Black, grey or white? Finding the new shade of corruption in Ukraine.

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Introduction: why Mykola never saw his tank

Ukraine was a part of Soviet Union for about 70 years. Inevitably, after the collapse of the USSR, Ukraine inherited many Soviet institutions. The Soviet-like military education provides us with an interesting example of the social institution that has a particular concern and attitudes of ordinary people. The situation was such that "*those who graduated from the military institutes had to serve in the Soviet army; those who graduated from the civilian institutions had to attend military training at the military faculties*" to get "*the status of 'reservist' and the officer's rank*"(Gerasymchuk, 2008, p. 4). In the last decade there was a change: many young Ukrainian men entering high education had an interesting new choice. They could either join the Military Faculties within the institution of their choice and become a reservist; or they could wait to the end of their degree to join the army for one year to fulfil compulsory military service. In regard of the latter option and knowing the precarious existence of military personnel in Ukraine, as well as the abuse of the leadership and issues with harsh discipline, for many the choice was clear. At this point the other legacy of the Soviet Union comes to the rescue: corruption. They could either bribe their way in or pay 'entrance fees' to join a Military Faculty which has a better social climate. Once they were in, duties were not onerous as long as official or unofficial payments were maintained, and thus the young men could end up with a reservist status at the end of their degree. Not obtaining a genuine military training was not necessarily an issue for our hypothetical Mykola, whose close family often covered the costs of bribes. Mr Mykola avoided formail training by paying the required bribes, and was happy to receive reservist status, presuming that

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no one was actually planning to start an armed conflict. In summer of 2014, Mr Mykola realised that this was a wrong speculation; although he is a junior lieutenant in the tank division, he has never seen a tank, and doesn't want to see any, but given the ongoing military conflict in the East it is only a matter of time until he will receive the feared letter that will summon him to fulfill his duty and defend his country. He may not want to fight, perhaps doesn't fully understand the ongoing situation, nor whom is he going to protect. What does he do? Together with his parents he considers how to avoid conscription. Fortunately there are different ways, and different amounts of bribes, that might help Mr Mykola keep out of the tank he has never seen.

The story of Mr Mykola illustrates the story of a pervasive corruption that destroys the system as well as individuals. It is about pretending to do something whilst paying for it. On paper, Mr Mykola and many of his friends, are building the military capability of the country. In reality, they were building the military equivalent of a Potemkin village. Only the difference is that Potemkin villages did exist and were shown to Catherine the Great when inspected. Unfortunately, when Ukrainian military service was called to defend the country, it was apparent that a large part existed only on paper while those in authority had stolen everything from tanks to pants. Corruption had completely sapped the state defences.

In the last 20 years a lot has been said about Ukraine as 'transitional society' and about corruption in the country (Osyka, 2003; Markovska and Isaeva, 2007; Markovska and Serduyk, 2011). Ukraine, the second biggest country in Europe, suffered decades of poor governance, and lack of political and economic reforms (Kupatadze, 2012; Markovska and Serduyk, 2013). Kupatadze (2012) discussed Ukraine as the best country to test theories "*about the underworld-upperworld networks*" (p.91). Markovska and Serduyk (2011) argued that the criminal underworld developed and infiltrated the political upper-world in the country over the last 15 years. The Orange revolution of the 2004 promised to fight corruption and improve transparency of the government. However, events of the autumn of 2013 and winter 2014 in Ukraine showed that these promises were not fulfilled: the transition of Ukraine had been one towards a criminal state. Subsequently, a lot more was promised in the summer of 2014. On a visit to Singapore in December 2014 President Poroshenko said that the two most important wars Ukraine has to win are the war in the East of the country and the war against corruption. In Singapore Mr Poroshenko visited the Corrupt Practices Investigation Bureau and suggested that Singapore's anti-corruption policies can be a benchmark for Ukraine (Channel NewsAsia, 2014). It is interesting to note that when Mr. Poroshenko was appointed to a high governmental position after the

Orange revolution, it "*generated speculations on replacing 'Kuchma-era oligarchs' with 'new ones'*" (Copsey, 2005, as cited in Kupatadze, 2012, p.108).

This chapter aims to discuss two important and inter-related issues. The first is the development of Ukraine as a criminal state, and further the analysis of the statement that in the last 20 year organised criminal groups in Ukraine have integrated into the political sphere of the country and captured its administrative functions. The second and related theme is corruption. Corruption is considered as an important tool in the process of criminalisation of the state, the tool employed at many different levels in the hierarchy of the state apparatus. This chapter explores the functionality of corruption within the dysfunctional system of the public administration.

Generally, it is agreed that corruption is an obstacle to the development of the country. Anti-corruption slogans moved thousands of people to protest in the winter of 2014, and the movement saw the fall of the President Yanukovich, the "*absolute autocrat who was accountable to nobody*" (borrowed from Van Duyne's (2001) description of tsar Nicholas I). Against the background of this popular revolt, what is interesting to study is the attitude of the 'common man' to corruption and how far the ordinary people are prepared to act to stop corruption. The chapter presents results of two monitorings of corruption in the city of Kharkiv: the first one conducted in December 2013 and the second in October 2014. The monitorings were conducted by the second author under the auspices of the University of Internal Affairs, Kharkiv.

Criminal elite and political power

Before moving on to discuss the most recent past, it is worth noting the position of organised criminal groups during the Soviet times. Althouth presented to the outside world, as the system that promoted the equality and thus low level of criminality, Soviet Union was far away from this imaginary ideal. Many researchers commented on the fact that during Soviet times, organised criminals stayed outside of political circles (Cheloukhine, 2008). During Soviet times, an extreme shortage in food and consumer goods facilitated the development of the shadow economy and thus organised criminal groups took advantage of this scarcety to provide coveted goods and services prohibited by law (*Ibid.*, p.363). According to Yarmysh (2001, p. 145), traditionally 'a thieves' code of honour' prohibited engagement with outside institutions or affiliations, and law enforcement agents. However,

from the late 1970s, this code has been transformed. During Brezhnev's rule major criminal bridgeheads were developed within the highest echelons of ministerial power (Cheloukhine, 2008). With the implosion of the socialist state ten years later, post-Soviet capitalism further challenged the previously hold perception not to cooperate with politicians. The money-making opportunities were great and fast. Cheloukhine argued that the contemporary criminal syndicates emerged during the collapse of the USSR. During the last decade of the 20th Century many criminal groups accumulated illegal wealth by engaging as criminal entrepreneurs with politicians. The chaos of those years was such that it is difficult to separate legal from illegal or corrupt from honest. It can be argued that democracy 'the Ukrainian way', worked for the selected few, and actually increased corruption. In the first decade of the 21st Century a number of rich individuals with a criminal past invested in politics, raising their profiles by corrupt means. How was that possible? Rushenko (2014) answered this question by arguing that criminal leaders offered something that was missing in ordinary politicians: charisma, bravery and charitable activities. It can be compared it to the behaviour of some drug barons in Columbia, who invest in social infrastructure in order to allegedly help ordinary people. These ordinary people seem to accept the token of support from their masters without questions asked: obidience to authority is a key issue here. Those who disobey, question and investigate can be considered as enemy.

Glenny (2008) narrates a gangland killing of a young Ukrainian journalist[2] and the Melnychenko tapes that accelerated the demise of the regime of President Kuchma (p. 103). He argues that "*this was not a conventional gangland killing: higher powers were involved. In this instance, the mafia organisation was the Ukrainian state itself*" (p. 99). The MP who headed the Investigative Committee into Organise Crime and Corruption, Hryhory Omelchenko, has stated in Ukraine's parlament that "t*he country's chief capo was none other than the President himself, Leonid Danilovych Kuchma*" (p. 99). In order to secure absolute power Kuchma controlled and exploited the political system and the state institutions (*Ibid.*). Glenny wrote how "*away from Kiev, where the spotlight of domestic and international scrutiny shines brightly, powerful criminal interests continue to dominate*" (*Ibid.* p.103).

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[2]   In September 2000, after writing about corruption among Ukrainian elite, Georgy Gongadze was kidnapped and killed. His decapitated body was found several months later (see The Guardian, 2009). The Melnychenko tapes implicated the president in the killing of the journalist.

Analysing the example of two organised criminal groups, Markovska and Serduyk (2011) noted how the criminal underworld that has always existed in the country came to dominate the political upper-world in the first few years of new millennium. This process was completed in September 2010 with the appointment of a member of an organised criminal group to a senior ministerial position within the Ministry of Defence. Against this background it is not surprising that in 2015 Ukrainian military personal had to wear second hand clothes collected by the ordinary members of the public. Not surprising, but so humiliating. It looked like the capture of the state organs by criminals or their associates has been completed.

Kupatadze (2012) analysed the development of a corrupt economy in the Donetsk region. He argues that "*the industrial city of Donetsk provides an interesting account of the establishment of political-economic groups and clan dominated of heavy industry. The industrial development of the region generates more opportunities for large scale corruption than the more rural and agricultural Western regions*" (p.101). Although much destroyed in 2014-2015 military conflict, but in the mid-2000s the regional economy produced roughly 62 per cent of the country's industrial output (*Ibid.*). Williams and Picarelly (2004) argued that organised crime in Donbas was one of the most developed in the country, abusing the state resoucres on a massive scale (as discussed in Kupatadze, 2012, p.102). The Donetsk clan managed to take control of most of the regional economy, "shielding it from international business competition by making deals to restrict market access" (*Ibid.*, p.103). The clan has managed to use a strong sense of regional identity in order to achieve its goal of economic success.

So, is this a question of domination or capturing the state? The concept of 'state capture' is addressed variously in the literature. Hellman, Jones and Kaufman (2000) discussed the differences between state capture, influence and administrative corruption. State capture is defined as "*shaping the formation of the basic rules of the game (i.e. laws, rules, decrees and regulations) through illicit and non-transparen private payments to public officials*" (*Ibid.*, p.2). Influence is about the ability of the private interests to interfear "*without necessary resources to private payments to public officials*" (*Ibid.*), and administrative corruption is defined as "*private paymnets to public officials to distort the prescribed implementation of official rules and policies*" (*ibid.*). Hellman and Kaufmann (2001) defined state capture more specifically by referring to oligarchs who manipulate policy formation and "*even shaping the emerging rules of the game to their own, very substantial advantage*". The above definitions require the captors (legally or illegally present at the scene) and the

government (state officials). Hellman *et al.* (2000) "*understand state capture as the extent to which firms make illicit and non-transparent private payments to public officials in order to influence the formation of laws, rules, regulations or decrees by state institutions*" (p.5). The way the capture metaphor works here is that these groups capture the state functions when needed and leave it. Wedel (2005) criticised this concept by pointing to two isues. Firstly, is the idea of "capture", and the need to address the issue of "uncaptured" state. Secondly, Wedel argues that for example, in Russia "*many of the people who ammased wealth during the years of 'reform' did so because of the state, not by capturing it*" (p.114). These people simply used their networks and opportunities to access goods and priveleges (*Ibid*.).

In this chapter we will discuss the mechanisms used by organising political criminals in capturing the administrative functions of the state. We extent the capture metaphor even further and argue that in Ukraine the organised criminal groups bought their state and political party positions from officials representing the state. Starting from the early 2000, and perphas earlier, criminals came to dominate political world by means of offering payments to the existent system. Finally, by 2010, most of the state positions were bought by members of different criminal groups. Below, we discuss the mechanics of capturing the state.

The mechanisms of capturing the state

There are two questions we need to answer: how do the criminals capture the state and what do they do when they come to power? To answer this question we elaborate on some of the propositions discussed by Markovska and Serduyk (2011) previously and Rushenko (2014) most recently.

Firstly, political corruption is employed as a tool to impose criminal authority. This tool was employed during the poorly inplemented privatisation (Cheloukhine, 2008) by buying votes and Parliamentary positions (Rushenko, 2014). Members of organised criminal groups bought their MPs seats, different ministerial positions in the capital, and local regional authority (*Ibid*.).

Secondly, there was the introduction of social innovations. For organised criminals, political corruption works smoothly only when it is institutionalised and its proceeds are collected effectively and managed collectively. Similarities may be found with an old '*obshchak*', the common cash that used to be collected and kept by the thieves-in-law as cash to be

used for some specific projects. Cheloukhine (2008, p.360) described that the thieves' moral code included the:

> "organisation of the thieves' communal fund and dedication to enlarge it. . . the thieves' obshchak does not supervise individual crimes, but governs the criminal community based on a functional-territorial principle. The obshchak has a designated person in charge of a specific spectrum of criminal activity, as well as for a certain territory of operations. These persons collect taxes from those individuals and businesses, which are under organised crime protection."

The revenue of the all-Ukrainian 'state' obshchak originates from corruption. Proceeds of corruption should be collected and passed from junior to senior, depending on the sphere of the activity. In higher education, cash can be collected by lecturers as exam payments, than moved up to the higher levels to be sent to the relevant Ministry in Kiev. Obedience to authority is again key to this process. Those who do not obey will be labelled 'corrupt', and be subected to the "*artificial 'control wave'*" (Nelsen and Levi, 1996), the new 'clean hands' operation which is another token of Potemkin-village law enforcement.

Rushenko (2014) argued that a watchmen is needed to overview and control the processes. He described the example of Zaporozhje, a small industrial city in the East of Ukraine. Rushenko (2014) names a well-known figure in the city who created a multi-layered structure of racketeering in the city. He was a well-known figure who supported one prominent party and controlled the 'state-organised criminal enterprise'. This individual was in charge of the following activities:

1. Racketeering in the city;
2. The VAT return that could be done only under the condition of operating via the specific company controlled by the watchmen, the charge for which was 25% of the total amount.
3. The use of specially-designated intermediaries in all payments, from utility bills to licensing.
4. Most of the small businesses operating with cash (city transport, local markets, parking facilities) were controlled by the watchman. The watchman was instrumental in moving businesses from legal into illegal spheres, and using dedicated conversion centres to launder criminal funds.

For Rushenko (2014) the above criminal management is exemplary of the parallel taxation mechanisms created in the country over the last few years, the system that sustained the old criminal 'obshchak' within the public administration.

The fourth important point, is how to know what is right and what is wrong? The important point here is that the criminal elite is above the law (Cheloukhine, 2008; Rushenko, 2014). From one side, one has MPs protected by the immunity provisions, and from the other side the criminal justice system working under strong political guidance and those who exercise that guidance are criminals in political or executive office. Varese (2001) discussed the emergence of different protection mechanisms in post-Soviet Russia: understanding what is right and who is right is very important here, as "*criminal protectors offer protection services beyond the limits set by the law, some policemen compete directly with criminals and double as racketeers or private protectors unconstrained by the law*" (p.61). Even within police work it is not necessarily very clear to the outsider who is right and who is wrong. There will be written and unwritten rules for the enagagement with the criminal underworld, but in this Ukrainian example, the criminal underworld has become fused with the political elite, making the work of police less questionable for them, as they protect authority, albeit a criminal one. It is another question that this authority is not accountable and transparent. Given that police institutions may be so closely linked to this criminal elite, the elite is free to desing and test their own illegal mechanisms of social control. The system has to work for the whole country, so how do you enforce it? This is explained in the next section.

The fifth and the last point is how do you make sure the above arrangements work for the whole country. Luneev (2004) and later Rushenko (2014) argued that the concept of criminal terror is worth considering here. Consider the needs of the organised criminal underworld that came to dominate the political system in Ukraine. They need to establish absolute control over public activities and in addition make sure that the citizens behave obediently. What do you do with recalcitrant citizens, those who, for example, want to demonstrate against the removal of a children's playground or the cutting of trees? Police should be seen as protecting ordinary citizens, and on these occasions, it is important to show police restraint to use force in the event of public protest. So with police force withheld, in order to deal with civil disobedience, compliant but violent criminal groups are hired by the interested criminal bosses. Indeed, the criminal elite has experience in employing such violent groups to deal with such public protest or to resolve administrative disputes in their own ranks. The providers of criminal terror are often criminal politicians themselves who hire violent groups during public protests to steer their dynamics in the required direction. Violent groups may have the required organisation to beat ordinary protestors and the police is allowed to interfere when they are given the right signal to remove the

protesting citizens (*Ibid*.). It resonates with the early 1990s and the use of 'sportsmen' in organised racketeering. According to Rushenko (*Ibid*.) such mechanism of dealing with public protest was developed in Kharkiv in 2006 (there are a number of youtube clips of such conforntations, where the use of these criminal groups can be clearly seen). It was seen as a very effective way of settling disputes with political rivalries or guarantee the public order, and was transposed to different regions in the country. When criminal politicians engage with violent groups they aim to deter competitors and scare ordinary citizens by means of illicit force.

These five points discussed help to understand how the Ukrainian criminal state is formed and the role of corruption in the conduct of criminal elite. Nelsen and Levi (1996) argued that corruption and anti-corruption should be considered together and not regarded as independent phenomena. Given the endemic level of corruption in Ukraine, it is important to understand the engagement in corrupt conduct at different levels.

Opportunity structures for state capture and corruption

Sung (2002, p. 141) employs a convergence approach in order to understand political corruption and provide "*a macro level analysis of the formation of opportunity structure for corruption*". Sung argues that corruption as a social problem "*is ultimately the aggregation of rational choices made by utility-maximising participants that in the long run become parameters for subsequent choices in determining the nature of norms and obligations in similar situations*" (*Ibid*., p141). Holmes (2008) added to this that the concept of utility maximisation can be applied to "*individual agents, including single corporation, which typically works individually, very much in competition with other firms*" (p. 389). Discussing the conduct of transnational corporations Holmes notes that given the opportunity, good guys turn to bad guys, political or 'criminal muscle' 'for help' in order to be good again, but meanwhile have become bad guys themselves.

The readiness of the bad guys in politics to help, or "*the state of readiness for political corruption depends less on the psychological or personality characteristics of the individual public servant, and more on the socioeconomic environment and institutional context in which the state and the market are constructed*" (Sung, 2002, p. 142). Depending on the context public servants can have a very different view on corruption (*Ibid*.). Sung argues that opportunities for corruption are observed and maintained through structural, cultural and institutional forces

(*Ibid*.). "*They are structured by the temporal and spatial convergence of three minimal contributors: structural incentives, risky governmental policies, and the absence of effective institutional guardians to monitor and punish corrupt officials*" (*Ibid*., p.141).

Analysing the first point, structural incentives, in terms of Ukrainian realities, it is interesting to consider the application of cultural particularism and the tradition of political unaccountability (Sung also considers third element, economic hardship). Sung notes that "*the ideal types of particularism and unversalism indicate how a society applies morals, and ethics*" (p.142). Universalist values are the values of transparency and clearly defined rules for public office holders (*Ibid*.). In contrast to this is particularism. Sung argues that particularism looks at "*relationships and circumstances in a specific situation to decide what is appropriate . . . trust is often developed through a sustained exchange of favours and obligations, which evolves into a stable patron-client relationship*" (*ibid*. p.142). Going back to the mechanics of capturing the state, the reason why criminal elite came to dominate the political sphere in the country was partly because individual members of the criminal groups were able to negotiate their access into the diverse state functions. The decision of what is 'right' was formed not on the basis of morals and duties of public office holders, but as a profit–motivated response that was deemed appropriate in the situation of exchange of favours. In public service, this profit motivated response is only possible if office holders are not accountable for their actions.

The second point of analysis is the employment of risky policies: "*Motivated officials need adequate and effective tools to exact, illegitimately, proceeds from state coffers or the citizenry*" (*Ibid*., p. 143). In the case of Ukraine, motivated officials were the criminal elite who introduced risky polites by establishing the network of collecting, controlling and laundering proceeds from the '*obshchak*' parallel taxation discussed by Rushenko (2014).

The third point of analysis is the existence of institutional guardians (Cohen & Felson, 1979). Amongst them Sung (2002) lists strong civil society, free press, political opposition and independent judiciary (p. 146). Criminal political elite will not be able to survive openly where there is an independent judiciary. In the case of Ukraine, the judicial system only works in order to support the elite, and punishes the weak and those who have no influential friends (or the wrong one). The very nature of the captured state is that it loses the independence of the judiciary and thus the ability to enforce the rule of law and the equality of everyone in front of the law. In 2007 Ukraine's courts were rated among the top five most corrupt national institutions (USAID, 2007).

"Those [judges] who are not corrupt, are obliged to leave . . . those who act alone, without sharing in the upper echelons get fired, or even prosecuted on corruption charges . . . over the past nine months, only three our of 20 cases I was working on ended without the payment of bribe" (Vasiliev, as quoted in Kupatadze, 2012, p.109).

What is important is the fact that political corruption not only corrupts the power structures, but it instils the norms and expectations of corrupt conduct in all the areas of life in the society, making the fight against corruption really difficult. Lambsdorff (2010) looked at the acceptance of bribery and gift-giving in 66 countries and argues that culture matters as "*bribes are not globally condemned to an equal extent*" (p. 18) and it is "*those who paid bribes who are usually more accepting*" (p.18).

Heidenheimer (2004) notes that in recent years there is much more consensus of the concept of democracy, and much more ambiguity about the concept of corruption. To Heidenheimer, the previously-established concept of black-grey-white corruption has been overturned. "*The resultant perceptual dilemma may be characterised as a problem of colour-luminous ambiguity*" (*Ibid.*, p.100). To define corruption on a black-grey-white scale one has to find answer to two problems: i) if "*the particular type of unethical activity was tolerated . . . or . . . demonised*"; ii) the type of community and 'the social grouping' (bid. p.100). Following Heidenheimer's example of Sicilian communities, in Ukrainian communities the acts that will be defined as corruption by Western standards are here "*standard procedure deeply rooted in more general social relationships and obligations*" (*Ibid*. p.101). For Ukrainians the decision (according to Western standards) not to make an unofficial payment to the ambulance crew may result in low standard of treatment received. For Mr Mykola bribing somebody to avoid military services may be considered as a necessity that will save him his life.

Varese (2000) discussed the issue of pervasive corruption on the examples of Italy and Central and Eastern Europe. Varese argued that

"the interplay between widespread corruption, beliefs and social norms produces behaviours that support norms of reciprocity, 'honesty' and co-operation but discourage public spiritedness. Social ostracism is then not directed towards those who engage in crime and corrupt exchanges but, rather, against those who break the norms. In the case of *omerta*, for instance, those who testify are ostracized by their community" (p.13).

As the study cited early in this work suggests, the judges who are not complying with the rules of corrupt conduct in Ukraine will be dealt with by their 'community'.

Zaloznaya (2012) studied corrupt practices within Ukrainian universities to explore the experiences with university bribery and argues that "*exposure to organizational cultures shapes actor's ideas regarding acceptability and inevitability of bribery and influences their propensity to commit the acts of corruption . . . the actors make projections about the necessity, possibility or inevitability of corruption*" (p.311).

Challenging the organisational structures, be it within the high deducational establishment or within the Ministry of Defence, is a tricky and challenging issue. In a simplified way we have described the system where criminal underworld is the state, and corrupt conduct is at the very heart of the system. Challenging the culture at the top requires strong political will and an independent judiciary, both only exist only on paper or as a front in a Potemkin village. It is interesting to see if and how the events of the winter 2014 in Ukraine challenged ordinary people's perception about corruption.

Kharkiv residents on corruption: the results of 2013 and 2014 monitoring

Serdyuk (2014) conducted two studies to monitor corruption in the city of Kharkiv, Eastern Ukraine. The first study was conducted in December 2013 and the second in October 2014, 673 respondents aged 16 and above were interviewed. The timing of the monitoring is of importance for us here. The first monitoring conducted during the first wave of peaceful protest in Kiev in December 2013, and the second monitoring was conducted at the time of the full scale military operation in the East of the country.

The respondents were asked to comment on the seriousness of the problem of corruption for their country. More respondents in 2014 believe that corruption is a very serious concern for the country.

Table 1
"In your opinion, how serious is the problem of corruption in Ukraine?"

Rating	2013	2014
Very serious	44,8	53,2
Rather serious than not	34,6	29,3
Difficult to say	17,3	13,1
On the threshold of seriousness	3,3	2,4
Absolutely not serious	0	1,7

The increase in the number of people believing that corruption is a serious concern for the country is connected to the dramatic events of the 2014.

Table 2 sheds light on opinions of the level of corruption in the country and in the home city. The estimation of the level of corruption in the country has risen sharper than in the estimation about the home city.

Table 2

Opinions of the level of corruption in the country and Kharkiv (in %).

Rating	2013		2014	
	In Ukraine	In Kharkiv	In Ukraine	In Kharkiv
Very high	38,7	31,6	62,8	42,0
Higher than average	39,1	39,5	26,4	31,4
Average	16,0	21,9	9,2	19,3
Below average	2,0	3,9	0,3	2,8
Very low	0,6	0,4	0,3	1,2
Difficult to say	3,7	2,7	0,9	3,2

The estimated level of corruption in Ukraine has increased by 24%, and in the city of Kharkiv only by 11%. There are some researchers who argue that "*concentrated power is an aggravating factor in corruption*" (Andvig *et al.*, 2000, p. 86). In Ukrainian context the rising worry about corruption in general may be explained by the anti-corruption slogans of the winter 2014 appraising in Kiev which prompted awareness finding its expression in a higher rating.

The respondents were asked to say whether the level of corruption in the city of Kharkiv has changed in the last 12 months. Table 3 shows that 35.6% of respondents believe that the level of corruption has increased in 2014.

Table 3

In your opinion has the level of corruption changed in the last 12 months? (%)

Rating	2013	2014
Increased dramatically	17,2	17,1
Increased a little bit	26,6	18,5
Hasn't changed	46,4	46,1
Decreased a little bit	3,9	9,8
Decreased dramatically	0,6	1,2
Difficult to say	5,3	7,3
Total %	100,0	100,0

In order to understand the subjective opinion about corruption the respondents were asked to comment if corruption has an effect on welfare of the citizens and on their own welfare.

Table 4

In your opinion, does corruption threaten the welfare of the citizens of the country, your own welfare?

Opinion category	2013		2014	
	Welfare of the citizens	My own welfare	Welfare of the citizens	My own welfare
Yes, it does affect	56,6	39,5	68	55,7
Rather threatens than not	37	41,5	23,9	19
Rather not threatens	3,9	9,9	2,9	12,5
No, it doesn't threaten	0,6	5,4	1,6	9
Difficult to say	1,9	3,7	3,6	3,9

Table 4 shows that the respondents consider corruption to be a threat. The threat of corruption to their own welfare is lower than the threat of corruption to the whole country. Only 15,3 % of the respondents thought that corruption does not threaten them personally in 2013, this number increased to 21,5% in 2014.

Corruption studies in Serbia make an interesting comparison here. Begović and Mijatović (2007) compared the attitude to corruption in Serbia in 2001 and in 2006 and note the impact of politicisation on people's perception of corruption. Generally, people think about corruption as a serious problem for the country, but not for them personally (*Ibid.*). Interestingly, this finding resonates with the Kharkiv sample. For respondents in the Serbian sample, what was important is the issue of poverty, low standards of living, political instability and bad health care (*Ibid.*). One can argue that some of these isseus are the direct result of corruption.

In the Kharkiv study, in order to understand the readiness to participate in corrupt exchanges the respondents were asked if they believe that bribery or unofficial payments and presents can be justified if it is necessary to solve their own problem. Only 16,1% of the respondents believe that corruption cannot be justified, and 62,9% believe that sometimes corruption can be used in order to resolve personal issues. Compared with 2013, the readiness to participate in corrupt conduct has increased. This readiness may be explained as a defence mechanism. Varese (2000) argues that even those people who dislike the corrupt system, but have to live in the country, over time will adapt to it in order to reduce 'cognitive dissonance': "*the psychologically difficulty involved in constantly despising one's own country and oneself*" (p.11). Varese quotes a respondent in Ukraine who says that "*at first you feel uncomfortable [giving bribe], then you get used to it. You also feel satisfaction*" (p.11). Young Mr Mykola may dislike the corrupt system, but for the time being, for him, the ability to pay a bribe to avoid military conscription is essential.

The respondents were asked to select four statements out of 8 in order to answer question what does corruption mean to society and people. The results are presented in Table 5.

Table 5

In your opinion what does corruption mean for people and society? (2014 monitoring only)

	%
Corruption is like a cancer, destroys any positive developments	50,9
Corruption changes people, teaches not to obey the law, enrich quickly	48,2
Corruption discredit the state and the criminal justice system	45,3
Corruption is a fast way of solving difficult issues with little bureaucratic involvement	36,3
Popular proverb says, "Doesn't move without the oil"	33,0
Corruption means throwback and obstacle to European integration	26,7
It is an old tradition that may be justified	18,4
Corruption is a stimuli and motivation for many professions and for the management	16,7

About quarter of the respondents answered that corruption prevents the development of the country. One in five stated that corruption is an old tradition that may be justified. To understand the personal conduct in response to corruption the respondents were asked about their personal attitude to bribery.

Table 6

**Personal attitude to corruption (2014 in %)**

	%
As a last resort, in the exceptional situations, when you need the result, bribery is allowed	44,5
Never and under no circumstances bribery should be allowed	24,7
It is possible to avoid bribery, just need to be more philosophical to life	24,2
Bribes are allowed as it is a fast and convenient method of problem solving	4,9
Giving and taking bribes is an important part of the system	1,7

The answers show that a tolerant attitude to corruption is more prevalent than an intolerance one. Interestingly, the results of the Global Household Survey, as presented by Lambsdorff (2010) suggest that respondents who paid bribes in the preceding 12 months report a higher level acceptance of such conduct. Lambsdorff (2010) argues that "*the impact of whether a bribe was paid may not only result from the respondents' cognitive dissonance*" (p.13). Lambsdorff (2010) offers two reasons for consideration. First is about the norms. "*Norms are eroded where they are violated by others. A modified attitude is then sought that does not deliver the constant unease that is felt when observing violations*" (p. 13). The second point is about collective acceptance of bribery. "When

collectively bribery is accepted individuals face fewer social constraints when paying and taking bribes" (*Ibid*., p.13). In this situation it is important to know what is the best way to tackle corruption once self–serving excuses have become a reflection of a shared attitude.

Graph 1 represents what the respondents thought of the ways of tackling corruption. 38,4% of respondents said that it is impossible to tackle corruption. What is interesting in the chart is that corrupt conduct is very often blamed on the others or outside circumstances: the powerful elite is to be blamed (27,4%) or the legal provisions are weak (27,4%). Only 25,8 % of respondents stated that citizens themselves should stop participating in corrupt conduct and 21,2% suggested education as a preventative measure.

Graph 1. The ways to tackle corruption.
**The ways to tackle corruption (% from all respondents)**
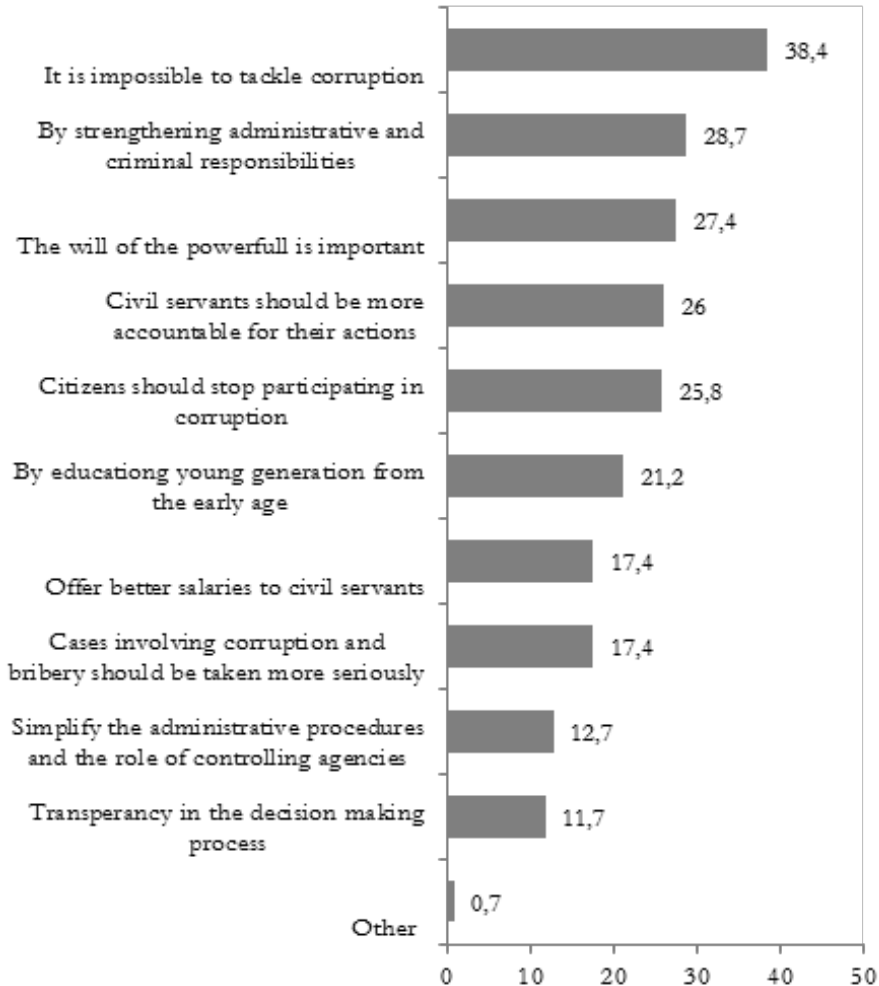
Graph 1 also makes an interesting comparison with Serbia. In 2001 people in Serbia saw the causes of corruption as very much the political issue (Begović and Mijatović, 2007). The politicisation of corruption is a very difficult issue to tackle. It promotes a pessimistic attitude that results in " *'nothing' can tackle corruption' statements; it excuses the personal use of corruption and stresses the functionality and usefulness of corrupt exchange. At the end of the day, it can save your life if you don't want to join the army*".

Graph 2 moves the subject of personal attitude closer to the personal actions, and asks about personal experience of corrupt exchange.

Graph 2. Personal encounter of corruption.
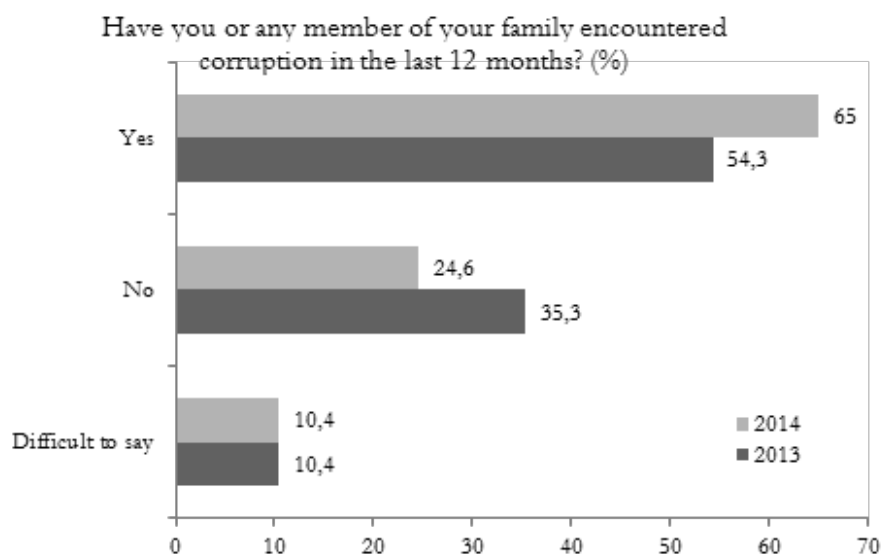
It is interesting to observe that the number of respondents who had personal encounters with corruption has increased compared to 2013. In 2014, from one side there is an increase in the occurrence of anti-corruption slogans while the movement to fight corruption dominates the political agenda. From another side, the actual occurrence of corruption is on the increase if we assume a correlation between attitude, opinion and occurrence. It can be explained by political instability and anxiety, the need to grab something quick and now, because tomorrow one may not keep the same job. Anecdotal evidence suggests that as Ukraine announced compulsory military conscription earlier in the 2014, corruption was rife within the agencies responsible for the exemption from military duties. Bribes are justified as "life-saving" opportunity.

Corruption as a 'pet monster'

In 2014 respondents showed an acute awareness of corruption as a social problem. Respondents note that the level of corruption remains the same in the city of Kharkiv, and say that corruption is hurting the others more than themselves. About half state that corruption has a negative impact on society, but a third state that corruption is the fastest way of resolving problems. Compared with 2013, the number of those who are prepared to justify corruption has increased, the number of those who are categorically against corruption has decreased. About half of the respondents are prepared to use corruption as a tool to achieve results in difficult situations. Respondents are not united in the ways how to tackle corruption with more than a third believing that tackling corruption is an impossible task. Most of those who encountered corruption did not report it to the police. People do not report because they do not believe in the system's ability to deal with these issues. This is understandable, given that the criminal state offers little hope for the rule of law, police as an institution of social control has discredited itself with connections to corrupt politicians and violent organised criminal groups. On the other hand, many are willing to bribe if that offers an easy solution to their personal problem, like avoiding a traffic fine or getting a license.

Van Duyne *et al.* (2012) studied anti-corruption policies in Serbia and reported that 20% of the respondents will pay a bribe given the favourable outcome of the corrupt transaction: "*Many do and few care*", conclude the authors (*Ibid*.). Van Duyne *at al.* observe an interesting issue in Serbia, where generally people don't perceive corruption as a serious issue. On a personal level, if you need to rebuild your life after the war you worry about the issues that concern you, unemployment, health care, and education. Only the problem is that political corruption can be an obstacle in the progress with the development in all these spheares.

The results from the Kharkiv study and other countries, suggest that people treat corruption with ambivalence. On the one hand, they believe corruption is bad, it has negative consequences for society. In Ukraine, corrupt officials sold governmental offices in such numbers that it allowed criminal underworld to capture all state functions. On the other hand, people are prepared to live with corruption and justify corrupt exchanges. Corruption has become a social habit legitimised by the state authority (see above, the state authority in itself is corrupt and criminal). Given this 'dirty hands reputation' many people think corruption is the only acceptable way of solving the day-to-day issues. The monitorings in 2013 and 2014 showed that on an individual level respondents accept corruption, because it has

a function as a problem solver. In order to fight corruption respondents propose to accuse and to punish somebody else, the change of personal conduct is not a priority.

This is a tricky situation for a country that proclaims the war on corruption. Traditional hue and cry doesn't work here, as the cry to stop corruption has a peculiar self-interest attached. Corruption is a pet monster, when needed is taken out and beaten publicly; in other situation it will be fostered and kept under control.

What is questionable is the ability of Ukraine to adopt the approach developed in Singapore, the country where "*a uniquely low level of corruption has been achieved at some cost to democratic civil rights*" (Heidenheimer, 2004). Singapore has managed to create the world strictest rules on illegal drugs, but at the same time it created the third largest gambling market (BBC, 2013). The country with the population 10 times smaller than in Ukraine operates within the legal framework. Ukrainian legal framework is not operational because the state administration and criminal justice system are dysfunctional. The only tool that functions whitin the state is the tool of corruption, and corrupt exchange.

Revolutions and public protests encourage people to be loud about corruption that is harmful to them personally. Revolutions and public protests do not deal with corruption that is useful to you. To eliminate situations where corruption is a useful tool for an ordinary citizen the state mechanism should be dealt with: first, by insuring transperancy in state decision making from purchasing medical vaccines for children to porridge for soldiers; and, second, by making the rule of law principles work and puting an independent judiciary in place even if that will have severe consequences for the personnel. Fighting corruption without reforming the system is impossible, it will only make corruption cheaper. The state functions and the state services should gain their lost functionality; so that corruption will become so expensive it will be dysfunctional. Reforms should be visible, have a credible impact and inspire confidence among the people. Untill then, we remind the reader of the appropriate song: "*My dear Ukraine, all in ruin . . . and the only people who live are the MPs, the rest are in trenches, and they were there even before the war started*".[3]

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[3]   The words from the song 'All in ruins' of the late singer Skryabin.

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