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Babeş-Bolyai University  
Faculty of Political, Administrative and Communication Sciences  
Department of Public Administration and Management

# Transylvanian Review of Administrative Sciences

No. 58 E / October / 2019

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## CONTENTS

	Mojca BIŠČAK Jože BENČINA
5	<b>The Impact of HRM Practices on the Performance of Municipalities. The Case of Slovenia</b>
	Oana Maria BLAGA Răzvan Mircea CHERECHEȘ Cătălin Ovidiu BABA
24	<b>A Community-Based Intervention for Increasing Access to Health Information in Rural Settings</b>
	Emil BOC
38	<b>The Development of Participatory Budgeting Processes in Cluj-Napoca</b>
	Andrei CHIRCĂ Dan Tudor LAZĂR
52	<b>Students's Visitors – Among the Unexplored Types of Local Tourism?</b>
	Min-Hyu KIM
65	<b>Factors Influencing the Propensity to Contract Out Health and Human Services in Response to Government Cutbacks: Evidence from US Counties</b>
	Mateusz LEWANDOWSKI
85	<b>Organizational Drivers of Performance Information Use: The Perspective of Polish Local Governments</b>
	Romea MANOJLOVIĆ TOMAN Goranka LALIĆ NOVAK
100	<b>The (Lack Of) Demand for Performance Information by the Croatian Parliament</b>
	Oleksiy POLUNIN
116	<b>The Case of Ukrainian Corruption: Phenomenology and Psychological Insides</b>

# THE CASE OF UKRAINIAN CORRUPTION: PHENOMENOLOGY AND PSYCHOLOGICAL INSIDES\*

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## Abstract

This article describes modern corruption in Ukraine. A communication-dyad with unequal power distribution was taken as the basic element for corruption modeling. Based on the analysis of 51 cases it uncovers the phenomenology of corruption and its psychological insides. It was shown that power gradient and obedience within the dyad are the key preconditions for the initiation of corrupt action. An active misuse of power discrepancy is also essential for sustainable proliferation of corruption. According to the data, about one third of corruption cases are accomplished exclusively by the involvement of state servants. In 31.4% of the cases, one finds the signs of organizational support of corruption. Moreover, in another 21.5% of the cases one finds a rather supportive position of state organization towards an act of corruption. 49% of the cases describe corrupt operations on a regular basis, which means that corrupt actions are run systematically on daily, weekly, or monthly bases depending on the specific organization. These findings uncover an active and aggressive nature of corruption, which is described by the dyadic model of coercive corrupt relationship. The power-discrepancy within dyad is intentionally used for the extraction of resources from the subjects with low power or from the budget.

**Keywords:** corruption, power distribution, deviant power-application, phenomenology of corruption, communication-dyad, Ukraine.

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## 1. Introduction

In the last twenty years, the population of Ukraine has declined with approximately 20%, which equals approximately to 10 million citizens (State Statistics Service of Ukraine, 2018). Initially one of the richest Soviet republics, Ukraine now has the lowest GDP per capita among other former Soviet republics and the European countries, which equals to 2,185 USD per capita for the year 2016 (Index.minfin, 2018). As show the results of privatization (Davydov, 2006; Mendul, 2001; Nohinova, 2014; Paskhaver, Verkhovodova and Ageeva, 2006; Sirko, 2004), in the last twenty-seven years the state has transferred all of the most profitable resources into the possession of a few oligarchic families. The state continues to struggle from one revolution (2004) to another (2013-2014), it is dysfunctional and was weakened by its own oligarchy in the previous years (Chaplik, 2017) which contributed to shaping the preconditions for the implementation of Russia's aggressive intentions resulting in a military conflict in 2014. As a consequence, it has lost control over approximately 7% of the territory with well-developed industry, as well as regions rich in coal, iron ore and other minerals. The state entered a new epoch of instability signed not only by old high social tension, but by war on the eastern border, by growing Russian military and naval bases on the eastern and southern borders, and by a new wave of emigration. Ukraine faces all these developments despite high numbers of university graduates, a high amount of mineral resources, forests, rich soil, and despite an attractive geographical location. All these developments coincide with high level of corruption marking permanent ill governance throughout the last twenty-five years.

The modern history of Ukrainian corruption is strongly related to ex-president L. Kuchma who came into power in 1994. He is perceived by some as creator of the whole system of the modern Ukrainian corruption. As corruption scores indicate, corruption in various forms characterized already the regime of L. Kuchma. Its trend reflects some temporary improvement following the Orange revolution in 2004, although there has been deterioration since 2006. The Transparency International (TI) indicators of corruption in Ukraine are presented as follows: year 2003, CPI=2.3 (106<sup>th</sup> position)<sup>1</sup>, year 2004, CPI=2.02 (122<sup>nd</sup> position), year 2005, CPI=2.6 (107<sup>th</sup> position), year 2006, CPI=2.8 (99<sup>th</sup> position), year 2007, CPI=2.7 (118<sup>th</sup> position), year 2008, CPI=2.5 (138<sup>th</sup> position). In its 2013 Corruption Perceptions Index Transparency International (TI) has ranked Ukraine 144<sup>th</sup> (out of 177 countries), and called it as the most corrupt nation in Europe.

After the last revolution in 2013-2014 despite the democratic elections that installed a new government, corruption remains of concern. According to a Kyiv International Institute of Sociology (KIIS) and Ilko Kucheriv Democratic Initiatives Foundation (DIF) survey, nearly half of the respondents said they believe corruption has

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1 The CPI scores vary from 0 to 10, with higher scores indicating less corruption and lower scores indicating more corruption.

remained at the same level, while 32% said it has increased. According to the DIF survey (15-19.12.2017), 80% of the respondents assessed the fight against corruption as unsuccessful. The recent survey (16-22.08.2018) by the DIF and the Razumkov Centre shows that 83% of the Ukrainians assess anti-corruption measures as unsuccessful, and 50% of respondents assess it as a total disaster.

Corruption has a devastating impact on the people of Ukraine. Lapshyna (2014) reveals robust evidence that apart from the traditional migration driver – income discrepancy between source and destination countries – corruption becomes a driver of migration aspirations. Thomas de Waal (2016) describes Ukrainian corruption as a systemic problem: ‘Since the country achieved independence in 1991, the problem is not that a well-functioning state has been corrupted by certain illegal practices; rather, those corrupt practices have constituted the rules by which the state has been run. Ukraine’s political system is best described as state capture’. So, since the years Ukraine is a stable member of the group of world outsiders in corruption. This is why we are going to study corruption in modern Ukraine and its peculiarities. The question we are aiming to answer is: what insures the steadiness of Ukrainian corruption and what makes it actively spread through different state institutions?

## **2. Corruption as an essential component of a failed state**

Many of the factors marking a failed society (Diamond, 1999, 2005) can be found in Ukraine, e.g. an elite encapsulation or permanent short time horizon of governing elite. But we assume that extensive active corruption making state institutions dysfunctional is the key factor. This corruption is based upon: (1) active defection of governing elite as part of the social contract, and (2) upon obedience as the main pattern of behavior among simple citizens. It marks a systematic absence of resistance to illegal power application, and enables the deviant power-application. The latter is the main component of the different models of corruption.

Corruption is a complex and multidimensional domain of human behavior, which is hard to define in a precise way. The broad body of models and different interdisciplinary approaches make it difficult to find a common denominator for corruption modelling. On the other hand, by taking a communication-dyad as the key element of a corrupt action, we hope to describe a common element of the many different models. One may find a variety of definitions in the studies on corruption within economics, law, sociology, psychology, criminology, and political science. They also present different conceptualizations of corruption. For instance, Griger (2005, p. 31) points to its linguistic origin and describes a corrupt action as ‘spoil, weaken, distort, erode, undermine, bribe, ruin, destroy’. In this study we consider corruption in a wide sense as deviation from behavior set by legal norms, rules and social agreement. Such deviation is prepared, implemented, but also accessed by human mind. On the other hand, showing the role of the communicative dyad in corruption, we aim to describe the very first, initial mechanism of corruption which is present in many different concepts.



One of the popular concepts of corruption in economics is the principal-agent theory (Banfield, 1975; Husted, 2007; Rose-Ackerman, 1978). This model describes corruption as including three actors: the principal, the agent and the client. In an organization every officer, except those in the lowest positions, can be seen both as a principal (a superior looking downwards) and as an agent (subordinate looking upwards). So, in this model one may notice the role of the power gradient within dyadic relations. The core of the principal-agent-client model lies in asymmetric information accessibility. Instead of triad, we take a communication-dyad with asymmetric power distribution. The triad mentioned in this case is to decompose in two dyads, 'principal – agent' and 'agent – client'. A similar dyad can be found as a basic element in many corruption models, but for Ukrainian corruption an active position of much powerful member of dyad is characteristic. Powerful members of the dyad actively look for possibilities, and intentionally misuse power discrepancy in their private interests against the social contract. In other words, thanks to his superiority in power he/she intentionally behaves as a defector. So, one may call it a dyadic model of coercive corruption which is based upon gradient of power within the dyad. Empirically, this must be manifested through the active involvement of the state servants in corruption and furthermore, one expects to find actively supported corrupt relations exclusively among state servants.

The social exchange theory is applied by sociological researchers. This theory argues that social exchange involves a series of interactions that generate obligations (Emerson, 1976). Such obligations evolve over time into trusting, mutual relationships (Cropanzano and Mitchel, 2005). It explains corruption as a kind of social exchange where corrupt actors form social relations based on the benefits and costs they provide one another. This theory underlines the reciprocity of corrupt action, otherwise corrupt relationships disintegrate over time (Emerson, 1972a, 1972b; Molm, 1994; Khatri, Tsang and Begley, 2005). The question is how such reciprocity is manifested when both agents in the corruption dyad are state servants? What kind of gains unite them?

The sociological research proposes also the anomie theory of corruption. This theory explains white-collar crimes (Zahra, Priem and Rasheed, 2005). This theory defines anomie as 'a state of normlessness or lack of regulation, or a disorderly relationship between the individual and social order' (Riahi-Belkaoui and Picur, 2000, p. 36). We assume that Ukrainian corruption is marked through: (a) active creation of normlessness, and (b) a voluntary ignorance of norms by more powerful members of the dyad. Löw (2002, p. 36) believes that whether people behave corruptly depends on the degree to which they would like to achieve certain goals. The greater the individual's goals, the smaller the acceptance of norms, thus the likelihood that a person commits a crime like corruption is higher. In Ukrainian reality the greatness of goal is to interpret in relational sense, namely with consideration of officially set low incomes that often are behind living standards or even behind survival level.

The theory of planned behavior includes the psychological aspects and is stemming from attitude-behavior research (Ajzen, 1991; Chang, 1998; Fukukawa, 2002). According to this theory, the attitude toward bribe giving is positively affected by the managers' perceived necessity of the act and negatively affected by their perceived unethicity of the act.

As it was shown above, corruption is modelled from different perspectives. Due to the complexity of corruption phenomenon, it is difficult to arrive at a general theory explaining all aspects, but it is necessary to find out a universal element that is present in the very beginning of every corrupt action. As we stated earlier, a communication-dyad with a gradient of power may take the role of such universal and very basic element which is present within different schemata of corrupt behavior. This dyad consists of two actors (A and B) interconnected organizationally, or occasionally, through their goals. Each of the subjects has a certain level of power, so that one can define which has the higher power, e.g.  $P(A) > P(B)$ . We also distinguish between proper and corrupt dyads. A proper dyad presupposes power application and behavior along the set official organizational values, legal regulations and publicly accepted rules of behavior. A corrupt dyad presupposes some deviations regarding the mentioned parameters which results in its different functional properties and behavioral outcomes. Moreover, regarding Ukrainian corruption, we assume availability of a corruption dyad consisting exclusively out of the state servants when a more powerful officer actively forces a subordinate to accomplish a corrupt action. This is a kind of forceful tightening of a corrupt dyad, which is based upon illegal coercive power application.

The number of researchers points to the fact that an exchange is an essential aspect of corruption, so corruption as interaction relies on at least two partners (Deflem, 1995; Heidenheimer, 2002; Maravic, 2006; Van Duyne, 2001). These two partners are marked as a supplier (corrupter) and a recipient (corruptee), in other words they are the person who initiates the corrupt exchange and the person who accepts it. While in the western approach such exchange of benefit and reward comes off voluntary and takes place by mutual agreement of two participants (Park, 2003; Schmidt, 2003; Van Klaveren, 1989), we assume that there is another version of corrupt behavior which comes off under pressure of power within the dyad. In this case, corruption is initiated not through proposition by the less powerful, but oppositely through pressure (through an almost unavoidable proposition) of more powerful subject within the dyad. Let us call it an extrusive model of corruption, when a state servant actively applies power to extract the resources in their private interests. Such extraction of resources can be done both (a) from state resources and (b) from less powerful people, including subordinates. We assume that this factor may be decisive for rebirth of corruption in Ukraine after each revolution. Usually, for the first 6-7 months after a revolution, one observes a decline in corruption. Thereafter, corruption reappears forcefully proliferating and actively spreading through the country and showing again its steadiness and systematic character.

Of course, in the western studies, one also finds abuse of power as an essential aspect of corruption, but it does not have such systematic and active character. Such deviant application of power is interpreted as a precondition for 'success' of corrupt action (Luo, 2002; Van Duyne, 1999). Corrupt actors misuse the power given by authority, position or knowledge entrusted to them (Treisman, 2000; Van Duyne, 2001; Zimring and Johnson, 2005). For Ukrainian corruption one should take into account an essential role of active power misuse for initiation of corrupt action, for its coverage, and for active avoidance of punishment for uncovered cases of corruption. All these are the signs of systematic and steady running corruption that overcame two revolutions and many proclaimed attempts to fight the corruption. Consequently, as Ukrainian reality shows, corruption, which is based on forceful application of wrong power, can take over the most powerful state institutions such as the parliament, president, the general state prosecutor's office, system of justice, state security, and the military – all institutions where a power gradient can be converted into private profit. Here it goes about wrongness of power in the sense of a deviation from the officially proclaimed norms of behavior.

### **3. Empirical assumptions**

Ukraine as a post-soviet country has inherited a culture of high level obedience towards every kind of authority. This obedience predefines everyday life and relations especially in the public and state services. Wide spread obedience is a psychological phenomenon which may be essential for initiation of corruption. Moreover, due to the Soviet legacy, one may notice the misuse of state institutions, which is presented in the essential discrepancy between the declared and real behavior of the state. This discrepancy is not only born but also often accepted by the human mind. Therefore, we approach the problem of corruption from a psychological perspective. The psychological essence of obedience was experimentally described in the range of studies by Milgram (1963, 1965, 1974, and 1977). It models the dyadic relationship between two people with different levels of formal power, e.g., head of department – subordinate officer. So, one describes such dyad by a gradient of power. We assume that obedience as a behavioral tendency provides fruitful ground for corruption. Such corruption is based upon wrong application of power within dyad. It goes about the wrongness in the sense of behavioral deviations from the legal norms and deviations from the expectations set by the social contract. The described dyadic relations iterate at the different levels of power up to the presidential office. Obviously, this incorrect and often morally wrong power application represents human factor and may appear in the formally properly constructed institutes and organizations. First, as a result of both (a) the tradition of thoughtless obedience and (b) power-misuse in the Soviet epoch, state servants in Ukraine should be strongly involved in corruption, namely in the role of initiator of corruption. Second, due to the hierarchy of power one should be able to observe the top-down driven cases of corruption among state servants, e.g. when a low rank servant is forced into misconduct. In such cases an officer conscious-

ly but wrongly applies power, and for instance collects money (resources), and thereafter passes it to a high-level state servant. So, the discrepancy in power provides grounds for active corruption driven from above. Third, under such conditions one may find a readiness of low ranking state servants to accept certain loss of resources in interest of a higher-ranking state servant. Similar relations should be observed also for corrupt dyadic relations between state servants and citizens, e.g. businessman. Therefore, we expect an active extrusion of resources which marks aggressive corruption. This is a marked difference from corruption in states with democratic traditions where corruption is primarily driven by subjects with low power status for getting some additional gain. In other words, there are to distinguish (a) corruption which is based on unavoidable power pressure by more powerful subjects, and (b) corruption initiated by a less powerful subject for getting some additional gain. Of course, a combination of both is also possible.

In general, there are two kinds of resources available as targets for (re)distribution in an act of corruption, namely: (a) the resources of state budget and state properties, and (b) resources in private ownership. Let us call them resources on the upper level and resources on the lower level, respectively. Therefore, we expect to find two streams of goods in corruption: (a) a downwards stream, when state resources are redistributed among the corrupt actors, and (b) an upward stream, when the resources of the low power subjects are redistributed among subjects with high power, e.g. among high-power state servants.

#### **4. Research method**

The goal is to analyze the description of corruption-cases in the open sources, and so to extract the key behavioral elements of a corrupt action. Because (1) the state in general is heavily covered by corruption and many cases of corruption especially at the high level of state power are unreachable, and (2) the courts are also heavily corrupt, one cannot get a representative picture of all corruption cases in the state. Thus, we decided to look at the cases described in mass-media and in open internet sources just for getting the key behavioral patterns of the actors of a corrupt action. As sources of data were chosen the newspapers with a positive reputation such as 'Dzerkalo tyzhnya' (in original Дзеркало тижня, 'Ukrainska Pravda' (in original Українська правда), the news agency 'UNIAN', internet pages of the 'Center of Counteraction to Corruption' (in original Центр Протидії Корупції, ЦПК), National Anti-Corruption Bureau of Ukraine (NABU), the General State Prosecutor Office, and the Security Service of Ukraine (in original СБУ). For examining the assumptions, we collected the available cases of corruption within the last two years. For some of the cases, a few sources were taken at the same time in order to get the whole picture. The number of the studied cases (51) was taken to be enough for extracting the key behavioral schemata.

Each case of corruption was described as a dyadic relationship including two players, A and B. Player A is defined as one with high power, and B as one with low power. We analyzed 51 cases of corruption along the following parameters: (1) belonging

to A and/or B to a state or budget institute; (2) power relation between the subjects of the corrupt dyad; (3) kind of resources used in acts of corruption, e.g. money, plot of land, license for minerals extraction, possibility to misuse the law, avoidance of taxation, fees, other duties, and/or legally prescribed expenditures; (4) amount of resources in act of corruption; (5) direction of resources flow, e.g. from budget to members of a corrupt dyad, from low rank actor (B) to high rank actor (A), from high rank actor (A) to low rank actor (B); (6) exclusiveness of relationship in a corrupt dyad which means whether A is exclusive for B and whether B is exclusive for A – this can be determined also as freedom of avoidance of corrupt action; (7) case outcome, e.g. getting free, monetary penalty, discharge for inaptitude, imprisonment; (8) signs of support for corruption from the power institutions; (9) number of corruption operations which should describe the systematic or singular character of corrupt action. As far as possible, all of these parameters were taken from case description. Unfortunately, an exhaustive data was not given in publications for all cases.

## 5. Research results

The examined 51 cases demonstrate the following findings.

1. The first parameter, belonging to the A and B actors to a state (budget) institute. In 48 cases the A-actors belong to a state institution, representing 94.1%. The key corruption is not the western or white-collar corruption in business, but corruption run by the state servants. Moreover, among the B-actors the state servants make 16 cases or 31.4%. This means that about one third of the corruption cases are initiated and accomplished exclusively by involvement of the state servants only. This is a kind of 'state run corruption' which contradicts the officially stated goals of the state service. This outcome goes along with our assumption about an important role of coercive power misuse, and so about essential involvement of state servants in corruption in Ukraine. Such finding can be interpreted as an essential sign of state dysfunctionality.

2. The power relation between the subjects of a corrupt dyad. In 50 cases  $P(A) > P(B)$ , or it makes 98%. In one case it was difficult to identify the power relation.

3. The kind of resources used in acts of corruption. This parameter is rather of descriptive nature. In some cases, there are few resources given for exchange, for instance it can be a combination of money and car, or avoidance of legal prosecution and future business transactions without artificial obstacles, or money and share in company. Therefore, the results rather show what can be exchanged in an act of corruption: money is used in 28 cases; the next in popularity is avoidance of legal accusation – 9 cases; in 6 cases one gets freedom from the artificial obstacles in business transactions; plot of land was used in 4 cases, avoidance of taxation in 2 cases, and as singularly mentioned, there was an avoidance of military service, computers and other technical items, shares in a company, in(ex)clusion of companies from the list of sanctions related to the war with Russia, harvest, and licensing on gas extraction. One may notice quite a high level of monetarization of corruption. But one must not be misled, because there are cases when state power is given for exchange, e.g. the

representatives of different branches of state power exchange their doing (non-doing) among themselves despite the formal legal requirements. It should be noted, that in many cases a bribe is paid for avoidance of punishment. In such cases, the danger of punishment is based upon wrong power application, e.g. an intentional wrong accusation in breaking the law. The schema works as follows: a state officer intentionally applies wrong power, and so endangers someone's business or life. Consequently, a person is forced to pay for the solution of this problem. So, it goes about payment as avoidance of certain outcomes caused by an intentional wrong application of the state power. In such cases the difficulties may be artificially and systematically conducted by a state servant-A for a person-B due to the power relation  $P(A) > P(B)$ . This marks an active approach creating the preconditions for systematic corruption.

4. The amount of resources transferred in corrupt actions varies from 5,000 UAH (ca. 200 USD) in one action, and it can reach up to 25 bn. USD in multiple actions with the same A-player (25 bn. USD equal to ca. 201.7 bn. UAH at the time when the exchange rate was 1USD=8UAH). One has to notice that the usual amount of resources is much higher than the officially set minimal wage. The minimal monthly wage on 01.01.2015 was 1,218 UAH or 7.29UAH/h; on 01.01.2016 it was 1,378 UAH or 8.29 UAH/h (State Fiscal Service of Ukraine, 2018). The resources taken for exchange in an act of corruption usually are also much higher than an average monthly wage (for 2015 it equals to 3,661.41 UAH, and for the year 2016 it equals to 4,482.35 UAH) (Ukrstat.org, 2018). Thus, intentional setting of low wages in the state service may be seen as key precondition for steady and systematic corruption.

5. Direction of resources flow, e.g. from budget to members of a corrupt dyad, from low rank actors to high rank actors, or from high rank actors to low rank actors. Resources flow from the state budget to members of a corrupt dyad in 25.5% of the cases (13 cases). In these cases, the objective is getting budget money for certain contracts or avoidance of tax payment to the budget. Resources flow from low rank actors (B) to high rank actors (A) in 74.5% of the cases (38 cases). We did not uncover any case when power of A illegally goes to B as an act of corruption, but it does not mean that such cases do not exist. For instance, in such cases a high-ranking state servant forces a subordinate person in his name to accomplish an illegal action. Such examples are possible among the state servants, but they are usually not made public. For instance, the press described a case (Milanova, 2017) when an officer of the administration of the president forced an officer of the National Agency on Corruption Prevention (NAZK) to engage in misconduct by producing falsified documents or avoiding certain actions (forcing to non-doing). The NAZK-officer has confirmed the case, but no further measures were taken despite (rather because) that was an act of corruption at the highest level.

Separately, we have analyzed the exchange of resources between B and A actors, namely when resources go from B to A (38 cases). Among them the resources go from a low-ranking state servant (B) to a high-ranking state servant (A) in 10 cases or in 26.3%. This means that in 26.3% of the B-A resource exchange, a low-ranking state

servant B is most likely forced to collect resources (e.g. money, gasoline) for a higher ranking state servant. The other 28 cases (73.7%) describe a resource exchange between B as a non-state servant and A as a state servant. Often in such cases a low power person pays for avoiding the artificial problems of doing business. These findings represent an active nature of corruption when power-discrepancy is actively used for the extraction of resources from the citizens with low power.

6. An exclusiveness of relationship in a corrupt dyad. This parameter marks whether A and B may avoid each other, or in other words, it marks communicational freedom within a dyad. Subject A is exclusive for subject B in 43 cases (84.3%). This means that subject B cannot avoid the dyadic relationship with subject A. In the other cases it was possible for B to find another A-actor, or it was difficult to define the exclusiveness of the A-B relationship. At the same time only in the 5 cases (9.8%) we found the exclusiveness of B for A. Usually, it is the case that, when A has to distribute the budget money and B is his reliable partner, it is difficult to exchange against the other one. Thus, in general, a high-power actor A has more chances to avoid a dyadic relationship with actor B. The overwhelming exclusiveness of A for B seems to be an important sign of an actively run system of corruption. This enables A to initiate an act of corruption, e.g. to actively create difficulties for business of B, or A opens an artificial criminal case against B, or approaches B in some other way, so that B has no choice but to communicate with A. Such exclusiveness in A-B relations can also be interpreted as a precondition for the active character of Ukrainian corruption.

7. The outcomes of the cases. Since the cases were presented in the mass media, often at the early stages of investigation, one finds a low number of the final court decisions. As punishment one usually faces monetary penalty, discharge for inaptitude, and arrest for investigation time with the right to bail and up to imprisonment. Remarkable are the cases when a state servant receives a penalty of 25,000 UAH and dismissal for accepting a bribe of 100,000 UAH. Or in the other case for a bribe of 27,000 UAH one has received a penalty of 850 UAH. Considering the statistical risk of being uncovered, such cases present attractive conditions for corruption. The general tendency may be described as follows: the higher the rank of A-agent or both A&B agents, the less probable the risk of severe punishment. Unfortunately, out of the description of the cases one cannot exactly define the rank of the state servants. Therefore, here we are speaking just about the general tendency supported by contextual knowledge.

8. Knowing the context, one may also decode the signs of support for corruption by powerful institutions. In 16 cases (31.4%) one may find signs of organizational support for corruption. It includes such cases when money was collected from subordinate state officers or from certain businessmen on a monthly or weekly basis. Such regularity presents not only the active but also the systematic character of corruption. Additionally, based on contextual information, one can count 11 cases more (21.5%) as rather supportive position of organization towards an act of corruption. In the other cases there was no support or there is no direct information about it. In general, institutional support for corruption is a clear sign of intentional misuse of state power

for private interests. This can be considered as a natural outcome of coercive corruption. Finally, this not only applies to defectors as individuals, but also as state institutions breaking the social contract. Unfortunately, such defection at the institutional level leads to the heavy consequences for whole society.

9. A systematic character of corruption described as number of corrupt operations accomplished with the same A-actor. The description of the 25 cases (49%) points rather towards systematically organized corruption schemas, e.g. corrupt operations which occur on a regular basis in the custom service or police. Three obviously singular cases make 5.9% of the total cases analyzed, and information about the other cases is not given.

As an additional argument for the systematic character of corruption in Ukraine, one can take the statements and reflections on the Ukrainian case made by European and American leaders and institutions, and also by representatives of Transparency International. As former U.S. Secretary of State Rex Tillerson (US Department of State, 2017) has said: 'It serves no purpose for Ukraine to fight for its body in Donbas if it loses its soul to corruption. Anti-corruption institutions must be supported, resourced, and defended'. The last verb 'to defend' uncovers an active almost aggressive character of corruption, so that young anti-corruption bodies in the direct sense must be defended from their destruction or from being taken over by experienced corrupt state officers. Also, the International Monetary Fund (IMF) has made the statement on the Efforts to Fight Corruption in Ukraine (IMF Statement on the Efforts to Fight Corruption in Ukraine, 2017). Transparency International (Transparency International Ukraine, CPI-2016) in a yearly 'Corruption Perceptions Index' that 'measures the perceived levels of public sector corruption worldwide based on expert opinion from around the world' ranks Ukraine 131 out of 176 countries monitored. This is one of the worst rankings in the entire OSCE region. The Commission on Security and Cooperation in Europe in a report on Ukraine writes that 'Institutionalized corruption is pervasive in Ukraine, stretching from the lowest to the highest rungs of society' (Commission on Security and Cooperation in Europe, 2017). This commission clearly points to corruption as Ukraine's internal enemy. Amnesty International Ukraine (2017) requires Ukraine to stop repressions against NGOs fighting corruption. All this points to the active, aggressive and systematic character of corruption in Ukraine. The last point is based upon active misuse of discrepancy in the state given power within a dyadic relationship and upon obedience of its citizens.

## **6. Discussion and conclusion**

Modern Ukrainian corruption is marked by an intentionally aggressive distorted power application. In the last 25 years, a new wide culture of defection has grown within different state services and spread across the country. It guarantees steadiness and the systematic character of corruption. As it is assumed personal obedience as a pattern of behavior shapes fruitful ground for wrong power application and consequently for systematic corruption. This post-Soviet obedience to morally deviant and



illegal power application received remarkable acceptance in the modern oligarchic Ukraine. Because of conventional mass-obedience, the tradition of power misuse in the Soviet epoch, and because of incredibly low monthly salaries, state servants are actively involved in corruption. They are initiating corrupt behavior and supporting it up to creation of the system of corruption. In many cases one observes a kind of aggressive corruption which includes applying pressure on a person with a low power status. It is a kind of resources extraction in private interests but done by usage of state power. In many cases, one may speak also about forced toleration of corruption. Social acceptance of such pressure could be seen as a factor contributing to the sustainability of corruption.

We are facing an active application of state power for extraction of different state and private resources in the private interests of empowered state servants. It marks transition from opportunistic sporadic corruption to systematic corruption spreading across many state institutions. This is not a western kind of opportunistic power misuse, but an aggressive power misuse, based on authoritarian force proliferation of corruption. Answering the question what insures steadiness of Ukrainian corruption and what makes it actively spread through different state institutions, one has to point towards: (a) active participation of state servants in shaping conditions for corruption, (b) their active usage of such conditions, and (c) obedience of citizens to the systematically misconducting state servants.

This active aggressive corruption marks a difference from corruption in states with democratic traditions where corruption may be driven by subjects with low power status but for getting some additional gain. The former kind of corruption is rather dominant in Ukrainian state institutions, which can be found also in the other authoritarian states. This kind of corruption is similar to the corruption described as a coercion pattern of corrupt relationship by Höffling (2002).

74.5% of the cases analyzed present an upward flow of resources. Such misuse of state power can be found in organizations such as the custom service, tax authority, state security, police, the state prosecutor's office, the state cadastral service and numerous others. The obedience of subordinates and their readiness to collect resources for their superiors go along with the behavior described in Milgram's experiment. This means that the (monetary) resources are illegally collected from individuals with low power, and thereafter they are passed to an individual of a higher power status. Each step in this chain is presented by a communication dyad with members of unequal power. A subordinate person despite being aware of the illegal character of advice from above accomplishes it following requirement by a superior.

In many cases, the power of a state servant was applied for creation of artificial obstacles for citizens, mostly for the businessmen. Thus, for overcoming such obstacles and for running their business more smoothly, individuals with low power are paying the state representatives. The high level of exclusiveness in the dyadic A-B relationship is the key factor for organization of the obstacles. Namely, in 84.3% of the cases a more powerful person (A) was exclusive for the less powerful person (B).

This goes along up to a certain level with patterns of corrupt relationships described by Höffling (2002, p. 149). But in our case exclusiveness is defined in a different way. Corruption arises when a less powerful person cannot avoid wrong power application from a high-power person. In the state service such exclusiveness of relationship can be acceptable due to the vertical of power, but it must be controlled for in order to prevent corruption. For the relations 'business – state authority' one should overcome this exclusiveness.

So, one may speak about the misuse of power pressure as a key factor of modern Ukrainian corruption. Its coercive character is manifested at the most elementary level – within the communication dyad. How can one explain such compliance to the power pressure? Presumably it has few components: (a) compliance to unwritten but illegal conventions and the absence of power to defend one's own rights; (b) imaginative forecast of negative power impact which may raise personal fears, where a subordinate imagines, in advance, the negative impact of power on his/her life and, thereafter, is anxious and fearful and, therefore, tries to comply; and (c) an existential fear which is provided through the notion of (1) loss of income if you are out of the system, and (2) an objectively low level of official income set by the government that permanently puts a person on the edge of survival.

In 49% of the cases one faces the systematic character of corruption. The corrupt actions were tolerated and conducted on a regular basis, e.g. daily, weekly or monthly coercive money collection. In the description of 31.4% of all cases one finds signs of organizational support for corruption or help in avoidance of legal responsibility for corruption. Thus, one may speak about systematic and sustainable organized corruption which is frequently based on the misuse of state power. Modern Ukraine is a multilevel, quasi-authoritarian kleptocracy with systematic and stable corruption endangering the existence of the state itself. In general, this kind of corruption is targeted at two kinds of resources: (a) the resources of state budget and state properties, and (b) resources in private ownership. Therefore, one finds two corresponding streams of goods: (a) a downwards stream, when state resources are redistributed among the actors and (b) an upward stream, when the resources of the low power subjects are forcefully extracted and redistributed among the subjects with high power.

Many western researchers insist on secrecy as an essential aspect of corruption (Fischer, 1981; Luo, 2002; Van Duyne, 1999). Corrupt actors often form an intimate and close community, but it is not very necessary in the case of aggressively organized corruption which is interlaced with the state institutions, and that can rely on the state power. The corrupt actors may in secrecy agree on the illegal aims and advantages of their relationship, but even after being uncovered they may actively defend their position. They not only hide their actions but attack those who uncover them. Moreover, being present in the key state institutions the corruptionists create legal and organizational conditions under which they cannot be punished. So, the whole society learned that corruption is so steadily organized and is so well able to defend itself that it almost does not make sense to fight it.

Since our model describes the micro-level of corruption, namely its very basic element – the communication dyad with gradient of wrongly applied power, the psychological perspective should be taken for development of the anti-corruption measures. Recognizing importance of transparency in public sector we have also to consider its modest efficiency in inhibiting the obeying behavior of a less powerful member of the communication dyad. For instance, the classic Milgram experiment was reproduced on French TV in 2010 despite the wide TV-audience. The knowledge that you are under observation of the witnesses does not stop a less powerful person to obey the immoral advises of a more powerful member of the communication dyad. Therefore we propose to develop a special psychological training aiming to break down such pattern of behavior. A low power member of communication dyad should be trained in how to behave when a high power person asks him (her) to violate the moral or legal norms. Such training should be implemented in education of the state officers employed at the corruption sensitive services like custom service, state fiscal service, police, state security service, army, courts and in the state attorney office.

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- Mojca BIŠČAK  
Jože BENČINA
- 5 **The Impact of HRM Practices on the Performance of Municipalities.  
The Case of Slovenia**
- Oana Maria BLAGA  
Răzvan Mircea CHERECHEȘ  
Cătălin Ovidiu BABA
- 24 **A Community-Based Intervention for Increasing Access  
to Health Information in Rural Settings**
- Emil BOC
- 38 **The Development of Participatory Budgeting Processes in Cluj-Napoca**
- Andrei CHIRCĂ  
Dan Tudor LAZĂR
- 52 **Students' Visitors – Among the Unexplored Types of Local Tourism?**
- Min-Hyu KIM
- 65 **Factors Influencing the Propensity to Contract Out Health and Human Services in  
Response to Government Cutbacks: Evidence from US Counties**
- Mateusz LEWANDOWSKI
- 85 **Organizational Drivers of Performance Information Use:  
The Perspective of Polish Local Governments**
- Romea MANOJLOVIĆ TOMAN  
Goranka LALIĆ NOVAK
- 100 **The (Lack Of) Demand for Performance Information by the Croatian Parliament**
- Oleksiy POLUNIN
- 116 **The Case of Ukrainian Corruption: Phenomenology and Psychological Insides**