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INSTITUTIONAL ANALYSIS OF THE ANTI-CORRUPTION SYSTEM IN UKRAINE AFTER 2014

ABSTRACT

The article analyzes the functioning of the Ukrainian anti-corruption system and its most significant challenges. It specifically seeks to address the following questions: is the Ukrainian anti-corruption system established after 2014 equipped with appropriate competences and scope of tasks to effectively combat corruption? Is it effective in the existing socio-political conditions? The findings indicate that while the institutions of the Ukrainian anti-corruption system possess sufficient competences and scope of tasks to effectively fight corruption, the system remains ineffective due to the social culture and oligarchic dependencies in socio-economic relations, which influence the implementation of tasks by individual institutions. The study concludes that the primary objective for Ukrainian lawmakers should be to address in particular the obstacles in the functioning of the common courts (where informal rules prevail) that are related to the presence of the clan-oligarchic system.

Keywords

Ukraine, European Union, anticorruption system, reform, judicial system, clan-oligarchic system

Introduction

The phenomenon of corruption in Ukraine has existed since the country regained independence on 24 August 1991 and was determined by existing historical factors, the most important of which include the fall of the Union of Soviet Socialist Republics due to the collapse of centralized distribution system. During its early years of independence, the Ukrainian market struggled to establish solid foundations for its future shape, which turned out to be a fiasco. Further social changes, centered on subsequent protests in Independence Square in Kyiv, began to yield some results. This changed after 2014, when the combination of a strong civil society and the pressure of the ongoing war forced the authorities to take real steps to reduce corruption.

After 2014, Ukrainian lawmakers decided to create an anti-corruption system basically from scratch. This required the establishment of new institutions, effectively embedded in the system and equipped with basic institutions. However, it is evident that the functioning of the anti-corruption system may be influenced by factors other than institutions and threats. This situation raises several basic questions. Firstly, are the institutions of Ukraine's anti-corruption system established after 2014 adequately equipped with the necessary competencies and scope of responsibilities to effectively combat corruption? Secondly, what additional factors influence the operation of the anti-corruption system in Ukraine which may affect the state of combating corruption?

Before proceeding with further analysis, the author formulates research hypotheses. Firstly, the institutions of Ukraine's anti-corruption system established after 2014 possess adequate competences and a range of tasks to effectively combat corruption. Secondly, additional factors influence the functioning of the anti-corruption system in Ukraine, which may significantly shape the effectiveness of anti-corruption efforts. Preliminary analysis indicates that social culture and the oligarchic structure of socio-economic relations are particularly noteworthy in this context.

To achieve this objective, the author will primarily use the method of source analysis, in particular literature review and document analysis. Statistical analysis will also be used. In analyzing Ukraine's political system, the article will predominantly adopt an institutional approach (when examining individual institutions), while the neo-functional approach will be applied to explore other factors influencing the operation of the anti-corruption system in Ukraine).

Institutional reform of the anti-corruption system in Ukraine after 2014

The establishment of a modern anti-corruption system in Ukraine began after the victory of the Revolution of Dignity and the formation of a new government after the escape of Viktor Yanukovich. As a result, the Ukrainian legislator decided on a decentralized structure of anti-corruption institutions to meet the requirements set by international organizations such as the European Union and the International Monetary Fund. These decisions were also shaped by the unique economic and political conditions in Ukraine, which include a clan-oligarchic system, which has a significant impact on the direction of the country's development.

The foundational element of Ukraine's newly established anti-corruption system is the National Anticorruption Bureau of Ukraine (*Natsyional'ne Antikoruptsiyne Byuro Ukrayiny*, NABU). According to Article 1 of the law governing its operations, "The National Anti-Corruption Bureau of Ukraine (...) is a central body of executive power with a special status entrusted with the prevention, detection, liquidation, investigation and disclosure of corruption and other criminal offenses assigned to its jurisdiction, as well as the prevention of new ones" (*Zakon Ukrayiny pro Natsyonalnye...*, 2014). The creation of NABU was driven by the European Commission and the International Monetary Fund requirements for visa liberalization between Ukraine and the EU, and possible future accession to the union (Ocieczek, 2020). A Polish institution corresponding to NABU is the Central Anticorruption Bureau (CBA), which prosecutes a similar range of crimes and possesses comparable competences (*Ustawa o Centralnym Biurze Antykorupcyjnym*, 2006). To ensure the professional operation of NABU, Article 4 of the Act on NABU mandates the selection of qualified staff and establishes a special procedure for appointing its director. This procedure includes a competitive selection process and a comprehensive list of conditions under which the director's term may expire. A noteworthy element of NABU's development is the foreign training provided to its officers, with the Polish CBA playing a significant role in this regard.

The most important function in the body is held by the director, appointed by the President of Ukraine in accordance with the procedure specified in the Act on NABU. The competences of the NABU Director are outlined in Article 8 of the aforementioned legal act. According to this provision, the Director: 1) is responsible for the activities of NABU, in particular for the legality of its operational and reconnaissance activities, preparatory proceedings, as well as for

respecting the rights and freedoms of individuals, 2) organizes NABU's work and assigns responsibilities to the First Deputy and Deputy Directors, 3) coordinates and oversees the activities of the Central Management Board and NABU branches, 4) approves the structure and staffing of the Central Board and local NABU offices, 5) issues orders, instructions and directives within their authority, which are mandatory for NABU employees to follow, 6) appoints and dismisses NABU employees, 7) approves NABU's strategic, current and operational work plans, 8) in accordance with applicable regulations, determines the procedure for registration, processing, collection and disposal of information received by NABU; ensures protection against unlawful access to restricted information, as well as ensures compliance with the law on access to public information administered by NABU, 9) defines the procedure for motivating individuals who assist in preventing, detecting, preventing and prosecuting crimes under NABU's jurisdiction, 10) decides on disciplinary fees imposed by the NABU Disciplinary Committee on NABU employees, 11) assigns official ranks to NABU employees and officer positions in NABU, in accordance with applicable regulations; submits requests to the President of Ukraine for granting ranks to senior officers, 12) proposes amendments to legislation concerning NABU's jurisdiction, as per established procedures, 13) represents NABU in relations with other state bodies, local government entities, civil organizations, international bodies, and foreign governments, 14) has the right to attend meetings of the Verkhovna Rada, its committees, special and investigative commissions, and to participate with an advisory vote in the meetings of the Cabinet of Ministers of Ukraine, 15) ensures the openness and transparency of NABU's activities in accordance with this Act; carries out the reporting obligation in the manner specified therein, 16) gives consent to the use of resources from the fund for special operational, reconnaissance and investigative activities, 17) exercises other competences in accordance with this and other acts. (*Zakon Ukrainy pro Natsyonalnye...*, 2014).

The second institution that is part of the anti-corruption system in Ukraine is the Specialized Anti-Corruption Prosecutor's Office (*Spetsyalizovana Antikorupciynna Prokuratura*, SAP). Its activities are closely related to NABU due to the fact that its primary role is to oversee the legality of the former's activities and to represent the state in corruption crimes in court. Pursuant to the Act, the Specialized Anti-Corruption Prosecutor's Office is an independent structural unit of the General Prosecutor's Office (with departmental rights) subordinated to the deputy prosecutor general – the SAP manager. The basis of its activity is the Constitution of Ukraine, the Law on the Prosecutor's Office, the Law on Prevention of Corruption, other acts of Ukrainian legislation, international

agreements binding with the consent issued by the Parliament, orders of the Prosecutor General, regulations of the Prosecutor General's Office, and the Order of May 3, 2020 No. 125; it also takes into account the practice of the jurisprudence of the Supreme Court and the jurisprudence of the European Court of Human Rights (*Nakaz pro zatverdhenya polozhennya...*, 2020).

SAP is organized into the management of process administration, which is divided into six departments, alongside an analytical and statistical department and a documentation service department. SAP is headed by a manager, who is the Deputy Prosecutor General and oversees two deputies, with responsibilities delegated between them. The heads of each department are accountable for their respective units. The key objectives of SAP, as outlined in the Act, primarily include the supervision of legal compliance during the operational activities carried out by NABU and ensuring the legality of the complaints submitted (*Nakaz pro zatverdhenya polozhennya...*, 2020).

In addition to its typical procedural activities related to participation in preparatory proceedings regarding corruption crimes, SAP is also obliged, pursuant to Ordinance No. 125, to conduct criminal proceedings before a court of public indictment and to represent the state before the court in matters provided for in the Act on the Public Prosecutor's Office. In other words, the Ukrainian legislator made the (correct) assumption that a specialized law enforcement agency may turn out to be ineffective without appropriate legal support.

The third institution of the newly established anti-corruption system in Ukraine is the National Agency on Corruption Prevention (*Natsionalnyye Agentstvo z pitan' Zapobygannya Koruptsii*, NAZK), which is the central body of the executive power with a special status. NAZK is tasked with formulating the country's anti-corruption policy and preventing corruption. It was created in accordance with the Act on the Prevention of Corruption and carries out the following tasks:

1. Analyzes the corruption situation in Ukraine and, based on it, creates an appropriate anti-corruption strategy along with a state program for its implementation, and coordinates the implementation of the above documents.
2. Identifies corruption-related provisions in legal acts and draft laws..
3. Monitors compliance with ethical conduct standards and legal provisions regarding the prevention of conflicts of interest among public officials.
4. Coordinates and provides methodological assistance to state and local government bodies in identifying and eliminating corruption threats in

their activities, approves and monitors the implementation of anti-corruption programs in these bodies.

5. Oversees and verifies declarations of public officials (especially high-ranking ones) and monitors their lifestyle.
6. Monitors compliance with restrictions on the financing of political parties, lawful and purposeful use of funds allocated from the state budget, timely submission of appropriate reports by parties and the reliability of the information contained therein, as well as allocates funds from the state budget to finance the statutory activities of political parties.
7. Cooperates with individuals involved in detecting corruption (whistleblowers) and provides them with legal protection (NAZK, n.d.).

Unlike NABU and SAP, NAZK performs strictly monitoring and preventive functions, focused on monitoring the lifestyle and assets of state officials and political parties. This is done by identifying corruption factors before the crime is committed. The most important element of NAZK is the electronic register of property declarations, which it manages. The agency is obliged to register any assets whose value exceeds 100 minimum wages (320,000 UAH). This list includes items such as clothing, jewelry and artworks. In the past, the register was a frequent target of attacks by corrupt businesses and politicians, which often led to direct protection from the government (Prokopiw, 2018).

NAZK is a collegial body composed of five state officials. The principle of collegiality is reflected in the joint decision-making processes, where decisions are made through a majority vote. As with all state bodies, NAZK's decisions are binding for all institutions. The agency's operations are guided by the aforementioned annual anti-corruption strategy, approved by the decree of the President of Ukraine. NAZK adheres to the principles of the rule of law, transparency, respect for human rights and freedoms, independence and impartiality.

The fourth institution, and the only court on the list, is the High Anti-Corruption Court (*Vishiy Antikoruptsiynyi Sud Ukrainy*, VAKS). It is a permanently operating, specialized high court in the Ukrainian judicial system, headquartered in Kyiv. The basis for its activities is the Constitution of Ukraine, the Law on the Supreme Anti-Corruption Court, the Law on the Judiciary and the Status of Judges, and international agreements to which binding consent was given by the Parliament. According to Article 3 of the Law on the Supreme Anti-Corruption Court, VAKS is responsible for administering justice in accordance with the principles and procedure specified in the Act to protect individuals, society and the state against corruption and crimes related to it, as well as judicial

control over the preparatory proceedings in the above-mentioned categories of crimes. VAKS serves both as a court of first instance and an appellate court for criminal proceedings within its jurisdiction. The number of judges is determined in accordance with the provisions of the Law on the Judiciary and the Status of Judges, and the panel is headed by a chairman who has one deputy (*Zakon Ukrayiny pro Vyshchy antykorupciyny sud*, 2018).

The fifth and final institution of the newly developed anti-corruption system in Ukraine is the National Agency of Ukraine for Finding, Tracing and Management of Assets Derived from Corruption and Other Crimes (*Agentstvo z Rozshuku ta Menedzshmentu Aktivov*, ARMA). Pursuant to the Act on ARMA, it is a central executive body with special status that ensures the development and implementation of state policy in the field of identifying and tracing assets that may be seized in criminal proceedings or in a case of recognizing assets as unjustified and recovering them for the state's benefit, as well as management of assets that have been seized in criminal proceedings or collected by a court decision as part of state revenues as a result of their recognition as unjustified. Based on this statutory definition, ARMA's three core tasks include identifying and searching for assets originating from corruption crimes, managing these assets and shaping state policy in this area. (*Zakon Ukrayiny pro natsyonalne ahenstwo...*, 2016)

As outlined above, the Ukrainian legislator has created a coherent and decentralized formula for prosecuting corruption crimes, at least regarding the law enforcement agencies of institutions responsible for long-term policy development. However, a closer examination reveals gaps within the judicial system, which remain a primary obstacle to completing the institutional framework for combating corruption. This issue will be addressed in greater detail in the following section.

Non-institutional factors in Ukraine's anti-corruption system

As previously noted, Ukraine has an extensive network of institutions responsible for detecting and prosecuting corruption crimes. However, there are factors beyond those mentioned so far that may also affect the operation of the anti-corruption system. Preliminary research suggests that further analysis should focus on the informal rules governing the functioning of common courts and the clan-oligarchic system.

The main problems of the Ukrainian judiciary, which have undermined the functioning of the entire country, began in 2010 during the early days of

Viktor Yanukovich's presidency. His so-called judicial reform, involving amendments to laws on the status of judges and the judiciary, resulted in the political subordination of nearly 9,000 judges and judicial staff to President's Office. This was achieved through the takeover of two key bodies responsible for professional standards and evaluation of judges in Ukraine – the High Council of Justice (*Visha Rada Pravosuddya*, VRS) and the High Qualification Commission of Judges of Ukraine (*Visha Kvalifikatsyina Komisyia Suddiv Ukrayiny*, VKKS). Consequently, politicians aligned with the presidential administration gained access to discretionary tools, such as imposing disciplinary liability or transferring judges between courts as punishment. After the overthrow of Yanukovich, the new authorities were in rapid pursuit of European integration, previously hindered by the ousted president, nevertheless, they took a conservative approach to judicial reform. The lustration laws, including those regarding judges, proved insufficient to dismantle the existing system. Most importantly, the paralysis of the VRS and VKKS persisted (Kujbida, 2015).

Sociological research has shown that the lack of meaningful judicial reform was widely unpopular. For example, a Gallup survey conducted in October 2014 revealed that 72% of Ukrainians expressed distrust in the judicial system, marking the lowest confidence level among former Soviet Union countries. (Rochelle & Loschky, 2014) This does not necessarily imply that Ukraine's judiciary was objectively worse than the authoritarian or totalitarian systems of countries such as Russia or Belarus. The high rate of negative responses may also reflect Ukraine's comparatively greater freedom of speech and the absence of severe repercussions for expressing views – conditions far more favorable than in the aforementioned states. Nevertheless, the judiciary's dysfunction posed a significant barrier to combating corruption, a challenge successive Ukrainian administrations began to address with varying degrees of success.

In January 2015, the Verkhovna Rada of Ukraine passed the Law on Securing the Right to a Fair Trial. This legislation aimed to re-attest judges, strengthen judicial self-governance and introduce open competitions. This was done under the recommendations of the Venice Commission, the main body shaping Ukraine's reforms on behalf of Western partners. However, the intended outcomes were difficult to achieve. The entrenched corruption networks, deeply rooted in the judiciary as a result of Yanukovich's reforms, proved resilient to the relatively moderate changes introduced by this legislation (Jaroszewicz & Zochowski, 2015).

The unsuccessful attempt to heal the judiciary led to a nationwide debate on its systemic reform. Unsurprisingly, judicial reform became a prominent

feature of Volodymyr Zelensky's campaign platform in 2019. As stated on the official website of the (then) presidential candidate: "The judicial branch of power should become an authority [in itself] and not a servant of the president, government, parliament or local government. We will restore trust and seriousness to the [institution of] the court. For simple disputes – justices of the peace elected by the people. For criminal criminals – an effective jury of the people" (*Peredvyborcha prohrama kandydata...*, 2019).

This highly populist fragment, which awkwardly suggested solutions from the Anglo-Saxon system (common law), accurately reflected the mood of the time – Ukrainians wanted a radical change in the judiciary and Zelensky and his staff signaled such a change. The problem is that reality quickly verified the new head of state, and instead of the promised "judges elected by the people", it became clear that much work was needed on the fundamentals, i.e. attempts to restore the VRS and VKKS in line with the recommendations of the Venice Commission. In 2021 appropriate legislation was adopted to "revive" both bodies, along with a changed competition procedure. And so, in 2022, the reconstructed VRS resumed its operations, supported by a newly established Ethics Council tasked with selecting and verifying potential members. Notably, half of the Ethics Council's members are international experts who have actual control over the process of selecting VRS members. In the event of a tie, the "international" part of the body has the decisive vote. Additionally, the involvement of civil society in the work of the new WRS deserves a positive comment. – the Ukrainian legislator has created a mechanism that allows every citizen to actively send information to the Ethics Council regarding each of the VRS members (both favorable and unfavorable ones) via special forms. Current members of the VRS, elected under the old system, have been highly critical of the Ethics Council's work, though its authority remains intact under the law. Nevertheless, this is a solution that puts the Ukrainian judiciary in a clearly winning position – current members of the VRS who do not agree with the new concept of the body's functioning may voluntarily resign or will be dismissed after Ethics Council review (Smalyuk, 2022).

The situation of VKKS is more complex. As of April 2023, when this article was being written, the competition commission had announced the final list of 32 candidates, 16 of whom will be approved by VRS and will sit on the VKKS. This is a key missing piece of the puzzle since this body is responsible for keeping records of judicial positions, selecting candidates for these roles and assessing their qualifications. VKKS also sends recommendations to WRS regarding the appointment of judges.

Both VKKS and VRS are jointly responsible for a high-quality and effective judicial staff in Ukraine. A successful judicial reform, the core of which is the proper functioning of the above, is an essential element of Ukraine's future EU accession negotiations. Effective judiciary, which for the first time has a chance to be formed in the country, would not only enhance investment attractiveness for the future reconstruction of the country, but also significantly improve the prosecution of corruption-related crimes.

The second key obstacle to creating an effective anti-corruption system is the clan-oligarchic system. In the context of Ukrainian oligarchs, the term "clannism" is particularly relevant due to their distinctive feature of territoriality. Owing to Ukraine's economic structure, with its industry centralized in the eastern part of the country, the so-called big business settled primarily in Donbas and the Dnipropetrovsk Oblast. The origins of the clan-oligarchic system can be traced back to the collapse of the Soviet Union, and its final entrenchment in the economic and political structures of the state took place in the second half of the 1990s during the presidency of Leonid Kuchma. The key oligarchs who emerged during this period began accumulating their wealth during Mikhail Gorbachev's perestroika and swiftly acquired industrial assets at minimal cost. The essence of clannishness, as discussed in this subsection, lies in the grouping of Ukrainian oligarchic factions based on the territories or monopolized industries they control. The formalization of these powerful clans was largely facilitated by the adoption of a constitution that granted substantial powers to the president, creating a conduit for flexible interactions between state representatives and major business interests. In this system, the head of state acted as an arbitrator between competing groups. The following clan and oligarchic groups were formed around three major urban and industrial centers. (Matuszak, 2012):

1. The Donetsk clan – centered around the metallurgical industry and led by the richest Ukrainian, oligarch Rinat Akhmetov, who for years played the role of President Yanukovich's main sponsor. The Donetsk clan encompassed several subclans and factions, including the Industrial Union of Donbas (ISD), owned by Serhiy Taruta and Vitaly Hayduk, as well as the group of the Kluyev brothers. Yanukovich, who comes from Donetsk, established later his own clan, known as "the family", which collapsed when the president fled after the Revolution of Dignity.
2. The Dnipropetrovsk clan – played a key role during the times of President Kuchma, as he himself came from the region. Its importance slightly

decreased after Prime Minister Lazarenko fled abroad. From that moment on, the dominant figures within the group were Ihor Kolomoisky and Hennady Boholubov, who dealt with the financial sector. Prime Minister Yulia Tymoshenko and Vice Prime Minister Serhiy Tihipko were also associated with the Dnipropetrovsk clan.

3. The Kyiv clan – the most important person in this group was Viktor Medvedchuk, Vladimir Putin’s associate and head of the presidential administration during Kuchma’s second term. An integral part of the clan was the “Kyiv seven”, i.e. businessmen from the capital, the most distinguished of which were the Surkis brothers, who owned, among others, Dynamo Kyiv football club. Compared to the other two clans, the Kyiv clan had a much weaker economic base but compensated for this with political influence. Medvedchuk himself had strong legitimacy through family ties with President Vladimir Putin.

Towards the end of Kuchma’s presidency, a gradual decomposition of the system began, but this did not mean the decline of the oligarchs’ importance but rather the mixing of groups and the appearance of new figures on the stock exchange, such as Dmytro Firtash, associated with the gas industry, and the then head of Naftogaz, Yuri Bojko.

A serious reshuffle for the oligarchs was the Orange Revolution in 2004, which brought pro-Western president Viktor Yushchenko to power and resulted in the defeat of the candidate from the Donetsk clan Viktor Yanukovich. Three centers of power were then formed – the presidential camp with the Our Ukraine party, the Prime Minister Yulia Tymoshenko Bloc, and the opposition, dominated by the Party of Regions, considered the Donetsk clan power base. The new government changed the constitution, strengthening the parliament and thus reaching a certain balance where none of the clan-oligarchic groups was able to dominate the system. This fostered fierce political disputes and competition between parties, which ultimately led to almost complete paralysis of the state. Another change was brought by the early parliamentary elections in 2007, which reshaped the oligarchic landscape. The Party of Regions, representing the Donetsk clan, emerged victorious, while the Yulia Tymoshenko Bloc, associated with the Dnipropetrovsk clan, secured the second place and took on a dominant role within the presidential camp. In contrast, Yushchenko’s Our Ukraine achieved a much worse result, thus contributing to the decline in the president’s popularity. The elections were also a serious blow to the Kyiv clan, as their party,

the Social Democratic Party of Ukraine, failed to secure enough votes to pass the electoral threshold, losing their representation.

The last period for the Ukrainian clan-oligarchic system before the Revolution of Dignity was the coming to power of President Viktor Yanukovych in 2010; starting as a candidate with the support of the Donetsk clan, he gained independence by creating his own group called “the family”. This name reflects not only the centralization of power among the major clans but also the fact that the new structure was primarily managed by Yanukovych’s son, Oleksandr. Yanukovych’s rule can be briefly described as an attempt to build an authoritarian model of oligarchy, similar to the Russian one, which ultimately ended with a great national uprising that began in Independence Square in Kyiv. (Hurska-Kowalczyk, 2015)

For this study, the most important is the system created after the Revolution of Dignity, which developed in parallel with the anti-corruption framework. As a result of the victory of the protesters in Independence Square in Kyiv, there was a new deal between the oligarchic clans, while the fundamental structure of the system remained intact. Viktor Yanukovych’s “family” was completely dismantled after his defeat during Euromaidan and the escape of influential people associated with the clan. The influence of the Donetsk clan, led by Akhmetov, was significantly weakened due to the invasion of Russia and the war in eastern Ukraine, which was the oligarch’s main support base. Ihor Kolomoisky, linked to the Dnipropetrovsk clan, experienced an unprecedented rise in power. Following the election of Petro Poroshenko as president in 2014, Kolomoisky became the second most influential figure in Ukraine. He offered the new government his support by taking on the role of governor of the Dnipropetrovsk Oblast, and thus helping to protect the region from Russian destabilization efforts. Despite a growing conflict between Poroshenko and Kolomoisky in the years that followed, their interests converged in this case as many of their respective assets were located in that region. Kolomoisky quickly consolidated control over Dnipropetrovsk, effectively curbing efforts to spread instability in Donbas. He also established the first volunteer battalions – Dniepr and Dniepr-1, each consisting of 500 members, partially funded by his Privat Group. In doing so, he not only successfully defended his assets in the Dnipropetrovsk Oblast, gaining recognition of the local population, but also extended his influence to the Odessa Oblast, where Ihor Palytsia, the chairman of the supervisory board of Ukrnafta and a longtime associate of Kolomoisky, was appointed governor. (Konończuk, 2015)

The greatest success of the Dnipropetrovsk oligarch was his support for and bringing to power Volodymyr Zelensky, a comedian and actor well-known in

Ukraine, who won the presidential elections in 2019. Kolomoisky counted primarily on the return of PrivatBank, his most important asset, which was nationalized during the presidency of Petro Poroshenko. However, this did not happen, and after two years of rule, Zelensky began to take aggressive actions aimed not so much at destroying the oligarchs but at redistributing their assets and forcing them to participate in the economic life of the state on the same terms as any entrepreneur. This approach was reflected in measures such as the anti-oligarchic law adopted in the second reading on 23 September 2021, and the new tax law, called the “anti-Akhmet law” adopted on 1 July of the same year. According to the draft anti-oligarchic law, an oligarch is a person who meets at least 3 of the following 4 conditions: takes part in political life, has a significant influence on the media, owns enterprises with a dominant position on the market, and has assets exceeding approximately USD 90 million. The decision to recognize someone as an oligarch lies with the President’s National Security and Defense Council, and can be requested by the government, a member of the National Security Council, the National Bank of Ukraine, the Security Service of Ukraine and the Antimonopoly Committee. If the decision is positive, such a person is added to the register of oligarchs, which prohibits financing political parties, any demonstrations with political slogans, and participating in the privatization of state property. Oligarchs included in the register are also obliged to submit annual asset declarations on principles similar to those of state officials. Higher-rank officials, in turn, are obliged to disclose any interactions with an oligarch or their representatives.(Matuszak, 2021)

The new tax ordinance introduced a progressive tax on the extraction of iron and manganese ores, industries predominantly controlled by companies owned by Rinat Akhmetov. Victor Pinchuk, Vadym Novynskyi and Konstyantyn Zhevago. At prices below USD 100 per ton, the tax is to be 3.5%, from USD 100 to USD 200 – 5%, and above USD 200 – 10%. The increase in fees is related to record-high iron ore prices: from May to early August they reached over USD200 per ton, which provided Ukrainian enterprises with huge income (Akhmetov and Novinsky’s Metinvest group reported a profit of USD2.8 billion in the first half of 2021). The second change is a three-fold increase in the ecological tax related to CO₂ emissions, aimed at the owners of large industrial plants.

Conclusions

Eight years after the outbreak of the Revolution of Dignity, Ukraine has created a complex and decentralized model of fighting corruption, based on strong and independent law enforcement agencies (such as NABU). During this time, the level of corruption in the country was noticeably reduced, but not all deficiencies were remedied, such as the above-mentioned problem with the functioning of the common courts. Until the outbreak of the full-scale phase of the war with Russia, Ukraine continued to face significant corruption-related challenges. These issues, however, stem not from the institutional shortcomings addressed in the first part, which emerged after the Revolution of Dignity, but from gaps in broader state reforms – specifically, the judicial system and socio-economic structures, including the enduring influence of oligarchic clans. While these unresolved issues were sufficient to prepare the country for the ongoing invasion by the Russian Federation, they may present a significant obstacle to Ukraine's future accession to the European Union. Nevertheless, the approach adopted by the authorities in Kyiv appears to be appropriate. The Ukrainian anti-corruption system now requires sustained and persistent efforts at the grassroots level, building on the foundations that have already been established.

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