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## **A Diagnosis of Corruption in Ukraine**

Anna Yemelianova

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## Country

***How corrupt is this country? What type of corruption? How did it evolve during the years? Was it a period when it was more corrupted and what happened to change that?***

Ukraine is a country with wide scale and systemic corruption which makes a crucial influence on the economic, political, social and other spheres of public life. The traditionally low scoring of Ukraine by the Corruption Perception Index of the “Transparency International” is the evidence of this. The plague of corruption has penetrated all levels of government and public institutions, starting from the highest-level public officials. All formal and informal institutions have become used to corruption and adapted to it, including the law enforcement agencies that are heavily corrupted too.

There is a high tolerance for corrupt practices throughout society. Both petty and grand scale corruption are thriving in Ukraine as a result, and corruption has such a sustained impact on companies, state decision-making and the daily lives of citizens that it is perceived by many as a normal part of life.

Bribery is widely-spread and common that for many of Ukrainian citizens it became an ordinary, everyday form of social behavior. Nearly half of Ukrainians see corruption as a regular part of life, they feel that corruption can sometimes or always be justified: as some market mechanism that exists to get things done faster or to balance low salaries<sup>1</sup>. 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. Ukrainians face corruption at nearly each step they take – in medical sphere, education, permit system, law-enforcement and justice.

Corruption has reached a level that it is often described by Ukrainian and Western observers as a direct threat to the country’s democratic development and economic prosperity.

All types of corruption are present in Ukraine: petty corruption is widely-spread and apparent in the everyday lives of people, and grand corruption is also widespread, though not as apparent, in the higher levels of government where political influence and significant sums of money are.

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<sup>1</sup> Comparative Analysis of National Surveys: 2007-2009 for the MCC Threshold Country Program, [http://www.pace.org.ua/images/stories/2009\\_Corruption\\_in\\_Ukraine\\_Survey\\_\\_\\_Report\\_05-22-09\\_En\\_A4\\_FINAL\\_-\\_rj-sw.pdf](http://www.pace.org.ua/images/stories/2009_Corruption_in_Ukraine_Survey___Report_05-22-09_En_A4_FINAL_-_rj-sw.pdf)

## **Corruption in the Legislative Branch**

Parliamentary activities of members of Parliament - pursuing of MPs' own business interests which leads to the enactment of laws favoring the interests of particular commercial structures and politicians, is the most significant manifestation of corruption in the legislative branch.

According to media reports, there are even unofficial pricelists of specific actions of MPs (parliamentary inquiries and requests, "required" voting at consideration of bills or passage of political decisions in Parliament, lobbying of the State Budget items and so on).<sup>2</sup>

## **Corruption in the Judiciary**

The main problems of Ukrainian justice system are: rulings to order, pressure from both within the system and from outside; chronic lack of funding which is compensated by corruption; numerous abuses and irresponsibility from judges; the lack of logic in the distribution of powers between tiers of the judicial system.<sup>3</sup> The main shortcomings of the Ukrainian judiciary also include a lack of public trust in court decisions and the judicial system as a whole and an inefficient and nontransparent process for appointing judges<sup>4</sup>. This makes courts predisposed to bribery and extortion. Ukrainian legislation often is contradictory, so the same case can "legally" be resolved in several ways by choosing "convenient" articles from applicable laws, this makes judiciary also vulnerable to corruption.

## **Corruption in the Executive Branch**

According to the Transparency International Global Corruption Barometer 2009<sup>5</sup> public officials/civil servants in Ukraine are perceived to be most affected by corruption. The reasons of this lie in imperfect legislation, including the absence of certain sanctions for violating many laws, combined with gaps in legislation. Government procurement is one of the most corrupt spheres of state activity. Official salaries of civil servants often are inadequately low (though partially compensated by subsidies and benefits), and access to insider information and decision-making create incentives for corruption. Ethical standards and codes are not elements of career growth. The law "On Civil

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<sup>2</sup> Political Corruption in Ukraine: Actors, Manifestations, Problems of Countering (Analytical Report), Razumkov Center, [http://razumkov.org.ua/eng/files/category\\_journal/NSD111\\_eng.pdf](http://razumkov.org.ua/eng/files/category_journal/NSD111_eng.pdf)

<sup>3</sup> "Global Integrity Report: Ukraine – 2009", <http://report.globalintegrity.org/reportPDFS/2009/Ukraine.pdf>

<sup>4</sup> Freedom House: "Nations in Transit 2009", <http://www.freedomhouse.hu/images/nit2009/ukraine.pdf>

<sup>5</sup> Transparency International Global Corruption Barometer 2009, <http://www.transparency.org/content/download/43788/701097>

Service” requires disclosure of assets by officials and their relatives within the past year, but there is no regulation on expenditures and no agency is responsible for reviewing of these declarations.

Starting 2003 the corruption rating for Ukraine, according to the Freedom House “Nations in Transit” reports, remains high at 5.75, before 2003 it stayed at a level of 6.00. According to the Corruption Perception Index, produced by Transparency International, Ukraine’s scores traditionally stay low and varied from 2,80 in 1998 to 2,20 in 2009, constantly decreasing since 2006.

Speaking about the latest years, while the overall level of corruption still remains high, the 2009 public opinion polls indicated a slight decrease in the occurrence of corruption cases and increase in the perception that corruption is widespread, in comparison with 2007<sup>6</sup>.

## **Civil society**

***How strong is civil society in this country? What is its reputation? Are notable anticorruption projects known without any research? Are notable anticorruption heroes? What are they (prosecutors, activists, journalists, etc) Who are they (we may want to interview them).***

The number of nongovernmental organizations (NGOs) registered in Ukraine is quite substantial: 52,693, including 1,791 with national status, involving approximately 20 million members (more than 40 percent of the population). Most are trade unions, charitable and religious organizations, and groups engaged in ethnic, cultural, youth, professional, and human rights activities<sup>7</sup>. By December 1996, there were only 4,000 registered NGOs<sup>8</sup>. Despite the increasing total number of registered NGOs, the active participation of citizens in NGO activities is still low. NGOs still rely almost entirely on foreign funding.

A year of 2004 – the Orange Revolution, became very important for civil society development in Ukraine. As a response to massive presidential election fraud, large-scale expressions of public protest took place in 2004. These protests were organized and promoted primarily by civil activists and a self-organized civil energy played a very important role in the Orange Revolution.

Although the Orange Revolution did not deliver the miracle it had been expected, it is obvious that the country has become more democratic and open after these events, the media were no longer

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<sup>6</sup> Comparative Analysis of National Surveys: 2007-2009 for the MCC Threshold Country Program, [http://www.pace.org.ua/images/stories/2009\\_Corruption\\_in\\_Ukraine\\_Survey\\_\\_\\_Report\\_05-22-09\\_En\\_A4\\_FINAL\\_-\\_rj-sw.pdf](http://www.pace.org.ua/images/stories/2009_Corruption_in_Ukraine_Survey___Report_05-22-09_En_A4_FINAL_-_rj-sw.pdf)

<sup>7</sup> Freedom House: “Nations in Transit 2009 - Ukraine”, <http://www.freedomhouse.hu/images/nit2009/ukraine.pdf>

<sup>8</sup> Freedom House: “Nations in Transit 1997 - Ukraine”, [http://www.freedomhouse.hu/images/fdh\\_galleries/NIT97/ukraine.pdf](http://www.freedomhouse.hu/images/fdh_galleries/NIT97/ukraine.pdf)

controlled by the presidential administration, the political opposition was not harassed, and that the results of all following elections were unpredictable. The trend in the development of civil society has been generally positive and quite stable. Media more frequently addresses issues such as corruption or ethics violations by governmental officials and politicians. Investigative journalists have also begun to compare politicians' officially disclosed incomes to their factual expenditures, housing and lifestyles, as well as to draw the public's attention to ongoing corruption and economic investigations that point to abuse of power by high-level officials. However, due to corruption in the political and judicial spheres, not a lot of media reports have led to actual criminal investigations.

But, the civil society in Ukraine so far is rather fragmented; ties between its separate elements are not wide enough and not intensive enough. This may be a reason why civil society is not ready for constant dialogue, furthermore - for equal partnership cooperation with the government. And for today the position of civil society in Ukraine cannot be clearly defined. From one side, civil society exists and functions in the midway of democratic developments of last decades. From the other side – it is still too weak to fulfill its functions to the utmost, to guarantee real involvement of citizens to formation of national policy.

Ukraine has rather an extended network of NGOs that are involved in anticorruption activities. Although they appear to have strong analytical capacity in this area, but recently there are not many NGOs performing watchdog roles (budget oversight and advocacy, procurement watch, etc.). Their effectiveness and ability to influence the authorities are limited by both the general conditions of civil society institutes' operation in Ukraine, and by specific factors. The latter include, first of all, limitation on access to information about the activity of the authorities and local self-government bodies in especially corrupt sectors (e.g., use of land), absence of legislatively provided mechanism of the authorities' reaction to reports of such organizations about corrupt facts revealed by them, and attempts of some bodies of power and political forces to establish control over such organizations – for creation of zones restricted for anticorruption monitoring and their use as a tool in political struggle<sup>9</sup>.

The above things are also specific for the situation with mass media, being, according to public opinion polls, the main source of information about corruption for citizens<sup>10</sup>. Media sometimes function with a goal to protect the interests of their founders, supporting political parties, or influential politicians, instead of providing a wide variety of objective information to the citizens.

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<sup>9</sup> Political Corruption in Ukraine: Actors, Manifestations, Problems of Countering (Analytical Report), Razumkov Center, [http://razumkov.org.ua/eng/files/category\\_journal/NSD111\\_eng.pdf](http://razumkov.org.ua/eng/files/category_journal/NSD111_eng.pdf)

<sup>10</sup> Comparative Analysis of National Surveys: 2007-2009 for the MCC Threshold Country Program, [http://www.pace.org.ua/images/stories/2009\\_Corruption\\_in\\_Ukraine\\_Survey\\_\\_\\_Report\\_05-22-09\\_En\\_A4\\_FINAL\\_-\\_rj-sw.pdf](http://www.pace.org.ua/images/stories/2009_Corruption_in_Ukraine_Survey___Report_05-22-09_En_A4_FINAL_-_rj-sw.pdf)

Till now, Ukraine has no strong national independent anticorruption public organizations (movements) that could influence the authorities and separate officials. Local NGOs are proving to be more successful in anti-corruption sphere than national ones, due to shared community interests and accessibility. In last few years the situation with the involvement of local NGOs to local authorities' activities, execution of watchdog functions by them, has improved, mostly because of implementation of the most notable anticorruption project – “Promoting Active Citizen Engagement (ACTION) in Combating Corruption in Ukraine”. This Project was implemented in Ukraine for three years, from late 2006 through late 2009, by Management Systems International in partnership with Ukrainian NGOs: the US-Ukraine Foundation, Counterpart Creative Center, Kyiv International Institute of Sociology, and the Center for Ukrainian Reform Education; it was funded through USAID, as a component of the Millennium Challenge Corporation Threshold Country Program in Ukraine. The ACTION project worked closely with Ukrainian NGOs, journalists, and survey research groups to advance practical anticorruption goals by supporting public awareness campaigns, targeted advocacy efforts, watchdog and monitoring activities, direct dialogues and negotiations with public authorities, legal support for victims of corruption, investigative reporting in the media, and public opinion polling. The ACTION project has activated, trained, built capacity, funded specific initiatives, and galvanized networks of NGOs and journalists to advocate for and demand anticorruption reforms at the national, regional and local levels. In this regard, the project worked directly with over 150 NGOs throughout the country to build their capacity to make forceful demands on authorities, advocate effectively for their causes, monitor government institutions, and enhance public awareness of their civil rights through technical assistance, training, and small grant programs. In almost 130 NGO initiatives sponsored by the project, successful partnerships between non-governmental organizations and public authorities at regional and local levels produced effective outcomes. The project worked closely with Ukrainian NGO Counterpart Creative Center (CCC) to conduct these tasks.

The Head of this NGO – Lyubov Palyvoda ([Palyvoda@ccc.kiev.ua](mailto:Palyvoda@ccc.kiev.ua)) was the ACTION Project Chief of Party and was personally coordinating this work, so she can be mentioned among “anticorruption heroes” that represent civil society. This project was providing support for civil society advocacy and monitoring efforts and supported investigative journalism and various other anticorruption efforts concerning the media in 2006-2009.

It is hard to identify anticorruption heroes among the government officials, lots of them, including the highest governmental officials, use anticorruption theme as a tool for gaining extra political points while the elections, but without any significant following results. Among members of the Parliament a Deputy Head of the Committee on Fighting Organized Crime and Corruption – Oleksandr Ryabeka ([Riabeka.Oleksandr@rada.gov.ua](mailto:Riabeka.Oleksandr@rada.gov.ua)), can be mentioned, as he actively supported and

promoted newly adopted anticorruption legislation and actively continues work in anticorruption sphere.

Among the journalists there are no personalities clearly associated with the anticorruption, but such issues as ethics violations and corruption by governmental officials and politicians most frequently are raised by journalists of a leading political Ukrainian Internet resource, entirely dedicated to domestic politics - Ukrainska Pravda (Ukrainian Truth, <http://www.pravda.com.ua>).

## **Government and Political Society**

***Was the government anticorruption carried out in good will and effective? How did this come about historically (through electoral cycles)? Make a stakeholder analysis of anticorruption; who, from govt agencies, are the promoters, who the neutrals and who the resistant. What about political parties? Are politicians elected on anticorruption tickets? Are corrupt politicians elected? Are some parties associated with more or less corruption?***

Every new government of Ukraine seemed to be sincere in its commitment to counteracting corruption, but the methods they used turned out to be inefficient, especially in fighting systemic corruption. Even where some temporary success in fighting corruption has been achieved, its overall social effect has often been proven rather negative. The key effort in fighting corruption has been wasted on minor manifestations of corruption and not targeted at removing factors and conditions that cause them. Although government actions were still limited and uncoordinated, fundamental changes have taken place in the government's attitude towards corruption. Government and parliamentary officials now admit that corruption exists in Ukraine and openly discuss the problem of corruption with the press, the public and international observers.

The agencies that have a mandate to fight corruption have sufficient powers to carry out this mandate. However, those powers are undermined by the agencies' dependence on top political decision-makers in cases where senior officials are involved.<sup>11</sup> Ukraine is still lacking a full value anticorruption strategy (long term and short-term plans) aimed at counteracting corruption.

A legal framework for addressing corruption in Ukraine has started to be developed in 1995 by adoption of the Law "On Fighting Corruption"; since 1998 it was governed by a seven-year Presidential strategy – the "Anti-Corruption Concept for 1998-2005", which has provided guidelines for measures to be taken against corruption. This Concept led to the regulation of a significant number of laws and regulations on anti-corruption and to the creation of an array of anti-corruption

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<sup>11</sup> "Global Integrity Report: Ukraine – 2009", <http://report.globalintegrity.org/reportPDFS/2009/Ukraine.pdf>

institutions such as the Anticorruption Coordination Committee, which was mainly involved in the control of specific cases (law-enforcement function), and did not deal with the anticorruption policy development and coordination. The “Anti-Corruption Concept for 1998-2005” outlined major strategic directions, but did not provide benchmarks and specific terms. Year after year since 1997, the government drafted Plans of Action to Fight Organized Crime and Corruption and year after year, Parliamentary hearings on their implementation were concluding unsatisfactorily. Typically Soviet-style in their format and evaluation procedures, these Plans proved to be ineffective and often harmful. Since its adoption, the Concept has never been revised to align it with changing situations or international guidance.<sup>12</sup>

The fight against corruption in Ukraine received a welcome boost in November-December 2004 as a result of the Orange Revolution. A newly-elected President Victor Yushchenko and the government began to address this issue through a range of legislative and administrative initiatives. The above mentioned Anticorruption Coordination Committee was dissolved in 2005 and the coordination role was undertaken by the National Security and Defence Council (NSDC), which brings together the President, the Prime Minister, the Chairman of the Parliament, the Prosecutor General and the Heads of several ministries and services, mostly from the law-enforcement areas.

Besides, in March 2005, Ukraine has ratified the Council of Europe Civil Law Convention on Corruption and has become a member of the Council of Europe's Group of States Against Corruption (GRECO). GRECO has concluded its Joint First and Second Rounds of Evaluation of Ukraine and published its report in October 2007. Parliament has passed laws to ratify the Council of Europe Criminal Law Convention on Corruption, signed in January 1999, and the UN Anticorruption Convention, signed in December 2003 (however, ratification of these Conventions will come into effect only after adoption of the implementing legislation). In 2006, the President Yushchenko has signed a decree adopting the anti-corruption strategy of Ukraine titled "On the Way to Integrity", a document which identified the main directions of the work in the area of anti-corruption for all branches of government<sup>13</sup>.

In 2005 during first eight months of Yulia Tymoshenko as a Prime-Minister, she proved to be a contradictory state manager. Having been charged with and subsequently cleared of corruption herself by Ukrainian courts<sup>14</sup>, she presented proposals for anticorruption programs to increase transparency within the country's economy and politics, while pursuing re-privatization policies that threatened Ukrainian oligarchs and caused concern among foreign investors.

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<sup>12</sup> Corruption Assessment: Ukraine, Final Report, February 10, 2006, USAID, <http://ukraine.usaid.gov/lib/evaluations/AntiCorruption.pdf>

<sup>13</sup> “Global Integrity Report: Ukraine – 2009”, <http://report.globalintegrity.org/reportPDFS/2009/Ukraine.pdf>

<sup>14</sup> “Ukraine: Capable Or Crooked? Yuliya Tymoshenko Leaves Few Unmoved”, <http://www.rferl.org/content/article/1056703.html>

Break-up of the “Orange Coalition” in 2006, which resulted in the firing of Tymoshenko, has slowed the progress on anti-corruption initiatives. Well-intentioned anti-corruption initiatives were undermined as a result of political infighting and struggle for power among officials and politicians, or were whittled down to a degree of complete ineffectiveness.

A year of 2009 has been very fruitful for Ukrainian anticorruption sphere - a national policy level anticorruption body (Government Agent for Anticorruption Policy) has been set up in accordance with GRECO recommendations and a so-called “anticorruption package” which was pending in the Parliament since 2006, has been finally adopted. This package consists of three laws: “On Basic Principles of Prevention and Counteracting Corruption in Ukraine”, “On Responsibility of Legal Entities for Committing Corruption Offences” and “On Amending Certain Legal Acts Regarding Responsibility for Corruption Offences”. These laws have been adopted in June, 2009 with an effective date of January 1, 2010. But, in the end of December 2009 the Parliament has postponed the date of coming into force of these laws– till April 1, 2010; and in March it has postponed it once again until January 1, 2011, so they still have not come into effect.

These laws are a keystone of the whole anticorruption system of Ukraine; they intend to establish the legal and organizational framework for preventing and fighting corruption and minimizing or eliminating the consequences of corruption. The anticorruption laws expand upon these basic principles with respect to certain categories of government employees including judges, members of parliament, individuals holding state and municipal positions, officials of commercial legal entities and other individuals. The anticorruption laws introduce for the first time in the history of independent Ukraine the responsibility of commercial legal entities for corruption offenses committed by their officials.<sup>15</sup>

A “second wave” of anticorruption legislation is currently pending before the Parliament: a draft Law on professional ethics and conflict of interest of public servants, a draft Law on state financial control of public service and a draft law on the National Bureau of Anticorruption Investigations. These bills have been drafted in frames of donor-funded projects and submitted by coalitions of MPs from different Parliament factions. After being adopted they will further contribute into formation of a strategic and institutional legal anticorruption framework.

After Presidential elections in 2010, one of the first steps of a newly elected President Victor Yanukovich was creating of a National Anticorruption Committee - a consultative and advisory body under the President, the main task of which is to provide assistance to the Ukrainian president in the implementation of his powers foreseen by the Constitution of Ukraine. And again, counteracting corruption was announced as one of the main priorities for a new government.

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<sup>15</sup> “Global Integrity Report: Ukraine – 2009”, <http://report.globalintegrity.org/reportPDFS/2009/Ukraine.pdf>

So, there appears a broad political consensus as to the necessity to overcome corruption: the public, the business, major political parties and all branches of power formally agree on this. But there is no clear and coordinated view on the ways to achieve this goal, lack of sustainability and succession of approaches in resolving this matter.

The enactment of anti-corruption reforms requires active promotion and mobilization by multiple constituencies and stakeholders that want to see greater transparency, accountability and integrity.

Both *Presidents of Ukraine* – ex-President Yuschenko, while his presidency, and President Yanukovych, after this year elections, have announced fighting corruption as a priority task. But presently no reforms in this area will be possible unless the anticorruption package of legislation comes into force, as the current law “On Fighting Corruption”, adopted in 1995, is outdated and not comprehensive. *The Parliament* has adopted this package in June, 2009, but after that it has twice adopted bills that had postponed the effective date of new legislation - first time till April 1, 2009, second - till January 1, 2011. Both Yuschenko the first time and Yanukovych the second time have signed laws, that delayed anticorruption package’s effective date, without veto, this way have postponed any reforms and positive changes in anticorruption sphere.

In 2009, according to the GRECO recommendations, a national policy level anticorruption body – the Office of *the Government Agent for Anticorruption Policy*, has been set up in *the Cabinet of Ministers of Ukraine*. The main tasks of this body include the formulation of anti-corruption policy, the development of anticorruption strategies and action plans, co-ordination between bodies involved in the execution of anti-corruption strategies and action plans, analyses and legal examinations; statistics gathering; cooperation with NGOs and enactment of public campaigns. The Government Agent since he was appointed has started active work and by the end of 2009, 14 normative legal acts on corruption prevention and counteraction have been prepared and adopted by the Cabinet of Ministers.

After the elections and change of the Cabinet of Ministers, there has been a new Anticorruption Agent appointed – ex-Deputy Minister of Justice, who was responsible for anticorruption policy before and is experienced in this sphere, so hopefully this body will further exist and fulfill its functions according to international standards.

After this year elections the President Yanukovych has created the *National Anticorruption Committee (NAC)* as a consultative and advisory body under the head of state. The main task of the committee is to provide assistance to the Ukrainian president in the implementation of his powers foreseen by the Constitution of Ukraine. The committee is mainly formed from the heads of state departments and services. To fulfill its major task, the committee conducts a thorough analysis of corruption and measures to prevent and counter it, to harmonize legislation and eliminate the existing contradictions in it; draws up proposals on the simplification of permission and other

procedures for small and medium businesses and the removal of reasons that stipulate violations in this sphere; participates in the drafting of the Ukrainian president's messages to the people, as well as annual and special messages to the Parliament on the internal and external situation of the country regarding the issues of preventing and combating corruption.

So, partially, functions of the NAC overlap with the functions of the Government Agent, and this is another issue that should be solved.

*National Security and Defense Council of Ukraine (NSDC)* is a coordinating body in matters pertaining to national security and defense, created in 1996, headed by the President, and including the Prime-Minister and the heads of different ministries and agencies. In a sphere of anticorruption it is responsible for coordination of the governmental activities in the area of anti-corruption; monitoring and oversight over the work of individual state agencies in the area of anti-corruption; monitoring of Ukraine's progress under regional and international initiatives; analyzing trends of corruption in the country and the development of recommendations towards addressing those issues. As corruption has been admitted as a threat to the national security of the state, the NSDC took a coordination role in this sphere. Decisions of the Council are adopted by the Presidential Decrees. Vast legislatively provided powers of that agency combined with rather a wide interpretation of the national security and its separate domains in the effective legislation, lay down preconditions for the use of that agency by its head – Ukraine's President – as a tool of expansion of his influence and interference in the Government's area of responsibility. This phenomenon became especially spread during the office of Prime Minister Tymoshenko and continuous confrontation between the President and the Premiere. In that period, NSDC meetings often dealt with problems already addressed or planned to be addressed by the Government, and considered issues falling within the Government's competence.<sup>16</sup>

Each of the line ministries charged with responsibilities in anti-corruption policies has specialized units to that effect: at *the Ukrainian Ministry of Interior* – the Anti-Corruption Division of the Ministry of Interior Main Department Against Organized Crime; at *the Ukrainian Security Service* – the Main Department Against Corruption and Organized Crime.

In law enforcement, the low level of communication between various agencies has a negative impact on anti-corruption efforts. Feature of the activity of bodies fighting corruption is insufficient delimitation of competences, resulting in duplication of tasks and functions, which leads to the deficit of interdepartmental interaction, often – to competition, manifested in the “chase for figures”, creation of separate databases, and until recently – also separate statistical databases (inconsistent with the data of court statistics). This brings the absence of an unbiased statistical picture of fighting

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<sup>16</sup> Political Corruption in Ukraine: Actors, Manifestations, Problems of Countering (Analytical Report), Razumkov Center, [http://razumkov.org.ua/eng/files/category\\_journal/NSD111\\_eng.pdf](http://razumkov.org.ua/eng/files/category_journal/NSD111_eng.pdf)

corruption and bars monitoring the materials passage from registration of offences to court rulings.<sup>17</sup> Only a small number of cases find their way to courts, even fewer ending in convictions. Till present, in Ukraine there is no specialised anticorruption *prosecution* unit empowered to detect, investigate and prosecute corruption offences.<sup>18</sup> Under the presidency of Yushchenko, no General Prosecutor has done much to combat high-level corruption and abuse of office among Ukraine's elites. As one of the most popular Ukrainian analytical newspaper wrote, "Fortunately, groundless political repressions are no longer an element of public policy. Unfortunately, deserved punishments are not, either."<sup>19</sup>

Effectiveness of the work of the law enforcement bodies is not adequate to the state of corruption in the society. Year to year increase in the number of persons brought to criminal and administrative liability for committing corruption crimes and actions evidences the insufficient effectiveness of combating corruption exclusively by repressive measures. One of the reasons for ineffectiveness of law-enforcement bodies in fighting corruption is insufficient level of proficiency of employees who admit multiple violations of the requirements of law while the investigations.

Several *other Ukrainian ministries and agencies*, mostly law-enforcement ones, do have internal anticorruption units, main tasks of which are prevention, uncovering and termination of corruptive actions and violations as well as crimes related to corruption in their own agencies. In 2008-2009 in frames of the Millennium Challenge Corporation Threshold Country Project, such units have been created in several non-law-enforcement ministries by internal ministerial orders. In the end of 2009 there was a Resolution adopted by the Cabinet of Ministers of Ukraine, on further expanding of this concept and creating of such units in all agencies of executive branch with subordination them to the Government Agent for Anti-Corruption Policy. Although such units can be an effective anticorruption mechanism, after the presidential elections and change of the government their further existence and role are unclear.

Ukraine has a large number of political parties, many of which have tiny memberships and are unknown to the general public. The overwhelming majority of political parties in Ukraine are not ideological by their nature and many of them from the very beginning are created for attainment of a definite goal. The Ukrainian proportional election system with voting on closed party lists in a single nationwide election district fails to promote political responsibility of legislators, development of the

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<sup>17</sup> Political Corruption in Ukraine: Actors, Manifestations, Problems of Countering (Analytical Report), Razumkov Center, [http://razumkov.org.ua/eng/files/category\\_journal/NSD111\\_eng.pdf](http://razumkov.org.ua/eng/files/category_journal/NSD111_eng.pdf)

<sup>18</sup> "Monitoring of National Actions to Implement Recommendations Endorsed During the Reviews of Legal and Institutional Frameworks for the Fight against Corruption, Istanbul Anti-Corruption Action Plan for Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, the Russian Federation, Tajikistan and Ukraine", OECD, 2006, <http://www.oecd.org/dataoecd/18/37/37835801.pdf>

<sup>19</sup> "The Road Map to Success is Still an Outline Drawing" by Yulia Mostovaya and Serhii Rakhmanin, Zerkalo Nedeli, # 50 (679) 29 December — 11 January 2008, <http://www.mw.ua/1000/1550/61617/>

inter-party democracy and legislator-constituency relations. Individuals are forbidden to nominate themselves as candidates in elections. As a result, almost all political power in the country has concentrated in the hands a few parties and the connections of MPs with electors have actually been brought to nothing because the proportional election system with closed election lists and narrowed political competition actually deprives voters of any leverage over the formation of personal membership of the Parliament. Thus, a body intended to represent the interests of the entire specter of social groups, the Parliament has turned into a body that represents the interests of a few political parties, or, to be exact, the leaders and sponsors of those parties, rather than voters.<sup>20</sup>

Manifestations of corruption among political parties are apparent in the following areas: participation in the election and forming of election lists - direct purchase and sale of seats in election lists non-transparent financing of the political parties, critical dependence on sponsors, including big financial/industrial groups, direct violation of legislation on election campaign funding. Absolutely all parties do this, so it is hard to say whether some party is more corrupt than another. There is a general skepticism over major party figures and politicians in general.

## Voters

***Is participation to corruption broad? Is the public losing because of corruption? How upset are they? Look for survey data in the countries and Gallup on Transparency Site (Bribe Index, Global Corruption Barometer).***

21% of respondents in Ukraine reported paying a bribe in the past 12 months according to Transparency International Global Corruption Barometer 2009.<sup>21</sup>

A post-Soviet “get it while you can mentality” seems to dominate the thinking of many who hold positions of power and influence in Ukraine. This attitude, coupled with the Soviet-era presumption that “this is the only way to get things done,” allows many Ukrainians to justify corrupt interactions with officials. Corruption is perceived by Ukraine’s citizens, by the business community, and by civic monitoring organizations to be a pervasive and debilitating factor in the country’s life.<sup>22</sup>

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<sup>20</sup> Concept of Amendments to Legislative Acts of Ukraine to Improve the Functioning of the Verkhovna Rada of Ukraine (The “White Book” of Ukrainian Parliamentarism), Joint Project of the Agency for Legislative Initiatives and The Westminster Foundation for Democracy, [http://parliament.org.ua/upload/docs/White%20Book%20-%20Eng\\_final.pdf](http://parliament.org.ua/upload/docs/White%20Book%20-%20Eng_final.pdf)

<sup>21</sup> Transparency International Global Corruption Barometer 2009, <http://www.transparency.org/content/download/43788/701097>

<sup>22</sup> “Corruption, Democracy, and Investment in Ukraine”, The Atlantic Council of the United States, October 2007, [http://www.acus.org/docs/071016\\_Corruption,%20Democracy,%20and%20Investment%20in%20Ukraine.pdf](http://www.acus.org/docs/071016_Corruption,%20Democracy,%20and%20Investment%20in%20Ukraine.pdf)

Existence of strong stereotypes of tolerance to corruptors creates favorable environment for corruption. The mass awareness combines recognition of public loss from corruption and readiness to choose corrupt ways of solving day-to-day problems. Citizens may also voluntarily offer a bribe, even if not asked. Citizens use these tactics in order to expedite a process or to conceal certain violations.

Corruption makes a devastating effect on all spheres of life of the country due to deformation of the state power activity and diminishing effectiveness of state power institutions. Expansion of corruption is a powerful factor of demoralization of the society, devaluation of moral values, and destruction of moral and spiritual principles. Corruption provokes social depression – feeling of weakness, defencelessness before the state and its certain institutes, officials and officers. On the other hand, a new culture of corruption is formed and gets instilled among young generation.

Corruption also not only undermines the belief in reforms of disillusioned citizens, but also interferes with economic development, investment, and leads to the destruction of the basis of democratic politico-legal culture in society, and makes it impossible for the existence of transparent rules of the game in the market. In total, corruption creates the possibility of making decisions that are contrary to the national interests, by key government officials of Ukraine.

It is also highly detrimental to the stability of democratic institutions and undermines the business climate, discouraging private investment and hampering economic growth.

Widespread corruption has had a major corrosive effect on the Ukrainian public. Presently over two-thirds of Ukrainians believe that only a leader with a strong hand can solve the country's problems. By contrast, only one in five Ukrainians thinks that democracy is an answer. Even though disappointment with democracy and capitalism shows in most of the countries of the former Soviet bloc, Ukraine still stands out. Only a third of Ukrainians approve of the country moving from a state-controlled to a market economy, and a change to multiparty democracy. Unfortunately, from a once promising democratic leader in the region, Ukraine has transformed into an example of disenchantment for the democratic and civil society activists in neighboring countries.<sup>23</sup>

In general, the tolerance to corruption is one of the biggest problems of Ukrainian society, as lots of citizens do not realize the threat that corruption poses to the country's economy and system of government, and how it may subvert the social order. This is something the civil society can and should change. Formation of the atmosphere of non-tolerance of corruption among the public through informational and public awareness campaigns, promotion and advertising of non-corrupt

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<sup>23</sup> "Corruption, Impunity Still Rule Nation Five Years After Revolution", Myroslava Gongadze, Kyivpost, [https://www.kyivpost.com/news/opinion/op\\_ed/detail/53689/print/](https://www.kyivpost.com/news/opinion/op_ed/detail/53689/print/)

behavior, often through small, local-level projects have proved to be the most effective in Ukraine within last years.

As Ukraine is a large country, very often national-level projects are less effective and have less impact, than the local-level ones. The impact of the projects, aimed on the change of behavior of the public, is difficult to measure, and their results could be seen only in some distant future. But still, some of the projects, for example, advocacy or civic monitoring ones, can be evaluated by a number of suggested and adopted acts or changes to some regulations, procedures or institutional practices, introduced as a result of the project. There is quite a big number of successful projects implemented by different NGOs in Ukraine within several last years in frames of the ACTION project, mentioned in this report. The most successful ones were implemented by coalitions of NGOs in 2007-2009, and resulted in 62 local reforms encompassing important spheres of life.

Now when a big number of Ukrainian civil society organizations have received proper training and have gained a certain experience, hopefully this can become a good start and they will use the gained experience for further improvement and development of work in this sphere, will be persistent and sustainable, and will become a real driving force of anticorruption activities, both as a partner and as a watchdog for government institutions. To be successful it is important for the civil society organizations to have a constant dialogue with the government, to be cooperative and to ensure active involvement of government institutions into the anticorruption work and also to strengthen civil society oversight capacity to the government.