

SECTION 1. ECONOMIC THEORY AND HISTORY OF ECONOMIC THOUGHT

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CORRUPTION AS A SYSTEMIC PHENOMENON IN UKRAINIAN ECONOMICS

The problem of corruption is accompanied the development of human civilization for many centuries. In spite of condemnation of such practices and recognition of the harm it does, society has not been able to overcome this serious problem. For Ukraine, the problem of corruption became more serious in recent years, having a substantial impact on political, economic and social life of the country. Corruption puts the development and existence of the Ukrainian state at risk. At the international level, Ukraine has acquired a reputation of an extremely corrupt country, as it confirmed by the high corruption ratings.

This topic is particularly relevant due to the low effectiveness of efforts to combat corruption in Ukraine, which in turn results in threats to its national security. This problem creates the need for economists to systematically investigate the corruption phenomenon, its nature and causes.

Corrupt economic relations do not come out of the blue; they are a reflection of the deformation of socio-economic systems in society. The growth of corruption causes real harm to the economy of the country, negatively impacts the social atmosphere, undermines economic security and damages the country's image abroad, thereby making it less competitive in the global market.

Corruption also poses a risk in the private sector, but combating corruption in state authorities remains the priority. Our view is that in order to solve this problem, it is not enough to take economic, organisational and

legal steps; a fundamentally new system for the interaction between the state and society should be formed, with particular emphasis on civic institutions. There should be a complex and multidisciplinary approach to analysing corruption issues so as to create a single system for its diminution. At the basis of this approach should be economic measures targeted at corrupt economic interests; the ideological basis for these actions should be created by civic institutions.

Most existing research focuses on political and legal measures as the means to combat corruption. While these factors are significant, it is important to note the economic nature of corruption, namely the tilt toward the private economic interests of those in power, which contributes to the phenomenon. To minimize corruption, the economic bases for its spread must be removed.

The article analyses the nature of corruption as a system-creating factor of the shadow economy and investigates its influence on the socio-economic system of society. The article sets out and analyses both the causes and the forms of corrupt relationships, and suggests an algorithm for government and society countering such corrupt aspects of the economy. The analysis shows that the shadow relations are a systemic problem in the development of national governance, which threaten not just national security but also create an increasingly negative influence on the socio-economic system of society.