

UDC 330:340

Dluhopolskyi O.

*Doctor of Economics, Professor,
West Ukrainian National University, Ternopil, Ukraine;
e-mail: dlugopolsky77@gmail.com; ORCID ID: 0000-0002-2040-8762*

Farion-Melnyk A.

*Ph. D. in Economics, Associate Professor,
West Ukrainian National University, Ternopil, Ukraine;
e-mail: a.farion@tneu.edu.ua; ORCID ID: 0000-0002-0485-9563*

Bilous I.

*Ph. D. in Economics, Associate Professor,
West Ukrainian National University, Ternopil, Ukraine;
e-mail: 1982bilous@gmail.com*

Moskaliuk N.

*Ph. D in Law, Associate Professor,
West Ukrainian National University, Ternopil, Ukraine;
e-mail: moscaluc_nadiya@ukr.net*

Banakh S.

*Ph. D. in Law, Associate Professor,
West Ukrainian National University, Ternopil, Ukraine;
e-mail: s.v.banakh@tneu.edu.ua; ORCID ID: 0000-0002-2300-1220*

STRATEGIC DIRECTIONS TO OVERCOMING CORRUPTION: FINANCIAL AND LEGAL PERSPECTIVES

Abstract. Corruption was always intrinsic to all types of economy, but the most developed countries had the smallest level of corruption and this rule worked opposite. But recently, the scope of the problem has increased and changed sharply around the world. This negative phenomenon in a long run is absorbing almost all executive branches. So, the article is devoted to analyzing the main spheres and areas of corruption. Results showed that many countries have high rates in a corrupted society. The article shows the reasons and roots of corruption behavior. Regression analysis for the Rule of Law Index and corruption indicators is carried out with a focus on the relation between ROL Index and CPI, GCI. The direct link between ROL Index and CPI is confirmed empirically ($R^2 = 0,9155$). Also, an indirect link between ROL Index and GCI ($R^2 = 0,9294$), ROL Index and ESG Index is confirmed ($R^2 = 0,7209$). The main recommendations was given to develop and implement the integrated anti-corruption technologies in the tangent spheres: public administration, local self-government, justice, education and medicine, et. Major approaches that define the rule of law were clarified with the aim to prove the interaction between non-compliance of rule of law and the appearance of corruption as a phenomenon. It is considered that the rule of law and human rights are two sides of the same principle that defines the freedom to live worthily without corrupted actions that destroy people's independence firstly from the shadow economy and secondly from dishonest behavior from different dependent officials.

Keywords: rule of law, corruption, correlation, Corruption Perceptions Index, Rule of Law Index, Environmental, Social and Governance Index, Global Corruption Index.

JEL Classification C40, F68, G38, K40, K42

Formulas: 1; fig.: 14; tabl.: 1; bibl.: 60.

Длугопольський О. В.

*доктор економічних наук, професор,
Західноукраїнський національний університет, Тернопіль, Україна;
e-mail: dlugopolsky77@gmail.com; ORCID ID: 0000-0002-2040-8762*

Фаріон-Мельник А. І.

кандидат економічних наук, доцент,

*Західноукраїнський національний університет, Тернопіль, Україна;
e-mail: a.farion@tneu.edu.ua; ORCID ID: 0000-0002-0485-9563*

Білоус І. І.

кандидат економічних наук, доцент,

*Західноукраїнський національний університет, Тернопіль, Україна;
e-mail: 1982bilous@gmail.com*

Москалюк Н. Б.

кандидат юридичних наук, доцент,

*Західноукраїнський національний університет, Тернопіль, Україна;
e-mail: moscaluc_nadiya@ukr.net*

Банах С. В.

кандидат юридичних наук, доцент,

*Західноукраїнський національний університет, Тернопіль, Україна;
e-mail: s.v.banakh@tneu.edu.ua; ORCID ID: 0000-0002-2300-1220*

СТРАТЕГІЧНІ НАПРЯМИ ПОДОЛАННЯ КОРУПЦІЇ: ФІНАНСОВІ І ПРАВОВІ ОРІЄНТИРИ

Анотація. Корупція була, є й буде притаманною всім типам економіки, однак найрозвинутіші країни, тим не менш, відрізняються найменшим її рівнем, і — навпаки. Проте останнім часом масштаб проблеми корупції зріс і різко змінився в усьому світі. На сьогодні це негативне явище в довгостроковій перспективі розвитку проникає майже в усі органи виконавчої влади. Отже, статтю присвячено аналізу основних сфер і напрямів корупційної діяльності. Результати досліджень продемонстрували, що багато країн мають високі показники корумпованості суспільств. Проаналізовано причини і коріння корупційної поведінки. Регресійний аналіз Rule of Law Index та індикаторів корупції проводиться з акцентом на взаємозв'язок між ROL Index та CPI, GCI. Прямий зв'язок між ROL Index та CPI підтверджується емпірично ($R^2 = 0,9155$). Також підтверджено непрямий зв'язок між ROL Index та GCI ($R^2 = 0,9294$), ROL Index та ESG Index ($R^2 = 0,7209$). Надано рекомендації щодо розроблення і впровадження інтегрованих антикорупційних технологій у різних сферах: державне управління, місцеве самоврядування, юстиція, освіта і медицина тощо. Основні підходи, що визначають верховенство права, були роз'яснені з метою доведення взаємодії між недотриманням норм права і появою корупції як явища. Вважаємо, що верховенство права і захист прав людини є двома сторонами одного принципу, який визначає свободу жити гідно без корумпованих дій, які загрожують незалежності громадян як від тіньової економіки, так і від недоброчесної поведінки чиновників різного рівня.

Ключові слова: верховенство права, корупція, кореляція, Corruption Perceptions Index, Rule of Law Index, Environmental, Social and Governance Index, Global Corruption Index.

Формул: 1; рис.: 14; табл.: 1; бібл.: 60.

Introduction. Corruption is a multidisciplinary phenomenon that scholars from different disciplines have analyzed for a long period of time. There are corruption studies in law [1—3], finance [4—9], economics [10—15], international business [16—18] and environment [19—23]. However, all these manifestations of corruption are somehow related to the quality of institutions and rule of law.

General problems overview. In the long-run corruption makes people's life worse and contradicts the main principle of the rule of law. Corruption occurs when people who get money for their work from the state budget (salaries), give or take money, gifts, or services and abuse by their official position, use their influence for the sake of their personal gain or they show, for example, protectionism.

Corruption does not involve the transfer of money or gifts necessarily, but it always presses abuse of official position in personal interests. There are two basic points of corruption, first one stresses that corruption is exogenous and the other — endogenous to the political process. But

scientists have proved undoubtedly [24; 25], that all types of corruption are intrinsically related to rule of law. Weak compliance with the rule of law implies a high level of corruption and vice versa. According to the authorities of the World Bank, rule of law is one important dimension of governance in the control of corruption [26; 27]. Before many governments, a martyred dilemma is arising in the question of how to prevent corruption and protect the rule of law. As corruption is very hard in position to measure the world practice gives three composite indicators in this field: CPI¹, Eurobarometer², and WGI³. According to those indicators, the level of corruption in many countries has increased rapidly over the past three years. It causes significant losses in the global economy, approximately \$3,6 trillion dollars every year and 1 in 4 people worldwide have had to pay a bribe [28].

Figures around the EU also show shocking results (*Tabl.*).

Table

Losses from corrupted actions in the European countries

Countries	GDP loses, billion / year, €	% GDP	Countries	GDP loses, billion / year, €	% GDP
Austria	10,4	4,0	Estonia	1,6	8,2
Belgium	21,0	6,0	Finland	3,9	2,5
Bulgaria	11,0	14,0	France	120,0	6,0
Croatia	8,5	13,5	Germany	104,0	4,0
Cyprus	2,0	8,0	Greece	34,0	14,0
Czech Republic	26,7	12,0	Hungary	20,0	11,0
Denmark	4,0	2,0	Ireland	5,4	4,0
Italy	237,0	13,0	Latvia	3,4	13,0
Lithuania	4,4	11,0	Luxembourg	0,687	2,0
Malta	0,725	8,65	Netherlands	4,4	0,76
Poland	65,7	12,6	Portugal	18,2	7,9
Romania	38,6	15,6	Slovakia	11,0	13,0
Slovenia	3,5	8,5	Spain	90,0	8,0
Sweden	9,4	3,0	UK	41,2	2,3

Source: compiled by the authors based on [29].

The amount of losses is considerable — €904 billion across the EU hit to GDP, these financial resources might be used for various reasons such as the COVID-19 prevention, unemployment, healthcare, housing, sickness and disability, policing, education, and poor families. In conclusion, it must be stated that corruption appears as one of the dominant factors which cause the world financial crises, and to overcome it, there must be followed three main positions — tackling the crisis of democracy, promoting rule of law, and fighting corruption [30; 31]. Such conditions cause expressions of interest from many scientists and researchers so the theme of the investigation remains to be relevant.

Literature review. The theoretical approaches in studying the influence of the rule of law on different social and juridical spheres were indicated in many scientific types of research. Rule of law and corruption are intrinsically related. The researches that a weak rule of law implies a high level of corruption is supported by N. Leff, S. Huntington, B. White, A. Elbasani, S. Sabic [32—36]. According to H. F. de Mendonça & A. O. da Fonseca, in countries with a high level of rule of law, no one is above the law and thus the corruption can decrease [37].

Many scientists (S. Stewart, N. Subedi, A. Lopez-Claros, V. Tanzi, O. Dluhopolskyi, H. Yu, A. Guernsey, C. Pring, J. Vrushi, A. Zhukovska) are studying the meaning of the rule of law as a separate process as well as in contest of corruption [12; 13; 25; 26; 30; 38—40]. Scientists and researchers of international organizations (A. Peters, S. Rose-Ackerman, T. Corothers) also make

¹ CPI — Corruption Perceptions Index.

² Eurobarometer — explore the perception and the experience of corruption among EU citizens.

³ WGI — Worldwide Governance Indicators. It reports aggregate and individual governance indicators for over 200 countries and territories over the period 1996—2018 for six dimensions of governance and two of them are the most important for conducted research.

massive contributions to methodology developments related to the question of how to overcome corruption according to the main principles of the rule of law [2; 6; 7; 36; 41].

Research methodology. The authors used generalized scientific methods for theoretical and empirical research. The research questions of the study were chosen by using a survey method. The main motivation for this research was the rapid increase in corruption levels around the world and the fact that the fight against it becomes more expensive. Many researchers prove that it is hard to select appropriate methodology in measuring levels of corruption and the role of law since both are immeasurable. But the perception of both factors is possible to measure. Actions that can be taken to reduce a corruption level could not be seen separately from the reform of the state role using managerial methods and adhering to the basic principles of the rule of law. The last one is intrinsic for a stable and democratic society, social justice, and freedom, but these indicators are exceptionally low in a corrupted society. Nowadays corruption is becoming a threat to the rule of law.

The purpose of the article consists of recommendations on how to keep the basic principles of the rule of law in the process of struggle against corruption based on the analysis. Theoretical and methodological research is fundamental in regularities cognition of principles in corruption struggle and some general scientific and specific methods that allow investigating in detail the meaning of the rule of law. In the process of research, the following methodological methods were used: scientific abstraction — for the formulation of theoretical generalizations and conclusions regarding the rule of law; analysis and synthesis — for studying the nature of corruption, the establishment of trends in corruption regularities; economic-statistical analysis — for grouping of reporting and previous data concerning the corruption in the world (list of 115 countries), construction of correlations between indicators of corruption (CPI, GCI) and Rule of Law Index.

Research findings. The importance of the rule of law is worldwide known. The term «the rule of law» is often used in different ways because it is difficult to define only one meaning. It is hardly ever when time is passing without mention of the rule of law by politicians, scientists, and commentators even in countries where the principles of the law are different from the ones of democratic countries. Magna Carta states «No freemen shall be taken or imprisoned or disseized or exiled or in any way destroyed, nor will we go upon him nor send upon him, except by the lawful judgment of his peers or by the law of the land» [42; 43]. It is necessary to admit that the rule of law is very important for the community in any type of society. J. Madison proved «if men were angels, no government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed, and in the next place oblige it to control itself» [44].

All countries have their understanding of the rule of law and the most developed countries perceive it as freedom in democracy. E. C. Stanton underlined «To make laws that man cannot and will not obey, serves to bring all law into contempt. It is very important in a republic that the people should respect the laws, for if we throw them to the winds, what becomes of civil government?» [45]. To understand better the rule of law it is important to compare countries where some people are above the law and other ones who follow «the rule of law». Countries with total monarchy have several people who are above the law. They make the law and the last one does not apply to them. Such system got the name «the rule of man or woman». Countries with the rule of law give individuals many rights; they understand them and try to avoid breaking the law. But the most important option is that no-one is allowed to do things against the law. Governments and authorities also must obey the law.

Each nation has its approach to the interruption «the rule of law». For the United Nations, the rule of law refers to «a principle of governance in which all persons, institutions and entities, public and private, including the State itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards. It requires, as well, measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of

the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency» [46].

To define «the rule of law» it is necessary to understand the purpose of the law. The rule of law has several purposes, as described by R. Kleinfeld, «making the state abide by the law; ensuring equality before the law; supplying law and order; providing efficient and impartial justice; upholding human rights» [41]. The essential elements of the rule of law are the law’s autonomy and universality. But it could be defined as the other elements as was described in *Fig. 1*.

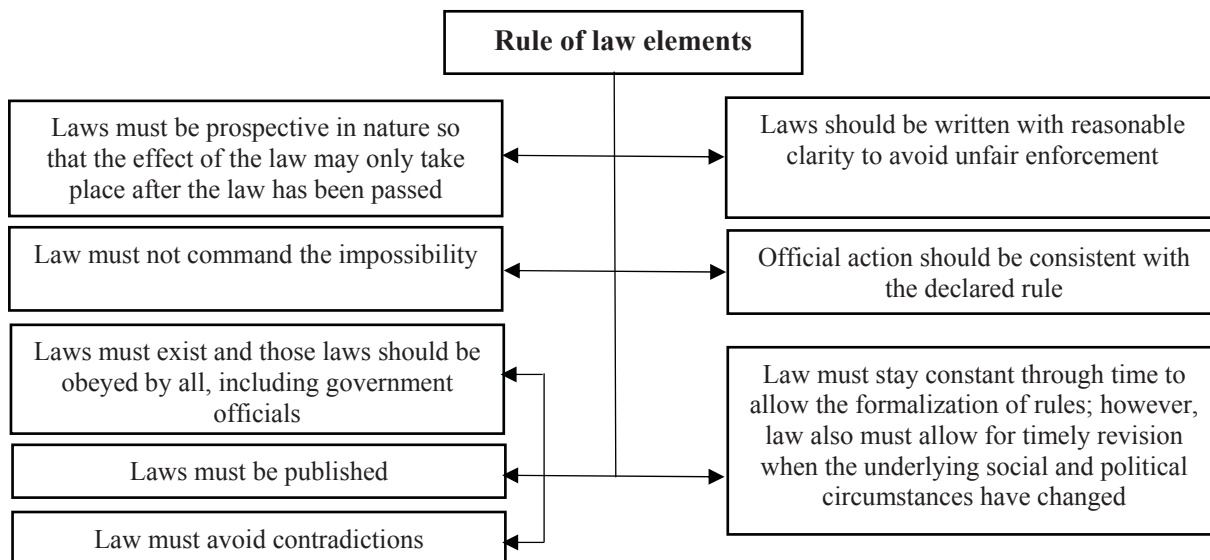


Fig. 1. Elements of the rule of law

Source: compiled by the authors based on [40].

N. Subedi admitted three major approaches that define the rule of law (*Fig. 2*). S. Stewart also indicated three main principles of the rule of law (*Fig. 3*) which were adopted in the world literature.

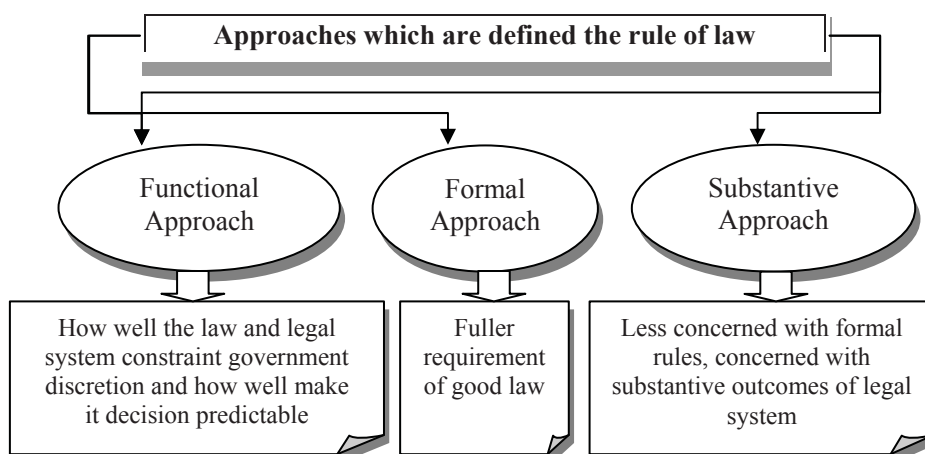


Fig. 2. Major approaches which define the rule of law

Source: compiled by the authors based on [39].

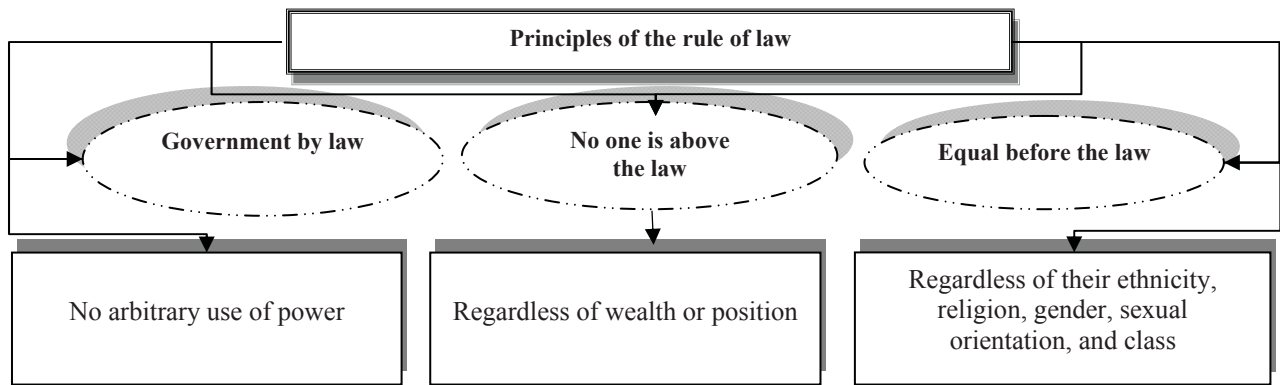


Fig. 3. Principles of the rule of law

Source: compiled by the authors based on [38].

Corruption has a direct influence on the infringement of the rule of law. Black’s law dictionary gives a further explanation of corruption: «The act of doing something with the intent to give some advantage inconsistent with official duty and the rights of others» [47]. Corruption could be defined as a global phenomenon, but it does not affect all countries in the same way. It relates to human rights and human wealth. According to the economic theory, there have been developed two basic points of corruption, one opinion tells us that corruption is exogenous and the other one — endogenous to the political process [13].

Another theoretical view identified three basic types of corruption: corruption for the acceleration of processes, administrative corruption, and «state capture» [48]. In world practice, it is described two types of corruption (Fig. 4).

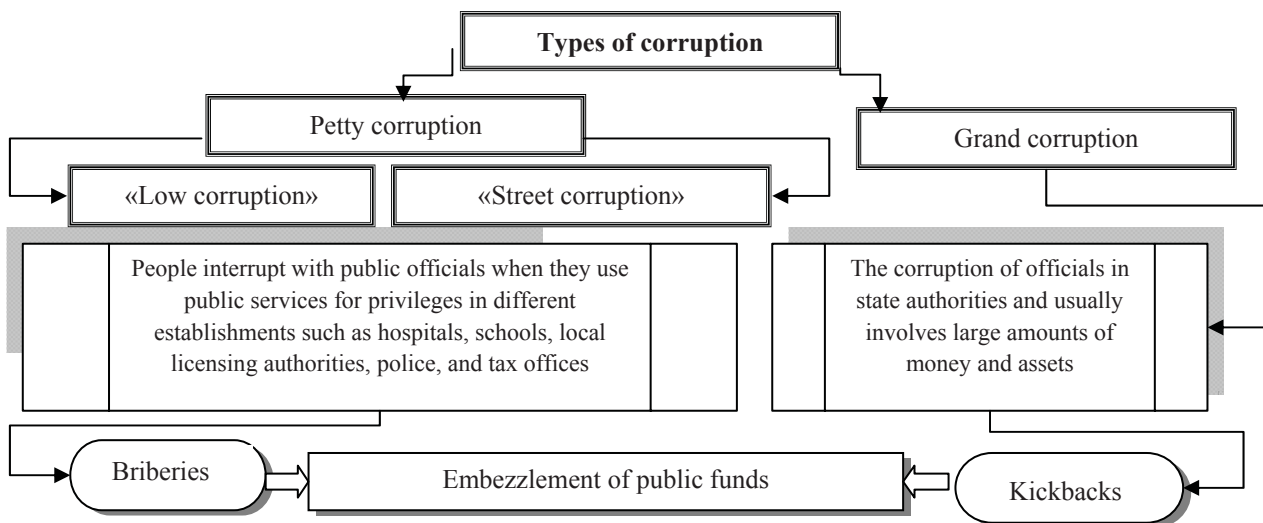


Fig. 4. Types of corruption

Source: compiled by the authors based on [49].

Corruption can be value by R. Klitgaard formula (1) [24]:

$$Corruption = Monopoly + Discretion - Accountability.$$

Corruption has been attracting a lot of attention around the world for many years. Lots of shreds of evidence prove that corruption appeared thousands of years ago. But recently the scope of the problem has increased. Like all processes in society, this one is equal to demand and supply. Many factors have a direct connection to the level of corruption [25]. It is not possible to indicate the level of corruption exactly. Many critics indicate that fighting against corruption cannot be effective without reform of the role of the state. Corruption isn’t a new phenomenon that appeared in the modern world. Lots of ancient scientists wrote about such problems — «Kautilya Arthashastra», Dante, Shakespeare, even in American Constitution there was stressed that it is one

of two crimes that can lead to the impeachment of the USA president. V. Tanzi mentioned that there is more corruption than in the past [25].

There could be several factors that can have a direct influence on the increasing level of corruption. It is very important to make distinctions between the consequences and causes of corruption. Some authors excrete the most considerable corruption causes [50]: recruitment, salaries, judiciary, press freedom, cultural determinants, size and structure of government, democracy and the political system, quality of institutions, extend of competition, the endowment of natural resources and cultural determinants. Democracy also plays the important role in this context. Countries with high democracy levels have big governmental sizes that can decrease the level of corruption and it will work the opposite. Democracy is always more vulnerable to charges of corruption than other types of government.

Many investigations denoted that the level of corruption is high in developing countries and it depends on the role of government and hard process for opening business through different permitting and regulations (for example, licenses, permits, and authorization). Officials get monopoly power to authorize these actions and they can refuse to fulfill their obligations or set the decisions for several months or even more.

To get the necessary documentation or accelerate the decision-making process many people try to give bribes to officials. The level of wages, which civil servants get, became one of the main reasons for the proliferation of corruption (*Fig. 5*).

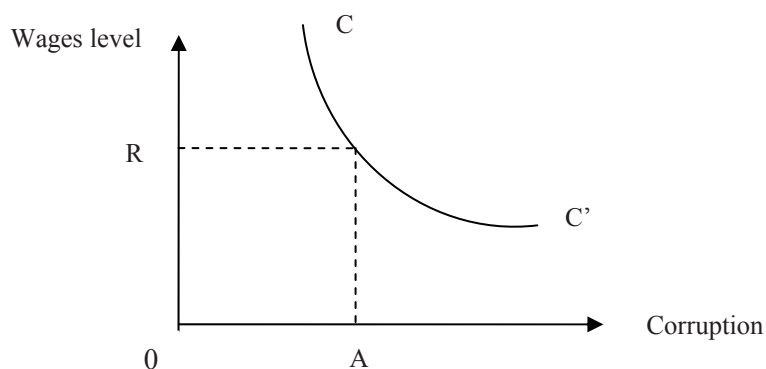


Fig. 5. Corruption curve (corruption dependence from level of wages)

Source: authors own elaboration.

Corruption can be called a reflection of a country's economic, legal, cultural, and political institutions' well-being. A high level of wages causes decreasing in corruption and a low level of wages causes increasing in corrupted actions. But it is not a stable meaning. Some scientists prove that increasing wages could be only the second point in managerial tasks, as those who will continue to be involved in corruption acts may demand a higher number of bribes. In the opinion of J. Kaye & P. van Veen [51]: «Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust». And one of four people around the world pays bribes. L. Alvarez and others made difference between two similar meanings: «Bribery — the practice of offering something, usually money, in order to gain an illicit advantage. Gift — something that is bestowed voluntarily and without compensation» [52]. Corruption can occur in different types, in different forms, at different levels within organizations, and in many circumstances (*Fig. 6*).

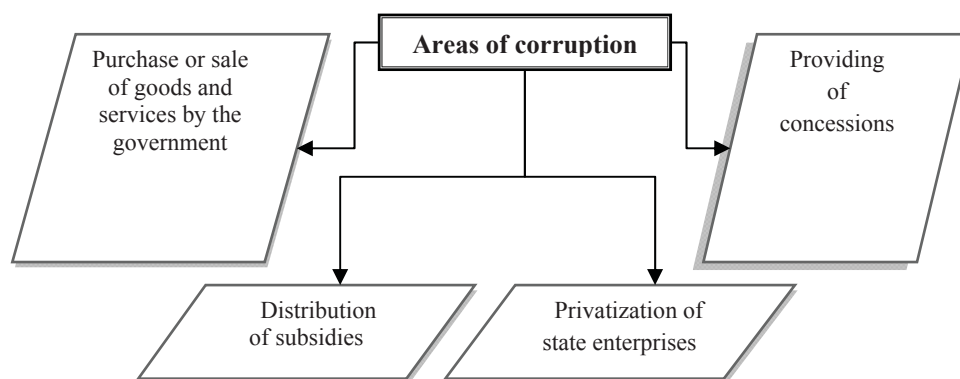


Fig. 6. Areas of corruption

Source: authors own elaboration.

If to state about human rights it could be necessary to show the real scope of corruption influence on them (Fig. 7).

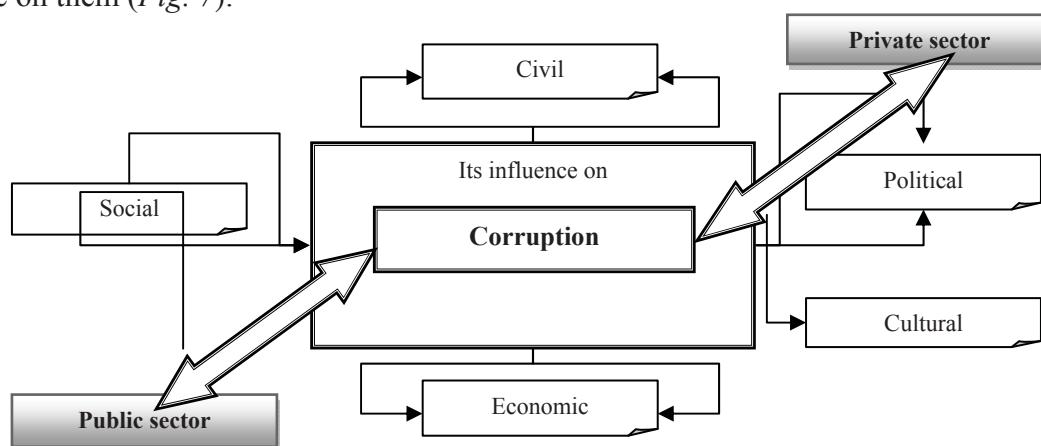


Fig. 7. Influence of corruption on people's rights

Source: authors own elaboration.

The Corruption Perceptions Index (CPI) measures «the perceived levels of public sector corruption worldwide based on expert opinion from around the world» [53]. The CPI uses a scale of zero (highly corrupt) to 100 (very clean). According to 180 countries that were included in the 2019 CPI report, countries with the richest income have the lowest level of corruption and vice versa.

Rule of Law Index (ROL Index) measures adherence to the rule of law by looking at policy outcomes, such as whether people have access to courts or whether the crime is effectively controlled. The four universal principles of rule of law (accountability, just laws, open government, accessible and impartial dispute resolution) are further developed in the following eight factors of the ROL Index: constraints on government powers, absence of corruption, open government, fundamental rights, order and security, regulatory enforcement, civil justice, and criminal justice [54].

Fig. 8 display the regression between levels of CPI and ROL Index. The link between these indicators is direct and very strong ($R^2 = 0,9155$). This means that in countries with strict rules of law, tolerance of corrupt behavior among the population is minimal.

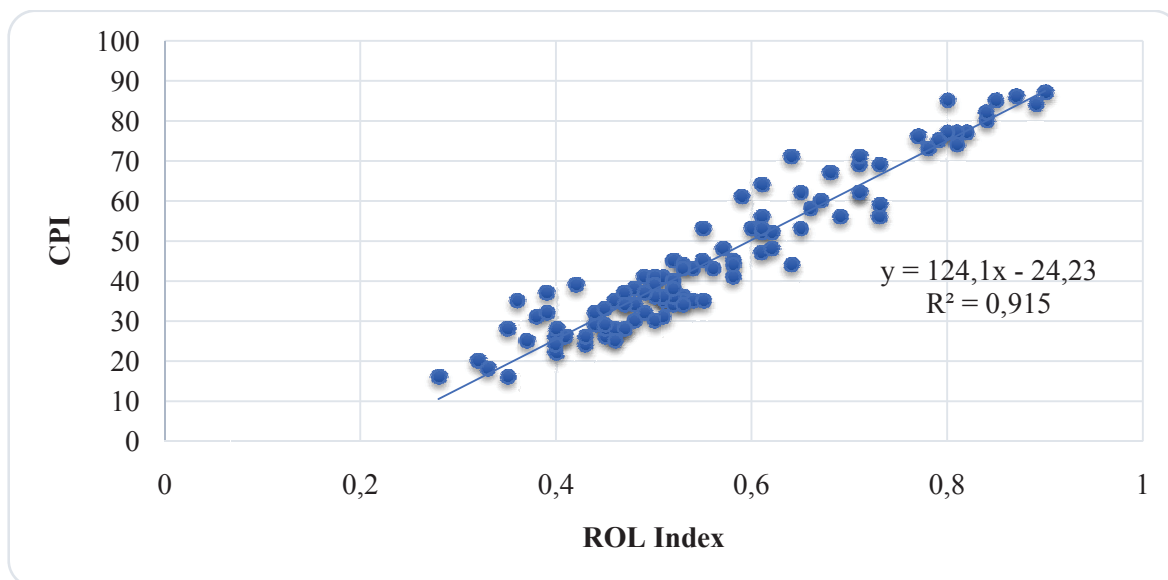


Fig. 8. Correlation between CPI and ROL Index

Source: compiled by the authors based on [53; 54].

C. Pring proved that corruption was seen as one of the biggest challenges facing countries around the world [55]. Investigation shows that a lot of people are not satisfied by poor conditions in the corruption field especially in the state and government establishments (Fig. 9, 10).

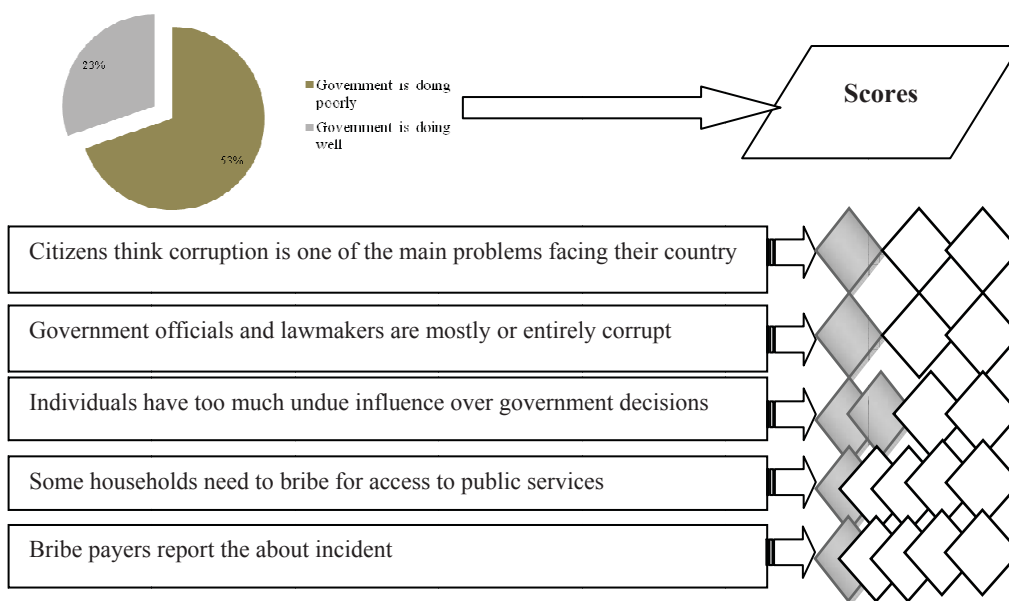


Fig. 9. What do people think about corruption in public sector?

Source: compiled by the authors based on [55].

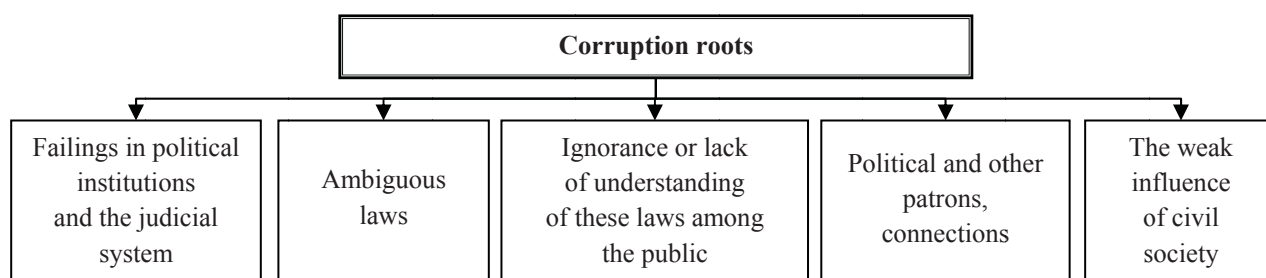


Fig. 10. Roots of corruption

Source: authors own elaboration.

Corruption is widely-spread and many people consider it as an ordinary and everyday form of their social behavior. Lots of them consider corruption as a regular part of life. Also, they conceive that corruption can sometimes or always be powerful as a «machine that accelerates time for implementation task» and to get things done faster. A. Yemelianova stresses that: «The low-ranked public servants are poorly paid but they have a lot of opportunities to receive extra money in addition to their salary by exploiting their positions» [56].

B. Ki-moon stressed that: «Corruption undermines democracy and the rule of law. It leads to violations of human rights. It erodes public trust in the government. It can even kill — for example, when corrupt officials allow medicines to be tampered with, or when they accept bribes that enable terrorist acts to take place» [57]. High Commissioner for Human Rights N. Pillay also stated that: «Let us be clear. Corruption kills. The money stolen through corruption every year is enough to feed the world's hungry 80 times over ... » nearly 870 million people go to bed hungry every night, many of them children; corruption denies them their right to food, and, in some cases, their right to life. A human rights-based approach to anti-corruption responds to the people's resounding call for a social, political, and economic order that delivers on the promises of «freedom from fear and want». Consequences of corruption touch all human rights — civil, political, economic, social, and cultural» [58]. Health, education, and even welfare are limited by corruption and the influence on the realization of economic, social, and cultural rights to development.

Another indicator of corruption — The Global Corruption Index (GCI) — is composed of 28 variables constructed based on datasets that are exclusively borrowed from internationally recognized entities. Encompassing as much as 198 countries, the GCI stands out for its global approach. Its results display the corruption risk exposure deriving from both the public and private sectors (see *Fig. 7*). The GCI also includes issues related to white-collar crimes and more specifically to money-laundering and terrorism financing [59].

Fig. 11 display the regression between levels of GCI and ROL Index. The link between these indicators is indirect and very strong ($R^2 = 0,9294$). This means that in countries with strict rules of law, the risk of corruption among private and public sector institutions is minimal.

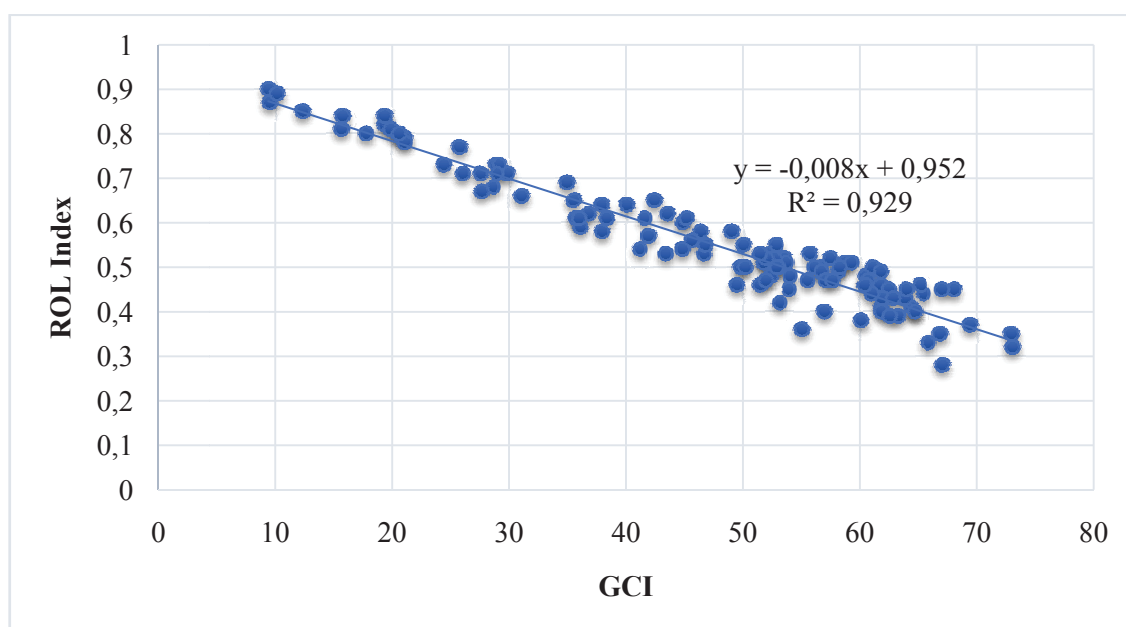


Fig. 11. Correlation between GCI and ROL Index

Source: compiled by the authors based on [54; 59]

The ESG Index (Environmental, Social and Governance Index) is a tool that encompasses three major issues in risk analysis: environment (30%), human rights (50%), health & safety (20%) [60]. With global coverage of 176 countries and territories, the ESG Index is dedicated to measuring risks based on 44 variables. Country results are presented on a 0-100 scale, where 0 corresponds to the lowest risk and 100 corresponds to the highest risk.

Fig. 12 display the regression between levels of ESG Index and ROL Index. The link between these indicators is indirect and strong ($R^2 = 0,7209$). This means that in countries with strict rules of law, key human rights, the environment, health & safety are protected.

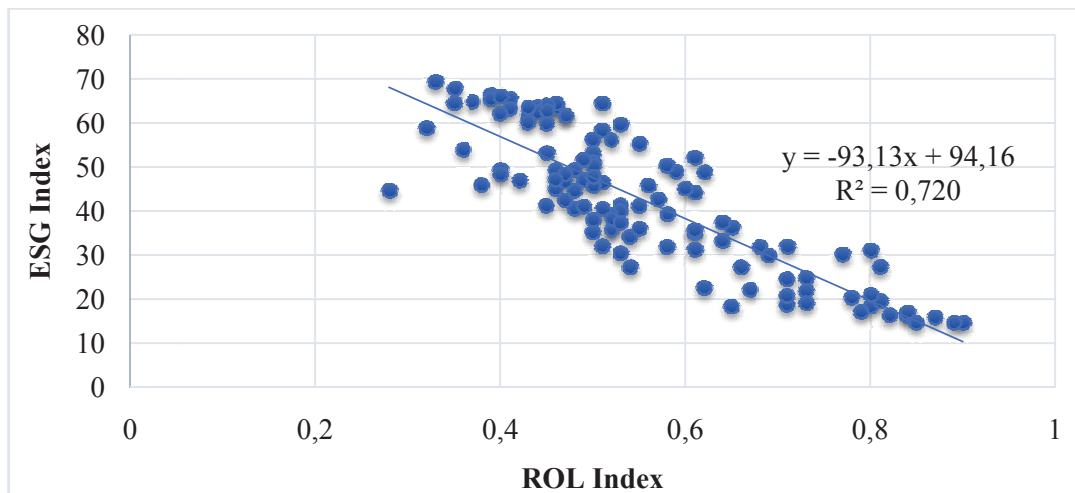


Fig. 12. Correlation between ESG Index and ROL Index

Source: compiled by the authors based on [54; 60].

To overcome corruption it is necessary to develop its strategy for each country according to specialty and cultural dominants. S. Rose-Ackerman recommended to use of a two-pronged strategy in the struggle against corruption and other scientists proposed even three-pronged strategies: «aimed at increasing the benefits of being honest and the costs of being corrupt, a sensible combination of reward and punishment as the driving force of reforms» [7; 26]. All authorities need to be clear in their force in fighting against corruption and create an approach. In the world, there is an admitted six-step strategy to fight against corruption (Fig. 13). Such a strategy could be used in the policy but most people do not believe politicians and their method of fighting.

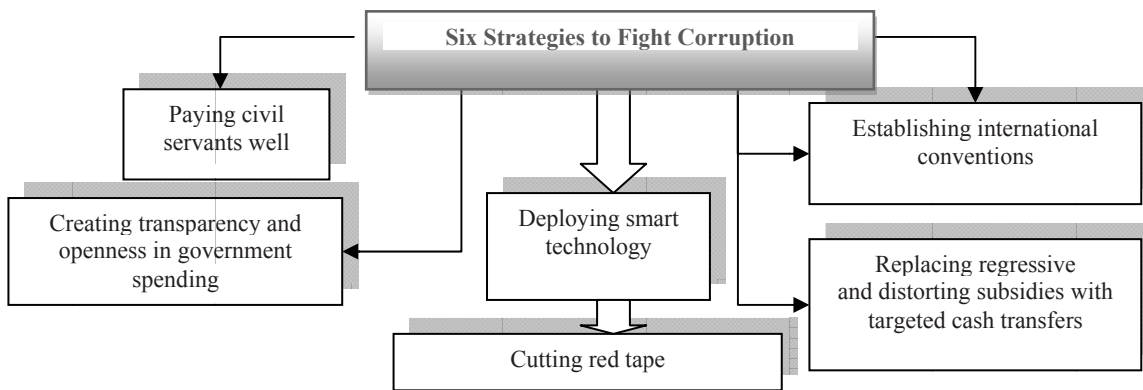


Fig. 13. Strategies to fight corruption

Source: authors own elaboration.

To overcome corruption it is necessary to provide a long-term vision for formulating effective anti-corruption strategies. Strategy tools are the most important elements of fighting corruption. One of them is the conduction of legal reforms that strengthen the rule of law and help to build systemic integrity by all institutions of the society where the rule of law could be established. The typical SWOT analysis of society in corruption direction will help to build an effective strategy (Fig. 14).

Strength	Weakness	Opportunities	Threats
Quality of live	Insufficient of income	Administrative reforms	Lack of economic stability
Rule of law	Weakness of management control system	Media reform	Lack of effective political leadership
Judiciary	Weakness of economical development	Judicial reform	Poverty
Young society	Absence of specific strategies or legal systems to deter corruption	Executive reform	Rise in crimes
Anti-corruption strategies and policy	Inflation	Economic and finance reforms (tax reform, deregulation)	The lack of democracy
Anti-corruption organizations		Increasing of civil rights	Press of freedom
Open government control system		Globalization process	Corruption network
			Monopoly conditions

Fig. 14. **Strategic elements for evaluation the risk level of corruption in society**
 Source: authors own elaboration.

Discussion. Since the theme of research is widespread in scientific circles there are unlimited objects for further investigation in narrow and wide directions. The current study is not free from the limitations, as this research focuses on the date appointed for corruption measure and explanation of the connection between the rule of law and level of corruption, both terms are not acceptable to exact measurements. Future studies and research in this field, recommendations, and exact conclusions will be very important for all countries of the world. But they will be effective only if each person should protect their own rights by fighting against corruption because it destroys people’s rights. This suggests that there must be feedback between scientists, state authorities, and the population.

Conclusions. The direct link between ROL Index and CPI is confirmed empirically. Also, an indirect link between ROL Index and GCI, ESG Index is confirmed. The rule of law is a more theoretical than practical approach to forming law regulation in each country. It shows the influence of law in society. A country with a high level of corruption cannot have a status where the rule of law is a priority. Corruption occurs when people who get money for their work from the state budget (salaries), give or take money, gifts, or services and abuse by their official position, use their influence for the sake of their gain or they show, for example, protectionism. Corruption does not necessarily involve the transfer of money or gifts, but it always presses abuse of official position in personal interests. The important factor in preventing corruption is improving activities on the social level. More attention should be paid to the messages from citizens, the media, results of sociological research on corruption acts, and other unlawful actions of officials, the prevalence of corruption in individual departments. It is worth developing and implements integrated anti-corruption technologies and pronged strategies in the main spheres: public administration, local self-government, justice, education, and medicine.

Література

1. Mijares S. C. The global fight against foreign bribery: is Canada a leader or a laggard? *Western Journal of Legal Studies*. 2015. № 5 (4). P. 1—24.
2. Peters A. Corruption as a violation of international human rights. *European Journal of International Law*. 2018. № 29 (4). P. 1251—1287.
3. Risks and threats of corruption and the legal profession. Survey. 2010. URL : <https://www.anticorruptionstrategy.org>.
4. Pantzalis Ch., Park J. C., Sutton N. Corruption and valuation of multinational corporations. *Journal of Empirical Finance*. 2008. № 15 (3). P. 387—417.
5. Warren E. My Plan to Fight Global Financial Corruption. 2019. URL : <https://medium.com/@teamwarren/my-plan-to-fight-global-financial-corruption-b66492583129>.
6. Taking all reasonable steps. Deloitte Bribery and Corruption Survey. 2019.
7. Rose-Ackerman S. «Grand» corruption and the ethics of global business. *Journal of Banking & Finance*. 2002. № 26 (9). P. 1889—1918.

8. Ahmad N., Ali S. Corruption and financial sector performance: A cross-country analysis. *Economics Bulletin*. 2010. № 30 (1). P. 303—308.
9. Bahoo S. Corruption in banks: A bibliometric review and agenda. *Finance Research Letters*. 2020. № 35.
10. Brada J. C., Drabek Z., Perez M. F. The effect of home-country and host-country corruption on foreign direct investment. *Review of Development Economics*. 2012. № 16 (4). P. 640—663.
11. He C., Xie X., Zhu S. Going global: Understanding China's outward foreign direct investment from motivational and institutional perspectives. *Post-Communist Economies*. 2015. № 27 (4). P. 448—471.
12. Dluhopolskyi O., Dluhopolska T., Farion A., Karp I., Zhukovska A., Kryvokulska N. The implementation of the eHealth system and anticorruption reforms (case of EU countries for Ukraine). *9th International Conference on Advanced Computer Information Technologies* (5—7 June, 2019). (pp. 346—349). Ceske Budejovice, Czech Republic, 2019.
13. Dlugopolskyi O. V., Zhukovska A. Y. Corruption and social reforms: Aspects of confluence. *Actual Problems of Economics*. 2010. № 8. P. 229—240. URL : <https://www.scopus.com/inward/record.uri?eid=2-s2.0-77958172527&partnerID=40&md5=9b339fc6d6b507b427e61e6e8c1f4fa7>.
14. Everett J., Neu D., Rahaman A. S. The global fight against corruption: A foucaultian, virtues-ethics framing. *Journal of Business Ethics*. 2006. № 65 (1). P. 1—12.
15. Boräng F., Jagers S. C., Povitkina M. In Light of Democracy and Corruption: Institutional Determinants of Electricity Provision. *The Energy Journal*. 2017. № 42 (2).
16. Cuervo-Cazurra A. Corruption in international business. *Journal of World Business*. 2016. № 51 (1). P. 35—49.
17. Bahoo S., Alon I., Paltrinieri A. Corruption in international business: A review and research agenda. *International Business Review*. 2020. № 29 (4).
18. Pantzalis C., Chul J., Sutton N. Corruption and valuation of multinational corporations. *Journal of Empirical Finance*. 2008. № 15 (3). P. 387—417.
19. Povitkina M. Democracy, Bureaucratic Capacity and Environmental Quality. *QoG Working Paper Series*. 2015. № 13.
20. Koziuk V., Hayda Y., Dluhopolskyi O., Kozlovskyi S. Ecological performance: ethnic fragmentation versus governance quality and sustainable development. *Problemy Ekorozwoju / Problems of Sustainable Development*. 2020. № 15 (1). P. 53—64.
21. Koziuk V., Hayda Y., Dluhopolskyi O., Klapkiv Y. Stringency of environmental regulations vs. global competitiveness: empirical analysis. *Economics and Sociology*. 2019. № 12 (4). P. 264—284.
22. Koziuk V., Dluhopolskyi O., Hayda Y., Klapkiv Y. Does education quality drive ecological performance? Case of high and low developed countries. *Global Journal of Environmental Science and Management*. 2019. № 5 (S1). P. 22—32.
23. Dluhopolskyi O., Koziuk V., Ivashuk Y., Klapkiv Y. Environmental Welfare: Quality of Policy vs. Society's Values. *Problemy Ekorozwoju / Problems of Sustainable Development*. 2019. № 14 (1). P. 19—28.
24. Klitgaard R. Controlling Corruption. First Edition. California : University of California Press, 1991.
25. Tanzi V. Corruption around the world: causes, consequences, scopes and cures. *International Monetary Fund*. 1998. URL : <https://www.imf.org/external/pubs/ft/wp/wp9863.pdf>.
26. Lopez-Claros A. Six Strategies to Fight Corruption. 2014. URL : <https://blogs.worldbank.org/futuredevelopment/six-strategies-fight-corruption>.
27. Rule of Law: Estimate. World Bank Development Research Group. 2019. URL : <https://datacatalog.worldbank.org>.
28. Johnson S. Corruption is costing the global economy \$3.6 trillion dollars every year. World Economic Forum. 2018. URL : <https://www.weforum.org/agenda/2018/12/the-global-economy-loses-3-6-trillion-to-corruption-each-year-says-u-n>.
29. Quintanilla P. B., Cummins-Tripodi P., Marié A., Mussio E. The costs of corruption across the EU, the GREENSEFE. 2018. URL : <https://www.greens-efa.eu/files/doc/docs/e46449daadbfebc325a0b408bbf5ab1d.pdf>.
30. Pring C., Vrushi J. Tackling the crisis of democracy, promoting rule of law and fighting corruption. *Transparency International*. 2019. URL : <https://www.transparency.org/news/feature>.
31. Mauro P. Corruption and growth. *Quarterly Journal of Economics*. 1995. № 110 (3). P. 681—712.
32. Huntington S. P. Political Order in Changing Societies. New Haven : Yale University Press, 1968.
33. Leff N. H. Economic development through bureaucratic corruption. *American Behavioral Scientist*. 1964. № 82 (2). P. 337—341.
34. White B. T. Putting Aside the Rule of Law Myth: Corruption and the Case for Juries in Emerging Democracies. *Cornell International Law Journal*. 2010. № 43 (2).
35. Elbasani A., Sabic S. S. Rule of law, corruption and democratic accountability in the course of EU enlargement. *Journal of European Public Policy*. 2017. № 25 (1). P. 1—19.
36. Rule of Law Report. *The rule of law situation in the European Union*. Communication from the commission to the European Parliament, the Council, the European economic and social Committee, and the Committee of the regions. Brussels, 2020.
37. Mendonça H. F., de, Fonseca A. O., de. Corruption, income, and rule of law: empirical evidence from developing and developed economies. *Brazilian Journal of Political Economy*. 2012. № 32 (2).
38. Stewart Sh. Rule of law — how it relates atrocity prevention. Washington DC., 2013.
39. Subedi N. Rule of Law: Principles and Practices. 2017. URL : <http://dms.nasc.org.np/sites/default/files/documents/Rule%20of%20Law.pdf>.
40. Yu H., Guernsey A. What is the Rule of Law? 2012. URL : <https://iuristebi.files.wordpress.com/2012/12/what-is-the-rule-of-law.pdf>.
41. Corothers T. Promoting the rule of law abroad: in search of knowledge. 2006. URL : <https://carnegieendowment.org/2006/01/01>.
42. Breay C., Harrison J. Magna Carta: an introduction. 2014. URL : <https://www.bl.uk/magna-carta/articles/magna-carta-an-introduction>.
43. Magna Carta. Transcript, 1215. URL : <https://www.nationalarchives.gov.uk/education/resources/magna-carta/british-library-magna-carta-1215-runnymede>.
44. Madison J. Federalist Paper. 1788. № 51. URL : <https://billofrightsinstitute.org/primary-sources/federalist-no-51>.
45. DuBois E. C., Smith R. C. Elizabeth Cady Stanton: Feminist as Thinker. New York, 2007.
46. The Rule of Law and Transitional Justice in Conflict and Post-Conflict Societies: Report of the Secretary General. 2004. URL : <http://archive.ipu.org/splz-e/unga07/law.pdf>.
47. Black's Law Dictionary. 11th Edition. Thomson Reuters. 2019.

48. Begovic B. Corruption: Concepts, Types, Causes, and Consequence. 2005. URL : <https://www.cipe.org/legacy/publication-docs/032105.pdf>.
49. Countering Grand Corruption. Conference of the States Parties to the United Nations Convention against Corruption, Sixth session. 2015. URL : <https://www.unodc.org/documents/treaties/UNCAC/COSP/session6/V1507721e.pdf>.
50. Enste D., Heldman Ch. Causes and Consequences of Corruption — An Overview of Empirical Results. *IW-Report*. 2017. № 2. URL : <https://www.econstor.eu/bitstream/10419/157204/1/IW-Report-2017-02.pdf>.
51. Kaye J., van Veen P. Presentation to the IESBA. 2015. URL : www.transparency.org.
52. Alvarez L., Ruiz J., Simpson L. K., Woomer M. Ethical Problem-Solving Techniques II. 2013. URL : <https://slideplayer.com/slide/10490408>.
53. Corruption Perceptions Index. 2019. URL : <https://www.transparency.org/en/cpi/2019>.
54. Rule of Law Index. The World Justice Project. 2020. URL : <https://worldjusticeproject.org/our-work/research-and-data/wjp-rule-law-index-2020>.
55. Pring C. People and corruption: Europe and central Asia. 2016. URL : https://www.collective-action.com/sites/collective.localhost/files/publications/2016_gcb_eca_en.pdf.
56. Yemeljanova A. A Diagnosis of Corruption in Ukraine. European Research Centre for Anti-Corruption and State-Building. *Working Paper*. 2010. № 14. URL : <https://www.againstcorruption.eu/wp-content/uploads/2012/09/WP-14-Diagnosis-of-Corruption-in-Ukraine-new.pdf?fbclid=IwAR2AV2U40P8fmyloDQp9rP9JxBrNFSYctytXJL4cfla13gmO9UiF0GZl8Uc>.
57. Ki-moon B. The human rights case against corruption. 2013. URL : <https://www.ohchr.org/Documents/Issues/Development/GoodGovernance/Corruption/HRCASEAGAINSTCORRUPTION.pdf>.
58. Pillay N. The human rights case against corruption. 2013. URL : <https://www.ohchr.org/Documents/Issues/Development/GoodGovernance/Corruption/HRCASEAGAINSTCORRUPTION.pdf>.
59. The Global Corruption Index. 2019. URL : <https://risk-indexes.com/about-gci>.
60. ESG Index. 2019. URL : <https://risk-indexes.com/esg-index>.

Статтю рекомендовано до друку 17.01.2021 © Длугопольський О. В., Фаріон-Мельник А. І., Білоус І. І., Москалюк Н. Б., Банах С. В.

References

1. Mijares, S. C. (2015). The global fight against foreign bribery: is Canada a leader or a laggard? *Western Journal of Legal Studies*, 5 (4), 1—24.
2. Peters, A. (2018). Corruption as a violation of international human rights. *European Journal of International Law*, 29 (4), 1251—1287. <https://doi.org/10.1093/ejil/chy070>.
3. Risks and threats of corruption and the legal profession. (2010): Survey. Retrieved from <https://www.anticorruptionstrategy.org>.
4. Pantzalis, Ch., Park, J. C., & Sutton, N. (2008). Corruption and valuation of multinational corporations. *Journal of Empirical Finance*, 15 (3), 387—417. <https://doi.org/10.1016/j.jempfin.2007.09.004>.
5. Warren, E. (2019). My Plan to Fight Global Financial Corruption. Retrieved from <https://medium.com/@teamwarren/my-plan-to-fight-global-financial-corruption-b66492583129>.
6. Taking all reasonable steps. (2019). Deloitte Bribery and Corruption Survey.
7. Rose-Ackerman, S. (2002). «Grand» corruption and the ethics of global business. *Journal of Banking & Finance*, 26 (9), 1889—1918.
8. Ahmad, N., & Ali, S. (2010). Corruption and financial sector performance: A cross-country analysis. *Economics Bulletin*, 30 (1), 303—308.
9. Bahoo, S. (2020). Corruption in banks: A bibliometric review and agenda. *Finance Research Letters*, 35. <https://doi.org/10.1016/j.frl.2020.101499>.
10. Brada, J. C., Drabek, Z., & Perez, M. F. (2012). The effect of home-country and host-country corruption on foreign direct investment. *Review of Development Economics*, 16 (4), 640—663.
11. He, C., Xie, X., & Zhu, S. (2015). Going global: Understanding China's outward foreign direct investment from motivational and institutional perspectives. *Post-Communist Economies*, 27 (4), 448—471.
12. Dluhopolskyi, O., Dluhopolska, T., Farion, A., Karp, I., Zhukovska, A., & Kryvokulska, N. (2019). The implementation of the eHealth system and anticorruption reforms (case of EU countries for Ukraine). *9th International Conference on Advanced Computer Information Technologies* (5—7 June, 2019). (pp. 346—349). Ceske Budejovice, Czech Republic.
13. Dlugopolskyi, O. V., & Zhukovska, A. Y. (2010). Corruption and social reforms: Aspects of confluence. *Actual Problems of Economics*, 8, 229—240. Retrieved from <https://www.scopus.com/inward/record.uri?eid=2-s2.0-77958172527&partnerID=40&md5=9b339fc6d6b507b427e61e6e8c1f4fa7>.
14. Everett, J., Neu, D., & Rahaman, A. S. (2006). The global fight against corruption: A foucaultian, virtues-ethics framing. *Journal of Business Ethics*, 65 (1), 1—12.
15. Boräng, F., Jagers, S. C., Povitkina, M. (2017). In Light of Democracy and Corruption: Institutional Determinants of Electricity Provision. *The Energy Journal*, 42 (2).
16. Cuervo-Cazurra A. (2016). Corruption in international business. *Journal of World Business*, 51 (1), 35—49.
17. Bahoo, S., Alon, I., & Paltrinieri, A. (2020). Corruption in international business: A review and research agenda. *International Business Review*, 29 (4). <https://doi.org/10.1016/j.ibusrev.2019.101660>.
18. Pantzalis, C., Chul, J., & Sutton, N. (2008). Corruption and valuation of multinational corporations. *Journal of Empirical Finance*, 15 (3), 387—417.
19. Povitkina, M. (2015). Democracy, Bureaucratic Capacity and Environmental Quality. *QoG Working Paper Series*, 13.
20. Koziuk, V., Hayda, Y., Dluhopolskyi, O., & Kozlovskiy, S. (2020). Ecological performance: ethnic fragmentation versus governance quality and sustainable development. *Problemy Ekorozwoju / Problems of Sustainable Development*, 15 (1), 53—64.
21. Koziuk, V., Hayda, Y., Dluhopolskyi, O., & Klapkiv, Y. (2019). Stringency of environmental regulations vs. global competitiveness: empirical analysis. *Economics and Sociology*, 12 (4), 264—284.
22. Koziuk, V., Dluhopolskyi, O., Hayda, Y., & Klapkiv, Y. (2019). Does education quality drive ecological performance? Case of high and low developed countries. *Global Journal of Environmental Science and Management*, 5 (S1), 22—32.

23. Dluhopolskyi, O., Koziuk, V., Ivashuk, Y., & Klapkiv, Y. (2019). Environmental Welfare: Quality of Policy vs. Society's Values. *Problemy Ekorozwoju / Problems of Sustainable Development*, 14 (1), 19—28.
24. Klitgaard, R. (1991). *Controlling Corruption*. First Edition. California: University of California Press.
25. Tanzi, V. (1998). Corruption around the world: causes, consequences, scopes and cures. International Monetary Fund. Retrieved from <https://www.imf.org/external/pubs/ft/wp/wp9863.pdf>.
26. Lopez-Claros, A. (2014). Six Strategies to Fight Corruption. Retrieved from <https://blogs.worldbank.org/futuredevelopment/six-strategies-fight-corruption>.
27. World Bank Development Research Group. (2019). Rule of Law: Estimate. Retrieved from <https://datacatalog.worldbank.org>.
28. Johnson, S. (2018). Corruption is costing the global economy \$3.6 trillion dollars every year. World Economic Forum. Retrieved from <https://www.weforum.org/agenda/2018/12/the-global-economy-loses-3-6-trillion-to-corruption-each-year-says-u-n>.
29. Quintanilla, P. B., Cummins-Tripodi, P., Marié, A., & Mussio, E. (2018). The costs of corruption across the EU, the GREENSEFE. Retrieved from <https://www.greens-efa.eu/files/doc/docs/e46449daadbfebc325a0b408bbf5ab1d.pdf>.
30. Pring, C., & Vrushy, J. (2019). Tackling the crisis of democracy, promoting rule of law and fighting corruption. *Transparency International*. Retrieved from <https://www.transparency.org/news/feature>.
31. Mauro, P. (1995). Corruption and growth. *Quarterly Journal of Economics*, 110 (3), 681—712.
32. Huntington, S. P. (1968). *Political Order in Changing Societies*. New Haven: Yale University Press.
33. Leff, N. H. (1964). Economic development through bureaucratic corruption. *American Behavioral Scientist*, 82 (2), 337—341.
34. White, B. T. (2010). Putting Aside the Rule of Law Myth: Corruption and the Case for Juries in Emerging Democracies. *Cornell International Law Journal*, 43 (2).
35. Elbasani, A., & Sabic, S. S. (2017). Rule of law, corruption and democratic accountability in the course of EU enlargement. *Journal of European Public Policy*, 25 (1), 1—19. <https://doi.org/10.1080/13501763.2017.1315162>.
36. Rule of Law Report (2020). The rule of law situation in the European Union. Communication from the commission to the European Parliament, the Council, the European economic and social Committee, and the Committee of the regions. Brussels, 1—28.
37. de Mendonça, H. F., & de Fonseca, A. O. (2012). Corruption, income, and rule of law: empirical evidence from developing and developed economies. *Brazilian Journal of Political Economy*, 32 (2). <https://doi.org/10.1590/S0101-31572012000200009>.
38. Stewart, Sh. (2013). Rule of law — how it relates atrocity prevention. Washington DC.
39. Subedi, N. (2017). Rule of Law: Principles and Practices. Retrieved from <http://dms.nasc.org.np/sites/default/files/documents/Rule%20of%20Law.pdf>.
40. Yu, H., & Guernsey, A. (2012). What is the Rule of Law? Retrieved from <https://iuristebi.files.wordpress.com/2012/12/what-is-the-rule-of-law.pdf>.
41. Corothers, T. (2006). Promoting the rule of law abroad: in search of knowledge. Retrieved from <https://carnegieendowment.org/2006/01/01>.
42. Breay, C., & Harrison, J. (2014). Magna Carta: an introduction. Retrieved from <https://www.bl.uk/magna-carta/articles/magna-carta-an-introduction>.
43. Magna Carta. (1215). Transcript. Retrieved from <https://www.nationalarchives.gov.uk/education/resources/magna-carta/british-library-magna-carta-1215-runnymede>.
44. Madison, J. (1788). *Federalist Paper*, 51. Retrieved from <https://billofrightsinstitute.org/primary-sources/federalist-no-51>.
45. DuBois, E. C., & Smith, R. C. (2007). Elizabeth Cady Stanton: Feminist as Thinker. New York.
46. The Rule of Law and Transitional Justice in Conflict and Post-Conflict Societies: Report of the Secretary General (2004). Retrieved from <http://archive.ipu.org/splz-e/unga07/law.pdf>.
47. Black's Law Dictionary (2019). 11th Edition. Thomson Reuters.
48. Begovic, B. (2005). Corruption: Concepts, Types, Causes, and Consequence. Retrieved from <https://www.cipe.org/legacy/publication-docs/032105.pdf>.
49. Countering Grand Corruption. (2015). Conference of the States Parties to the United Nations Convention against Corruption, Sixth session. Retrieved from <https://www.unodc.org/documents/treaties/UNCAC/COSP/session6/V1507721e.pdf>.
50. Enste, D., & Heldman, Ch. (2017). Causes and Consequences of Corruption — An Overview of Empirical Results. *IW-Report*, 2. Retrieved from <https://www.econstor.eu/bitstream/10419/157204/1/IW-Report-2017-02.pdf>.
51. Kaye, J., & van Veen, P. (2015). Presentation to the IESBA. Retrieved from www.transparency.org.
52. Alvarez, L., Ruiz, J., Simpson, L. K., & Woome, M. (2013). Ethical Problem-Solving Techniques II. Retrieved from <https://slideplayer.com/slide/10490408>.
53. Corruption Perceptions Index. (2019). Retrieved from <https://www.transparency.org/en/cpi/2019>.
54. Rule of Law Index. (2020). The World Justice Project. Retrieved from <https://worldjusticeproject.org/our-work/research-and-data/wjp-rule-law-index-2020>.
55. Pring, C. (2016). People and corruption: Europe and central Asia. Retrieved from https://www.collective-action.com/sites/collective.localhost/files/publications/2016_gcb_eca_en.pdf.
56. Yemeljanova, A. (2010). A Diagnosis of Corruption in Ukraine. European Research Centre for Anti-Corruption and State-Building. *Working Paper*, 14. Retrieved from <https://www.againstcorruption.eu/wp-content/uploads/2012/09/WP-14-Diagnosis-of-Corruption-in-Ukraine-new.pdf?fbclid=IwAR2AV2U40P8fmyloDQphrP9JxBrNFSYctyXJL4cflal3gmO9UiF0GZi8Uc>.
57. Ki-moon, B. (2013). The human rights case against corruption. Retrieved from <https://www.ohchr.org/Documents/Issues/Development/GoodGovernance/Corruption/HRCASEAgainstCorruption.pdf>.
58. Pillay, N. (2013). The human rights case against corruption. Retrieved from <https://www.ohchr.org/Documents/Issues/Development/GoodGovernance/Corruption/HRCASEAgainstCorruption.pdf>.
59. The Global Corruption Index. (2019). Retrieved from <https://risk-indexes.com/about-gci>.
60. ESG Index. (2019). Retrieved from <https://risk-indexes.com/esg-index>.

The article is recommended for printing 17.01.2021

© Dluhopolskyi O., Farion-Melnyk A., Bilous I., Moskaliuk N., Banakh S.