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THE NEGATIVE IMPACT OF CORRUPTION ON THE ECONOMIC SECURITY OF STATES

Liudmyla M. Akimova

Professor, Finance and Economics of Nature Management Department, National University of Water and Environmental Engineering, Rivne, Ukraine

Iryna F. Litvinova

Associate Professor, Department of Criminal Law and Process, Faculty of Law, National Aviation University, Kyiv, Ukraine

Hanna O. Ilchenko

Associate Professor, Department of International Private, Commercial and Civil Law, Faculty of International Trade and Law, Kyiv National University of Trade and Economics, Kyiv, Ukraine

Alina L. Pomaza-Ponomarenko

Head of the Scientific Department on Problems of State Security of Scientist, Training Research and Production Centre, National University of Civil Defence of Ukraine, Kharkiv, Ukraine

Olha I. Yemets

Associate Professor, Department of Theoretical and Applied Economics, Faculty of Economics, Vasyl Stefanyk Precarpathian National University, Ivano-Frankivsk, Ukraine

ABSTRACT

The activities of almost any country in the world go hand in hand with corruption events. It's needless to say that the degree of their spreading is different, but the comprehensiveness of this problem has long been proven. Therefore, the purpose of this research article is to study the impact of corruption on the economic security of states through the prism of analyzing the level of corruption in different countries, as well as to determine the specifics of combating corruption on the example of one of the countries. The comparison method, the graphical method, as well as the analysis and synthesis method have been used to conduct the investigation. Achieving the target goal was ensured by identifying areas of negative impact of corruption on economic security, in particular, through growth the shadow sector in its economy, changing mechanisms of "healthy" competition in the market, forming a layer of inefficient private holders, along with inefficient allocation of budget resources and deterioration of investment climate. The list specified can be greatly expanded taking



into account the specifics of each country. In addition, the scientific article has examined the dynamics of the Corruption Perception Index for 2012-2019, investigated the reports of Transparency International on the World Corruption Barometer, and identified the countries with the highest at the lowest level of corruption. The specific nature of anti-corruption legislation has been studied on the example of France, as a country that for a considerable time, despite the set of measures taken, was not able to significantly reduce the level of corruption. Therefore, we have revealed the shortcomings of the French legislation in the sphere of anti-corruption, identified possible areas of criminal prosecution for violation of the law, and determined the necessary further changes in order to considerably improve the situation, including taking into account the recommendations of the Council of Europe on anti-corruption monitoring.

Key words: Corruption, Economic security, Anti-corruption management, Corruption perception index, Global corruption barometer, Anti-corruption legislation, Criminal liability for commitment acts of corruption

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1. INTRODUCTION

The formation of the national security system of the state at the appropriate level is the basis for ensuring its independence, sovereignty, as well as a decent standard of living. Among the constituent components of security at the state level, economic security is a specific tool to ensure the state stability to impact of a number of destructive factors, phenomena and processes of internal and external origin. Concurrently, the threat to economic security is usually considered as an undesirable, but, at the same time, an integral part of the economic system, which operates in difficult competition conditions, represented by a multifactorial, dynamic and uncertain external environment. One of the foremost threats to economic security is such a dangerous social-political phenomenon as corruption, as its impact on the activities of the state and society is without limitation of systematic and comprehensive nature. Consequently, an urgent need arises to characterize this phenomenon through the prism of performance of various countries of the world, as well as to clarify the existing approaches to combating corruption in these countries at the legislative level.

It should be noted that currently almost all countries of the world have faced the problem of corruption spreading. Needless to say, that the degree of its expansion and combating methods vary greatly, depending on the degree of development of the country, national traditions, mentality, strictness of criminal legislation, etc. However, the fact of the worldwide spreading of the corruption component, in particular, at the state level has been confirmed, which determines the high relevance of the study conducted.

2. LITERATURE REVIEW

The study of the available scientific literature on corruption and its impact on economic security, makes it possible to formulate a statement that this issue has become widespread among both world scholars and international institutions.

In particular, a detailed definition of the term corruption and its negative impact on the state (through the spread of corruption in the activities of state administrations) is defined in



the United Nations (UN) resolution, which is officially called "Practical methods of corruption combating" in the section "Corruption in public management" [1].

Herewith, the Code of Conduct for Law Enforcement Officials, adopted by United Nations General Assembly, defines corruption as the commission of certain acts at the time of the performance of official duties related to fulfillment of obligations as a result of receiving gifts, promises or incentives, as well as illegal obtaining of them every time a certain action or inaction occurs [2].

Among scholars, the negative impact of corruption on the state's economy has been studied by such authors in [3], who have noted that corruption has a negative impact on economic growth and outlined facts, confirming the harmfulness of such influence.

Confirmation of the negative impact of corruption on the country's economy, and, in particular, on its economic security, has been revealed in the works [4, 5], where authors argue that different countries have different levels of productivity and institutional efficiency; thus, it explains the differences in the consequences of corruption on the economies of these countries.

In addition, these studies determine the threshold level of corruption, at which its negative impact begins. Until this level is reached, scientists put forward the hypothesis of "wheel lubrication", according to which corruption can have a positive impact on economic growth. Such approach to determining the impact of corruption on the economy and economic security of the state, allows national governments applying a kind of indicator of the corruption level to decide whether to take further action to combat it.

Researchers in [6] have proven the negative impact of corruption on the economy due to inefficient allocation of resources. In other words, this scholar emphasizes the interconnection of corruption and the dynamics of growth of public investment, as well as its impact on reducing the effectiveness of these investments [6].

At the same time, in [1] was noted that corruption is a phenomenon that exists in any country, confirming the global spread of this problem. A similar conclusion was reached in research [8], where was conducted a study of the activities of 185 countries in 2012-2015. Thus, according to the analysis, carried out by this scientist, corruption negatively affects the work of the business sector, decreasing the convenience of their activities. At the same time, the entrepreneurial level and the market capitalization index are separate indicators of business sector development; they act as a key obstacle to economic development [7].

It is worth noting the correlation, proposed in [8] between the level of corruption and the value of sustainable development index of human capital, which reads as follows: "Increasing the level of corruption in the social-economic system by 1% provokes a decrease in the index of sustainable human capital development by more than 1% in the country being studied".

Authors in [9] have investigated the negative impact of corruption on 22 African countries; they have revealed that corruption in the activities of public authorities is a long-term threat to the sustainable development of the countries being studied. Moreover, some studies show a correlation between corruption and low economic development [9].

In paper [10] was investigated the negative impact of corruption in the political sphere, noting: "... that it impedes the democratic and economic development of any state".

Furthermore, examining the problems of corruption in various world countries, in [11] was noted that the features of corruption may be transnational in nature, which greatly complicates the fight against this phenomenon, due to the fact that prosecution for violation of anti-corruption legislation goes beyond the jurisdiction of a particular country's national courts.



3. DATA AND METHODS

The comparison method was used while conducting study to systematize the available statistical information, on the basis of which the Corruption Perceptions Index has been studied; the graphical method has been applied to reflect the level of corruption in various sectors of the economy and public life; the graphical method and method of comparisons have been used to analyze the level of public participation in the combating corruption; the method of analysis and synthesis has been applied to study the features of anti-corruption legislation in France and the types of criminal liability for violations of anti-corruption legislation; as well as methods of systematization, grouping and logical generalization have been used to systematize information, make fundamental conclusions and suggestions.

4. RESULTS OF THE STUDY

As studies show, countries, where economies suffer from corruption, are not able to develop at such a pace and in such a direction as countries with low levels of corruption. This is primarily due to the fact that corruption becomes a kind of barrier to the natural regulation of economic processes, in accordance with the needs of the market, and, as a consequence, causes suffering of the whole society. In addition, corruption has a significant negative impact on economic security, which ultimately has devastating effects on the country's economy. These effects are usually expressed in the following manifestations:

- 1. Spreading of the shadow economy, as it is directly proportional to corruption. The development of the shadow sector opens up opportunities for additional release of resources from legal circulation, in particular financial ones, which are further used to finance the corruption component. Concurrently, the loss of resources from the economic security system also takes place, which ultimately affects the effectiveness of overcoming risks to the country's economy. Under such conditions, one of the key issues is to change the focus of the economic security system from supporting the legal sector to combating the shadow economy [2].
- 2. Deformation of competition mechanisms in the market, as "healthy" competition is possible only if the transparency of its participants is ensured. Under conditions of active spreading of corruption within a certain country, the benefits will not be given to the participant who is really competitive, but to the one, who has been able to provide certain advantages ahead of others illegally.
- 3. Creating a layer of inefficient private holders, in particular, during the privatization process. As a matter of fact, the basic goal of such people is not the development and enrichment of production, but obtaining rapid benefits. As a result, after obtaining the maximum possible benefit from the privatized enterprise, its reverse nationalization takes place; it may also contain a corruption component and allow releasing additional state resources to the shadow sector. The postponement of the negative impact for a certain period is the threat of the above mentioned; it does not make it possible to fully assess and predict the negative consequences for the country's economy.
- 4. Low efficiency of allocation and use of budgets at all levels, especially while the public procurement procedure is carried out, during which it is extremely difficult to identify and prove the overestimation of the real value of goods and services purchased. It takes place along with the emergence of such facts as excessive growth of budget expenditures, and as a consequence of the budget deficit.
- 5. Significant deterioration of the investment climate and investment attractiveness, especially on the part of foreign investors. This is due to the fact that potential investors are looking for reliable ways of investing, however, under the conditions of corruption, spreading in all spheres of public administration, in particular, through economic processes, there is an acute risk of funds losses or probability of profits underestimation by artificial means due to the



flow of financial resources from legal to shadow ones. Eventually, this worsens the country's international rating, along with the decline of its position in the world market, both political, and economic, as well as social and legal.

Therefore, taking into consideration the spread of the negative impact of corruption in all spheres of economic life, it is extremely important to develop a mechanism to effectively combat its manifestations. However, before proceeding to consider the anti-corruption directions in different countries, we will analyze the ranking of European countries according to the Corruption Perceptions Index for 2012-2019, drawing up the results in Table 1.

Table 1 Corruption Perceptions Index for 2012-2019 [12]

| Countries | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------|------|------|------|------|------|------|------|------|
| 1. Austria | 69 | 69 | 72 | 76 | 75 | 75 | 76 | 77 |
| 2. Belgium | 75 | 75 | 76 | 77 | 77 | 75 | 75 | 75 |
| 3. Bulgaria | 41 | 41 | 43 | 41 | 41 | 43 | 42 | 43 |
| 4. The United Kingdom | 74 | 76 | 78 | 81 | 81 | 82 | 80 | 77 |
| 5. Greece | 36 | 40 | 43 | 46 | 44 | 48 | 45 | 48 |
| 6. Denmark | 90 | 91 | 92 | 91 | 90 | 88 | 88 | 87 |
| 7. Estonia | 64 | 68 | 69 | 70 | 70 | 71 | 73 | 74 |
| 8. Spain | 65 | 59 | 60 | 58 | 58 | 57 | 58 | 62 |
| 9. Italy | 42 | 43 | 43 | 44 | 47 | 50 | 52 | 53 |
| 10. Cyprus | 66 | 63 | 63 | 61 | 55 | 57 | 59 | 58 |
| 11. Latvia | 49 | 53 | 55 | 56 | 57 | 58 | 58 | 56 |
| 12. Lithuania | 54 | 57 | 58 | 59 | 59 | 59 | 59 | 60 |
| 13.Luxembourg | 80 | 80 | 82 | 85 | 81 | 82 | 81 | 80 |
| 14. Malta | 57 | 56 | 55 | 60 | 55 | 56 | 54 | 54 |
| 15. The Netherlands | 84 | 83 | 83 | 84 | 83 | 82 | 82 | 82 |
| 16. Germany | 79 | 78 | 79 | 81 | 81 | 81 | 80 | 80 |
| 17. Poland | 58 | 60 | 61 | 63 | 62 | 60 | 60 | 58 |
| 18. Portugal | 63 | 62 | 63 | 64 | 62 | 63 | 64 | 62 |
| 19. Romania | 44 | 43 | 43 | 46 | 48 | 48 | 47 | 44 |
| 20. Slovakia | 46 | 47 | 50 | 51 | 51 | 50 | 50 | 50 |
| 21. Slovenia | 61 | 57 | 58 | 60 | 61 | 61 | 60 | 60 |
| 22.Hungary | 55 | 54 | 54 | 51 | 48 | 45 | 46 | 44 |
| 23. Finland | 90 | 89 | 89 | 90 | 89 | 85 | 85 | 86 |
| 24. France | 71 | 71 | 69 | 70 | 69 | 70 | 72 | 69 |
| 25. Croatia | 46 | 48 | 48 | 51 | 49 | 49 | 48 | 47 |
| 26.The Czech Republic | 49 | 48 | 51 | 56 | 55 | 57 | 59 | 56 |
| 27. Sweden | 88 | 89 | 87 | 89 | 88 | 84 | 85 | 85 |
| 28. Norway | 85 | 86 | 86 | 88 | 85 | 85 | 84 | 84 |
| 29. Switzerland | 86 | 85 | 86 | 86 | 86 | 85 | 85 | 85 |
| 30. Montenegro | 41 | 44 | 42 | 44 | 45 | 46 | 45 | 45 |
| 31. North Macedonia | 43 | 44 | 45 | 42 | 37 | 35 | 37 | 35 |
| 32. Serbia | 39 | 42 | 41 | 40 | 42 | 41 | 39 | 39 |
| 33. Russia | 28 | 28 | 27 | 29 | 29 | 29 | 28 | 28 |
| 34. Japan | 74 | 74 | 76 | 75 | 72 | 73 | 73 | 73 |

The calculation of this index is based on a survey and assessment of corruption from various sources, of which there are about 13. If the index is closer to the mark "0", it means the higher level of corruption and vice versa, if the index is closer to "100", it means the lower level of corruption. Thus, from Table 1, we can note that the highest value of the Corruption Perceptions Index is observed in Denmark, Sweden, Switzerland, Finland and Norway. Herewith, during the analyzed period, Denmark, Sweden, Finland slightly worsened their positions, in particular, in 2019 compared to 2012, and Switzerland and Norway remained almost at the same level with a deviation of one position. In general, this trend indicates a low level of corruption in these countries. In contrast to countries with low levels

of corruption, the highest levels are observed in Russia, Serbia, Northern Macedonia and Montenegro. Herewith, in Russia and Serbia, the value of the indicator did not exceed the limits allowed for these countries during the analyzed period; in Northern Macedonia, corruption increased significantly during 2015-2019, while in Montenegro, on the contrary, it decreased. At the same time, Bulgaria and Greece are considered the most corrupt countries in Europe, where in 2019 the corruption perception index was 43 and 48, respectively.

Another indicator used in assessing the level of corruption in countries is the Global Corruption Barometer, which is determined annually by the anti-corruption organization Transparency International. Its difference from the Corruption Perceptions Index lies in the fact that it is based on a survey of ordinary citizens, not experts, as in the first case. Moreover, the Global Corruption Barometer makes it possible to assess the general state of corruption by sectors of the economy, as well as spheres of the society.

According to the data, provided in [13], the final report in the context of all countries of the world, was formed in 2017. Data for 2018 have not been published, however the information is available for 2019 concerning Latin America and the Caribbean, the Middle East and North Africa, as well as Africa in general [14]. In light of this, let's take a closer look at the available information. Thus, according to the Final GCB report [13], the level of corruption in various spheres of public life is as follows (Figure 1):

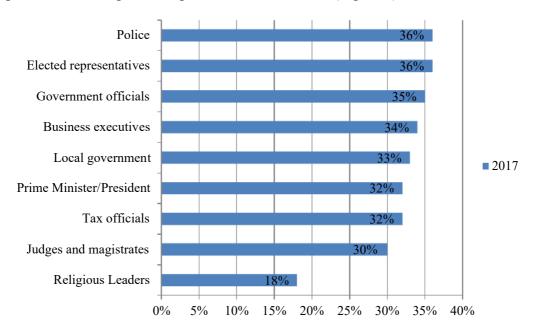


Figure 1 The level of corruption in the spheres of public life in 2017 [13]

Thus, from the above figure we can observe that according to opinion polls, the police and elected representatives are the most corrupt in the world; they are represented by members of parliament, senators, deputies, etc. They are followed by public officials, business representatives and local governments Religious leaders are characterized with the lowest levels of corruption, according to the survey.

Along with this, it's rather interesting to analyze the statistics on the percentage of people who consider themselves involved in combating corruption in different countries of the world. Therefore, let's analyze a list of countries, the populations of which consider themselves more or less involved in combating corruption by using Figure 2.

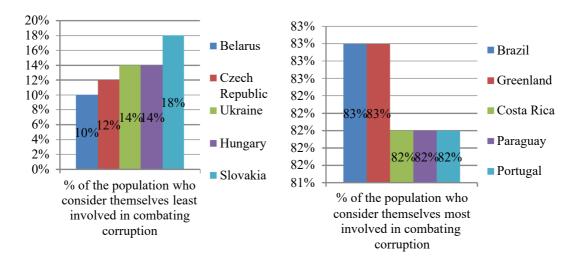


Figure 2 Number of population (%) who consider themselves most and least involved in combating corruption [13]

Therefore, it can be seen from the figures that the smallest number of respondents who consider themselves involved in combating corruption is located in post-Soviet countries such as Belarus, the Czech Republic, Ukraine, Hungary and Slovakia and varies from 10% to 18%. At the same time, the residents of Brazil and Greenland consider themselves most involved in combating corruption - 83%, respectively, and the respondents - residents of Costa Rica, Paraguay and Portugal hold place at the level of 82%.

Herewith, according to a study [14], conducted by Transparency International in January-March of 2019, 54% of Brazilians and 49% of the population of Costa Rica believe that corruption level has increased over the past 12 months. Moreover, according to this report, the activities of the president and the prime minister, as well as members and government's representatives, amount about 50% of the most corrupt areas in these countries.

Taking into consideration extent of the problem spreading around the world, as well as the whole complex of the negative impact of corruption on the economy of states, the need to develop and implement effective anti-corruption legislation is extremely important. France is a vivid example of the effectiveness of combating corruption; based on data, published in [12], it holds steady high positions according to the Corruption Perception Index. This was made possible by the harmonized implementation of European Union anti-corruption regulations into the French legal framework, along with the adoption of specialized domestic legislation. In light of this, let's consider the structure of French anti-corruption legislation using Figure 3.

As we can see, most of the international conventions that make up France's anti-corruption legislation were ratified in 2000-2008. At the same time, a number of domestic laws were adopted in the country, which constituted a kind of annex to international ones and did not contradict them. Consequently, the domestic anti-corruption legislation of France consists of the Criminal Code and the Code of Criminal Procedure. In addition, the Sapina II Law, adopted in 2016, is extremely important [16]. The adoption of this law was first and foremost intended to strengthen France's position on combating corruption and to establish a specialized authority called the French Anti-Corruption Agency (FAA); the activities of this body are focused on verification of compliance within the relevant companies and government agencies [17]. Moreover, the law has introduced a program called "de mise enformité"; it has defined ancillary penalties for corruption-related offenses, along with

expanding the jurisdiction of French judges in cases of bribery and commission of influential acts abroad [15].



Figure 3 The structure of anti-corruption legislation in France [15]

The establishment of the ADR mechanism was a significant achievement by the adoption of this law; this mechanism, among other matters, was aimed at combating tax fraud. As the data in Table 1 have demonstrated, the goal was achieved and there was a gradual decrease in the level of corruption, which was reflected in the growth of the Corruption Perceptions Index in 2017 compared to 2016 by 1 point, and in 2018 compared to 2017 by 2 points. However, in 2019 there was a sharp decline of this index to the level of 2016.

Herewith, the Council of Europe and the European Parliament have obliged all member states to regulate domestic legislation concerning bringing to responsibility of the persons, implicated in active and passive bribery with financial resources directly related to European Union [18]. Therefore, in September 2019, the French government adopted amendments to the Criminal Code with the definition of the relevant liability limits of government officials, implicated in the commission of the offenses specified. According to these amendments, a fine is imposed on an individual in the amount of 2 million EUR or double the amount of income received as a result of an offense committed. Bringing to responsibility for this crime with the new European Public Prosecutor's Office will begin starting in November 2020 [15].

The final legislative act that is part of the anti-corruption legislation of France at the time of investigation is the Law "On Distribution of Assets Received as a Result of Transnational Bribery", adopted in May 2019. According to this law it is planned to direct the funds, confiscated as a result of bribery fact-findings, on combating cross-border bribery [19].

The duty to investigate violations of anti-corruption laws in France rests on a specialized body called the National Financial Prosecutor's Office, to which the French Anti-Corruption Agency provides corruption act-findings for further investigation. An interesting fact that significantly enhances combating corruption is spreading the practice of reporting information on the commission of corruption crimes to government officials. The Criminal Procedure Code imposes an obligation on them to report all known and revealed facts.

For instance, in 2018, the FAA informed the National Financial Prosecutor's Office about the facts of bribery, misuse of public funds, favoritism and the illegal attraction of interest by a number of prosecutors in large cities [15].

Criminal liability is provided in the form of imprisonment, imposition of penalties, as well as the application of additional restrictions on offenders for violation of French anticorruption laws. Herewith, differentiation of crimes takes place, depending on the legal status of offenders, as well as the direction of its commission. Let's consider more thoroughly the areas of responsibility, drawing up the results using Figure 4.

Thus, from Figure 4 we obtain comprehensive information on the possible degree of responsibility for criminal offenses related to corruption. Herewith, a distinctive feature of French criminal law is that judges independently make the decision on the imposition of liability for the offense, taking into account a single restriction - the maximum limits of punishment established by criminal law.

Judicial practice of prosecuting for violation of anti-corruption legislation indicates an increase in rigidity of judges in decision-making. A vivid example of this trend is the decision of the Court of Cassation of France in April, 2019, where the decision of the previous court on condemning the sub federal official to imprisonment for 3 years was upheld, as well as a fine of 20 thousand EUR with a subsequent ban on holding a public office. During the judicial investigation, the fact of interference in the work of the accused municipality was announced in order to expedite the consideration of the case in favor of a third party. At the same time, obtaining a favorable decision was followed by the payment of a monetary award in the amount of 200 thousand EUR. Such trend is positive, as corruption in the political sphere of France is an extremely urgent problem, despite the measures taken at all levels of government [16].

In addition, the need for fulfillment decisive actions to eradicate corruption in public administration is exacerbated by the significant negative impact of its presence on economic security in general. Spreading of the subsidiarity principle at all levels of decision-making [20] in the public sector, in particular, and the possibility of influencing them through bribes, destroy the climate of healthy competition, form a sense of insecurity among market participants, which is especially critical in the case of cross-border cooperation and international investment. Therefore, along with the measures already implemented, we consider it is necessary to strengthen the measure of responsibility of government officials for committing corruption acts.

Moreover, Transparency International has repeatedly pointed out that there are significant problems in bringing private companies to responsibility for violating the anti-corruption laws in France, none of them have been held liable for corruption for the last 15 years. The situation has changed in recent years, when French law enforcement authorities on corruption issues joined to the consideration of one of the most high-profile corruption cases with Airbus's, where the amount of bribery reached 3,6 billion EUR [21].

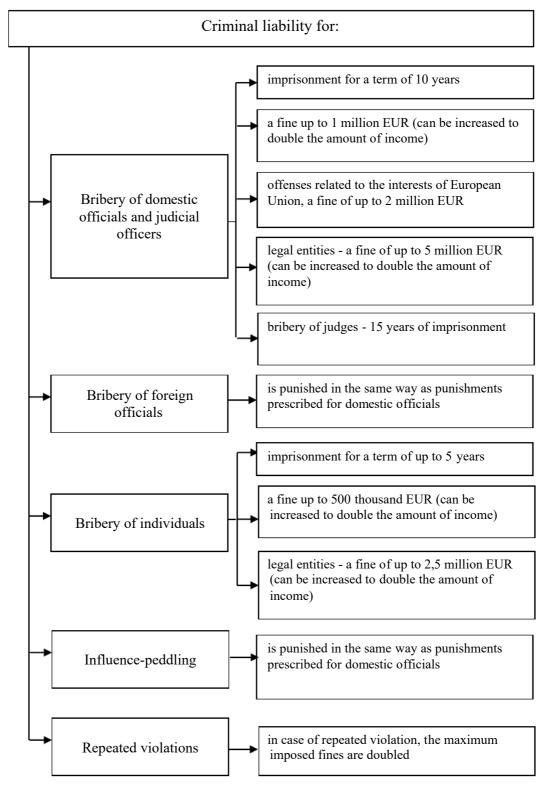


Figure 4 Criminal liability for violation of anti-corruption legislation in France [15]

As of January 2020, a report, published by GRECO (Council of Europe's separate anticorruption monitoring body), states that France needs to focus its efforts on improving the efficiency and practical application of the framework for preventing corruption in the executive branch, as well as in the National Police and in the National Gendarmerie. Furthermore, the positive developments in combating corruption, connected with the establishment of specialized bodies listed above, are being emphasized. However, despite this, there are still so-called "grey" zones, on which it is necessary to concentrate further efforts [18].

At the same time, the GRECO report positively characterizes the recent adoption of the anti-corruption plan for the next few years, but at the same time calls for expanding its scope to the private office of the President of the Republic.

In addition to the aforementioned, the report also highlights the need to increase the transparency of the executive's interaction with lobbyists in order to definitively determine the role of the latter in the final decision-making process.

An important step towards eradicating corruption in public authorities will be the establishment of a separate, independent specialized court, which will be responsible for considering cases of the country's top leadership, in particular, ministers and other members of parliament, because the credibility to the Court of the Republic is not sufficient at the moment.

The National Police and the National Gendarmerie are the areas, to which anti-corruption legislation is currently least targeted is. Therefore, the GRECO report calls for the development of a comprehensive strategy to prevent corruption [18].

Concurrently, verification of potential employees at law enforcement authorities should be carried out not only at the time of their employment, but throughout their career in order to identify the facts of changes in circumstances that may make them vulnerable to corruption risks.

Moreover, staff rotation systems should be introduced in the branches that are more subjected to corruption risks.

In conclusion, it should be noted that the implementation of anti-corruption legislation is a complex and often ineffective process. Therefore, the existing legislation of France is recommended to be reviewed, and law enforcement officers should start more thorough training on the protection of persons, prosecuting criminals.

5. DISCUSSION

Based on the study conducted, it has been found that in order to minimize the negative impact of corruption on the economy as a whole, and on economic security in particular, it is necessary, first of all, to improve the legislative anti-corruption framework. Concurrently, on the example of a country with a relatively low level of corruption among other countries, France, in particular, it has been determined that since the adoption of a new law, aimed at combating corruption, called the Sapina II Law, a phase of gradual reduction of corruption manifestations in the activities of the state has been initiated. However, despite all the measures taken, as well as the implementation of all European regulations on corruption in French domestic legislation, the situation did not improve significantly, according to the Corruption Perceptions Index during 2012-2019, and in 2019 it reached a level lower than in 2012.

Therefore, a separate anti-corruption monitoring authority of Council of Europe, GRECO, in its annual report on the results of 2019, has proposed France to focus on reducing corruption in government bodies, in particular in the President's private office. In addition, it is extremely important to include the National Police and Gendarmerie in the anti-corruption strategy as the sectors least regulated by anti-corruption legislation at the time of conducting the study. Herewith, the lack of an independent, separate court that would hear cases concerning senior government officials and enjoy a high level of trust is a significant shortcoming of the system of prosecuting offenders at corruption legislation, in particular, in the area of senior civil servants.



The conducted study shows that regardless of development level of the state and its economy, the existence of complex and multi-element legislation on the corruption prevention, a wide network of bodies responsible for combating it, reducing corruption is an extremely complex process, and the more we fight it, the harder it is to eliminate the ultimate manifestations of corruption. The crucial thing is to move beyond and constantly improve existing approaches to combating corruption, as well as search for new ways to solve problems both on their own and with the help of international specialized organizations.

6. CONCLUSION

The conducted study contains an analysis of the negative impact of corruption on the economic security of states. In particular, it has been determined that this impact is manifested in the growth of the shadow economy, deformation of competition mechanisms according to the principles of a market economy, emergence of inefficient private holders, reduced efficiency of distribution and use of budget funds, deterioration of investment climate, etc.

The criterion for determining the corruption level is the Corruption Perception Index, which is established annually for a number of countries. Consequently, an analysis of this index made it possible to identify countries with the lowest level of corruption - Denmark, Sweden, Switzerland, Finland and Norway, as well as with its highest level - Russia, Serbia, Northern Macedonia and Montenegro. In addition to this index, Transparency International publishes a final report on its official website, which defines the Barometer of Global Corruption in the context of economic sectors and public life. Thus, according to the results of the Final GCB report for 2017, the police and elected representatives are the most corrupt in the world. They are followed by government officials, business representatives and local governments. Religious leaders are characterized with the lowest levels of corruption, according to the survey.

Concurrently, the population of Brazil, Greenland, Costa Rica, Paraguay and Portugal fights against corruption most of all, however, the population of such countries, as Belarus, the Czech Republic, Ukraine, Hungary and Slovakia combat corruption least of all. Herewith, according to the study conducted by Transparency International in January-March, 2019, 54% of Brazilians and 49% of the population of Costa Rica believe that corruption has increased over the past 12 months.

In order to track the practical mechanism of combating corruption, we have investigated the anti-corruption legal framework of France, as a country that has a standing level of corruption, and identified criminal liability for violating anti-corruption legislation. Therefore, it has been determined that although the measures have brought a positive result in recent years, the level of corruption, in particular, in the public sphere and the sphere of private business, remains unchanged. That is why it is necessary to focus the efforts on strengthening the responsibility for corrupt actions, carried out by government officials, as well as to intensify the activities in order to bring business structures to responsibility, which, according to Transparency International, has not happened in the last 15 years.

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