ANTI-CORRUPTION POLICY OF UKRAINE IN THE CONDITIONS OF THE FORMATION OF THE «DIGITAL ECONOMY»: REGULATORY ASPECT

Abstract. The level of corruption covers all spheres of social life and reflects the state of the social organism. This is the result of social trends and phenomena in politics, economy and development of the state. Even in the developed democratic countries of the world, this negative destructive phenomenon has become common. This, undoubtedly, has a bad effect on the development of healthy social relations. The perception of corruption is growing, as it is increasingly recognized as a norm of the functioning of state institutions and is perceived as a way to satisfy economic, political or social needs.

This article examines modern methods for combating corruption in coordinates of Ukraine’s developing "digital economy." The essay provides useful
recommendations for improving the anti-corruption laws in Ukraine as well as approaches for using government regulations to fight systemic corruption in the economy of the nation. This article examines the 2021–2025 Anti-Corruption Strategy. The authors calculated the structure of the using the crypto currency on September 2022 in Ukraine. It should be noted that the current legislative framework for the prevention of corruption and organized crime indicates the importance of using such a tool as digital transformation in terms of the using the modern information and communication technologies to increase the level of preventive activities of the relevant subjects of the corruption prevention, expanding the possibilities communication with the public on the specified problems, implementation of practical international experience, etc. In light of the ongoing active development of digitalization processes, it is also appropriate to develop criminological principles for the implementation of anti-corruption preventive activities, taking into account the distinctive characteristics of particular sectors of the economy in the context of digital transformation.

The article’s objective is to present anti-corruption developments in the context of Ukraine’s developing "digital economy" based on regulatory aspect. The study's main focus is on the administrative, organizational, and legal frameworks for putting state regulatory requirements into practice to combat corruption in Ukraine’s national economy; the systematic analysis corruption-shadow relations, identification of socio-economic consequences of their influence on the economy of Ukraine. The definition of a cryptocurrency is a digital token used in decentralized peer-to-peer networks for quick, cheap, and anonymous money transfers between users. The shadow sector engages in unlawful currency manipulation on a national and international scale by using banks and other financial organizations to "launder" illegally obtained income. Such acts have a negative impact on the value and dynamics of currency exchange rates, as well as the overall health of the Ukrainian banking sector.

The study’s focus is on the organizational, administrative, and regulatory foundations for implementing state regulatory requirements for battling corruption in Ukraine’s national economy. The objectives and challenges are met by using contemporary general scientific and specialized research methodologies. These include terminological analysis and operationalization of concepts, which are used to reveal and clarify general theoretical propositions that reveal the essence, peculiarities, and nuances of scientists' interpretations of the category corruption, as well as scientific abstraction and concretization, with the author's formulation of the fundamental type of corruption. The quantity of the Ukrainian subsistence minimum in 2017–2023 can be compared to global norms using statistical approaches.

Shadow economic activity significantly affects the macroeconomic policy of the state. Macro-level decisions are made based on official statistics. If it does not
take into account the part of the GDP produced by the shadow business, the effectiveness of the government's economic decisions is reduced. Deformation of macroeconomic policy is manifested in macroeconomic regulation of the economy. Shadow economic activity leads to the deformation of investment processes, which manifests itself in the slowdown of economic growth. Almost no new productions are created in the shadow sector, since the main content of shadow activity is to obtain the maximum profit, a significant part of which is exported abroad, as a result of which the Ukrainian economy loses investment resources and sources of income. Ukraine is losing the capital necessary for the reproduction of fixed assets and subsequent investments. According to some scientists, the investment crisis of the legal economy is taking place against the backdrop of an investment boom in the shadow business, which today has reached fantastic proportions.

**Keywords:** anti-corruption policy, blockchain, cryptocurrency, corruption, digital economy, living wage, shadow economy, state policy

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**Antikoruptsiyna politika Ukrainy v umovah stavnenienia «Cifrovoi ekonomiki»: regulyatorniy aspekt**

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**Antoantivpa.** Рівень корупції охоплює всі сфери суспільного життя та відображає стан суспільного організму. Це результат суспільних тенденцій та явищ у політиці, економіці та розвитку держави. Навіть у розвинених демократичних країнах світу це негативне руйнівне явище стало звичайним.
Це, безсумнівно, погано впливає на розвиток здорових суспільних відносин. Сприйняття корупції зростає, оскільки вона все частіше визнається нормою функціонування державних інституцій і сприймається як спосіб задоволення економічних, політичних чи соціальних потреб.

У цій статті розглядаються сучасні методи боротьби з корупцією в координатах розвитку «цифрової економіки» України. У статті подано корисні рекомендації щодо вдосконалення антикорупційного законодавства в Україні, а також підходи до використання державних нормативних актів для боротьби з системною корупцією в економіці країни. У статті розглядається Антикорупційна стратегія на 2021–2025 роки. Автори підхопили структуру використання криптовалют на вересень 2022 року в Україні. Слід зазначити, що чинна законодавча база щодо запобігання корупції та організованій злочинності вказує на важливість використання таких інструментів як цифрова трансформація в умовах використання сучасних інформаційно-комунікаційних технологій для підвищення рівня превентивної діяльності відповідних суб’єктів запобігання корупції, розширення можливостей комунікації з громадськістю із зазначених проблем, впровадження практичного міжнародного досвіду тощо. У світлі триваючого активного розвитку процесів цифровізації доцільним є також розробка кримінологічних засад реалізації антикорупційних заходів із запобігання корупції з урахуванням особливостей окремих секторів економіки в умовах цифрової трансформації.

Метою статті є представлення антикорупційних розробок у контексті розвитку «цифрової економіки» України на основі нормативного аспекту. Основна увага дослідження зосереджена на адміністративних, організаційних та правових засадах реалізації на практиці державних нормативних вимог щодо протидії корупції в національній економіці України; системний аналіз корупційно-тіньових відносин, виявлення соціально-економічних наслідків їх впливу на економіку України. Визначення криптовалюту – це цифровий інструмент, який використовується в децентралізованих однорангових мережах для швидких, дешевих і анонімних грошових переказів між користувачами. Тіньовий сектор здійснює незаконні маніпуляції з валютою в національному та міжнародному масштабі, використовуючи банки та інші фінансові організації для «відмивання» незаконних доходів. Такі дії негативно впливають на вартість і динаміку обмінних курсів валют, а також на загальний стан українського банківського сектору.

Основна увага дослідження зосереджена на організаційних, адміністративних та нормативно-правових засадах реалізації державних нормативних вимог щодо протидії корупції в національній економіці України. Цілі та завдання вирішуються з використанням сучасних загальнонаукових та
спеціальних методологій досліджень. До них відносяться термінологічний аналіз та операціоналізація понять, які використовуються для виявлення та уточнення загальнотеоретичних положень, що розкривають сутність, особливості та нюанси тлумачень науковцями категорії корупції, а також наукове абстрагування та конкретизація з авторським формулюванням основний вид корупції. Розмір українського прожиткового мінімуму в 2017–2023 роках можна порівняти зі світовими нормами за допомогою статистичних підходів.

Макроекономічна політика країни значною мірою впливає на економічну діяльність країни. Офіційна статистика служить основою для прийняття рішень на макрорівні. Ефективність економічних рішень уряду знижується, якщо вина не враховує частку тіньового бізнесу ВВП. Макроекономічне регулювання економіки демонструє деформацію макроекономічної політики. Інвестиційні процеси деформуються через тіньову економічну діяльність, що призводить до уповільнення економічного зростання. Оскільки основною метою тіньової діяльності є отримання максимального прибутку, значна частина якого вивозиться за кордон, українська економіка втрачає інвестиційні ресурси та джерела доходів, тому там майже не створюється нових виробництв. Україні бракує капіталу, який потрібен для відтворення основних фондів і подальших інвестицій. Інвестиційний бум тіньового бізнесу, який сьогодні набув надзвичайних розмірів, може призвести до інвестиційної кризи легальної економіки, як стверджують деякі науковці.

Ключові слова: антикорупційна політика, блокчейн, криптовалюта, корупція, цифрова економіка, прожитковий мінімум, тіньова економіка, державна політика.

Problem setting. The level of corruption reflects the state of the social organism and is a consequence of social trends and phenomena of politics, economy and state development, as it covers all spheres of social life. This negative destructive phenomenon has become almost routine even for the developed democratic countries of the world, which undoubtedly has a detrimental effect on the formation and development of healthy social relations. The spread of corruption is facilitated by its perception by society, because more and more often it is defined as the norm of the functioning of state institutions and is perceived as a means of satisfying economic, political or social needs [1].

Quick and effective implementation of the anti-corruption policy in Ukraine will speed up the economic growth of the state. The creation of a system of modern anti-corruption tools, that is, legal institutions, as well as the development of a system of anti-corruption bodies, which should ensure the effective implementation
of these tools, will ensure the growth and development of effective democratic institutions, which is significantly hindered by corruption.

According to the results of research conducted by the organization Transparency International, the level of perception of corruption in Ukraine in 2020-2023 remains high and has not changed significantly over the past few years - 116th place out of 180 countries and 33 points out of 100 possible for 2022 - which indicates the need to develop new strategies for preventing corruption manifestations, improving the effectiveness of existing prevention mechanisms, as well as applying new modern mechanisms for overcoming corruption [2].

Despite the legal regulation of the categorical apparatus for the prevention of corruption, the results of the survey proved that the difference between the concepts of "corruption offense" and "corruption-related offense" is quite blurred: 124 out of 236 surveyed respondents, which are 52.5%, did not consider these concepts sufficiently demarcated [3]. The priority direction of prevention of such offenses is the identification of the most common corrupt practices and the reasons for their existence, improvement of normative legal acts, forms and methods of activity of public administration in this area. Economic corruption, the nature of their occurrence, and the international practice of building an anti-corruption mechanism require a separate study.

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

Their scientific works are a significant contribution to the understanding of the phenomenon of corruption and the development of countermeasures against it. At the same time, there is not enough fundamental research on the problem of corruption, which, based on various approaches and ways of solving it, would develop a systematic scientific vision of increasing the effectiveness of anti-corruption activities with the applied goal of minimizing corruption in Ukraine to a socially acceptable level. Many scholars have paid attention to the study of effective anti-corruption policy as the component of a legitimacy of the economic security system in Ukraine. A wide range of issues related to research in the area of state regulatory imperatives to combat systemic corruption in the national economy.


In addition, many scientific works do not take into account the latest changes in the anti-corruption legislation of Ukraine, the consequences of the unsystematic reform of law enforcement agencies, the trends in the spread of corruption, the current perception and attitude of civil society and business towards corruption, changes in the economic situation, public administration, social life caused by serious miscalculations of the new government in state policy. For a long time, anti-corruption activities were carried out without strategic planning, in particular without an anti-corruption strategy. Taking into account the priority of combating corruption in state policy, the need for anti-corruption transformations in the conditions of the formation of the "digital economy" of Ukraine, the scientific and applied significance of the selected research issues is being formed.

Research goal. The article’s objective is to present anti-corruption developments in the context of Ukraine's developing "digital economy" based on regulatory aspect. The study's main focus is on the administrative, organizational, and legal frameworks for putting state regulatory requirements into practice to combat corruption in Ukraine’s national economy; the systematic analysis corruption-shadow relations, identification of socio-economic consequences of their influence on the economy of Ukraine. The definition of a cryptocurrency is a digital token used in decentralized peer-to-peer networks for quick, cheap, and anonymous money transfers between users. The shadow sector engages in unlawful currency manipulation on a national and international scale by using banks and other financial organizations to "launder" illegally obtained income. Such acts have a negative impact on the value and dynamics of currency exchange rates, as well as the overall health of the Ukrainian banking sector.

The study’s focus is on the organizational, administrative, and regulatory foundations for implementing state regulatory requirements for battling corruption in Ukraine’s national economy. The objectives and challenges are met by using contemporary general scientific and specialized research methodologies. These include terminological analysis and operationalization of concepts, which are used to reveal and clarify general theoretical propositions that reveal the essence, peculiarities, and nuances of scientists' interpretations of the category corruption, as well as scientific abstraction and concretization, with the author's formulation of the fundamental type of corruption. The quantity of the Ukrainian subsistence minimum in 2017–2023 can be compared to global norms using statistical approaches.
Data and methodology

In Ukraine, research shows, corruption has acquired a systemic character and has become an independent political force. The following features are characteristic of it now:

- state policy is directly dictated by the private interests of persons in power, close to power, capable of influencing the power;
- additional and shadow incomes form the basis and necessary part of the income of officials;
- corrupt behavior has become the norm of economic and legal culture;
- the executive power actively uses "shadow" forms of revenue mobilization and incentives.

The symbiosis of corruption and organized crime significantly complicates the implementation of relevant prevention measures by subjects at the general social, special criminological and individual levels. At the same time, the effectiveness of these measures significantly depends on the timely use of the advantages of digital transformation as a practical tool for crime prevention.

It should be noted that the National Economic Strategy for the period up to 2030 lists an efficient digital service state and compact state institutions as one of the criteria for economic policy (the rise of the digital economy as one of the factors driving economic growth in Ukraine). The "Rule of Law" direction, which aims to ensure the effective operation of the anti-corruption system to prevent, detect, and punish corruption, is one of the strategic directions of economic strategy up until 2030.

The Anti-corruption Strategy for 2021–2025 states that one of the guiding principles of the anti-corruption policy is the digital transformation of how state authorities and local self-government institutions exercise their authority, as well as transparency of actions and data disclosure as a foundation for reducing corruption risks in those activities. At the same time, the public’s impression of the reasons for corruption, its prevalence, and the efficiency of anti-corruption organizations is distorted due to the absence of objective reporting on the status of preventing and combating corruption in Ukraine. Therefore, as a result of the implementation of the Strategy, it is assumed that citizens will have complete and objective information about corruption in Ukraine, its causes, state and dynamics, the system of anti-corruption institutions, the distribution of powers between them, as well as about the effectiveness of various state institutions in matters of prevention and anti-corruption, about the possibility and methods of interaction of citizens with anti-corruption institutions regarding reporting of corruption and public control [4].

The Strategy for Combating Organized Crime’s goal is to create a system that is effective at fighting organized crime and includes subsystems for legal, institutional, scientific, informational, and analytical support, financial and logistical
support, coordination and interaction, control, and international cooperation. At the same time, one of the principles of the Strategy is to strengthen the capabilities of collecting operational data and bringing the information support of state institutions fighting organized crime into compliance with international standards and ensuring the integration of domestic information systems, in particular with the relevant information systems of EU member states.

According to the Action Plan for the Implementation of the Strategy for Combating Organized Crime, the creation and implementation of a unified secure information system for entities combating organized crime and ensuring their direct access to state information resources is envisaged in terms of providing information and analytical support for state institutions participating in the fight against organized crime.

The digital economy, which is the primary symbol of modernity, simultaneously has an impact on every aspect of society. Digitalization has an impact on several sectors of society and the global economy in different ways. Additionally, each nation's standing in the global community is influenced by the extent to which digitization has affected its social and economic systems. Numerous benefits of digitization are offered for the growth of the economy. The rapid digitalization of all facets of life is primarily a result of its potential benefits and outcomes at all scales. Increased economic openness and the ability to supervise such operations are two benefits of digitization at the level of the entire society.

Digital transformation, in general, makes all processes more transparent, allows users to track the status of various projects, and deters the adoption of various corruption methods [5].

Shadow economic activity significantly affects the macroeconomic policy of the state. Macro-level decisions are made based on official statistics. If it does not take into account the part of the GDP produced by the shadow business, the effectiveness of the government's economic decisions is reduced. Deformation of macroeconomic policy is manifested in macroeconomic regulation of the economy. Shadow economic activity leads to the deformation of investment processes, which manifests itself in the slowdown of economic growth. Almost no new productions are created in the shadow sector, since the main content of shadow activity is to obtain the maximum profit, a significant part of which is exported abroad, as a result of which the Ukrainian economy loses investment resources and sources of income. Ukraine is losing the capital necessary for the reproduction of fixed assets and subsequent investments. According to some scientists, the investment crisis of the legal economy is taking place against the backdrop of an investment boom in the shadow business, which today has reached fantastic proportions.

In conclusion, it is important to note that the current legislative framework for the prevention of corruption and organized crime highlights the significance of using
a tool like digital transformation in terms of the use of cutting-edge information and communication technologies to raise the level of preventive activities of the relevant subjects of the prevention of corruption and organized crime while increasing the possibilities communication with the public on the specified problem. It is also appropriate to develop criminological principles for the implementation of anti-corruption preventive activities, taking into account the peculiarities for the economy sectors in the conditions of digital transformation, taking into account the further active development of digitalization processes.

**Key research findings.** The existence of a shadow economy is one of the main causes of corruption in Ukrainian society. Unlawful and illegal in nature, shadow business contributes to the growth of crime in the state, including the organized one. He is forced to pay part of his income to criminal structures in the form of a kind "tributes". So, shadow relations appear a source of financing criminal activity, in including terrorism. The system of corruption and shadow relations is the main obstacle on the way to the implementation of reforms aimed at the modernization of the Ukrainian economy and progressive changes in society.

Unanimous consensus exists in society that modern corruption is a global social, economic, and political issue. This topic generates a lot of debate and is still up for debate among researchers because it is difficult to pinpoint the exact origins of the term "corruption." As complicated, diverse phenomena, corruption constantly shifts the origins of infractions. Factors that contributed to the institutionalization of corruption first emerged in the final decade of the 20th century. Corrupt relationships are so deeply ingrained in the fabric of political, economic, and legal connections that they have taken on a regulatory role and hijacked some of the tasks of legitimate social institutions, which is a sign of the institutionalization of corruption.

Because there are so many different types of corruption, the issue of corruption crime continues to be one of the things that undermines the values of contemporary society and has significant repercussions, including the severing of economic relationships. Bitcoin is evolving into a brand-new form of corruption.

The word "cryptocurrency" refers to the encryption techniques used to protect the network. "Crypto" refers to the various cryptographic techniques used to secure these records, such as elliptic curve encryption, public-private key pairs, and hashing algorithms. Blockchain technology, an organizational method for ensuring the integrity of transactional data, is also widely used in many cryptocurrencies.

Digital money that operates through an asymmetric encryption technique is known as a cryptocurrency. There are thousands of these assets available today, but when it comes to price, Bitcoin is still the oldest and most well-known cryptocurrency. Because of the BTC rate's ongoing volatility, more people are becoming interested in working in the cryptocurrency business each year. Cryptocurrency is a brand-new class of asset that differs greatly from traditional
money and other financial instruments. With fiat, the primary distinction is that you directly own the digital currency. You can do this without a bank or other type of financial organization. You keep the crypt in your individual e-wallet [6].

With approximately half of the market capitalization, Bitcoin continues to be the market leader and "big whale" despite the rapid expansion and diversity of cryptocurrencies. All cryptocurrencies, with the exception of Bitcoin, are known in the financial community as altcoins, or alternative cryptocurrencies. It's also important to note that those who own cryptocurrency, work in the infrastructure supporting it, and invest in it refer to traditional currencies and the paper money market as "fiat" or "fiat money."

*Is Cryptocurrency Like a Financial Pyramid?* According to experts, digital currencies have nothing to do with a fraudulent earning scheme. One of the characteristics of a financial pyramid is that some people’s money becomes the basis for payments to other participants. The same Bitcoin has completely different principles, since it is a limited crypto-asset. The price of Bitcoin increases with a sharp increase in demand, which is due to its fixed amount (21 million coins in total).

Many are left with the question; can cryptocurrency simultaneously disappear and leave the user with nothing? Experts in the crypto industry note that such a situation, if we are talking about Bitcoin (BTC), is unlikely. At the same time, other types of crypt are considered more risky. Therefore, before starting to work with them, it is important to study all the information about them in detail. People decide for themselves whether to use digital coins or not. No one urges users to urgently buy cryptoassets, because this will lead to inevitable enrichment. There are no promises.

The next step, lets describe the legal area focused on cryptocurrencies. In most countries, the status of the crypt is still uncertain. It is difficult to regulate because it is decentralized. In addition, transactions in the blockchain are anonymous, which is why the tax office cannot track them. To see how much Bitcoin and other cryptoassets are worth, as well as to buy and sell them, crypto exchanges are mainly used. Most of these sites require verification. In theory, the tax authorities can make requests through the court so that the exchanges provide personal data and the history of the client’s transactions. But in reality it is quite difficult to do, so this happens only when it comes to money laundering in particularly large amounts. Many of our citizens simply do not pay any taxes on digital currencies. The main argument for this is that amounts smaller than $10-15 thousand will not be so interesting for tax authorities to consider. As a result, the crypto market remains partly in the shadows [7].

There are main features of the crypt. Cryptocurrency is a digital asset in the digital space that is significantly different from fiat:
- Independence. The system responsible for the circulation of the crypt has no regulatory institution. The state cannot control it.
- Immutability. The blockchain is arranged in such a way that transactions cannot be adjusted or deleted. This minimizes human intervention and speeds up processes at the same time.

- Availability. All transactions can be viewed by any member of the network. To connect to the registry from any corner of the planet, you only need a crypto wallet.

Given that cryptocurrency’s market value is constantly increasing, it has the ability to alter the global financial system. Numerous research support the existence of cryptocurrencies as a brand-new class of digital assets. marketplace value At this time, there are over 755 million dollars in bitcoin. Tether has a market value of $82 million and Ethereum is worth over $360 million. More than eighty additional cryptocurrencies have market capitalizations of $1 million or more apiece, and hundreds of further cryptocurrencies have market capitalizations of $200,000 or less each.

Different nations refer to cryptocurrencies by different names: "digital currency" is used in Argentina, Thailand, and Australia; "virtual goods" in Canada, China, and Taiwan; "crypto token" is used in Germany; "payment token" is used in Switzerland; "cyber currency" is used in Italy and Lebanon; "virtual asset" is used in Mexico and Honduras; and "electronic currency" is used in Colombia.

Confidence in cryptocurrency as a medium of exchange is trending to constant growth. After all, a cryptocurrency transaction very hard to track: no trusted third party required as the central control body, because of the central control does not exist, personal data and parties are not recorded remain unknown. transactions do not require information about the persons of the parties, they are carried out easily, quickly, directly between the parties, without commissions, that is, without additional costs, criminal activities contribute to unstable cryptocurrency value and unsettled legislation.

The appeal of the environment for a new type of corruption activity, as well as a new means of criminal behaviour like money laundering, tax evasion, and financing of terrorism, is determined by such distinctive characteristics of cryptocurrencies. Criminals frequently exploit new technologies to perform old crimes first. With existence cryptocurrencies and corruption cases and others were also discovered criminal acts, in particular:

- "Silk Road": The former owner of the Silk Road dark web site and "Dreadful Pirate Roberts" alias Ross Ulbricht was apprehended by the FBI in 2013. Ulbricht was accused of taking part in a plot involving money laundering, drug trafficking, and computer hacking. More than 9.5 million bitcoins in sales income and more than 600,000 bitcoins in commissions for its owner are mentioned in the indictment;

- "Crypt Queen": Businesswoman Ruza Ignatova, 36, made an appearance on the stage of London's Wembley Arena in front of a large crowd in June 2016. She announced to the enthusiastic audience that "OneCoin" is on its path to becoming the biggest cryptocurrency in the world and that anyone may send payments using
it. People began investing their wealth in OneCoin all across the world in the hopes of joining this new transformation. More than 4 billion Euros were invested between August 2014 and March 2017 in dozens of nations. The "crypto queen" and all of these investments vanished in 2017;

– “BitConnect”: BitConnect’s owner, Diveesh Darjee, was detained by Indian police in 2018 on charges that he utilized a "Ponzi scheme" to withdraw 12.6 billion dollars (880 billion Indian rupees) from Indian investors [8].

The emergence of distributed data storage technologies (BlockChain) and cryptocurrency payment systems based on such technologies significantly changes the process of countering crime. Forms of corruption are being transformed, new types of illegal gain are emerging, and methods of legalizing criminal income are being updated. At the same time, like any social process, the spread of cryptocurrency and BlockChain technology has dialectical consequences. On the one hand, cryptocurrencies have become a new tool for criminals. On the other hand, the availability of the entire database of transactions in the cryptocurrency system in open access gives law enforcement officers fundamentally new tools to fight crime.

The structure of the using the cryptocurrency on September 2022 in Ukraine by the Unified State Register of Court Decisions is presented in the Table 1.

Table 1: The structure of the using the crypto currency on September 2022 in Ukraine

<table>
<thead>
<tr>
<th>Directions for using crypto currency</th>
<th>Guilty verdicts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>units</td>
</tr>
<tr>
<td>Use of crypto currency for illegal drug trafficking</td>
<td>36</td>
</tr>
<tr>
<td>Distribution of malware for hidden cryptocurrency mining</td>
<td>11</td>
</tr>
<tr>
<td>Sale of data</td>
<td>4</td>
</tr>
<tr>
<td>Fraud</td>
<td>1</td>
</tr>
<tr>
<td>Together</td>
<td>52</td>
</tr>
</tbody>
</table>

Source: calculated by the authors

Given the foregoing, it is crucial to reduce the corruption risks associated with legalizing the domestic cryptocurrency market. Localization of effective law enforcement techniques, legislative support, and exploitation of BlockChain's anti-corruption capabilities should be the major areas of focus here.

Consider corruption as an economic problem of the state. The economic nature of corruption is manifested in the fact that it is a product of economic relations and affects their development, and its level is one of the determining indicators of the level of economic freedom in a particular country. From an economic point of
view, corruption is an illegal type of activity related to the use of an official position to obtain income. Under this approach, the understanding of corruption as a phenomenon and its definition as a legal category is based on the economic aspect.

Corruption undermines not only democratic institutions and values, but also ethical norms and justice, harms sustainable development [9]. Therefore, it harms in different ways: it is not only a factor that destroys the economic health of the country, because it undermines the integrity of markets, the principles of healthy competition and fair distribution of resources, but also a moral threat. The source of corruption is excessive state intervention in the economy, bureaucratic traditions, social history, etc. The need to determine the prerequisites of corrupt acts is due to the fact that corruption as a social phenomenon is a product of socio-historical processes and social relations with established patterns and trends. That is why identifying the causes of corruption is so important in the process of fighting it [10].

The general causes of corruption can be divided into the following groups:
- political (using the given powers to satisfy private interests);
- economic (use by civil servants of their own powers in the sphere of economic management);
- legal (first of all, this is an ineffective system of anti-corruption means and imperfect legislation in the field of anti-corruption);
- organizational and managerial (the possibility of decision-making by officials at their own discretion, mass replacement of positions of civil servants through the use of personal connections);
- socio-psychological (low civic consciousness; mentality deformed by the awareness of the possibility to solve any issue without unnecessary effort and loss of time, etc.) [11].

Corruption as an economic problem manifests itself in:
1) in the emergence of the danger of corrupt and shady relations, which consists not only in causing material losses to society and its citizens, but also in destabilizing the economic system in general;
2) in a serious overestimation of the cost of projects of business structures as a result of the fact that participants in corruption relations receive a certain part of budget funds as income;
3) in the formation of unproductive patterns of behaviour of both the public sector and business structures, since corrupt actions cause restrictions on competition, a decrease in the pace and quality of economic growth;
4) in the emergence of a shadow economy - market production of products and provision of services, both legal and illegal, which avoids being reflected in the official GDP [12], etc.

Therefore, corruption is a systemic social phenomenon that has arisen over many years, therefore, to overcome it, it is necessary to create an effective and efficient system of anti-corruption legislation, justice, actively involve business in establishing new transparent rules of relations between society, government and business structures.
Unfortunately, the management model of state-owned enterprises in Ukraine is not always effective, resulting in significant losses and corruption. As of October 1, 2023, there are more than 3,000 state-owned enterprises. Private companies also have a number of problems that provoke corruption and require legislative regulation and the participation of the state and civil society.

How to reduce the level of corruption in the public and private sectors of the economy was discussed by representatives of the National Agency for the Prevention of Corruption (NACP) together with experts as part of the public discussion of the project of the State Anti-Corruption Program (SAP) [13].

To introduce transparent and high-quality management and, accordingly, minimize the level of corruption, experts advise paying attention to the formation of state property policy, compliance with corporate governance standards, including the transparent formation of supervisory boards. Standardization of independent audit criteria, strengthening of internal control at enterprises, ensuring transparency of privatization procedures and compliance by buyers with conditions of sale of privatization objects, etc. are also important tasks. For example, there are currently no criteria for determining the obligation to conduct an independent audit of the financial statements of state-owned enterprises. This has a negative impact on transparency and objective assessment of activities and causes corruption risks.

The participants also discussed the high level of tolerance of corruption in the private sector of the economy and measures to reduce it. Yes, there are currently no effective administrative and legislative incentives for businesses to implement integrity practices. There is only a formal approach to the development and implementation of anti-corruption programs. In order to solve these problems, NAZK proposes, based on the results of an analytical study, to make changes to the Criminal Code of Ukraine, the Criminal Procedure Code of Ukraine and other laws to take into account the recommendations of the Organization for Economic Cooperation and Development (OECD) [14].

For the post-war reconstruction of the state, it is extremely important to ensure the transparency and fairness of the implementation of the Recovery Plan of Ukraine. For this, it is necessary to develop a mechanism for publishing information on the use of resources provided by international partners.

The participants also emphasized the need to bring regulatory acts into compliance with the Law "On Administrative Procedure" and adopt the law on administrative fees to reduce the level of bureaucratization of business processes and the payment of unofficial payments. According to experts, it is important to pass a law on the Business Ombudsman Institution, which will ensure the effective restoration of business rights violated by state authorities [15].

The study's estimates to compare the subsistence minimum in Ukraine in 2019 to 2023 with global norms are deemed adequate for the following phase (see Table 2).
### Table 2

Comparison of the size of the subsistence minimum in Ukraine in accordance with international standards in 2019-2023

<table>
<thead>
<tr>
<th>Year</th>
<th>The actual size of the LV* in the prices of August, UAH</th>
<th>Legislated amount of LW*, UAH</th>
<th>LW* according to OON standards ($5 per day), UAH</th>
<th>UAH exchange rate against the dollar (included in the budget), UAH</th>
<th>Deviation of legally established LW* from LW* according to the OON standard</th>
<th>Absolute deviation, UAN</th>
<th>Relative deviation, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3706</td>
<td>1936</td>
<td>4410</td>
<td>29.4</td>
<td>-2474</td>
<td>-56.1</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>3967.89</td>
<td>2189</td>
<td>4500</td>
<td>30.0</td>
<td>-2311</td>
<td>-51.4</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>4477.52</td>
<td>2393</td>
<td>4335</td>
<td>28.9</td>
<td>-1942</td>
<td>-44.8</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>4666</td>
<td>2509</td>
<td>4290</td>
<td>28.6</td>
<td>-1781</td>
<td>-41.5</td>
<td></td>
</tr>
<tr>
<td>2023 (data of the Ukraine Finance Ministry from 1, January, 2023 to 30, September, 2023)</td>
<td>...</td>
<td>2589</td>
<td>6375</td>
<td>42.2</td>
<td>-3786</td>
<td>-59.4</td>
<td></td>
</tr>
</tbody>
</table>

LW* - Living Wage  
The calculations reveal that there has been a negative absolute and relative divergence between the legally established LW and the LW as determined by the OON standard over the last six years, which points to a poor situation of the Ukrainian economy and a lack of cash in the budget. The successful eradication of corruption, the return of funds to the budget, the encouragement of the preservation of funds, and the prevention of theft are specifically regarded as essential elements of Ukraine’s system of economic development and economic security.

**Conclusions**

The process of improving the mechanism for preventing offenses related to corruption should consist of the following:

- determination of the real situation in matters of prevention of corruption manifestations, its analysis;
- search for weak points and parameters that require improvement, namely collisions and gaps in the system of anti-corruption legislation;
- development of an optimal improvement strategy;
- implementation of developed actions;
- evaluation of the results and analysis of the situation.

The following is how the study's key findings are presented:

1. The United Nations, the Organization for Economic Cooperation and Development, the Council of Europe, the European Union and other organizations have developed and adopted a set of international mandatory and advisory acts. Analyzing the international experience of preventing and countering corruption, it is worth noting that corruption has no national borders and it will be extremely difficult to overcome it without a systematic approach. Both countries with high and low economic levels, both international and local organizations, law enforcement and military bodies, and legislative bodies are trying to counteract it. But corruption has not been completely overcome in any country in the world. Based on the analysis of the international experience of preventing offenses related to corruption, the main ideas that can initiate new areas of activity to improve the system of preventing such manifestations are summarized: improvement of the control system for offenses related to corruption, involvement of public control; simplification of registration and permit procedures, contactless such procedures using the most transparent and understandable actions, etc.

2. Blockchain technology is recommended by the United Nations Office as a way to fight corruption. According to David Robinson, Regional Adviser on Anti-Corruption at the United Nations Office on Drugs and Crime, countries could employ blockchain technology to fight corruption. According to reports, the global community and international organizations are becoming more interested in blockchain technology since it provides a means of fighting corruption and protecting official records from fraud and falsification. Many countries throughout
the world have been observed to be considering the use of cryptocurrencies and blockchain as potential instruments in the fight against corruption.

3. Cryptocurrencies are digital tokens with minimal transaction costs that are used for instant, anonymous money transfers between users in decentralized, peer-to-peer networks. In order to achieve the goals of combating corruption, which is a serious threat to the proper functioning of the state, its institutions, and its citizens and, as a result, is a challenge for the loss of reputation of the international community, all actions must be subordinated to systemic tactical measures for early detection of corruption crimes involving the use of cryptocurrencies.

4. Differences in how corruption is perceived and dealt with on a national level. According to 89% of respondents, corruption in Ukraine is a problem that should be taken seriously. More than a fifth of Ukrainians believe that the level of corruption has increased since February 2022, slightly less than a fifth believe that the level of corruption has decreased, and more than a third believe that the level of corruption has remained at the same level. These opinions reflect a strong division in Ukrainian society, which includes all three sample respondents. Significantly, 20% or more of respondents in each sample declined to respond to this question with a precise response. The focus group members were equally split between believing that corruption has decreased or stayed the same since the start of the war and believing that it has increased. Nearly half of them shared this opinion. Both groups of displaced Ukrainians have a tendency to be pessimistic and uncertain about what will happen to corruption after February 2022.

5. A mandatory condition for overcoming corruption-shadow relations is the rule of law, a competitive market environment; real political competition that would prevent the preservation of corrupt political elites, real public control, the creation of an independent body from the state to fight corruption, strengthening responsibility for corruption-shadow activities, control expenses of state officials, confiscation of illegally obtained income. The idea of eradicating corruption and the shadow economy as a threat to the national security of Ukraine should be nationwide. The main subjects of anti-corruption activities in Ukraine should be the political and economic elite. They are the ones who have the power to make decisions, they are structured and organized, they have huge financial, material and technical and informational and media resources.

References:

Література:


