international events once again proved the commitment of Ukraine as a future member of the EU to the chosen anti-corruption path. This idea became a cross-cutting theme in the speeches of acting director of the National Bureau Gizo Uglava during the International Anti-corruption Conference IACC 2022, held in Washington, USA. This is the world's largest public anti-corruption event, during which special attention was paid to the situation in Ukraine this year.

International partners continue to support the efforts of the National Bureau. There is the one the eve of the International Anti-Corruption Day, together with other anti-corruption institutions, organized the All-Ukrainian Anti-Corruption Mutt Court. It became one of the most significant events for Ukrainian law students. 107 teams from 52 universities from all regions of Ukraine registered to participate in the project. 10 of the 82 teams that successfully solved the selection task competed offline in simulated situations similar to those in which detectives work [8].

In addition to cooperation in the sphere of prevention, the National Bureau strengthened cooperation with international partners in the direction of investigations. NABU joined the project to combat money laundering using virtual assets, introduced by the OSCE and the United Nations Office on Drugs and Crime (UNODC). Following this, NABU detectives and analysts improved their skills in tracking crypto currency transactions and searching for illegal assets during a week-long training at the CEELI Institute in the Czech Republic. In general, Bureau employees learned new skills during more than 10 seminars and trainings in an offline format from the competent authorities of six countries of the world

**Practical part of the work.** According to the Part 3 of Article 26 of the Law of Ukraine "On the National Anti-Corruption Bureau of Ukraine", the written report must contain the following mandatory information:

1) statistical data on the results of activity with mandatory indication of such information

2) interaction with other state bodies, local self-government bodies, enterprises, institutions and organizations;

3) cooperation with competent bodies of foreign states, international and foreign organizations and agreements concluded with them on cooperation, representation of interests abroad;

4) cooperation with non-governmental organizations and mass media;

5) number of employees of the National Bureau, qualifications and experience of its employees, improvement of their qualifications;

6) activities of the internal control unit of the National Bureau; the number of reports on the commission of offenses by employees of the National Bureau, the results of their consideration, bringing the employees of the National Bureau to justice;

7) estimate of the National Bureau and its implementation;

8) other information related to the results of the National Bureau's activities and the performance of its duties.

In accordance with Article 26 of the Law of Ukraine "On the National Anti-Corruption Bureau of Ukraine" (NABU), we provide statistical data on the results of activity for 2021-2022 (Table 1).

**Table 1: Dynamics of NABU activity results for 2021-2022 years**

| Type of activity | I half of the 2021 | II half of the 2021 | I half of the 2022 | II half of the 2022 | $Tp_{\%}$ (II half 2022 compared to II half 2021) |
|---|---|---|---|---|---|
| The number of registered statements and notifications about criminal offenses in terms of criminal offenses assigned by law to the jurisdiction of the National Bureau | 236 | 297 | 163 | 293 | -1,35 |
| The number of operative and investigative cases initiated by the National Bureau, | 18 | 13 | 20 | 17 | 30,77 |
| and their effectiveness | 2 | 8 | 6 | 5 | -37,5 |
| The number of persons against whom indictments have been drawn up for their commission of criminal offenses assigned by law to the jurisdiction of the National Bureau | 43 | 86 | 31 | 68 | -20,93 |

| | | | | | |
|---|---|---|---|---|---|
| The number of persons in respect of whom the court's guilty verdict has entered into legal force regarding their commission of criminal offenses assigned by law to the jurisdiction of the National Bureau | 16 | 16 | 21 | 15 | -6,25 |
| The number of persons in respect of whom the acquittal verdict of the court regarding their commission of the respective offenses became legally binding | 1 | 0 | 1 | 6 | - |
| Information on the amount of losses and damages caused by criminal offenses brought under the jurisdiction of the National Bureau by law, the status and amounts of their compensation | 97017248000*** UAH | 98582868000** UAH | 113389558000** UAH | 120875826000** UAH | +22,6 |
| | 2806338820 UAH** including in the I half of 2021: 1112856000 UAH | 3796941630 UAH** including in the II half of 2021: 840564110 UAH | 4544965270 UAH*** including in the I half of 2022: 748023509 UAH | 5794962480 UAH*** including in the II half of 2022: 1249997210 UAH | X |

** established losses as of the end of the reporting period

*** compensated losses as of the end of the reporting period

**Source:** formed by the authors on the base of National Anti-Corruption Bureau of Ukraine (2023). Work reports [online]. [cit.2023-05-21]. Available at: https://nabu.gov.ua/activity/reports/

According to the results of the statistical study shown in Table 1, unfortunately, the size of established losses increased as of the end of the reporting period. The number of appeals has slightly decreased.

**Conclusions.** In view of the destructive all-encompassing influence of corruption on the national economy and its ability to expand without constant opposition, the need to allocate the anti-corruption function of the state, which involves the comprehensive implementation of legislative, institutional, organizational-political, socio-economic and moral-ideological measures, is substantiated. The outlined measures should be aimed at creating high-risk conditions for corruption activity, taking into account the following fundamental principles of activity of anti-corruption entities: legality; openness and transparency; priorities of service to the state; permanence; collegiality in all cases of adoption of decisions vital for the population; purposefulness; scientific validity; economic feasibility; preventive measures; intended use. It has been proven that together with the coordinated activity of state authorities in the implementation of the

tasks of the state anti-corruption policy and the observance of the basic principles that ensure the effectiveness of anti-corruption mechanisms, it is necessary to implement a complex of modernization state-management measures aimed at the formation of a strong political will in the country for the implementation of anti-corruption policy measures; ensuring effective functioning of anti-corruption institutions; ensuring transparency in relations between the public and private sectors; popularization of the idea of active opposition of civil society to manifestations of corruption.

According to the results of the methodological components systematization of the state anti-corruption policy, it was established that the anti-corruption policy consists in the development and implementation of versatile and consistent measures of the state and society to eliminate (minimize) the causes and conditions that generate and feed corruption in various spheres of life. It should be integrated into the basic strategy of the state's development in state-political, socio-economic, state-legal, social-civic, socio-cultural aspects.

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