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POLITICAL CORRUPTION IN UKRAINE

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SUMMARY

The article reveals the essence of the concept of “political corruption”. The main causes of political corruption in Ukraine are determined. Attention is drawn to the lack of a transparent mechanism for financing political parties and reporting on the results of using the funds provided, the activities of offshore companies, the parliamentary immunity as one of the reasons for political corruption. Features of prevention of political corruption in foreign countries are considered in the article. The results of the research determine the ways of reducing the level of political corruption in Ukraine.

Key words: political corruption, causes of political corruption, financing of political parties, parliamentary immunity, offshore.

ПОЛИТИЧЕСКАЯ КОРРУПЦИЯ В УКРАИНЕ

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АННОТАЦИЯ

В статье раскрывается сущность понятия «политическая коррупция». Определены основные причины политической коррупции в Украине. Внимание обращается на отсутствие прозрачного механизма финансирования политических партий и отчетность о результатах использования предоставленных средств, деятельности оффшорных компаний, парламентского иммунитета как одной из причин политической коррупции. В статье рассматриваются особенности предотвращения политической коррупции в зарубежных странах. Результаты исследования определяют способы снижения уровня политической коррупции в Украине.

Ключевые слова: политическая коррупция, причины политической коррупции, финансирование политических партий, парламентский иммунитет, оффшор.

Relevance of the topic. Political corruption as a negative phenomenon is inherent in all states of the world, but corruption has reached a rather high level in some countries, and was restrained in other countries. At the same time, political corruption is found in all spheres of the life of the state, including the financial and economic sphere. It is obvious that politically corrupt officials of public authorities make a decision primarily based on their own interests, and not in the interests of the state, damaging the financial system of the state. Corruption hinders the development of Ukraine as a democratic state, causes a search for ways to reduce the level of political corruption in the country.

Analysis of recent publications and research. Such scientists as V. Kokhan, Yu. Shaikhalieva, V. Derega, V. Emelyanov, O. Karpenko, A. Markeeva, M. Melnyk, A. Rudik, V. Tsyganov, O. Yudina and others have studied the issue of political corruption.

Purpose of the article is identifying the causes of political corruption in Ukraine and identifying ways to reduce its level in the state.

The main material. There is no definition of “political corruption” in national legislation. There is no single definition of this concept in the scientific doctrine, the consequence of which is the existence of different approaches to its formulation. Thus, Transparency International, the International Non-Governmental Organization for Combating Corruption and Exploring the Level of Corruption Worldwide, defines political corruption as “the abuse of political power for the private interests” [1]. M. Melnyk gave the following definition of political corruption “Political corruption is the official abuse of political power by officials (political and public figures, public servants of the highest level) aimed at achieving political goals (maintaining and strengthening power, expanding power) and/or enrichment [2, p. 67].

Analyzing political corruption, one should turn to specialized political science dictionaries that define this phenomenon as the use of official position by state officials, political and public figures for enrichment at the expense of society and the state [3].

It is worth noting that there are no statistical data on political corruption, since the level of corruption in the state is defined as a whole. In particular, as of 2015, the CPI Corruption Perceptions Index is 27 points out of 100 possible, which is 1 point more than in the previous year. In the world ranking, Ukraine ranks 130th out of 168 positions. In 2014, the state was on the 142nd place out of 175 positions. The growth of the index is caused by an increase in public condemnation of corrupt officials, the creation of the National Anti-Corruption Bureau of Ukraine, as well as the appearance of exposers of corruption. At the same time, according to Transparency International, the growth of business and politics, as well as delays with real punishment of corrupt officials, do not allow Ukraine to significantly raise the Corruption Perceptions Index [4].

Speaking about political corruption, it is worth paying attention to the reasons that caused it. The state with a centuries-old corruption tradition is France, whose history testifies to high-profile corruption scandals in the sphere of politics. In particular, in the late 1980s and early 1990s,



the state was stirred up by scandals regarding the illegal financing of political parties and election campaigns. Although the most prominent case is the case of President Jacques Chirac accused of illegal financing of his party during his tenure as mayor of Paris in 1977-1995. However, such accusations did not reach the court through the constitutional immunity of the president. Corruption scandals, compromising primarily the political system as a whole, reduced the level of people's trust in state agencies, forced the French authorities to make efforts to minimize corruption manifestations in the political sphere [5].

The lack of a transparent mechanism for financing political parties is an urgent problem for many states. In our opinion, such a legislative gap is not the only one, but one of the reasons for political corruption. In addition to the reasons for political corruption mentioned above, one can confidently refer to the actual usurpation of power by a single branch of power under the formal separation of power into three branches, each of which is independent in its activities. This situation can be caused both by the perfect form of government of the state and by the lack of a mechanism of checks and balances between the highest state bodies. In particular, Italy had a high level of corruption of the highest power structures, and reduced the level of political corruption only due to the actual implementation in the political and legal field of the state of the principles of a real separation of powers, the independence of the judiciary from the influence and interference of other branches of government. Today, the Italian judicial system is the most important of the three branches of power in the system of mechanisms to combat political corruption [5].

There are other reasons for political corruption, due to the historical peculiarities of each state.

For Ukraine, the issue of political corruption is no less relevant than for other states. Over the years of independence, ramified corruption mechanisms have developed in our country, which is difficult to understand even by leading lawyers and politicians.

It is advisable to begin with the fact that according to the Constitution of Ukraine [6], the people are the only source of power in the state, which by direct vote elects members of parliament – deputies of the Verkhovna Rada of Ukraine. In ad-

dition to the risk of falsification of elections, it is one of the manifestations of political corruption, real chaos can be seen when analyzing the activities of political parties that have already successfully passed into parliament. A large number of political parties, programs of their activities that are not being implemented, the lack of transparency in financing political parties and the factual lack of responsibility of representatives of political parties only cause the growth of political corruption in Ukraine.

The above mentioned facts cause the emergence of a number of questions, which include: How to counteract political corruption? Who should be responsible for political corruption as a nation-wide phenomenon?

The people of Ukraine as the bearer of power in the state, in our opinion, cannot be the main beneficiary of political corruption, since they do not have an effective mechanism for monitoring the activities of political parties. The President of Ukraine, who under the Constitution of Ukraine is the guarantor of the national security of the state, protection of human and civil rights and freedoms, is also not the main beneficiary of political corruption. This is due to the fact that under the existing parliamentary-presidential form of government, the President of Ukraine has rather limited powers in all spheres of public life. At the same time, the Parliament – the Verkhovna Rada of Ukraine, a legislative power – adopts normative and legal acts, first of all, protect and lobby the interests of political parties, minimize their responsibility as subjects of power; the Constitution of Ukraine specifies that the Parliament appoints the Prime Minister of Ukraine, the Minister of Defense of Ukraine, the Minister of Foreign Affairs, the Chairman of the Security Service of Ukraine, elects six judges to the Constitutional Court of Ukraine, it is clear that the chosen person will not interfere with the illegal activities of people's deputies, carry out lawful and fair justice and bring them to justice for offenses.

It is obvious that people's deputies who are members of various political parties create all the conditions for the implementation of their own interests contrary to the state's interests. In fact, we can talk about the usurpation of power by the parliament – the legislative branch of power, which now has influence both the execu-

tive and on the judicial branch of power, and accordingly determine the Verkhovna Rada of Ukraine as the main beneficiary of political corruption. It is difficult but necessary to counteract the mechanism that has become firmly entrenched and has become habitual for the years of independence of our state.

In connection with the above, it is necessary to adopt the Law of Ukraine "On the abolition of deputy immunity", which, in our opinion, is one of the reasons for political corruption in Ukraine. However, there is an interesting point – such a Law of Ukraine should be adopted by the people's deputies themselves, and who will renounce the benefits, privileges, guarantees and independently create obstacles in their activities. It is absolutely clear that in such a bill, during the first reading, the deputies will find many shortcomings and inconsistencies with its current legislation, which simply make it impossible to adopt it.

It is worth noting that the topic of the abolition of parliamentary immunity is becoming particularly relevant not for the first time, but the unpreparedness of people's deputies to work for the state and represent interests primarily of the people of Ukraine, have postponed any legislative changes in this direction deeply into the box. Abolition of parliamentary immunity is a rather important step of Ukraine on the way to overcoming political corruption, as the deputies will understand that there is a significant risk of prosecution for violations in the general procedure without the consent of the Chairman of the Verkhovna Rada of Ukraine and many other procedural actions. Thus, understanding their impunity, the deputies act as they please, proceeding purely from considerations of private interests.

Another relevant issue is reducing the number of people's deputies of Ukraine. In our opinion, a significant number of People's Deputies of Ukraine is one of the reasons for political corruption. Obviously, the more representatives in the parliament, the more private interests will be lobbied.

The reasons for political corruption include the non-fulfillment of electoral programs by political parties that have won seats in the parliament. Politicians are accustomed before the elections to give the people of Ukraine promises to carry out reforms, improve their living standards, but forget about their elector-



al program after elections. This situation leads to the fact that all political activities of deputies are directed to private affairs, development of their own business.

This can be overcome by introducing responsibility for non-compliance with the electoral program. It is quite logical that it is not always possible to implement the program 100% because of both subjective and, primarily, objective reasons (at least 50-60% of the electoral program of political parties). If this percentage is not fulfilled, the deputies who are part of the political parties must be held accountable, because the people of Ukraine elected them to parliament just to fulfill their promises, and not to do anything incomprehensible. To this end, it is necessary to provide for the registration of political parties' election programs as official documents at the legislative level, which are executed by the relevant political parties. Difficulties can arise in the process of passing the law, as we have already noted that the deputies are not ready to work for society and the state, and therefore in all possible ways they will defend their own interests and postpone its adoption.

Political corruption in Ukraine is inextricably linked with the financing of political parties. During the elections, political parties spend great sums on campaigning and obtaining voter support. Such financial support is often provided by influential businessmen who intend to get into parliament and protect, multiply their business. We have a situation where a businessman finances the party and enters the elections with the best hand, gets the necessary number of votes, goes to the parliament, and the party in return gives a place to a "philanthropist" in a political party and, accordingly, in the parliament. This leads to rather detrimental consequences, primarily for the population of the state, since it is the private interests of people's deputies, and not the national interests that are dominant in politics.

The financing of political parties by businessmen accompanies the party during its existence and an important role is played by offshore companies.

Offshore can be described as a territory that attracts due to the absence of taxation, various jurisdictions, primitive legislation and an increased level of financial confidentiality. At the same time, the primary purpose of offshore zones is to attract investors to the territory of the

state, which includes such zones with the most profitable investment climate. After a while it became obvious that offshore companies are quite an advantageous tool in the hands of modern politicians, which is no longer working for the development of the state, but for their private interests.

The world annually loses from 7 to 20,000,000,000,000 dollars, which is about 10% of the world economy, through offshores. This includes the money of our state, which is needed for health care, defense, for schools and universities, but placed in offshores. The result is obvious: budget deficit and growth in offshore accounts of people's deputies.

It is understandable that to track all offshore companies of people's deputies, operations with the funds are impossible because of the lack of a legislative mechanism. Will people's deputies create a mechanism that will counteract their offshore companies? The answer is obvious, and the situation that emerged in December 2014 only confirms it. Then the media worked on this topic and it quickly got publicity. It is connected with the fact that the Prime Minister of Ukraine made a statement on combating offshore companies, but the bill could not even get into the parliament for voting, and after a while a considerable amount of income appeared in the declarations of people's deputies of Ukraine. In the Internet you can see many such situations, even deputies and a list of companies that they have.

This can be changed only by fixing at the legislative level the ban on people's deputies to have offshore companies, since this is not prohibited by current regulations. However, there can be a situation when deputies will register offshore companies for family members and other persons, and therefore, to effectively combat the offshore companies, it is necessary to provide for the elimination of all opportunities for their involvement in such activities. At the same time, such elimination of opportunities, following the example of Japan, where it is forbidden to have offshore companies, should concern an official both during service and after retirement.

The fight against offshores is also possible by other methods. In Germany, in particular, officials who intend to purchase an offshore company or withdraw funds from the state must prove the "honesty" of such funds. In Ukraine, on the contra-

ry, the law enforcement bodies prove their "dishonesty", which significantly complicates the situation and requires considerable effort and time to obtain the relevant evidence.

Of course, the fight of offshore companies at the state level is good, but it should start from the international level, because the whole world community is interested in the activity of offshore companies being more transparent. The paradox of the situation is that the more international conditions are created for transparent activities of all structures including offshores, the more complex mechanisms for concealing information and funds appear. In particular, in 2010, at the legislative level, the USA introduced the obligation of companies that are in the offshore zones of the United States to provide information on transactions with cash and their owners at the request of the tax authorities of the state, but this norm was ineffective.

Today the Verkhovna Rada of Ukraine adopted in the first reading of the law on combating offshore companies, which, according to forecasts of politicians and experts, should return about UAH 20 billion to the state budget within three years. Although it is worth noting that this law is general and applies to all offshore companies, when it would be more appropriate to restrict it to the deputies who own many offshore companies.

The issue of transparency of financing of political parties of Ukraine has acquired relevance also in the aspect of introducing state funding. The experience of state funding of parties has long been familiar to foreign countries, particularly in France, in accordance with the Law on the Financing of Political Parties (1990), the provision of funds is limited, including for election campaigns from individuals and legal entities, and state financing of political parties is provided in proportion to the number of seats they received in parliament. In addition, according to the Law of Segen (1995), every deputy of the French National Assembly after election must provide financial accounts of the funds spent on the election campaign, as well as a "declaration of honor" indicating the amount of personal property. In the event of exceeding the maximum spending limits, the results of elections are annulled, and violators lose the right to receive subsidies from the state budget [7].



In Finland, according to the Law on Political Parties (2001) and the Law on the Disclosure of the Sources of Election Campaign Financing (2003), there is public and private funding for political parties. At the same time, state financing is provided for activities, conducting election campaigns, ensuring the work of parliamentary groups of those parties that are represented in the parliament [8].

The Law of Romania on the Financing of Political Parties and Election Campaigns (2015) provides for the financing of election campaigns exclusively at the expense of the state budget, with the possibility of raising funds from individuals and legal entities, but only through documents certified by a notary [9].

Today, the Verkhovna Rada of Ukraine has also passed a law on the budgetary financing of political parties, which provides for the provision of state funding to political parties that received at least 2% of the vote in the last elections [10]. Considering the fact that the people of Ukraine do not approve of the innovation, it is possible to suggest a somewhat different mechanism for financing political parties, which will ensure a higher level of transparency of activities, including the financing of parties. Why not provide at the legislative level for the financial support to those parties that have fulfilled at least 50-60% of the plan of their activities for the previous year, satisfying the national interests? If the party does not work, then the registration must be cancelled. Of course, everyone will start talking about limiting the principle of political pluralism. However, what political pluralism can we talk about when the party does not fulfill at least the minimum from the program of its activities? Why does it exist at all then? If a political party is really created to achieve national goals, and its top leaders are people's deputies of Ukraine, then it should not work for private interests, but for the society that has elected it. Obviously, having seen the results of the activity of a political party, voters will support such a party in elections. The limit of 2% of votes is a questionable criterion, since it is not difficult to buy such votes for a political party, which again provokes political corruption. Although in spite of the fact that the law provides for the possibility of a political party to refuse state funding, the level of political corruption will not decrease exactly. The party can

refuse state funding and continue to exist at the expense of "patrons" from offshore companies. This will create even greater confusion for which funds a particular party is financed.

In our opinion, it is necessary to envisage either exclusively state funding based on the results of "attestation" of political parties or refuse the experience of foreign countries.

Conclusion. Thus, the emergence of political corruption is caused by various reasons, but for most countries the cornerstone is precisely the financing of political parties. The majority of states used the experience of France, moving to state funding of political parties and Ukraine is not an exception. However, the draft law, which provides for state funding of political parties in Ukraine, includes new opportunities for the existence and development of political corruption. At the same time, it is more appropriate to devote more attention to the fight against the financing of political parties at the expense of businessmen of politicians who own many offshore companies. It may be effective to break the formed link between business and politics, which should exist separately. Given that most of the reasons for political corruption are related in one way or another to the activities of political parties in parliament, the main beneficiary is, in our opinion, the Verkhovna Rada of Ukraine, which in the conditions of the parliamentary-presidential form of government, has ample opportunities and powers in the political and legal field of our state.

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