

UNIVERSITY OF READING

THE DISTRIBUTION OF THE PHENOMENON OF CORRUPTION IN
UKRAINE IN 2014-2021

PhD THESIS

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This work is dedicated to the people of Ukraine, who have endured immense suffering,
as a result of Putin's unjust and brutal war of aggression....

Declaration: I confirm that this is my own work and the use of all material from other sources has been properly and fully acknowledged.

Jacek Stanislawski

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ABSTRACT

Although Ukraine is a unitary state, its various regions have experienced different historical trajectories and now retain distinctive identities. Since the collapse of the Soviet Union, Ukraine has become markedly diverse, particularly in its socio-political and institutional development. The country identifies itself with the West and aspires to integration with Euro-Atlantic structures.

Prior to Russia's full-scale invasion in 2022, the greatest domestic obstacle to Ukraine's progress was widely acknowledged to be corruption. International media and NGOs often ranked Ukraine among the most corrupt countries in Europe. However, such assessments typically focused on national-level corruption and seldom explored subnational patterns in detail.

The primary objective of this dissertation is to determine whether corruption in Ukraine is evenly distributed across its territory. Should disparities be found, the study investigates their underlying causes and mechanisms. The hypothesis posits that the tenure of local politicians significantly affects corruption levels by fostering clientelist ties with regional business networks.

Given the intangible nature of corruption, the analysis employs proxy indicators – observable and measurable phenomena that often accompany corrupt practices. The procurement sector, the largest domain of responsibility for local authorities, is used as the empirical field for testing.

At the subnational level, two executive bodies exist: the elected local council and the centrally appointed governor. The correlation analysis reveals that higher corruption risks are associated with local councils rather than governors. This finding is explored in depth.

The principal conclusion of the study is that the core issue lies not in regional variation per se – although such variation exists – but in the proximity of public institutions to citizens. Elected institutions, being closer to local society, appear more susceptible to corruption. Understanding the sources of such risk at the regional level can thus provide meaningful guidance for national efforts to combat corruption more effectively.

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Introduction

This thesis examines the political drivers of corruption in Ukraine and their variation patterns over time, space, and political dynamics. Corruption in Ukraine is a highly salient topic, catching much attention from people in power both at the domestic and international level, and it is expected that some features of it will persist regardless of what the future might bring.

Despite being a de jure unitary state, Ukraine is diversified in economy, politics, sociology, culture, demography, and language. ‘The interplay between structure, institutions, and agency shapes the spaces for and the dynamics of elite bargaining, and variations in these dynamics lead to different pathways out of conflict.’¹ The period under investigation is framed between the ‘Revolution of Dignity’ (also called ‘Euromaidan’) and the 2022 Russian invasion², i.e., 2014-2021. The country was developing relatively fast at that time despite the ongoing War in Donbas. Therefore, we are analysing a period during which the diversifications, as the research will later indicate, were comparably feasible to define and describe.

The detailed objective is to analyse corruption in Ukraine from a subnational perspective. As there have been very few such attempts in the literature, it is hoped that this constitutes a valuable contribution to the general knowledge. Such an approach could draw attention to the new causes and drivers of corruption, possibly omitted if the phenomenon were examined from the national perspective. Significant regional diversity across Ukraine is expected, and the design should start with generally applicable notions, such as the division of the state into administrative units. Ukraine's main (first-level) administrative divisions are: oblasts, independent cities, and an autonomous republic (Crimea, under temporary Russian occupation; hence, the republic has been excluded from the research).

¹ Christine Cheng, Jonathan Goodhand and Patrick Meehan, *Elite Bargains and Political Deals Project: Securing and Sustaining Elite Bargains that Reduce Violent Conflict* (London: Stabilisation Unit, 2018), p. 28.

² The research was stopped before the 2022 full-scale Russian invasion, as the ongoing armed conflicts is too dynamic to conduct any accurate observations. Likewise, to predict any future trends of corruption. Therefore, the research ends in 2021.

This work is expected to identify varied distribution patterns so that these can be identified more effectively in future pieces of research. It seems evident that there are certain spatial hotspots of corruption in a given country, and a curious reader might expect some corruption prevalence map to be an outcome. Still, this way, the research would be of questionable utility and depth. A map revealing just a number referring to corruption risk in specific measures of space would become obsolete the moment after unfolding, because it is not the landscape that drives corruption, but the complexity of human behaviour against diverse political, sociological, and economic factors. On the other hand, the distribution of corruption would remain an issue even if the research were confined to one specific human settlement.

There are a few reasons why Ukraine appears to be a fascinating place for conducting such an investigation, even though corruption is a problem faced by many European and non-European countries. Ukraine has experienced high levels of corruption since the collapse of the USSR, but its transparency has improved significantly over the last decade. According to the Transparency International measurements and comparisons with other states across the globe (Corruption Perception Index) from the late 1990s and early 2000s³ Ukraine would regularly be ranked in the bottom fourth of the countries surveyed. However, if only the European continent had been at stake, Ukraine would arguably be considered one of the most corrupt countries (the score would only have been comparable to some other fellow post-Soviet republics and Balkan countries in the aftermath of the 1990s armed conflicts).

In the early 2010s, during Victor Yanukovych's tenure, Ukraine had the highest corruption score in its history (even worse than in the immediate post-Soviet years).⁴ The refusal of signing the treaty of Association between the EU and Ukraine by the-then president Viktor Yanukovych (who, as some researchers suggest, was forced to make such a decision because the Russian president blackmailed him – Vladimir Putin⁵) was a turning point, which led to mass protests collectively known as 'the Revolution of Dignity'. Then, after the Euromaidan, there has been a sustained and society-wide effort to address corruption, despite the obvious hardships brought by the Annexation of Crimea by the Russian Federation, and the beginning

³ Transparency International, *Corruption Perceptions Index 2020* (Berlin: Transparency International, 2021) <https://www.transparency.org/en/> [accessed 2 April 2025].

⁴ Ibid.

⁵ Zbigniew Parafianowicz and Michał Potocki, *Wilki Żyją Poza Prawem: Jak Janukowycz przegrał Ukrainę* (*The Wolves Live Outside the Law. How Yanukovych Lost Ukraine*), (Wołowiec: Wydawnictwo Czarne, 2015), pp. 121–185.

of the War in Donbas, which arguably created a significant burden for the country's economy. However, the backing for Ukraine's efforts grew internationally (it was barely a fast process), and the financial support from abroad significantly increased. Therefore, the time frame of political changes that Ukraine underwent between 2014 and 2021 deserves a particularly close look. During these years, the level of corruption has dropped significantly.

The Ukrainian hopes of joining the Western world one day appear much more realistic than in the early post-Soviet years. Although some European politicians were not particularly happy initially, the EU institutions assessed the progress very positively.⁶ As it has been observed, many once highly corrupted countries have been on their way to transformation toward stronger democratic institutions. However, the process was usually more perplexing and generally took longer than expected. On such a backdrop, the Ukrainian transformation appeared relatively smooth and swift. Also, the improvements made to such a notable extent in such difficult geopolitical circumstances are relatively uncommon. It is plausible to assume that the reforms were introduced so rapidly due to the high dynamics of motivation in the society. This factor also makes Ukraine a good candidate for this research.

Following the Revolution of Dignity, Ukraine set itself to integrate with Western organisations fully, but corruption remained a burning issue.⁷ The Western leaders often underscored that corruption must diminish significantly before serious conversations can start.⁸ Therefore, it is essential for Ukraine and internationally to recognise the true causes of corruption and address it more effectively. Due to the heterogeneous character of the Ukrainian state, the research will begin at the subnational level.

⁶ European Commission, *Ukraine Makes Important Progress in Its Reforms but More Needs to Be Done in Particular on the Judiciary and Fight against Corruption*, press release, 12 December 2018 https://ec.europa.eu/commission/presscorner/detail/en/IP_18_6322 [accessed 2 April 2025].

⁷ Ana Nikodinovska-Krstevska, Jovan Ananiev and Straško Stojanovski, 'The Ukraine Crisis and New Security Challenges for Euro Atlantic Integrations', *International Journal of Sciences: Basic and Applied Research*, (2015), pp. 254–259.

⁸ 'Мэр Вышгорода Задержан за Взятку Почти в 6 Млн Грн' ('Mer Vyshgoroda Zaderzhan za Vzyatku Pochti v 6 Mln Grn' – 'Mayor of Vyshgorod Detained for a Bribe of Almost 6 Million Hryvnias'), *Подробности (Podrobnosti)*, 14 April 2016 <https://podrobnosti.ua/2102006-mer-vyshgoroda-zaderzhan-za-vzjatku-pochti-v-6-mln-grn-foto.html> [accessed 2 April 2025].

Main Research Question

What are the political, institutional, and socioeconomic factors influencing the spatial and temporal distribution of corruption in Ukraine from 2014 to 2021? How do these factors interact to perpetuate or mitigate this phenomenon at the subnational level?

Accordingly, Christine Cheng⁹ states “*It then explains why the (mis)alignment between elite bargains, peace processes and political settlements is a critical factor in shaping the trajectory and outcomes of post-war transitions*’.¹⁰

Despite numerous studies on corruption in Ukraine, there are still gaps in understanding the specific factors that determine its geographic and temporal distribution. This research seeks to fill this gap by thoroughly analysing the underlying causal mechanisms of corruption at the subnational level. Employing a quantitative approach and utilising oblast-level data is expected to identify patterns of corruption and assess the impact of different explanatory variables. The findings of this research will not only enhance understanding of the dynamics of corruption in Ukraine. However, they will also be a benchmark for designing more effective anti-corruption policies in other post-Soviet countries.

General Objective

The general objective of this dissertation is to analyse the spatial and temporal distribution of corruption in Ukraine during the period 2014-2021, identifying the political, institutional, and socioeconomic factors that influence it at the subnational level.

⁹ In the context of Cheng et al. elaboration in *the Synthesis Paper* it is highlighted that corruption is an intrinsic phenomenon in peace processes and post-conflict reconstruction. Cheng argues that while external interventions aim to stabilise conflicts and promote development, they often perpetuate corrupt structures by facilitating access to resources and rents for elites already in power. This can result in a ‘corrupt peace’, where the benefits of peace are concentrated in a small group, exacerbating social exclusion and limiting inclusive development. Corruption, therefore, is not only an obstacle to peace but also becomes a means for elites to maintain their control and power in a post-conflict environment.

¹⁰ Christine Cheng, Jonathan Goodhand and Patrick Meehan, *Elite Bargains and Political Deals Project: Securing and Sustaining Elite Bargains that Reduce Violent Conflict* (London: Stabilisation Unit, 2018), p.

This general objective is important because it allows for analysing the spatial distribution, identifying regions or localities particularly affected by corruption, and more effectively targeting policies and measures to combat corruption. The period 2014-2021 is exciting due to the political and socioeconomic changes that Ukraine experienced, including the Revolution of Dignity and the conflict in Donbas, events that could have significantly influenced levels and patterns of corruption.

Corruption is a multifactorial phenomenon influenced by a wide range of variables. A more comprehensive and accurate model of the underlying causes of corruption in Ukraine can be constructed by identifying key factors. The analysis at the subnational level allows for capturing regional heterogeneity and the particularities of each region, which is crucial for understanding the dynamics of corruption at the local level.

This research will contribute to the existing literature on corruption by providing empirical evidence on the factors influencing corruption in a political and economic transition context like Ukraine. Governments, international organisations, and civil society can use the research findings to design more effective anti-corruption policies. Although there are numerous studies on corruption in Ukraine, few have focused on such a detailed analysis at the subnational level.

Specific Objectives

- To identify regional patterns of corruption in Ukraine, considering variables such as development level, ethnic composition, political history, and institutional structure.
- To evaluate the relationship between the permanence of local politicians in power and levels of corruption, considering the role of clientelist networks and institutional capture.
- To propose an explanatory model of corruption at the subnational level in Ukraine, considering the variables identified in the research.
- To identify the main gaps in the existing literature on corruption in Ukraine and propose future research lin.

Justification

Corruption in Ukraine has been a chronic problem that has hindered its economic and political development for decades. Despite reform efforts and recent political changes, corruption remains a persistent challenge. As noted by Cheng et al., '*interventions can be ineffective or counterproductive when interveners do not effectively analyse and engage with the underlying configurations of power*'.¹¹ This highlights the importance of understanding the complex power dynamics in Ukraine, which justifies the need for this study.

Research on corruption in Ukraine, especially at the subnational level, is relatively scarce. This study fills a gap in the literature by providing a detailed and contextualised analysis of corruption's spatial and temporal distribution and the factors influencing it. The findings can contribute to a better understanding of the underlying corruption mechanisms in transition countries.

The results of this research can inform the formulation of more effective public policies to combat corruption in Ukraine and other countries facing similar challenges. More specific and targeted interventions can be designed by identifying the factors contributing to corruption.

Corruption undermines trust in public institutions, harms economic development, and erodes the rule of law. By better understanding the causes and consequences of corruption, strategies can be developed to strengthen democratic institutions and improve the quality of life for Ukrainian citizens.

The study period (2014-2021) coincides with significant political and social changes in Ukraine, including the Revolution of Dignity and the war with Russia. These events have significantly impacted the dynamics of corruption, making this study particularly relevant.

The combination of quantitative and qualitative methods allows for a deeper and more holistic understanding of corruption by analysing statistical patterns and the perceptions and experiences of the actors involved.

¹¹ Ibid. p.3.

Therefore, before any comprehensive guide to corruption in Ukraine is ever made (whether with maps or not), the phenomenon itself should be examined: its drivers setting the likelihood of occurrence and persistence, its distribution patterns and variation in time, space, or other possible dimensions. It might seem that there is still an early stage of development of this research topic in the academic literature, and a great deal of care should indeed be devoted to the development itself before moving on to more extensive research. The real cognitive value of this study is unveiling the drivers and specific trends of corruption distribution so that the findings could apply to Ukraine in the future and, in part, to the global level.

Methodology

Given corruption's complexity and contextualised nature, a case study has been chosen as the research methodology. This choice is based on the need to explore a particular case in depth, thus allowing for a holistic understanding of the interactions between the actors involved, the institutions, and the socio-political context. Through a detailed analysis of a case of corruption in the construction sector, we will seek to identify the underlying mechanisms and dynamics that facilitate such practices.

The collected data will be analysed using qualitative techniques, such as open and axial coding, to identify patterns and recurring themes and construct a detailed case narrative.

Through this process, we seek to build a deep and contextualised understanding of the selected case, thereby contributing to knowledge about corruption in Ukraine. It is important to note that while the results of this case study are not generalisable to all corruption cases in Ukraine, they can provide valuable insights into the mechanisms and underlying dynamics of this phenomenon. Furthermore, the detailed analysis of a particular case can contribute to constructing more general theories about corruption and formulating more effective public policies.

This work will introduce a methodological novelty to describe the drivers and trends. Three new variables will be tested to analyse the diversification of corruption risk in specific areas. Their use in the present investigation will assess their utility for future studies.

Structure of the Dissertation

Apart from the introduction, the dissertation will comprise five chapters and a conclusion. The Literature Review chapter will start with a broad analysis of existing writings on corruption. It will specifically consider three perspectives: principal-agent theory, collective action problem, and clientelism, which often overlap. Additionally, this chapter will highlight literature addressing the main drivers of corruption and its typology. It will also examine corruption in Ukraine at the subnational level. Notably, the chapter begins with a wide scope and then progressively narrows its focus to literature most relevant to the thesis topic. This strategy aids in identifying gaps previously noted in earlier sections.

The Design and Methodology chapter comprehensively outlines the hypothesis, research questions, variables, and the approach for conducting the research. Since a significant portion of this introduction focuses on the methodology, there is no need to repeat further details.

The chapter on the History, Economy, Institutionalism, Sociology, Regionalism, and Politics of Ukraine presents the theory of Ukrainian statehood. It discusses how it came into existence and why it became so corrupted. Particular emphasis is placed on contemporary history (post-independence from 1991). Another important point mentioned in the chapter is the reason behind the country's diversification. It is essential to remember that this thesis aims to examine the distribution of corruption, which would be impossible if the country were too homogeneous. The third part of the chapter addresses the elections. Surprisingly, the election's results closely align with historical and demographic factors. Although this pattern is strong at the outset, it weakens during the research period (2014-2021). Two distinct groups of politicians, centred around one executive power in each oblast, are likely candidates for organising clientele within the same region. However, it is improbable that two equally strong separate clientele groups existed in the same area simultaneously, raising suspicion that one of the institutions may wield more influence over the overall corruption process.

The Subnational Dynamics of Corruption in Ukraine chapter checks the proxies representing corruption. The chapter begins by testing them nationally and comparing them with the TI data (which are not too different). The same tests are repeated in macro-regions (a grouping of oblasts sharing common history, demographic data, and electoral preferences, as Chapter 3 displayed). Finally, the distribution is summed up from three perspective: space (which regions seem to be the most corrupted); time (which periods appears to be the most corrupted

and what political events are those connected with these times); and a chosen variable (which of the three chosen variables shows the most reliable values given space and time). The variable ‘the ratio of the company capital to the contract value’ appears to be the least reliable, as the results only resemble the other results during certain periods and in specific macro-regions.

The Chapter of Quantitative Research, Causal Mechanisms, and Plausible Explanations finalises the entire research. It uses correlations among the tenures of the politicians and proxies representing corruption, at first at the national scale, then at the macro-region scale. Despite many observations, the results might not be trustworthy if every oblast is correlated separately. Hence, the introduction of macro-regions was necessary. They generally show similar results to national-level results (with tiny differences). The surprising result is that among a few distributions of corruption in Ukraine, the most important one is not the regional one (which seemed to be a favourite from the beginning of the research). The temporal and the ‘chosen variable’ distribution also exist, but are not so strong. The most important discovery seems to be that vertical distribution, i.e., the level of relation between politicians and the ordinary people, is of the most tremendous significance given corruption. The risk is easier to find where the politicians are elected regionally, rather than nominated by Kyiv. Despite suggestions from various authors, the research reveals that the pro-Western regions of Ukraine do not exhibit lower corruption risks than others. Rather, the region's wealth plays a more significant role in perceptions of corruption. Additionally, the findings indicate that controlling for demographic variables supports the relevance of the dependent variables selected for this thesis, a theory supported by multiple sources in the literature. Lastly, the variable describing ‘the ratio of company capital to the contract value’ is identified as the least robust. The chapter also offers plausible explanations for this observation.

The thesis concludes with a summary that addresses all the questions raised.

Chapter 1: The Literature Review

1.1. The History of Corruption

Corruption has been observed since observed since the very beginning of early civilisations. Here is how it evolved.

1.1.1. The Theory of Gift

The ‘gift’¹² theory posits that the exchange of gifts is not a selfless act, but rather a way to establish and maintain social relationships, build hierarchies, and exercise power. The ‘gift’ creates an obligation of reciprocity, generating a social debt that must be settled in the future. In corruption, favours, bribes, and undue benefits function as ‘gifts’ that create a debt of gratitude. Those who receive a corrupt ‘gift’ feel obligated to return the favour, often through actions that benefit the corruptor. Corruption frequently relies on the construction of clientelist networks, where favours are exchanged between individuals or groups. These networks operate similarly to gift networks, creating bonds of loyalty and dependence. The ‘gift’ can be used to establish and maintain power hierarchies. In corruption, those who control resources can impose their will on others through the selective distribution of benefits.

In this context, when confronting the issue of corruption, we are dealing with a matter of ancient origin. A discussion that has been ongoing since time immemorial and that we can trace back to ancient Scandinavian poetry, for example, in the *Hávamál*, which is a poem from the Poetic Edda¹³ that offers a profound insight into ancient Nordic wisdom, covering themes such as conduct, hospitality, magic, and worldview. It contains numerous references to exchanges and reciprocities, both material and social, that constituted the pillars of Viking society.

¹² Marcel Mauss, ‘Ensayo sobre los Dones: Motivo y Forma del Cambio en las Sociedades Primitivas’ (‘Essay on the Gifts: The Motive and Form of Exchange in Primitive Societies’), *Sociología y Antropología* (Madrid: Editorial Tecno, 1971), pp. 155–268.

¹³ Carolyne Larrington (trans.), *The Poetic Edda* (Oxford: Oxford University Press, 2014).

'And with one whom you do not trust and have suspicions about his feelings, you should smile at him, speaking insincerely: the gifts given should be equal to those received'.¹⁴

One of the central themes of the *Hávamál* is the importance of hospitality and reciprocity. The verses exalt the virtue of receiving guests with generosity and offering them food and drink. In turn, guests are expected to express their gratitude and offer compensation, whether a gift, a service, or a promise of future friendship.

Marcel Mauss, in his work on 'The Gift Theory'¹⁵ expresses that the 'gift' demands reciprocity. According to his theory, gift exchanges are not a selfless act but a way to establish and maintain social relationships, build hierarchies, and exercise power. The act of 'donating' creates an obligation of reciprocity, generating a social debt that must be settled in the future. Each act of 'donating' immediately constitutes a debt, which is not closed until it is cancelled. From this perspective, corruption begins as a debt of gratitude. By 'donating' to a subject, they are immediately obligated to return the donations, generating a clientelist situation. In this context, Mauss raises the following questions:

*'In primitive or archaic types of society, what is the principle whereby the gift received has to be repaid? What force is there in the thing given which compels the recipient to make a return?'*¹⁶

In the authentic 'gift', the intention is to establish social relationships and strengthen the community. In corruption, the purpose is to obtain personal or group benefit. In the 'gift', reciprocity is expected, but not necessarily immediate or of equal value. In corruption, reciprocity is demanded and is often disproportionate. The authentic 'gift' seeks the community's well-being, while corruption harms it.

While the 'gift' and corruption share some standard mechanisms, it is important to highlight that corruption represents a perversion of the 'gift' 's spirit.' While the authentic 'gift' seeks

¹⁴ Marcel Mauss, 'Ensayo sobre los Dones. Motivo y Forma del Cambio en las Sociedades Primitivas' ('Essay on the Gift: The Motive and Form of Exchange in Archaic Societies'), *Sociología y antropología (Sociology and Anthropology)* (Madrid: Editorial Tecnos, 1971), p. 156.

¹⁵ Ibid, pp. 156.

¹⁶ Ibid, pp. 157

to strengthen social ties and promote the common good, corruption seeks to benefit a few at the expense of many.

1.1.2. Corruption in the Discussion of Greek Philosophers

Reflections on corruption were already present in Ancient Greece, particularly in Athens. Greek philosophers, such as Plato and Aristotle, addressed the concept of corruption in the context of the 'Polis' (the city-state) and how corruption undermined the virtues that should guide the community.

'...Its nature, it is necessary to examine the causes of its corruption in many and that only a few escape that corruption, whom, as you said, are not called bad, but rather useless'.¹⁷

In Athens, politics and public life were deeply intertwined with civic virtues. Plato and Aristotle believed corruption was an obstacle to good governance and civic virtue. In his work *The Republic*, Plato describes how corruption in the State and in the souls of citizens leads to the disintegration of political order. For Plato, corruption is not only a moral evil but also a dysfunction of the political system, which prevents the achievement of justice and the common good. Corrupt rulers diverted policies toward personal interests, undermining the harmony and balance of the polis.

'It is difficult for there to be movements in a State thus constituted; but, as everything that is born is subject to corruption, that system will not endure forever, but will be destroyed. And it will be destroyed in this way: not only to the plants that grow on the earth, but also to all living beings that move upon it, the fertility or sterility of souls and bodies comes every time the periodic revolutions close the circumferences of the cycles of each species, circumferences that are short for beings of short life and conversely for their opposites'.¹⁸

In this reasoning, Plato reflects on the inevitable nature of corruption and decay, even in an ideally constituted State. This argument is based on the idea that everything born is subject to processes of change and corruption, suggesting that even a well-constituted and seemingly

¹⁷ Plato, *La República (The Republic)* (Madrid: Nueva Acrópolis), p. 182 <https://www.nueva-acropolis.es> [accessed 2 April 2025].

¹⁸ Ibid., pp. 239

stable State cannot be immune to internal movements and changes. Everything created is destined to transform over time.

Plato also notes that these cycles are shorter for beings of short life and longer for those that live longer. Applied to a State, this implies that even the most enduring societies will eventually face decay, albeit at a slower pace. In this way, corruption is an inevitable part of the life cycle of any system, including political institutions. Corruption and decline arise naturally over time due to internal and external changes that affect all living entities. No State, no matter how perfect, can escape this reality.

Aristotle also emphasises the relationship between corruption and bad governance in his *Politics*. According to Aristotle, the ideal State must be based on a just and balanced constitution, in which rulers are subject to the law. In this context, corruption refers to transforming good governance into tyranny when rulers act exclusively for their benefit rather than in the interest of the common good.

Plato and Aristotle's thoughts on corruption and good governance were influential during the Middle Ages, especially with the arrival of Christianity, which adopted and adapted many of these concepts in its view of morality and governance. During the Middle Ages, corruption was associated with the abuse of power and the violation of Christian morality, primarily represented in the corruption of the Church and the corruption of sovereigns.

'Will the single ruler be more incorruptible than the greater number of men, all good? ... Evidently the greater number. But they will be divided into factions, while that cannot happen in a single individual. More to this, it should probably be replied that they are as worthy of spirit as that individual alone. And if the government of the majority of all good men is to be considered aristocracy, and the government of one alone monarchy, aristocracy will be preferable to monarchy for the cities, whether the government is supported by force or not, provided that a large number of such men can be found'.¹⁹

Aristotle raises a reflection on the nature of incorruptibility in governance, questioning whether it is more likely for a single ruler (such as a king or tyrant) to be more incorruptible than a larger number of men, as long as all are virtuous and good. Incorruptibility refers to the ability of a ruler or rulers to resist corruption, i.e., the influence of personal interests and

¹⁹ Aristotle, *Política (Politics)*, trans. and intro. by M. García Valdés (Madrid: Editorial Gredos, 1998), p. 203.

dishonest acts that harm the common good. Aristotle suggests that incorruptibility does not depend solely on the structure of governance but on the virtue and character of the rulers. A single ruler may be more easily tempted by corruption due to the concentration of power and lack of oversight. On the other hand, a larger number of good rulers may act as a system of mutual control, where collective virtue helps maintain the integrity of governance. Aristotle distinguished between monarchy, the government of one for the common good, and tyranny, the government of one for self-interest. Concentrating power in a single individual can more easily lead to tyranny if the ruler is not virtuous.

Aristotle is comparing two forms of governance: a monarchy and an aristocracy or *politeia* (government of many good). The underlying question is whether concentrating power in a single person is more secure against corruption than distributing power among several virtuous individuals. Aristotle distinguished between monarchy, the government of one for the common good, and tyranny, the government of one for self-interest. Concentrating power in a single individual can more easily lead to tyranny if the ruler is not virtuous. In comparison, aristocracy (government of the best) and *politeia* (constitutional government) involve a larger number of righteous people sharing power, which can reduce opportunities for corruption due to mutual oversight and the balance of powers.

Aristotle examines how incorruptibility in governance relies not solely on the political framework but also on the moral character of the rulers. A collective of virtuous individuals may better withstand corruption because of their mutual oversight and power sharing, while a solitary ruler faces a heightened risk of corruption due to the concentration of authority and absence of checks and balances. This consideration is still pertinent in contemporary politics, where the optimal governance structure to reduce corruption and enhance the common good is continuously discussed.

1.1.3. Corruption During the Middle Ages

During the Middle Ages, corruption was understood not only in the context of politics or economics but also in religious and moral terms. The role of the Catholic Church, which largely dominated spiritual and temporal life in Europe, was fundamental in constructing medieval notions of corruption. Corruption was seen as a failure in exercising political power

and a deviation from the moral and religious principles that guided medieval society. The concept of corruption, therefore, encompassed both the corruption of rulers and that of ecclesiastics and society as a whole.

In '*Summa Theologica*', Saint Thomas Aquinas addresses the concept of corruption from a theological and philosophical perspective. In Book II, Part II, Section II, Saint Thomas explains that corruption is the loss of the substantial form of a thing, meaning that the thing ceases to be what it is by nature. In the case of moral corruption, it refers to the deviation from moral good and the inclination toward evil. Saint Thomas also discusses how corruption can affect material and spiritual things, and how this loss of proper form can lead to decay and deterioration.²⁰

A significant aspect of corruption during the Middle Ages was the involvement of the Catholic Church. During this time, concerns grew regarding the integrity of the clergy, particularly concerning personal ethics and institutional authority. Popes, bishops, and clerics frequently faced accusations of corruption because of their lavish lifestyles, participation in secular politics, and economic power.

Ecclesiastical corruption was a recurring theme during the Late Middle Ages, especially during the Avignon Popes and the Western Schism. The sale of indulgences and power disputes between the popes and European monarchs are clear examples of how corruption infiltrated the medieval religious and political structure.²¹

Criticism of corruption in the Church peaked with the Protestant Reformation of the 16th century, led by Martin Luther, who openly denounced the sale of indulgences and the greed of the ecclesiastical hierarchy. These criticisms not only reflected dissatisfaction with the Church but also manifested the tension between medieval ideals of Christian morality and the reality of the exercise of power.

²⁰ Thomas Aquinas, *Suma Teológica (Summa Theologica)*, trans. by M. García Valdés, 2nd edn (Madrid: Biblioteca de Autores Cristianos, 1989).

²¹ M. L. Ruiz-Morales, 'La Conformación Jurídico Penal de la Corrupción Como Delito. Su Significación en el Pensamiento Histórico Medieval' ('The Criminal Law Structure of Corruption as a Crime. Its Significance in Medieval Historical Thought'), *Vergentis: Revista de Investigación de la Cátedra Internacional Conjunta Inocencio III*, 8 (2019), pp. 175–199 <https://revistas.uca.es/index.php/vergentis> [accessed 2 April 2025].

*'In the 1400s, Bohemia is agitated by the Hussite movement. The Czech Jan Hus denounces the state of corruption of the clergy. Excommunicated, Hus goes to Constance to defend himself, but he is prosecuted and condemned to the stake. The Hussites give life to a vast movement of opposition to Catholic hierarchies and to the Germans'.*²²

Parallel to the Church, secular monarchs and rulers were also accused of corruption, particularly when they abused their power and exploited their subjects. In many cases, the medieval monarchy was based on a feudal structure, where feudal lords exploited peasants and the lower classes. In this context, corruption was also understood as a deviation from the principles of justice and equity that should govern the rule of kings, who were seen as the guardians of a divinely established social order.

The Middle Ages, with its strong influence of Christianity and its feudal structure, left a legacy of reflection on corruption that would influence politics and morality later. Through the works of medieval philosophers like Saint Thomas Aquinas, who integrated Aristotelian thought with Christian doctrine, theories on virtue and corruption were developed that continued to impact the conception of good governance.

1.1.4. The Modern State and Corruption: Analysis of Locke, Rousseau, and Hobbes

Jean-Jacques Rousseau, John Locke, and Thomas Hobbes are considered modern philosophers. They are part of the period known as modern philosophy, which spans approximately from the Renaissance to the 18th century. This period of thought characterises the development of rationalist and empiricist ideas and the evolution of political and social ideas that significantly influenced the formation of modern states and theories of governance.

Hobbes argues in *Leviathan* that corruption is inevitable in human nature due to the desires and passions inherent in people. In the context of the English philosopher Thomas Hobbes, corruption is defined as actions that go against common interests and instead seek to benefit

²² Giuseppe Sodano, 'Bohemia', in *La Edad Media, IV: Exploraciones, comercio y utopías (The Middle Ages, IV: Explorations, Commerce and Utopias)*, ed. by Umberto Eco, trans. by J. A. Ancona Quiroz (Mexico City: Fondo de Cultura Económica, 2019), p. 98.

individuals or particular groups exclusively. For Hobbes, in his work *Leviathan* (1651), the social contract aims to create a state with absolute power that ensures peace, and order and protects individuals from the chaos of a 'solitary, poor, nasty, brutish, and short' life. Thus, corruption is associated with prioritising their interests instead of working for the collective well-being, threatening stability and the social pact.²³

In *The Second Treatise of Civil Government* (1689), philosopher John Locke argues that corruption is directly linked to violating individuals' natural rights and breaching just laws that should govern a civilised society. Locke argues that the government must protect individuals' life, liberty, and property. Therefore, any deviation that implies rulers transgressing these natural rights is considered corruption, as it betrays the fundamental principles upon which the legitimacy of a government is based.²⁴

In *The Social Contract* (1762), Rousseau argues that corruption arises when political institutions do not reflect the people's general will, leading to inequality and abuse of power. In the thought of Jean-Jacques Rousseau, particularly in his work *The Social Contract*, corruption is linked to the loss of the general will, which is the fundamental principle that underpins social order. According to Rousseau, the State must reflect the collective will of all citizens, and corruption occurs when particular interests prevail over collective well-being. This translates into transforming politics into an instrument of power for a few, rather than being a means to achieve the common good. Thus, corruption in this sense is not only a legal or moral violation but also an alteration of the very structure of a just society.²⁵

1.1.5. Corruption from the Anthropological Perspective

With its holistic and comparative approach, anthropology offers an enriching perspective on corruption. Unlike normative or legal perspectives, anthropology seeks to understand

²³ Thomas Hobbes, *Leviathan*, 1996 edn (Oxford: Oxford University Press, 1996).

²⁴ John Locke, *Dos Tratados sobre el Gobierno Civil (Two Treatises on Civil Government)*, 1988 edn (Cambridge: Cambridge University Press, 1988).

²⁵ Jean-Jacques Rousseau, *El Contrato Social (The Social Contract)*, 2006 edn (London: Penguin Classics, 2006).

corruption as a complex cultural and social phenomenon rooted in power dynamics, social relationships, and a society's institutional structures.

The cultural relativism proposed by Franz Boas²⁶, Ruth Benedict²⁷, and Margaret Mead²⁸ in anthropology rejects a universal definition of corruption, arguing that its manifestations vary significantly across cultures and historical contexts. Clifford claims that what is considered corrupt in one society may be accepted as usual in another.²⁹

In anthropology, corruption is not seen as an individual deviation but as a set of social practices rooted in power relations and cultural norms. These practices can include nepotism, clientelism, embezzlement, and bribery.³⁰

Anthropology highlights how formal norms (laws, regulations) interact with informal norms (customs, traditions) in shaping corrupt practices. Often, corrupt practices develop in the grey areas between what is legal and what is socially acceptable.³¹

1.2. Concepts of Corruption

Corruption is a complex phenomenon studied in various disciplines, including politics, sociology, and economics. This chapter focuses on three key concepts that help to understand corruption: the Principal-Agent Problem, Collective Action Theory, and Clientelism. The latter phenomenon may occur independently of corruption; however, both phenomena may overlap in certain circumstances. Each approach offers a unique perspective on how corruption manifests and perpetuates itself in different contexts.

²⁶ Franz Boas, *The Mind of Primitive Man: A Course of Lectures Delivered Before the Lowell Institute, Boston, Mass., and the National University of Mexico, 1911* (New York: The Macmillan Company, 1921).

²⁷ Ruth Benedict, *Patterns of Culture*, 1st edn (London: Routledge, 1935).

²⁸ Margaret Mead, *Coming of Age in Samoa: A Psychological Study of Primitive Youth for Western Civilization* (New York: William Morrow and Company, 1928).

²⁹ Clifford Geertz, *Local Knowledge: Further Essays in Interpretive Anthropology* (New York: Basic Books, 1983), p. 12.

³⁰ James C. Scott, *Comparative Political Corruption* (Englewood Cliffs, NJ: Prentice-Hall, 1972), p. 45.

³¹ Jean-Pierre Olivier de Sardan, *Anthropology and Development: Understanding Contemporary Social Change* (London: Zed Books, 2005), p. 76.

The term ‘corruption’ has multiple definitions, and there is disagreement about whether or not certain behaviours constitute corruption.³² The most widely accepted definition is probably that of the Non-Governmental Organisation (NGO) Transparency International. Its original version stated: ‘the abuse of public power for private benefit’.³³ For this discussion, this will be considered ‘the narrower definition’ as it excludes the private sector entirely. Instead, it focuses solely on situations where a public official abuses the public trust for private gain. However, in recent years, TI has begun to use ‘the broader definition’, which includes private sector involvement, i.e., ‘the abuse of entrusted power for private gain.’³⁴ The literature supporting and opposing private sector inclusion will be discussed later in this chapter. The ‘broader definition’ is instrumental in situations where activities usually performed by state officials are outsourced to private companies.³⁵

1.2.1. The Principal-Agent Problem

The Principal-Agent Problem is a theoretical framework used in various disciplines, including politics, sociology, economics, and law. This concept refers to the relationship between two parties: the principal, who has an interest or goal, and the agent, who makes decisions on behalf of the principal. When the agent's interests do not coincide with the principal's, a conflict arises, known as the Principal-Agent Problem.³⁶

The theory was developed in the 1970s by Stephen Ross³⁷ and Barry Mitnick³⁸. Although initially applied to the business sphere, its use has expanded to other contexts, including

³² Jacek Bil, *Korupcja w prywatnym sektorze gospodarczym (Corruption in the Private Economic Sector)*, WSPol, 2015, pp. 5–13.

³³ Transparency International, *Corruption Perceptions Index 2020* (Berlin: Transparency International, 2021) <https://www.transparency.org/en/> [accessed 2 April 2025].

³⁴ Ibid.

³⁵ Jacek Bil, *Korupcja w prywatnym sektorze gospodarczym (Corruption in the Private Economic Sector)*, WSPol, 2015, pp. 153-197

³⁶ K. M. Eisenhardt, ‘Agency Theory: A Review’, *The Academy of Management Review*, 14.1 (1989), 57–74 <https://doi.org/10.2307/258191> [accessed 2 April 2025].

³⁷ S. A. Ross, *On the Economic Theory of Agency: The Principle of Similarity* (Philadelphia: Department of Economics, University of Pennsylvania, 1972).

³⁸ Barry M. Mitnick, *The Theory of Agency: Framework* (Pittsburgh: University of Pittsburgh, 1975).

politics. Essentially, this theory is about information asymmetry, where the agent has more information than the principal, which can lead the agent to act in his interest rather than in the principal's interest.

Robert Klitgaard, in studying corruption, proposes that it can be understood as a problem that can be measured. He defines corruption with the formula $C = M + D - A$, where C is corruption, M is monopoly, D is discretion, and A is accountability. This implies that in situations where there is little accountability, corruption is more likely to occur, as the agent can act unchecked.³⁹

Monopoly and discretion create an information problem. Lack of accountability means the principal cannot access sufficient information about the agent's actions. This can lead to the agent abusing his position. The theory also points out that the level of risk influences the behaviour of both the agent and the principal.⁴⁰

Mark Philp describes corruption as a triangular relationship between the public, a public official (the agent), and a private actor (the client). The agent benefits the client, often to the detriment of the public interest.⁴¹ Klitgaard expands on this idea by pointing out that the agent can be an entire institution, not just a person.⁴²

Corruption affects not only the parties involved but also impacts public trust. When the population loses faith in institutions, it may look for illegal ways to circumvent obstacles, which fuels corruption.

Nico Groenendijk applies Principal-Agent theory to the political context, identifying the public official as the agent and the public as the principal. The client, whether a company or an interest group, employs the agent to fulfil its objectives. This model effectively illustrates how corrupt ties between politics and business are established.⁴³

³⁹ Robert Klitgaard, *Controlling Corruption* (Berkeley: University of California Press, 1991), pp. 69–82.

⁴⁰ Canice Prendergast, 'The Provision of Incentives in Firms', *Journal of Economic Literature*, 37.1 (1999), 7–63.

⁴¹ Mark Philp, 'Defining Political Corruption', *Political Studies*, 45 (1997), 436–462.

⁴² Robert Klitgaard, *Controlling Corruption* (Berkeley: University of California Press, 1991), pp. 69–82.

⁴³ Nico Groenendijk, 'A Principal-Agent Model of Corruption', *Crime, Law and Social Change*, 27 (1997), 207–229

Irma E. Sandoval-Ballesteros defines structural corruption (i.e. very large-scale systemic corruption) as ‘a specific form of social domination characterised by abuse, simulation, and misappropriation of resources that arises from a pronounced differential in structural power’. Her research acknowledges the Principal-Agent Problem, but, at the same time, claims that social elements cannot be ignored. She slightly modifies Klitgaard’s formula. She suggests that corruption equals abuse of power plus impunity minus citizen participation ($C = AP + I - PC$). Using such a formula, she underlines that corruption is not entirely a problem among participating parties. Instead, she emphasises society-wide participation, where state institutions lack a monopoly on corrupt acts, incorporating elements of collective action theory. The latter will be explained in detail in the following subsection. Finally, she proposes the ‘broader definition’ of corruption.⁴⁴

The Principal-Agent Problem has also been applied in multiple investigations, for example, in those of Michael C. Jensen and William H. Meckling⁴⁵, G. J. J. M. Neelen⁴⁶ and some others. Due to the analogous mechanisms (mainly the strong existence of conflict of interests and one side being more informed than the other), the theory is suitable for both political and business studies. The authors mentioned above presented their ideas based on business and non-profit organisations; however, their research followed the same theory.

Similarly to Klitgaard, Nico Groenendijk⁴⁷ proposes the Principal-Agent Theory when there are three separate participants (sides) in the corrupt system. This concept is beneficial when dealing with political corruption. The parties involved are: a public official – the agent, the public – the principal (whom the former is supposed to serve, but who favours his and the client’s interests), and the client who uses the agent to achieve their goals. The agent does not have to be a single person. The entire administrative institution can act as the agent. The

⁴⁴ Irma E. Sandoval-Ballesteros, *From “Institutional” to “Structural” Corruption: Rethinking Accountability in a World of Public-Private Partnerships*, Edmond J. Safra Center for Ethics Working Papers, no. 33 (Harvard University, 2013), pp. 1–63.

⁴⁵ Michael C. Jensen and William H. Meckling, ‘Theory of the Firm: Managerial Behaviour, Agency Costs and Ownership Structure’, *Journal of Financial Economics*, 3.4 (1976), 305–360.

⁴⁶ G. H. J. M. Neelen, *Principal-Agent Relations in Non-Profit Organizations: A Comparative Analysis of Housing Associations and Municipal Housing Companies in the Netherlands* (Enschede: University of Twente, 1993).

⁴⁷ Nico Groenendijk, ‘A Principal-Agent Model of Corruption’, *Crime, Law and Social Change*, 27 (1997), 207–229.

client can represent the interests of a private company or another group that influences the agent, for example, by offering a bribe (although there are other methods as well). This triangular model of the principal-agent problem is most appropriate when explaining corrupt connections between politics and business at a regional level. This model is instrumental in this research, as it presents all sides of the conflict of interests and recognises that corrupt action is not necessarily beneficial only to the official, but also to the third party. It usually benefits both, although we must not forget that the agent (the official) still has the most information. In most cases, the principal loses all chance of achieving their goal.

It seems more likely that in real life, of the three parties in such a conflict, the client and the agent are directly involved in the contract. The former provides the means, while the latter offers the opportunities. The third side is the principal, usually in a 'no-win' situation.⁴⁸ In the case of political corruption, they are usually ordinary people who do not receive the relevant services and support from the government, which they expect⁴⁹. On the other hand, both the client and the agent benefit significantly from their transactions. It should be noted that the initiative to commit the corrupt act can come from either side. This leads to a significant decrease in public trust, which is a cause of the further growth of corruption. The phenomenon occurs because if the population cannot trust institutions, it instinctively tries to find ways (which are often illegal) to bypass the existing obstacles.⁵⁰ This model strongly overlaps with the conceptualisation of clientelism theory and explains the formation of clientelism, which will be described later.

Furthermore, M.S. Alam also follows the Principal-Agent Problem and brings new insights to the theory. He believes that numerous members of society do not accept living in the model described above. Therefore, he looks for differences in corruption between various types of agencies and institutions according to the population's capacity and, above all, by how 'potential clients' undertake some countermeasures against corrupt dealings, which they might be forced to participate in. The willingness to participate may depend on alternatives for the client, for example, different legal options, which will allow the client to keep the

⁴⁸ Mark Philp, 'The Definition of Political Corruption', in *Handbook of Political Corruption*, ed. by Paul Heywood (London: Routledge, 2015), pp. 1–12.

⁴⁹ Mark Philp, 'Defining Political Corruption', *Political Studies*, 45 (1997), 436–462.

⁵⁰ Susan Rose-Ackerman, 'Trust and Honesty in Post-Socialist Societies', *KYKLOS*, 54 (2001), 415–444.

same profits without getting involved in the corrupt process. Thus, they will avoid the risks associated with it.⁵¹

However, this binary relationship between the public and their representative becomes even more complex when politicians engage in private arrangements with influential actors. This opens the way for a triangular relationship that merges corruption and clientelism.

1.2.2. Collective Action Theory

The ‘theory of collective action’, developed by Mancur Olson⁵², offers an innovative approach to understanding corruption, contrasting it with the ‘principal-agent theory’. This approach focuses on the provision of public goods and the participation of the whole society in everyday actions. However, the difficulty in uniting shared interests among group members can lead to prioritising individual objectives, thus compromising the common interest and generating the ‘free-rider problem’.^{53 54}

Fostering social cohesion and identifying shared interests is crucial to improving the situation. This could be achieved through awareness-raising campaigns highlighting the benefits of collaboration and collective action and the implementation of educational programs that teach the importance of active participation in the fight against corruption.

Proponents of the theory, such as La Porta and his colleagues, suggest that the central government's weakness allows local officials impunity, rationalising corruption. To counter this, strengthening government institutions and ensuring accountability are essential. This

⁵¹ M. S. Alam, ‘A Theory of Limits on Corruption and Some Applications’, *KYKLOS*, 48 (1995), 419–435.

⁵² Mancur Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups* (Cambridge, MA: Harvard University Press, 1965), pp. 121–153.

⁵³ William Baumol, *Welfare Economics and the Theory of the State* (Cambridge, MA: Harvard University Press, 1952).

⁵⁴ ‘The free-rider problem’ is an economic issue that occurs when the beneficiaries of certain resources and/or services, very often public commodities, avoid paying or pay less than it is required for the goods they use. If there is a big number of free riders, the system risks collapsing due to the costs. A good example of the free ride is the (over)use of public roads.

could include creating more robust oversight mechanisms and promoting transparency in public administration.⁵⁵

Passivity in collective action, where ‘free riding’ is allowed, is harmful in the long run. Effective sanctions must be established for corruption acts to change this trend so that participation in such acts becomes irrational. Furthermore, promoting a reporting culture and protecting whistleblowers is essential, as it could deter individuals from participating in corrupt practices.⁵⁶

Creating a privileged class that benefits from corruption at the expense of the local population is a worrying phenomenon. To address this, policies that promote equity and social justice, as well as mechanisms that limit the power of this privileged class, must be implemented. This could include reforms to electoral legislation and the regulation of political financing.⁵⁷

On the other hand, Bauhr and Nasiritousi's work suggests that social mobilisation against corruption can occur when the costs outweigh the gains. To facilitate this mobilisation, it is important to encourage dialogue and citizen participation in decision-making and promote transparency in public management. This can help corruption be perceived as a collective problem that requires a joint response.⁵⁸

Albrecht identifies three factors that motivate corruption: pressure, opportunity, and rationalisation. Creating an environment where corruption is not seen as a viable solution is essential to mitigate these factors. This can be achieved through policies that address the underlying causes of economic pressure and that reduce opportunities for corruption through increased oversight and control.⁵⁹

Marquette and Pfeiffer argue that the collective action approach is more suitable for investigating corruption. To implement this approach, society must be involved in the fight

⁵⁵ Rafael La Porta, Florencio Lopez de Silanes, Andrei Shleifer, and Robert W. Vishny, ‘The Quality of Government’, *Journal of Law, Economics, and Organization*, 15.1 (1999), 222–279.

⁵⁶ Monika Bauhr and Naghmeh Nasiritousi, *Why Pay Bribes? Collective Action and Anticorruption Efforts* (Gothenburg: University of Gothenburg, 2011), pp. 1-20

⁵⁷ W. Steve Albrecht, ‘Iconic Fraud Triangle Endures’, *Fraud Magazine*, 29.4 (2014), 46–52.

⁵⁸ Monika Bauhr and Naghmeh Nasiritousi, *Why Pay Bribes? Collective Action and Anticorruption Efforts* (Gothenburg: University of Gothenburg, 2011), pp. 1-20

⁵⁹ W. Steve Albrecht, ‘Iconic Fraud Triangle Endures’, *Fraud Magazine*, 29.4 (2014), 46–52.

against corruption, promoting collaboration between citizens, non-governmental organisations, and the public sector.⁶⁰ This could include creating citizen participation platforms that allow citizens to voice their concerns and propose solutions.

Criticism of the principal-agent approach highlights the importance of societal tolerance towards corruption. To change this perception, promoting a culture of integrity and civic responsibility is essential. This can include awareness-raising campaigns highlighting corruption's adverse effects and the importance of ethics in public life.^{61 62}

Karklins and Sajó highlight that corruption is seen as part of the system in some societies. To challenge this narrative, fostering civic education and citizen active participation in political life is crucial. This can help create awareness of the need for change and mobilise society against corruption.^{63 64}

Despite tolerance for corruption, citizens must not see it, as positive. To achieve this, policies must be implemented that promote transparency and accountability, ensuring that citizens are informed and can participate in the oversight of public management.⁶⁵

Several authors point out that institutional weakness is insufficient to explain corruption. We must address the social acceptance of corruption as a means to achieve particular objectives.

⁶⁰ Heather Marquette and Caryn Peiffer, *Corruption and Collective Action* (Birmingham: University of Birmingham, 2015), pp. 1–16.

⁶¹ Anna Persson, Bo Rothstein, and Jan Teorell, *The Failure of Anti-Corruption Policies: A Theoretical Mischaracterization of the Problem* (Gothenburg: University of Gothenburg, 2010), pp. 1–22.

⁶² Anna Persson, Bo Rothstein, and Jan Teorell, 'Why Anticorruption Reforms Fail: Systemic Corruption as a Collective Action Problem?', *Governance*, 26.3 (2013), 449–471.

⁶³ Rasma Karklins, *The System Made Me Do It: Corruption in Post-Communist Societies* (Polish edn: *Wszystkiemu winien system. Korupcja w krajach postkomunistycznych*) (Warsaw: Wydawnictwo SIC, 2009), pp. 132–161

⁶⁴ András Sajó, 'Corruption, Clientelism, and the Future of the Constitutional State in Eastern Europe', *East European Constitutional Review*, 7.2 (1998), 37–46.

⁶⁵ Rasma Karklins, *The System Made Me Do It: Corruption in Post-Communist Societies* (Polish edn: *Wszystkiemu winien system. Korupcja w krajach postkomunistycznych*) (Warsaw: Wydawnictwo SIC, 2009), pp. 125–129

This may include promoting a cultural change that values integrity and responsibility in public life.⁶⁶

Finally, the collective action model is closely related to trust. Promoting collaboration and teamwork in the fight against corruption is essential to fostering trust among community members. This may include creating support networks and promoting community initiatives to improve transparency and accountability in public management.⁶⁷

In contexts like Ukraine, collective inaction and societal resignation allowed clientelist and corrupt structures to flourish. This public permissiveness completes the triangle between citizens, politicians, and oligarchs.

1.3. Clientelism

This thesis is particularly interested in the relationship between clientelism and corruption. We cope with a situation where corruption and clientelism overlap, and their mutual dependence is being created, even though they would otherwise constitute two separate phenomena. James Scott defines clientelism as ‘the relationship, which is an instrumental friendship, in which an individual of higher socioeconomic status (patron) uses their influence and resources to provide protection or benefits, or both, to a person of lower status (client) who, in turn, reciprocates by offering support and general assistance, including personal services, to the patron.’ Therefore, the author emphasises the role of the relationship between the two parties.⁶⁸

Clientelist corruption occurs when a politician offers some privileges or public goods to gain the necessary support to be elected. A particular form of clientelism is political patronage within a single political party. In the early stages of clientelism formation, material rewards are the most common and effective form of compensation, as they constitute the simplest way to motivate voters to support a given candidate.

⁶⁶ Åse B. Grødeland, and Tatiana Y. Koshechkina, *A Culture of Corruption: Coping with Government in Post-Communist Europe* (Budapest: Central European University Press, 2001), pp. 3–37.

⁶⁷ John M. Darley, ‘Business Ethics’, *Business Ethics Quarterly*, 8.2 (1998), 319–335.

⁶⁸ Roderick M. Kramer and Tom R. Tyler (eds), *Organizations: Frontiers of Theory and Research* (Thousand Oaks: SAGE Publications, 1996), pp. 357–389.

Clientelism generally originates from individual actions taken intentionally by a patron. According to Susan C. Stokes, a politician or a group of politicians seeking to be elected expects to build a clientele that supports them even before the election.⁶⁹ In ‘Corruption as a Social Process’, John Warburton demonstrates how cooperation looks afterward. The elected politician (patron) creates a dynamic network of connections. Thus, the main driver of clientelism is the choice made by individuals. They may choose to use corrupt methods to achieve their goals.⁷⁰ No public participation constitutes the external circumstances that merely facilitate the elections for officials. Sidney Tarrow considers that indications of clientelism may be civic; however, the causes often result from structural corruption.⁷¹

Susan C. Stokes, Thad Dunning, Marcelo Nazareno, and Valeria Brusco precisely describe this phenomenon in *Brokers, Voters, and Clientelism: The Puzzle of Distributive Politics*. It is worth noting that this method is much easier to apply in poorer countries and regions. The patron's main objective is often the less affluent part of society. Poorer members are more likely to accept goods than the wealthier ones because the rewards can frequently help them cope with genuine daily struggles, which will be much more practical than the promise of reforms that will eventually improve the economic situation in the state or region.⁷² This is strongly intertwined with populism.⁷³

Furthermore, Susan C. Stokes in *Political Clientelism*⁷⁴ argues that the phenomenon tends to be stronger in places with a relatively high Gini coefficient, i.e., those particularly suffering from the problem of income and wealth inequality⁷⁵. In such conditions, society is often

⁶⁹ Susan C. Stokes, ‘Political Clientelism’, in *The Oxford Handbook of Political Science*, ed. by Robert E. Goodin (Oxford: Oxford University Press, 2011).

⁷⁰ Jenny Warburton, ‘Corruption as a Social Process: From Dyads to Networks’, in *Corruption and Anti-Corruption*, ed. by Peter Larmour and Nick Wolanin (Canberra: ANU Press, 2013), pp. 221–235.

⁷¹ Sidney Tarrow, ‘Making Social Science Work Across Space and Time: A Critical Reflection on Robert Putnam’s *Making Democracy Work*’, *American Political Science Review*, 90.2 (1996), 389–398.

⁷² Susan C. Stokes, ‘Political Clientelism’, in *The Oxford Handbook of Political Science*, ed. by Robert E. Goodin (Oxford: Oxford University Press, 2011), pp. 14–15.

⁷³ Cas Mudde and Cristóbal Rovira Kaltwasser, *Populism: A Very Short Introduction* (Oxford: Oxford University Press, 2017).

⁷⁴ Susan C. Stokes, Thad Dunning, Marcelo Nazareno, and Valeria Brusco, *Brokers, Voters, and Clientelism: The Puzzle of Distributive Politics* (Cambridge: Cambridge University Press, 2013), pp. 15–16.

⁷⁵ Corrado Gini, ‘On the Measure of Concentration with Special Reference to Income and Statistics’, *General Series*, 208 (1936), 73–79.

divided into classes, with significant differences in living standards. Belonging to a clientele offers access to benefits that are not available elsewhere. Both parties (the patron and society) are aware of this fact. Poorer citizens often constitute a considerably larger group. Therefore, the patron's goal is to win their potential votes. They can achieve this during the so-called vote-buying process⁷⁶. It is the first step towards developing functional clientelism. Eventually, it can become systemic.

On the other hand, if there are few differences in the distribution of wealth within society, buying votes tends to be very costly. Eventually, the patron may run out of resources and cannot afford to buy a sufficient number of votes, and such an electoral strategy may not benefit them.⁷⁷

The patron may also use other methods to obtain the necessary level of support. They can establish relationships with influential representatives of various businesses who can campaign for them as intermediaries using the *quid pro quo* method, in exchange for the promise of favouring their businesses while in office. This can gradually turn into long-term cooperation. The patron can expand their clientelist network after having succeeded in the election. The larger it has built, the greater the chances (due to more potential supporters) of being re-elected.

Certain businesses may 'cooperate' with local authorities to conduct their business as they wish, which can reduce costs, thanks to the omission of specific legal requirements and the scarcity of controls. This is provided by informal agreements guaranteed by corrupt representatives of the authorities. On the other hand, corrupt authorities prioritise the aforementioned businesses to obtain their own financial gains, i.e., through bribes, cooperating with relatively loyal individuals, and receiving the necessary support in elections. Elements of cooperation, such as the quality of performance or the price of services, are

⁷⁶ Susan C. Stokes, Thad Dunning, Marcelo Nazareno, and Valeria Brusco, *Brokers, Voters, and Clientelism: The Puzzle of Distributive Politics* (Cambridge: Cambridge University Press, 2013), pp. 236–377.

⁷⁷ Allen D. Hicken, 'How Do Rules and Institutions Encourage Vote Buying?', in *Elections for Sale: The Causes and Consequences of Vote Buying*, ed. by Frederic C. Schaffer (Boulder, CO: Lynne Rienner Publishers, 2007), pp. 68–89.

sometimes not considered. The process of structuring of corruption takes place through the building up of a clientele.⁷⁸

In this way, natural business competitiveness becomes dependent on political competitiveness. The influence of businesses on politics can take on diverse characteristics. Examples can include political party financing⁷⁹, lobbying, personal or indirect relationships of various types⁸⁰. It often creates the situation of 'revolving doors'. Mihály Fazekas, Luciana Cingolani, and Elizabeth David-Barrett provide evidence of similar conditions.

Clientelism is particularly likely to appear at the local level.⁸¹ Michael Johnston states that countries with a high level of corruption tend to lack a strong, formal, and institutionalised central government.⁸² Danilo Lučić, Mladen Radišić, and Dušan Dobromirov argue that the lack of such an institution at the national level limits the control of local issues⁸³. As a result, clientelist networks can emerge with relative ease. Therefore, the patron does not experience significant difficulties building their own relatively airtight clientelist network, which operates mainly in their region. Thus, the patron has an opportunity to act, which constitutes one of the causes of corruption development. Large entrepreneurs understand the advantages of staying close to the patron; therefore, it is rational for them to enter the network, offering electoral support. Such a situation leads to the elimination of natural competition and the creation of monopolies.

⁷⁸ Oksana V. Altsyvanovych and Yuliia Y. Tsymbalenko, 'Теоретико-категоріальний аналіз поняття публічних закупівель та корупційних ризиків при їх здійсненні в Україні' (*Teoretyko-katehorial'nyy analiz ponyattya publichnykh zakupivel' ta koruptsiynykh ryzykiv pry yikh zdiysnenni v Ukraini* – *Theoretical and Categorical Analysis of the Concept of Public Procurement and Corruption Risks in Their Implementation in Ukraine*), *Public Administration Aspects* (2018).

⁷⁹ Mihály Fazekas and Luca Cingolani, 'Breaking the Cycle? How (Not) to Use Political Finance Regulations to Counter Public Procurement Corruption', *The Slavonic and East European Review*, 95.1 (2017), 76–116.

⁸⁰ Elizabeth David-Barrett, *Cabs for Hire: Fixing the Revolving Door between Government and Business* (London: Transparency International UK, 2011), pp. 19–27.

⁸¹ Andrew Casson and Krystof Obidzinski, 'From New Order to Regional Autonomy: Shifting Dynamics of "Illegal" Logging in Kalimantan, Indonesia', *World Development*, 30.12 (2002), 2133–2151.

⁸² Michael Johnston, *Syndromes of Corruption: Wealth, Power, and Democracy* (Cambridge: Cambridge University Press, 2005), pp. 159–163.

⁸³ Dragan Lučić, Miloš Radišić, and Dragan Dobromirov, 'Causality Between Corruption and the Level of GDP', *Ekonomika Istraživanja (Economic Research)*, 29.1 (2016), 360–379.

Following their research in Mexico, Brian M. Faughnan, Jonatan T. Hiskey, and Scott D. Revey believe that the longer a politician is in power, the more time they will have to build a clientele that is large and powerful enough.⁸⁴ This sets the wheel of corruption in motion, and the phenomenon becomes systematic; it can eventually become structured. It should not be forgotten that many of the region's inhabitants are directly or indirectly connected to the existing clientelist network. On the other hand, if a politician remains in power for a shorter time, they may not have enough time to build so large a clientele. Susan C. Stokes indicates that if the clientelist network is already large enough and there is a change in power, the clientele often continues to exist. It simply changes the patron.⁸⁵

Other examples of such relationships are often referred to as clientelism in the literature. For instance, Kitschelt and Wilkinson in *Patrons, Clients and Policies: Patterns of Democratic Accountability and Political Competition* define clientelism as ‘citizen-politician linkages often based on direct material inducements targeted to individuals and small groups of citizens whom politicians know to be highly responsive to such side-payments and willing to surrender their vote for the right price.’⁸⁶ Therefore, the term clientelism includes issues such as vote-buying and patronage. Authors such as Robinson and Verdier in ‘The Political Economy of Clientelism’, also amalgamate the terms clientelism and patronage.⁸⁷

1.3.1. Definition and Characteristics of Clientelism

Clientelism refers to a system of political exchange in which politicians offer goods and services in exchange for electoral support. As Robinson and Verdier explain, the phenomenon is based on relationships of reciprocity and dependence, where politicians seek

⁸⁴ Brian M. Faughnan, Jonathan T. Hiskey, and Scott D. Revey, ‘Subnational Electoral Contexts and Corruption in Mexico’, *Journal of Politics in Latin America*, 6.1 (2014), 115–142.

⁸⁵ Susan C. Stokes, Thad Dunning, Marcelo Nazareno, and Valeria Brusco, *Brokers, Voters, and Clientelism: The Puzzle of Distributive Politics* (Cambridge: Cambridge University Press, 2013), pp. 262–267.

⁸⁶ Herbert Kitschelt and Steven I. Wilkinson (eds), *Patrons, Clients, and Policies: Patterns of Democratic Accountability and Political Competition* (Cambridge: Cambridge University Press, 2007), p. 2.

⁸⁷ James A. Robinson and Thierry Verdier, ‘The Political Economy of Clientelism’, *The Scandinavian Journal of Economics*, 115.2 (2013), 260–291.

to secure their power through the loyalty of their clients⁸⁸. According to Hickens, Clientelism can be seen as a strategy for electoral mobilisation, especially in contexts where democratic institutions are weak and political competition is intense.⁸⁹

Kitschelt and Wilkinson observe that a key characteristic of clientelism is that it operates within a legal framework and, in some cases, may be considered legitimate from a political perspective. Politicians may use public resources to benefit a specific group of voters, which can be interpreted as a form of political representation⁹⁰. In this sense, clientelism can be seen as a response to voters' needs in contexts where public policies are insufficient or non-existent.

On the other hand, corruption is defined as the abuse of power for private gain, including bribery, embezzlement, and nepotism.⁹¹ Unlike clientelism, corruption involves a violation of legal and ethical norms, and its main objective is personal enrichment at the expense of the public interest. Klitgaard stresses that corruption undermines trust in institutions and can have devastating effects on a country's economic and social development.⁹²

The key differences between clientelism and corruption can be observed in several fundamental aspects. First, the relationship between the politician and the voter is distinct. In clientelism, this relationship is based on an explicit exchange of benefits for electoral support. In contrast, corruption involves an abuse of power, where the official acts for personal benefit without an explicit agreement with citizens.

Second, the legitimacy of these practices varies significantly. Clientelism may be considered a legitimate political practice in specific contexts, while corruption is illegal and dishonest.

Finally, the impact on governance also differs between the two phenomena. Although clientelism may perpetuate opaque political practices, it does not necessarily undermine the

⁸⁸ Susan C. Stokes, Thad Dunning, Marcelo Nazareno, and Valeria Brusco, *Brokers, Voters, and Clientelism: The Puzzle of Distributive Politics* (Cambridge: Cambridge University Press, 2013), p. 2.

⁸⁹ Allen Hicken, 'Clientelism', *Annual Review of Political Science*, 14.1 (2011), 289–310.

⁹⁰ Herbert Kitschelt and Steven I. Wilkinson (eds), *Patrons, Clients, and Policies: Patterns of Democratic Accountability and Political Competition* (Cambridge: Cambridge University Press, 2007), p. 8.

⁹¹ Transparency International, *Corruption Perceptions Index 2020* (2021) <https://www.transparency.org/en/> [accessed 2 April 2025].

⁹² Robert Klitgaard, *Controlling Corruption* (Berkeley: University of California Press, 1988), p. 3.

institutional structure like corruption. Morris and Klesner claim that the latter can dismantle public trust and affect government effectiveness, resulting in more severe consequences for governance.⁹³

Although clientelism and corruption may present some similarities, their differences regarding the nature of the relationship, legitimacy, and impact on governance are essential for understanding their functioning in the political sphere.

Despite these differences, it is essential to recognise that clientelism and corruption can coexist and, in some cases, feed into each other. In contexts where institutions are weak, clientelism can become a vehicle for corruption, as politicians may use public resources to secure loyalties through corrupt practices.⁹⁴ However, this does not imply that clientelism itself is corrupt; rather, it is a phenomenon that can be exploited in contexts of corruption.

Clientelism and corruption are distinct phenomena that, although they may coexist, operate according to different logics. Clientelism is based on political exchange relationships and may be considered legitimate in specific contexts, while corruption is characterised by the abuse of power for personal gain. Recognising these differences is fundamental to effective political analysis and public policy formulation.

Although both phenomena often coexist and reinforce each other, they are not inherently the same. Clientelism, in its strictest definition, refers to the targeted distribution of resources, such as appointments, subsidies, or services, in exchange for political support. Provided such exchanges occur transparently and within the confines of institutional and legal frameworks, they may not constitute corruption. A frequently cited example is Japan, where clientelist mechanisms have historically shaped electoral dynamics through regional patronage and constituency service. Despite these practices, Japan maintains a low level of perceived corruption, due in part to strong institutional oversight, legal predictability, and systemic

⁹³ Stephen D. Morris and Joseph L. Klesner, 'Corruption and Trust: Theoretical Considerations and Empirical Evidence from Mexico', *Comparative Political Studies*, 43.10 (2010), 1255–1278.

⁹⁴ Anna Persson, Bo Rothstein, and Jan Teorell, 'Why Anticorruption Reforms Fail: Systemic Corruption as a Collective Action Problem?', *Governance*, 26.3 (2013), 449–471.

coherence. This illustrates that clientelism can, under certain conditions, operate as a strategic governance tool without compromising the integrity of the rule of law.⁹⁵

However, in cases such as Ukraine, where clientelist arrangements are deeply embedded in political authority and the same politicians are accountable both to the electorate and to business elites, the theoretical boundary between corruption and clientelism begins to blur. The clientelist relation co-exists with the Principal-Agent model.

1.3.2. Classic Clientelism

Classic clientelism is a political phenomenon that manifests through a system of exchange, in which politicians offer material benefits or services in exchange for electoral support. This type of relationship is based on creating networks of loyalty and dependence, where the politician, known as the ‘patron’, provides resources to their followers in exchange for votes and support at critical moments. In the Ukrainian context, clientelism has evolved and intertwined with more complex forms of corruption, which have profound implications for the country's politics and society.

In its most basic form, clientelism is characterised by a direct exchange: the politician offers tangible benefits, such as employment, access to public services, or even money, in exchange for loyalty and votes. This system creates a relationship of dependence, in which citizens, often in situations of economic vulnerability, are forced to accept these exchanges to meet their basic needs. In Ukraine, where poverty and inequality have been persistent issues, this phenomenon has found fertile ground for its development.

While there is a wide variety of studies on clientelism across various disciplines, we have chosen to focus on the works of Lindberg, Lo Bue, and Sen’s *Clientelism vs. Corruption*⁹⁶

⁹⁵ Haruhiro Fukui and Shigeko N. Fukai, ‘Pork Barrel Politics, Networks, and Local Economic Development in Contemporary Japan’, in *The Japanese Economy and Economic Issues since 1945*, ed. by Edward R. Beauchamp (London: Routledge, 2021), 254–272.

⁹⁶ Staffan I. Lindberg, Maria C. Lo Bue, and Kunal Sen, ‘Clientelism, Corruption and the Rule of Law’, *World Development*, 158 (2022), 105989 <https://doi.org/10.1016/j.worlddev.2022.105989>, pp. 1

and Roniger's *Clientelism, Democracy, and Market Economy*⁹⁷ due to their relevance and depth in analysing this political phenomenon. These authors have been selected for their ability to address both the classic characteristics of clientelism and its evolution in contemporary contexts, providing a solid theoretical framework that helps to understand how these practices manifest in different societies. Their research offers a robust empirical foundation and sheds light on the implications of clientelism for governance and democracy, which is crucial for our understanding of the topic. Clientelism, as a political phenomenon, has been studied in various disciplines, including political science, sociology, and anthropology.

Classic clientelism is an asymmetric relationship between patrons and clients, where the former offer resources and benefits in exchange for political support. Lindberg et al. describe political clientelism as a strategic exchange of material goods for electoral support, highlighting that this phenomenon has been extensively documented in case studies in developing countries.⁹⁸ This relationship implies mediated and selective access to resources, where clients depend on the goodwill of patrons⁹⁹.

Since the 1980s, the persistence of clientelism in various societies has been recognised, despite political and economic modernisation processes. Lindberg et al. argue that clientelism is associated with worse governance outcomes, including increased corruption and a weakening of the rule of law.¹⁰⁰ This phenomenon manifests through vote-buying practices and clientelist links between parties and their voters, where the delivery of goods and services becomes an electoral strategy.¹⁰¹

Roniger complements this view by noting that while clientelism may be seen as a vestige of traditional societies, its adaptation to modern contexts suggests that it is not destined to

⁹⁷ Luis Roniger, 'Political Clientelism, Democracy, and Market Economy', *Comparative Politics*, 36.3 (2004), 353–375.

⁹⁸ Staffan I. Lindberg, Maria C. Lo Bue, and Kunal Sen, 'Clientelism, Corruption and the Rule of Law', *World Development*, 158 (2022), 105989 <https://doi.org/10.1016/j.worlddev.2022.105989>, pp. 1

⁹⁹ Luis Roniger, 'Political Clientelism, Democracy, and Market Economy', *Comparative Politics*, 36.3 (2004), 353–375, pp. 373.

¹⁰⁰ Staffan I. Lindberg, Maria C. Lo Bue, and Kunal Sen, 'Clientelism, Corruption and the Rule of Law', *World Development*, 158 (2022), 105989 <https://doi.org/10.1016/j.worlddev.2022.105989>, pp. 2

¹⁰¹ *Ibid.* pp. 3

disappear. Instead, it has transformed and found new forms of expression in contemporary democracies.¹⁰² This transformation implies that clientelism can coexist with democratic practices, although it often undermines accountability and institutional integrity.¹⁰³

1.3.3. Common Ground and New Forms of Clientelism

Both texts highlight the importance of common ground in understanding clientelism. Lindberg et al. emphasise that clientelist practices can vary significantly between regions and contexts, suggesting that clientelism is not a monolithic phenomenon but adapts to local dynamics.¹⁰⁴ For example, in Latin America, clientelism has evolved to include support networks that transcend individual relationships and become community organisations seeking access to public resources.¹⁰⁵

Recent literature also suggests that clientelism can be seen as a political mobilisation strategy that, while particularistic, can respond to collective demands in contexts of inequality and exclusion.¹⁰⁶ This implies that while clientelism may perpetuate unequal power structures, it can also offer a pathway for marginalised groups to access resources and services.

Clientelism, in its various forms, remains a relevant phenomenon in contemporary political analysis. Both Lindberg et al. and Roniger agree that clientelism not only persists but also adapts to the changing conditions of modern societies. Understanding clientelism requires an approach that recognises its complexity and ability to interact with democratic and market dynamics. Ultimately, the study of clientelism must go beyond the dichotomy between the classic and the modern, exploring how these practices intertwine with contemporary social and political structures.

¹⁰² Luis Roniger, 'Political Clientelism, Democracy, and Market Economy', *Comparative Politics*, 36.3 (2004), 353–375, pp. 354.

¹⁰³ *Ibid.*, pp. 355

¹⁰⁴ Staffan I. Lindberg, Maria C. Lo Bue, and Kunal Sen, 'Clientelism, Corruption and the Rule of Law', *World Development*, 158 (2022), 105989 <https://doi.org/10.1016/j.worlddev.2022.105989>, pp. 4

¹⁰⁵ Luis Roniger, 'Political Clientelism, Democracy, and Market Economy', *Comparative Politics*, 36.3 (2004), 353–375, pp. 358.

¹⁰⁶ *Ibid.* pp. 359

1.3.4. Impact of Clientelism on Governance

It is essential to understand that clientelism is not just an isolated political phenomenon; it also reflects broader social and cultural dynamics. In Ukraine, the history of political instability, the transition from an authoritarian regime to a democratic one, and the influence of oligarchs have shaped a context in which clientelism has normalised. Academic literature suggests that poverty and inequality have fuelled this phenomenon, leading many citizens to accept corrupt practices as a means of survival. In an environment where opportunities are limited, clientelism (co-existing with corruption) becomes an adaptation strategy for those seeking to improve their situation.¹⁰⁷

According to Zadorozhna, clientelism in Ukraine is not limited to simple vote-buying; it has evolved into a more complex system that includes institutionalised corrupt practices. As politicians are forced to maintain their power in a competitive environment, they resort to clientelist tactics that may include manipulating state resources, distributing public contracts in exchange for electoral support, and creating clientelist networks that ensure long-term loyalties. This phenomenon has contributed to the perpetuation of a cycle of corruption that undermines trust in democratic institutions and limits economic development.¹⁰⁸

The consequences of classic clientelism in Ukraine are profound and multifaceted. First, this system erodes accountability and transparency in governance, as politicians are incentivised to prioritise their clientelist networks over the public interest. Second, clientelism perpetuates inequality, as benefits are distributed unevenly, favouring those within clientelist networks and marginalising those without access to them. This creates a cycle of exclusion that limits political participation and citizen empowerment.

1.4. Rational Actor Approach vs. Cultural Explanation

Corruption is a complex phenomenon that can be analysed from multiple theoretical perspectives. Two of the most prominent are the rational actor approach and cultural

¹⁰⁷ Ararat Osipian, *Corruption and Reform in Higher Education in Ukraine*, *Canadian and International Education Journal*, 38:2 (2009), pp. 104–22

¹⁰⁸ O. Zadorozhna, *Clientelism and Land Market Outcomes in Ukraine*, Working Paper (2020).

explanation. Rose-Ackerman suggests that each of these approaches offers a unique lens through which corrupt behaviour can be understood, and their interaction is crucial for a deeper understanding of corruption in specific contexts, such as that of Ukraine.¹⁰⁹

The rational actor approach assumes that individuals make decisions logically and calculatedly to maximise their personal benefits. As Becker explains, this approach is grounded in economic theory and the idea that actors are autonomous agents who evaluate costs and benefits before acting.¹¹⁰ Individuals may engage in corrupt acts if they perceive that the benefits (e.g., financial gains, power, or influence) outweigh the costs (such as the risk of being caught and potential penalties).

This approach is particularly relevant in environments where institutions are weak or ineffective. In such contexts, according to Mauro, corruption can be seen as a rational strategy for navigating a system that does not provide adequate incentives for ethical behaviour.¹¹¹ For example, suppose a public official perceives that the likelihood of being sanctioned for corrupt acts is low and that the benefits of corruption are high. In that case, they are likely to decide to act corruptly.

On the other hand, cultural explanation focuses on how norms, values, and social beliefs influence individual behaviour. This approach suggests that corruption results from rational individual decisions and is deeply rooted in a country's political and social culture, as Huntington claims.¹¹² Corrupt practices can become normalised and accepted within certain cultural contexts, leading individuals to act in accordance with these norms, even if they are not rationally beneficial in the long term.

As Kuzio further explains, Ukraine's political culture has been marked by a history of corruption and clientelism, where networks of loyalty and personal relationships often prevail

¹⁰⁹ Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform* (Cambridge: Cambridge University Press, 1999).

¹¹⁰ Gary S. Becker, 'Crime and Punishment: An Economic Approach', *Journal of Political Economy*, 76.2 (1968), 169–217.

¹¹¹ Paolo Mauro, 'Corruption and Growth', *Quarterly Journal of Economics*, 110.3 (1995), 681–712.

¹¹² Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968).

over formal institutions.¹¹³ This means that even if an individual knows that corruption is morally wrong, they may feel compelled to participate due to social pressures or cultural expectations. According to Spector, corruption can be seen as a form of ‘doing business’ legitimised over time, complicating the eradication of these practices.¹¹⁴

Literature suggests that both approaches are relevant in the Ukrainian context and should be considered complementarily. Pope claims that corruption can be viewed as a rational decision in an environment where institutions are weak, but it is also deeply rooted in the country's political and social culture.¹¹⁵ This duality implies that any attempt to address corruption in Ukraine must recognise the rational incentives that lead individuals to act corruptly and the cultural norms perpetuating these practices.

For example, institutional reforms to strengthen laws and regulations may effectively reduce corruption if implemented in a context where cultural norms that allow and justify corruption are challenged and changed. This could include awareness campaigns promoting ethics and transparency, and creating spaces where citizens can actively monitor corruption.¹¹⁶

¹¹³ Taras Kuzio, *Ukraine: Democratization, Corruption, and the New Russian Imperialism* (Santa Barbara, CA: Praeger/Bloomsbury Academic, 2015).

¹¹⁴ Brett Spector, ‘Corruption in Ukraine: A Historical Perspective’, *Ukrainian Journal of Political Science*, 1.1 (2016), 23–44.

¹¹⁵ Jeremy Pope, *Confronting Corruption: The Elements of a National Integrity System* (Berlin: Transparency International, 2000).

¹¹⁶ International Anti-Corruption Academy, *Corruption and Integrity in Public Administration: A Comparative Study* (2017) <https://www.iaca.int/> [accessed 2 April 2025].

1.5. Cultural Issues in Corruption.

N. Vasylenko claims cultural issues are fundamental and must be considered when analysing corruption.¹¹⁷ Cultural and social norms shape attitudes toward corruption and influence how this phenomenon is perceived and responded to. By exploring how these cultural dimensions impact corruption, new perspectives can be gained that enrich our understanding of the problem and offer more effective approaches to address it.

From D. Zaum's, Ch. Cheng's¹¹⁸ and A. O. Kryvtsov's¹¹⁹ perspective, the importance of social norms in shaping attitudes toward corruption is emphasised. In many cultures, corruption can be normalised or even accepted as necessary to achieve personal or professional goals. This acceptance may be rooted in a history of distrust toward institutions, where individuals must resort to corrupt practices to obtain their rights. In this sense, culture can facilitate corruption, perpetuating a cycle in which corrupt practices become the norm rather than the exception. Zaum notes, '*the authority of international administrations is weakened due to their practices, as there is no obligation to be accountable and limited effectiveness in governance*'.¹²⁰ This highlights the critical role that cultural perceptions play in the effectiveness of anti-corruption measures.

¹¹⁷ Nadiia Vasylenko, 'Механізми публічного управління та адміністрування у системі професійної (професійно-технічної) освіти в умовах сталого розвитку' (*Mekhanizmy publichnoho upravlinnia ta administruvannia u systemi profesiinoi (profesiino-tekhnichnoi) osvity v umovakh staloho rozvytku – Mechanisms of Public Governance and Administration in the System of Vocational (Vocational-Technical) Education under Conditions of Sustainable Development*), *Naukovyi Visnyk Vinnytskoi Akademii Bezperervnoi Osvity. Seriia: Ekolohiia. Publichne Upravlinnia ta Administruvannia*, 2.6 (2024), 91–96.

¹¹⁸ Dominik Zaum and Christine Cheng (eds), *Corruption and Post-Conflict Peacebuilding: Selling the Peace?* (London: Routledge, 2012).

¹¹⁹ A. O. Kryvtsov, 'The Role of Assistants-Consultants of Deputies of Local Councils in the Development of Local Self-Government in the Conditions of Martial Law on the Example of the City of Mykolaiv', in *The Role of Legal Science in Establishing a New World Order in Wartime and Post-War Period*, International Scientific Conference Proceedings, Riga, Latvia, July 29–30, 2022 (Riga: Baltija Publishing, 2022).

¹²⁰ Dominik Zaum, 'The Authority of International Administrations in International Society', *Review of International Studies*, 32.3 (2006), 455–473.

On the other hand, Allern, Hansen, Marshall, and Otjes¹²¹, offer a perspective that underscores the importance of cultural identities and how they influence the perception of corruption. The same issue is further developed by Sokolov.¹²² In contexts where cultural identity is strongly tied to loyalty to specific groups, corrupt practices may be seen as a way to protect the community or the group to which one belongs. This can lead to a justification of corruption, where corrupt actions are considered acceptable if they benefit the community, even if they are detrimental to the general well-being. This dynamic can complicate efforts to combat corruption. Allern, Hansen, Marshall, and Otjes suggest that ‘the struggle between parties and organised interests is one of the basic features of democratic politics’¹²³, indicating that the interplay of interests can further entrench corrupt practices within political systems.

Furthermore, cultural issues are also related to education and socialisation.¹²⁴ Younger generations may be influenced by the prevailing cultural norms in their environment, which can affect their perception of corruption and willingness to engage in corrupt practices. If cultural norms promote transparency and accountability, it is more likely that new generations will adopt these attitudes. Conversely, if corruption is seen as acceptable, it will likely persist over time. In this regard, Zaum argues that ‘authority entails the right to

¹²¹ Elin Haugsgjerd Allern, Vibeke Wøien Hansen, David Marshall, and Simon Otjes, ‘Party-Interest Group Ties: The Resource Exchange Model Revisited’, *European Journal of Political Research*, 63.1 (2024), 89–110.

¹²² Viktor Sokolov, ‘Contemporary Bibliology Science in the Practice of the National Libraries of Ukraine’, *Izdatel*, XXVI.1 (2024), 14–38 <https://www.cceol.com/search/article-detail?id=1249399> [accessed 2 April 2025].

¹²³ Elin Haugsgjerd Allern, Vibeke Wøien Hansen, David Marshall, and Simon Otjes, ‘Party-Interest Group Ties: The Resource Exchange Model Revisited’, *European Journal of Political Research*, 63.1 (2024), 89–110.

¹²⁴ Olha O. Malenko, ‘Поетична мова в лінгвістичних концепціях XX ст.: від формалізму до антропоцентризму’ (*Poetychna mova v linhvistychnykh kontseptsiiakh XX st.: vid formalizmu do antropotsentryzmu* – *Poetic Language in Linguistic Concepts of the 20th Century: From Formalism to Anthropocentrism*), *Лінгвістичні дослідження* (*Linhvistychni doslidzhennia* – *Linguistic Studies*), 34 (2012), 157–166.

be obeyed within the scope of its rules'¹²⁵, suggesting that education and socialisation are crucial for establishing cultural norms that discourage corruption.

In this context, it is essential to consider how cultural interventions can be part of a broader strategy to combat corruption. Promoting a culture of integrity and accountability can effectively change the social and cultural norms that allow corruption.¹²⁶ This may include awareness campaigns, civic education, and the promotion of role models who embody values of transparency and ethics. As Zaum concludes, referring to the developing democracies in the state-building process *'One of the characteristics of international administrations is that they have a distinct spatial identity separate from the communities which they govern. They are not elected by the local community but established by outside institutions, (...) the international presence (...) does not depend in any meaningful way on local consent or ownership.'*¹²⁷, emphasising the need for a cultural shift to support anti-corruption efforts.

1.6. Typology of Corruption

It is crucial to reflect on the various forms that corruption can take and on which actions should be classified as corrupt and which should not. This reflection is fundamental to understanding the phenomenon's complexity and developing effective prevention and combat strategies.^{128 129} Consequently, it is essential to consider how corruption could be divided into different categories. Several authors, e.g., Mauro¹³⁰ and Peters¹³¹, have proposed different

¹²⁵ Dominik Zaum, *The Sovereignty Paradox: The Norms and Politics of International Statebuilding* (Oxford: Oxford University Press, 2007).

¹²⁶ Kateryna Sochka, Nick Palinchak, Olexandr Bobryk, and Bohdan Andriiv, 'Local Budgets in the Context of Decentralization Processes in Ukraine', in Scientific Collection «InterConf», Proceedings of the 4th International Scientific and Practical Conference «Scientific Trends and Trends in the Context of Globalization», Umeå, Sweden, 19–20 August 2022, ed. by Anna Svoboda, no. 121 (Umeå: Mondial, 2022), pp. 38–49.

¹²⁷ Dominik Zaum, *The Sovereignty Paradox: The Norms and Politics of International State-building* (Oxford: Oxford University Press, 2007).

¹²⁸ Robert Klitgaard, *Controlling Corruption* (Berkeley: University of California Press, 1991).

¹²⁹ Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform* (Cambridge: Cambridge University Press, 1999).

¹³⁰ Paolo Mauro, 'Corruption and Growth', *Quarterly Journal of Economics*, 110.3 (1995), 681–712.

classifications, each offering a unique perspective. Examining the most relevant ideas will give a more holistic and comprehensive picture of corruption in its manifestations

The following subsection will describe four main typologies of corruption: petty and grand corruption, the distinction between bureaucratic and political corruption, the separation between economic and political corruption, and the differentiation between corruption in the public and private sectors. Each category offers a conceptual framework that helps understand the dynamics and contexts in which corruption manifests.

- **Petty and Grand Corruption:** This classification refers to the magnitude and impact of corrupt actions. Stevenson states that petty corruption, often associated with everyday practices, involves bribes or favours that, while illegal, have a limited effect on the power structure and society's life.¹³² For example, paying bribes to obtain a public service may be considered petty corruption. In contrast, grand corruption involves corruption that significantly affects institutions and governance, such as the large-scale diversion of public funds or the manipulation of government contracts. According to Tanzi, this type of corruption can have devastating consequences for a country's economic and social development, eroding public trust and weakening institutions.¹³³
- **Bureaucratic and Political Corruption:** This typology focuses on the context of corruption. Lambsdorff explains that bureaucratic corruption refers to corrupt practices within public administration, where officials use their position to obtain personal benefits by manipulating administrative procedures.¹³⁴ On the other hand, political corruption involves using political power to obtain benefits, whether through vote-buying, nepotism, or the manipulation of public policies in favour of particular interests. Both forms of corruption can interrelate, as a corrupt political environment can facilitate bureaucratic corruption.

¹³¹ B. Guy Peters, *The Politics of Corruption in the Modern World* (London: Routledge, 2018).

¹³² Jakob Svensson, 'Eight Questions About Corruption', *Journal of Economic Perspectives*, 19.3 (2005), 19–42.

¹³³ Vito Tanzi, *Corruption Around the World: Causes, Consequences, Scope, and Cures*, IMF Working Paper WP/98/106 (Washington, DC: International Monetary Fund, 1998) <https://www.imf.org/external/pubs/ft/wp/wp98106.pdf> [accessed 2 April 2025].

¹³⁴ Johann Graf Lambsdorff, *The Institutional Economics of Corruption and Reform: Theory, Evidence, and Policy* (Cambridge: Cambridge University Press, 2007).

- **Economic and Political Corruption:** This classification highlights the intersection between corruption and the economic sphere. According to Mauro, economic corruption is a practice that affects the market and the economy, such as money laundering, tax evasion, or price manipulation¹³⁵. These actions harm the economy and create an environment of unfair competition. On the other hand, political corruption refers to the manipulation of political processes to benefit certain economic actors, which may include illegal campaign financing or the awarding of public contracts in exchange for favours. This interrelationship between the economy and politics underscores the complexity of corruption and its ability to infiltrate multiple levels of society.
- **Corruption in the Public and Private Sectors:** This typology focuses on how corruption manifests. Peters suggests that corruption in the public sector involves officials and government agents who abuse their power for personal gain.¹³⁶ This may include practices such as bribery, embezzlement, and nepotism. In contrast, corruption in the private sector refers to corrupt practices in the business sphere, such as bribing public officials to obtain contracts or manipulating financial information. Both forms of corruption can have detrimental effects on the economy and public trust, and they often intertwine, as corrupt practices in the private sector can influence bribery in the public sector and vice versa.

In addition to these four main typologies, other notable concepts regarding alternative typologies deserve mention. For example, some authors have proposed classifications based on the motivation behind corruption, differentiating between corruption out of necessity and corruption out of greed¹³⁷. Systemic corruption has also been discussed, referring to an environment in which corruption is so entrenched in institutions that it becomes an accepted norm. These alternative typologies enrich the analysis of corruption and allow for a deeper understanding of its causes and consequences.

¹³⁵ Paolo Mauro, 'Corruption and Growth', *Quarterly Journal of Economics*, 110.3 (1995), 681–712.

¹³⁶ B. Guy Peters, *The Politics of Corruption in the Modern World* (London: Routledge, 2018).

¹³⁷ Transparency International, *Corruption Perceptions Index 2019* (2019) <https://www.transparency.org/en/cpi/2019/index/nzl> [accessed 2 April 2025].

1.6.1. Scale of Corruption

Corruption can be divided depending on the scale of its occurrence. The phenomenon can be classified as grand or petty corruption. Such a division has been suggested by Joel Hellman, Geraint Jones, and Daniel Kaufmann¹³⁸, as well as by Behzad Mashali¹³⁹. Grand corruption refers to acts perpetrated at the highest levels of state authorities or other types of elites, including CEOs of multinational corporations (in the case of the broader definition), to which ordinary people have little or no access. They could, for example, be concerned with introducing legislation that changes existing laws for the benefit of a defined group of people. On the other hand, acts of petty corruption frequently appear in everyday life. Health and education are the most vulnerable sectors given this latter type of corruption.

Measuring petty corruption is much more difficult than measuring grand corruption because the former far exceeds the latter in frequency, i.e., in the number of incidents and forms it takes. The value of individual bribes paid on these occasions is insignificant compared to the financial flows during acts of grand corruption. However, the significant scale of petty bribery and the number of incidents can also contribute to enormous damage.

For example, Abel Polese¹⁴⁰ investigates the health sector in Ukraine, which is particularly fragile. He specifically focuses on minor corrupt activities, such as offering even small valuable items as gifts in exchange for medical attention. The author attempts to demonstrate that *quid pro quo* does not have to be calculated in terms of money. However, it remains necessary for medical services to be provided, even though they should be free according to the law. These gifts are often not considered bribes by the donor and recipient. On the contrary, they are the result of certain unwritten traditions. In the end, these may be regarded as incidental acts of corruption. However, since the phenomenon has become a national custom and refusal to practice it may result in restricting medical service provision, it

¹³⁸ Joel S. Hellman, Geraint Jones, and Daniel Kaufmann, *Seize the State, Seize the Day: State Capture, Corruption, and Influence in Transition*, World Bank Policy Research Working Paper No. 2444 (Washington, DC: World Bank, 2000).

¹³⁹ Behzad Mashali, 'Analysing the Relationship between Perceived Grand Corruption and Petty Corruption in Developing Countries: Case Study of Iran', *International Review of Administrative Sciences*, 78.4 (2012), 775–787.

¹⁴⁰ Abel Polese, 'Informal Payments in Ukrainian Hospitals: On the Boundary between Informal Payments, Gifts, and Bribes', *Anthropological Forum*, 24.4 (2014), 381–395.

resembles more institutionalised corruption, as Maciej Tyminski and Piotr Korys defined.¹⁴¹ The book *Health Care Delivery System: Ukraine* by Olena Hankivsky and Anna Vorobyova's work provides further evidence of these practices.¹⁴²

Many other authors have also researched the scale of corruption. They include J. Noonan, who develops the issue of petty corruption focusing on bribes, which are organised in a different form than money (for example, some other form of gratitude, which in some cultures is acceptable and not considered acts of corruption, as long as they are not perceived as *quid pro quo*). On the other hand, Zohal Hessami in *Political Corruption, Public Procurement, and Budget Composition: Theory and Evidence from OECD Countries*¹⁴³ claims that public procurement is the most dangerous sector where grand corruption can appear. Corruption is more likely to occur when procurement law is unclear and complex, and information about public spending is not available. Åse B. Grødeland and Aadne Aasland, who specialise in post-communist states, also confirm this theory.¹⁴⁴

1.6.2. Street, Bureaucratic, and Political Corruption

Maciej Tyminski and Piotr Korys in *Faces of Corruption: Phenomenon, Effects, and Prevention Methods*¹⁴⁵ also make their own classification of corruption. They suggest dividing the phenomenon into street-level corruption, which refers to officials, such as police officers, teachers, or doctors, with whom ordinary citizens are likely to have daily contact (generally acts of petty corruption); political corruption, which involves politicians

¹⁴¹ Michał Tyminski and Piotr Koryś, *Oblicza korupcji: Zjawisko, skutki i metody przeciwdziałania (Faces of Corruption: Phenomenon, Effects and Methods of Counteracting)* (Warsaw: Wydawnictwo Naukowe PWN, 2018).

¹⁴² Olena Hankivsky and Anna Vorobyova, *Health Care Delivery System: Ukraine* (Hoboken: John Wiley and Sons, 2014).

¹⁴³ Zohal Hessami, 'Political Corruption, Public Procurement, and Budget Composition: Theory and Evidence from OECD Countries', *European Journal of Political Economy*, 34 (2014), 372–389.

¹⁴⁴ Åse Berit Grødeland and Aadne Aasland, 'Fighting Corruption in Public Procurement in Post-Communist States: Obstacles and Solutions', *Communist and Post-Communist Studies*, 44.1 (2011), 17–32.

¹⁴⁵ Michał Tyminski and Piotr Koryś, *Oblicza korupcji: Zjawisko, skutki i metody przeciwdziałania (Faces of Corruption: Phenomenon, Effects and Prevention Methods)* (Warsaw: Wydawnictwo Naukowe PWN, 2018).

responsible for decisions relevant to the state, such as legislators or representatives of the executive power; and finally, bureaucratic corruption, which consists of the participation of mid-level officials whose decision-making capacity is of lesser importance. The boundaries between these types of corruption are very blurred. This typology slightly overlaps with the one described earlier. Many other authors also follow the same idea. For example, Rasma Karklins¹⁴⁶ uses a similar division. She also classifies corruption in everyday relationships with officials, interactions within the public institution of medium importance, and the so-called ‘state capture’, which depends on persuasion in political institutions.

This term is also used by Joel Hellman, Geraint Jones, and Daniel Kaufmann¹⁴⁷ and is understood as a scale of corruption that allows an interest group to influence the functioning of the entire state. Undoubtedly, it is a form of grand corruption. Furthermore, the authors extend to include the lobbying process, which is not a commonly adopted approach. The opposite form of corruption used by the authors, as mentioned above, is the so-called administrative or bureaucratic corruption, which also impacts decision-making but at a lower level of administration. Therefore, the division between political and bureaucratic corruption constitutes an additional development of the study on petty and grand corruption. Other authors who support this theory, such as Inge Amundsen in ‘Political Corruption: An Introduction to the Issues’,¹⁴⁸ often assert that such typology seems to be more practical for investigating corruption than the basic terms of grand and petty corruption, as, in addition to the size of corrupt acts, they also define the possible political and, if analysed further, economic consequences of dishonest acts.

¹⁴⁶ Rasma Karklins, *The System Made Me Do It: Corruption in Post-Communist Societies* (Polish edn: *Wszystkiemu winien system. Korupcja w krajach postkomunistycznych*) (Warsaw: Wydawnictwo SIC, 2009).

¹⁴⁷ Joel S. Hellman, Geraint Jones, and Daniel Kaufmann, *Seize the State, Seize the Day: State Capture, Corruption, and Influence in Transition*, World Bank Policy Research Working Paper No. 2444 (Washington, DC: World Bank, 2000) https://papers.ssrn.com/sol3/papers.cfm?abstract_id=240555 [accessed 2 April 2025].

¹⁴⁸ Inge Amundsen, *Political Corruption: An Introduction to the Issues*, CMI Working Paper WP 1999:7 (Bergen: Chr. Michelsen Institute, 1999) <https://www.cmi.no/publications/1040-political-corruption> [accessed 2 April 2025].

1.6.3. Political and Economic Corruption

Michael Johnston proposed the most complex typology in *Syndromes of Corruption: Wealth, Power, and Democracy*.¹⁴⁹ He believes that different states worldwide have developed different types of corruption, as they have been constantly influenced by various stimuli (including political, economic, and cultural). He claims that each state has a sui generis type of corruption. However, to facilitate the perception of the problem, the author generalises them into four types: Influence Markets, Elite Cartels, Oligarchs and Clans, and Official Magnates. He then assigns these syndromes to countries that meet predefined conditions in his research. Although they possess many different characteristics, Johnston particularly emphasises the following:

- Full democracies, liberalised and open markets, strong formal institutions, broad public participation (for Influence Markets);
- Consolidating and reforming democracies, generally new democracies, reforming markets, medium-strength formal institutions; moderate public participation (for Elite Cartels);
- Transitional regimes, newly opened markets, weak institutions, minimal public participation (for Oligarchs and Clans);
- No democracy, newly opened markets, weak institutions, and centralised power in the hands of magnates; public participation is de facto nonexistent (for Official Magnates).

Michael Johnston analyses the similarities in the causes and development of corruption within the states classified in each category, treating them as four separate case studies. One of his main conclusions is that, in the fight against corruption, it is vital to maintain the right balance between functioning institutions and public participation. An incorrect balance contributes to developing all corruption syndromes, although they have crucial differences.

¹⁴⁹ Michael Johnston, *Syndromes of Corruption: Wealth, Power, and Democracy* (Cambridge: Cambridge University Press, 2005).

1.6.4. Corruption in the Private Sector

Looking from a broader perspective (according to the wider definition of TI) allows for dividing the phenomenon into corruption of state administration towards businesses (where a state official or a group of them is involved) and business-to-business corruption. Jacek Bil further develops this argument in *Corruption in the Private Economic Sector*.¹⁵⁰ The author asserts that the exclusive private sector should also be included in the corruption investigation, in addition to the classic relationships between politicians and businesses. He provides supporting evidence on why the omission of the private sector could lead to erroneous conclusions.

The author conducts his research in Poland, where the private sector generates up to 75% of GDP. Ukraine is a neighbouring country with approximately the same population size. It is less affluent. According to TI, the corruption in Ukraine is more endemic. However, both countries share many similarities. Their entry into the free market economy after the fall of communism was reflected in multiple analogies in the political system of both countries. When Ukraine gained independence, the GDP of the two countries was almost at the same level. However, the economic situation in Ukraine began to deteriorate rapidly. Nevertheless, we can assume that the private sector's contribution in Ukraine is also very significant. Therefore, corrupt practices that occur exclusively within private companies (which often constitute a less frequent subject of existing analysis) could cause significantly greater harm to the state than those that occur solely with the participation of public administration.

Bil emphasises that studies on corruption, which may still constitute a niche in sociology, rarely follow the broader definition of the term. They do not consider the private sector despite its evident contribution. He argues that many companies that engage in corrupt acts, which originate exclusively within the private sector, often contribute to the development of larger-scale corruption. For example, companies may wish to establish connections with public services when they grow. In this way, business-to-business corruption sometimes evolves into corruption from business to state administration, i.e., the type of phenomenon that the narrower definition can cover. In such a case, without prior research based on the broader definition, discovering the actual causal mechanisms will not be feasible.

¹⁵⁰ Jacek Bil, 'Korupcja w prywatnym sektorze gospodarczym' (*Corruption in the Private Economic Sector*), WSPol, 2015.

The process is quite simple. For example, two companies wish to eliminate competition through collusion. They succeed, and having done this, they seek the support of local administration (offering relevant bribes) to expand their range of activities. These incidents have been common in Central, Eastern, and Southeastern Europe over the last thirty years, particularly in the 1990s, where centrally planned economies quickly transformed into free markets. Sandholtz and Taapega¹⁵¹ emphasise that the common (re)privatisation created enormous opportunities, leading to a large number of corrupt acts, which involved both state administration to business and business-to-business relationships. Particularly because public institutions frequently use the services of subcontracted private companies, which fulfil their responsibilities to reduce costs. On the other hand, more neoliberal states allow private companies to handle matters that generally fall under the state's responsibility. This includes outsourcing basic services to private hands. According to the broader definition of corruption, including the private sector, some authors, such as J. O'Looney¹⁵², emphasise that corruption is unlikely to decrease if the state adopts a more neoliberal approach. O'Looney concludes that decisive individuals in private companies may also pursue their benefits, rather than the common good, for which they are supposed to be responsible. Furthermore, according to Jacek Bil¹⁵³, the likelihood of corruption occurring may be even greater, as private companies have fewer regulations than the state and have more opportunities to alter existing ones more dynamically if such a need arises. These opinions are also supported by R. La Porta et al.¹⁵⁴, who deny the theory that the state system is the primary driver of corruption. Other authors, including Go Kotera, Keisuke Okada and Sovannroeun Samreth, share a similar view.¹⁵⁵

The third type of corruption indicated by Bil is misconduct that occurs exclusively within the public sector without the private sector being involved. These types of behaviours can frequently occur among representatives of two or more state institutions, who seek to

¹⁵¹ Wayne Sandholtz and Rein Taagepera, 'Corruption, Culture, and Communism', *International Review of Sociology*, 15.1 (2005), 1–20.

¹⁵² John O'Looney, *Outsourcing State and Local Government Services* (1998).

¹⁵³ Jacek Bil, 'Korupcja w prywatnym sektorze gospodarczym' (*Corruption in the Private Economic Sector*), *WSPol*, 2015

¹⁵⁴ Rafael La Porta, Florencio López-de-Silanes, Andrei Shleifer and Robert W. Vishny, 'The Quality of Government', *Journal of Law, Economics, and Organization*, 15.1 (1999), 222–279.

¹⁵⁵ Go Kotera, Keisuke Okada, and Sovannroeun Samreth, 'Government Size, Democracy, and Corruption: An Empirical Investigation', *Economic Modelling*, 29.6 (2012), 2340–2348.

cooperate but remain independent of each other. The lack of legal transparency is often the cause of such a phenomenon.

1.7. The Triangular Convergence of Corruption and Clientelism in Ukraine

The typologies and theoretical frameworks discussed above offer a rich lens for understanding corruption globally. However, in the case of Ukraine, the interaction between political actors, business elites, and the public forms a more complex structure that demands an integrated analytical approach.

One of the most revealing analytical tools for understanding the mechanics of corruption in Ukraine is a triangular model that merges the Principal-Agent theory with Clientelism theory. In this model, three actors dominate the political system: the Principal (the electorate or public), the Agent/Patron (the politician, typically elected at the local or regional level), and the Client (usually a powerful business actor, often an oligarch). This structure allows for a dynamic in which the politician functions simultaneously as both an agent of the public and a patron to selected business clients, effectively mediating between public trust and private interest.¹⁵⁶

While the Principal-Agent model focuses on the delegation of authority from the public to elected representatives and the risk of moral hazard when agents betray that trust, Clientelism theory describes how those same politicians may create reciprocal relationships with private actors in return for resources, campaign financing, or political support. What distinguishes Ukraine's case is the fusion of these roles. The agent of the people becomes the patron of private elites, establishing corrupt arrangements that bypass institutional norms and exploit state resources.¹⁵⁷

The power relationship between patron and client in this triangular structure can vary. In some cases, the politician may dominate, distributing favours to loyal businesses who

¹⁵⁶ Nico Groenendijk, 'A Principal-Agent Model of Corruption', *Crime, Law and Social Change*, 27 (1997), 207–229.

¹⁵⁷ Adrian Karatnycky, 'Of Oligarchs and Corruption: Ukraine Faces Its Own Demons', *Brookings Institution*, 20 February 2013 <https://www.brookings.edu/articles/of-oligarchs-and-corruption-ukraine-faces-its-own-demons/> [accessed 2 April 2025].

compete for access. In others, the business actor, particularly an oligarch, may dominate, essentially controlling the politician's decisions and threatening their political survival if disobeyed. In many instances, the relationship is one of strategic equality, where both parties benefit equally and knowingly from their collusion, while the public is excluded from meaningful influence. The electorate, in this triangle, remains the Principal, but one who has little or no power to enforce accountability, often unaware of the full extent of betrayal, or resigned to it.

This triangular convergence – agent/patron caught between public and oligarch – is especially pronounced in post-Soviet Ukraine, where weak institutions, economic inequality, and transitional instability facilitated the rise of oligarchic power throughout the 1990s and 2000s. With the election of Viktor Yanukovych, this system reached its peak: political figures no longer simply allied with oligarchs but were often embedded within oligarchic networks, indistinguishable from the business elites themselves. Corruption and clientelism, typically overlapping but still distinct, became functionally indistinct. As a result, attempts to combat corruption through institutional reform were frequently undermined by entrenched clientelist dependencies and a lack of political will.¹⁵⁸

The Collective Action theory helps explain why this triangle has proven so durable. Widespread public disillusionment, lack of faith in institutions, and the belief that 'everyone is corrupt' created a permissive environment. Citizens often became passive participants or reluctant beneficiaries in the system, perpetuating it through resignation or necessity. Thus, even as democratic institutions were formally maintained, the triangular arrangement rendered them hollow, with real power flowing through informal networks of patronage and favour.¹⁵⁹

Understanding this merged triangular structure is crucial for analysing corruption in Ukraine. It reflects not just the failure of accountability, but the systematisation of

¹⁵⁸ Thomas H. Rice, Speedy Rice, Alora Jiang, and Artem Shaipov, '22. Corruption, Ethics and Integrity in Public Administration in Ukraine', in *Handbook on Corruption, Ethics and Integrity in Public Administration*, ed. by Adam Graycar (Cheltenham: Edward Elgar Publishing, 2020), pp. 306–319.

¹⁵⁹ Oksana Huss, 'Continuity and Change of the Social Contract in Ukraine: A View from Within', in *Ukraine's Patronal Democracy and the Russian Invasion*, ed. by Henry E. Hale and Olga Onuch (Budapest: Central European University Press, 2023), pp. 92–112.

corruption and clientelism into a single self-reinforcing model – one that continues to shape Ukraine's political economy well into the post-Yanukovich era.¹⁶⁰

This triangular model, synthesising Principal-Agent dynamics with clientelist exchange and collective inaction, provides a conceptual foundation for understanding corruption within Ukraine's decentralised governance, regional disparities, and oligarchic influence – themes explored in the sections that follow.

1.8. Centralisation/Decentralisation

Centralisation and decentralisation are key concepts in public administration that significantly impact the dynamics of corruption. In the context of Ukraine, these two governance approaches offer different perspectives on how corruption can be managed and combated, and their analysis is essential for understanding the particularities of the phenomenon in various regions of the country.¹⁶¹

Centralisation refers to a system of government in which power and decision-making are concentrated in a central government. In theory, as Fukuyama claims, a strong central government can effectively combat corruption by implementing uniform policies and stricter control mechanisms. Centralisation allows more direct oversight of institutions and a greater capacity to sanction corrupt behaviours.¹⁶² According to Kuzio, a robust central government could establish legal and regulatory frameworks in the Ukrainian context that promote transparency and accountability. Additionally, it could facilitate the creation of anti-corruption bodies that operate in a coordinated manner across the country.¹⁶³

¹⁶⁰ Edward Lough and Volodymyr Dubrovskiy, 'Are Ukraine's Anti-Corruption Reforms Working?', *Chatham House*, 20 July 2018 <https://www.chathamhouse.org/2018/07/are-ukraines-anti-corruption-reforms-working> [accessed 2 April 2025].

¹⁶¹ Pranab K. Bardhan and Dilip Mookherjee (eds), *Decentralization and Local Governance in Developing Countries: A Comparative Perspective* (Cambridge, MA: MIT Press, 2006).

¹⁶² Francis Fukuyama, 'What Is Governance?', *Governance*, 26.3 (2013), 347–368.

¹⁶³ Taras Kuzio, *Ukraine: Democratization, Corruption, and the New Russian Imperialism* (Santa Barbara, CA: Praeger/Bloomsbury Academic, 2015).

However, centralisation can also have disadvantages. Rose-Ackerman suggests that if the central government is perceived as corrupt or ineffective, this can lead to widespread distrust and the perception that corruption is an inevitable phenomenon, which could disincentivise the reporting of corrupt acts.¹⁶⁴ This distrust can undermine the effectiveness of anti-corruption measures and create a culture of impunity.

On the other hand, decentralisation involves the transfer of power and responsibility to lower levels of government. This approach can have both positive and negative effects on corruption. On the one hand, decentralisation can empower local communities, allowing them greater control over their resources and decisions. According to Oates, this can foster accountability, as local officials may be more accessible and accountable to their citizens.¹⁶⁵

However, decentralisation can also increase corruption at the local level. In contexts where local institutions are weak or lack oversight, Fisman and Gatti claim that local officials may abuse their power and engage in corrupt practices without fear of being sanctioned.¹⁶⁶ In Ukraine, where corruption and clientelism have a history, decentralisation could exacerbate these problems without adequate control and transparency mechanisms.¹⁶⁷

It is crucial to consider how these dynamics of centralisation and decentralisation affect corruption in different regions of Ukraine, given the country's significant cultural and political diversity. Kuzio believes that attitudes toward corruption and trust in institutions can vary considerably between regions, influenced by historical, economic, and social factors.¹⁶⁸

Bardhan and Mookheerje suggest that, in some regions where corruption has historically been more tolerated, decentralisation could increase corrupt practices at the local level. In contrast,

¹⁶⁴ Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform* (Cambridge: Cambridge University Press, 1999).

¹⁶⁵ Wallace E. Oates, *Fiscal Federalism* (New York: Harcourt Brace Jovanovich, 1972).

¹⁶⁶ Raymond Fisman and Roberta Gatti, 'Decentralization and Corruption: Evidence across Countries', *Journal of Public Economics*, 83.3 (2002), 325–345.

¹⁶⁷ Jeremy Pope, *Confronting Corruption: The Elements of a National Integrity System* (Berlin: Transparency International, 2000).

¹⁶⁸ Taras Kuzio, *Ukraine: Democratization, Corruption, and the New Russian Imperialism* (Santa Barbara, CA: Praeger/Bloomsbury Academic, 2015).

decentralisation could be seen as an opportunity to improve governance and reduce corruption in areas with a greater demand for transparency and accountability.¹⁶⁹

Thus, the analysis of corruption in Ukraine must consider the governance structure (centralised or decentralised) and the particularities of each region. This includes evaluating local institutional capacity, citizen participation, and political culture. According to Fukuyama, strategies to combat corruption must be tailored to local realities, recognising that an approach that works in one region may not be practical in another.¹⁷⁰

1.9. Subnational Corruption

Subnational corruption is a complex phenomenon that has largely been neglected in the academic literature and political analyses of Ukraine.¹⁷¹ While significant efforts have been made to understand corruption at the national level, the dynamics operating in specific regions of the country require a more detailed and nuanced examination. This approach is crucial, as each region's cultural, social, and economic particularities decisively influence the nature and manifestation of corruption.¹⁷² Cultural and social dynamics at the local level play a fundamental role in shaping corrupt practices. In some regions, corruption may be deeply rooted in traditions and social interactions, where networks of clientelism and nepotism become common and accepted practices.¹⁷³ In this sense, subnational corruption is not merely

¹⁶⁹ Pranab K. Bardhan and Dilip Mookherjee (eds), *Decentralization and Local Governance in Developing Countries: A Comparative Perspective* (Cambridge, MA: MIT Press, 2006).

¹⁷⁰ Francis Fukuyama, 'What Is Governance?', *Governance*, 26.3 (2013), 347–368.

¹⁷¹ M. M. Lutsenko and L. I. Shcherbyna, 'Корупція в Україні: сучасний стан і проблеми протидії' (*Koruptsiia v Ukraini: suchasnyi stan i problemy protyidii – Corruption in Ukraine: Current State and Problems of Counteraction*), *Науковий вісник Міжнародного гуманітарного університету. Серія: Юриспруденція* (*Naukovyi Visnyk Mizhnarodnoho Humanitarnoho Universytetu. Serii: Yurysprudentsiia – Scientific Bulletin of the International Humanitarian University. Series: Jurisprudence*), 15.2 (2015), 142–145.

¹⁷² M. Kravchuk and I. Lavriv, 'Сутність корупції та основні шляхи її подолання' (*Sutnist koruptsii ta osnovni shliakhy yii podolannia – The Essence of Corruption and the Main Ways to Overcome It*), *Актуальні проблеми правознавства* (*Aktualni problemy pravoznavstva – Current Issues of Law*), 3 (27) (2021), 31–36.

¹⁷³ Olena Vasylenko, 'Структура антикорупційної політики держави' (*Struktura antykoruptsiinoi polityky derzhavy – Structure of the State's Anti-Corruption Policy*), 2019.

an administrative problem but is also intertwined with communities' cultural identity and social norms. For example, where distrust towards state institutions is high, corruption may be viewed as necessary to access basic services or obtain justice, perpetuating a vicious cycle of corruption and distrust.¹⁷⁴ Furthermore, corrupt practices can vary significantly between different regions of Ukraine, influenced by political history, local economy, and social structure.¹⁷⁵ In some areas, corruption may manifest through bribery in public administration, while in others it may be more related to manipulating public contracts or embezzlement of funds. This variability suggests that there is no one-size-fits-all solution to addressing subnational corruption; instead, tailored approaches are required to consider each regional context's particularities. The literature also indicates that subnational corruption can be both a reflection and a driver of national-level corruption.¹⁷⁶ Corrupt practices that develop in regions can feed into and reinforce corrupt dynamics at the central level, creating an ecosystem where corruption is normalised and perpetuated. For example, if local authorities are perceived as corrupt, this can erode trust in the national government and foster a culture of impunity that extends to higher levels of public administration. Conversely, national-level corruption can influence local practices, as policies and decisions made at the centre can incentivise corruption in the regions.

¹⁷⁴ A. O. Kryvtsov, 'The Role of Assistants-Consultants of Deputies of Local Councils in the Development of Local Self-Government in the Conditions of Martial Law on the Example of the City of Mykolaiv', in *The Role of Legal Science in Establishing a New World Order in Wartime and Post-War Period: International Scientific Conference Proceedings*, Riga, Latvia, July 29–30, 2022 (Riga: Baltija Publishing, 2022).

¹⁷⁵ V. Zakharii and D. Nikytenko, 'Стан корупції в Україні: загальні тенденції та особливості динаміки' (*Stan koruptsii v Ukraini: zahalni tendentsii ta osoblyvosti dynamiky – The State of Corruption in Ukraine: General Trends and Peculiarities of Dynamics*), *Економіка і регіон (Ekonomika i rehion – Economics and Region)*, 1 (68) (2018), 86–90.

¹⁷⁶ I. M. Koshlata, 'Вплив сільської культури на поширення кумівства та корупції' (*Vplyv silskoi kultury na poshyrennia kumivstva ta koruptsii – The Influence of Rural Culture on the Spread of Cronyism and Corruption*), *Бизнес Информ (Biznes Inform – Business Inform)*, 10 (477) (2017), 20–26.

1.10. Oligarchy in Ukraine

Several authors, such as Judah¹⁷⁷, Wilson¹⁷⁸, and Reid¹⁷⁹, independently present the development of the socio-political situation in Ukraine after it gained independence. The oligarchy in Ukraine has been a determining phenomenon in shaping the political and economic corruption of the country since its independence in 1991. This small group of individuals, who have amassed disproportionate power and wealth, has managed to influence political and economic decisions in ways that favour their interests, often to the detriment of the general welfare of the population.

Ukraine's transition to independence was accompanied by massive privatisation that allowed a limited number of individuals to acquire significant state assets at laughably low prices. This process, conducted in a political and economic instability context, facilitated the creation of an oligarchic group that benefited from privatisation and established significant control over the country's resources. The oligarchs accumulated wealth and became influential political actors by gaining control of strategic sectors such as energy, mining, and agriculture.

The influence of oligarchs in Ukrainian politics manifests through various strategies, including financing political campaigns, creating political parties aligned with their interests, and manipulating legislative processes. This has led to an environment in which political decisions are often dictated by the interests of a few rather than reflecting the needs and desires of the general populace. Academic literature has documented how this dynamic has perpetuated a system of clientelism, where state resources are used to maintain political loyalties and secure voter support in exchange for economic benefits.¹⁸⁰

Oligarchs have established complex networks of clientelism that allow them to maintain their influence and power. These networks secure their position in power and create an environment where corruption becomes the norm. Through these networks, oligarchs can offer favours, jobs, and contracts in exchange for political loyalty, complicating the

¹⁷⁷ Tim Judah, *In Wartime: Stories from Ukraine* (London: Penguin Books, 2016),

¹⁷⁸ Andrew Wilson, *The Ukrainians: Unexpected Nation*, 4th edn (New Haven: Yale University Press, 2015)

¹⁷⁹ Anna Reid, *Borderland: A Journey through the History of Ukraine*, 2nd edn (London: Weidenfeld & Nicolson, 2015),

¹⁸⁰ Heiko Pleines, 'Oligarchs and Politics in Ukraine', *Demokratizatsiya*, 24.1 (Winter 2016), 105–27 (pp. 106–107).

implementation of effective anti-corruption reforms. The interdependence between politicians and oligarchs creates a vicious cycle in which corruption is perpetuated, as politicians rely on oligarchs' resources to fund their campaigns and maintain their power.

The fight against corruption in Ukraine is intrinsically linked to the need to dismantle these oligarchic structures. However, this process is highly complicated. Oligarchs possess economic power and have cultivated strong relationships with state institutions, enabling them to resist reform attempts. Furthermore, leaders' lack of political will to challenge oligarchs has hindered efforts to implement significant changes due to their dependence on the oligarchs' resources and support.¹⁸¹

This oligarchic dominance did not emerge in isolation, but through the co-optation of political figures who simultaneously served as both public agents and private patrons – creating the conditions for Ukraine's triangular system of entrenched corruption.

1.11. The Yanukovich Era: Corruption in Ukraine

According to Taras Kuzio and many other academics, Viktor Yanukovich's era lasted from 2010 to 2014 and is remembered as one of the darkest periods in modern Ukrainian history. It was marked by systemic corruption that permeated all levels of government and society.¹⁸² During his tenure, a system was consolidated in which high-ranking government officials and oligarchs mutually benefited, creating an environment where public welfare was relegated to a secondary concern.

From the outset of his presidency, Yanukovich and his administration established a governance model that prioritised personal enrichment and the maintenance of power over public service. Academic literature has documented how corruption became institutionalised

¹⁸¹ Frank C. Thames, 'Oligarchs and Legislative Politics in Post-Soviet Ukraine', paper presented at the Western Political Science Association Annual Conference, Portland, OR, 10–12 March 2022 (Texas Tech University; Southern Illinois University).

¹⁸² Taras Kuzio, *Ukraine: Democratization, Corruption, and the New Russian Imperialism* (Santa Barbara, CA: Praeger/Bloomsbury Academic, 2015).

and widely accepted as a routine practice.¹⁸³ Reports from Transparency International and other non-governmental organisations have highlighted that corruption was not only tolerated but became an essential component of Ukrainian politics.¹⁸⁴

One of the most concerning aspects of this period was the close relationship between the government and oligarchs. Hale demonstrates that Yanukovych, a businessman before entering politics, surrounded his administration with business allies who benefited from government contracts and favourable political decisions.¹⁸⁵ This interdependence between political power and economic interests created a vicious cycle where decisions were made based on the personal benefits of oligarchs rather than the public interest.

Gorchinskaya suggests that during Yanukovych's era practices such as bribery, influence peddling, and embezzlement of public funds became the norm. Public officials were frequently accused of accepting bribes for favours, licences, or contracts.¹⁸⁶ This corruption culture affected state institutions and extended to sectors such as education, health, and justice, where the lack of integrity and transparency eroded citizens' trust in the system.

Corruption also significantly impacted the country's economy. The absence of a transparent and fair business environment discouraged foreign and local investment, which limited economic growth and exacerbated poverty in many regions.¹⁸⁷ The perception that the system was designed to benefit a few at the expense of the majority contributed to growing social discontent.

¹⁸³ Zbigniew Parafianowicz and Michał Potocki, *Wilki Żyją Poza Prawem: Jak Janukowycz przegrał Ukrainę* (*The Wolves Live Outside the Law. How Yanukovych Lost Ukraine*), (Wołowiec: Wydawnictwo Czarne, 2015), pp. 121–185.

¹⁸⁴ Transparency International, *Corruption Perceptions Index 2013* <https://www.transparency.org/en/cpi/2013/index/nzl> [accessed 2 April 2025].

¹⁸⁵ Henry E. Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective* (Cambridge: Cambridge University Press, 2015).

¹⁸⁶ Katya Gorchinskaya, 'A Brief History of Corruption in Ukraine: The Yanukovych Era', *Eurasianet*, 3 June 2020 <https://eurasianet.org/a-brief-history-of-corruption-in-ukraine-the-yanukovych-era> [accessed 2 April 2025].

¹⁸⁷ International Monetary Fund, *Ukraine: Staff Report for the 2014 Article IV Consultation* <https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Ukraine-Staff-Report-for-the-2014-Article-IV-Consultation-42993> [accessed 2 April 2025].

The Yanukovych era severely weakened public trust in government institutions. According to Snyder, the perception that the government was more interested in protecting the interests of oligarchs than in serving the citizenry led to increased skepticism and frustration among the population.¹⁸⁸ This distrust was reflected in public opinion polls, which showed a significant decline in the approval of state institutions and an increase in the demand for reforms.

The accumulated social discontent during the Yanukovych era culminated in the Revolution of Dignity in 2014, a massive movement demanding the president's resignation and a change in the political system.¹⁸⁹ The protests, which began in response to Yanukovych's decision to reject an association agreement with the European Union, quickly became a call to fight corruption and the lack of democracy. The government's brutal repression of the demonstrations only intensified public outrage and led to regime change.¹⁹⁰

Thus, Viktor Yanukovych's era left an indelible mark on Ukraine's history. It marked a period of institutionalised corruption that weakened the state's foundations and undermined public trust in institutions. The symbiotic relationship between the government and oligarchs and the normalisation of corrupt practices created an environment where public welfare was systematically ignored.¹⁹¹

Under Yanukovych, the convergence of political office and oligarchic power formalised the triangle of corruption, where clientelism, state capture, and public disenfranchisement became inseparable.

¹⁸⁸ Timothy Snyder, *The Road to Unfreedom: Russia, Europe, America* (New York: Tim Duggan Books, 2018).

¹⁸⁹ International Crisis Group, *Maidan: The Revolution of Dignity* <https://www.crisisgroup.org/europe-central-asia/ukraine/maidan-revolution-dignity> [accessed 2 April 2025].

¹⁹⁰ Zbigniew Parafianowicz and Michał Potocki, *Wilki Żyją Poza Prawem: Jak Janukowycz przegrał Ukrainę* (*The Wolves Live Outside the Law. How Yanukovych Lost Ukraine*), (Wołowiec: Wydawnictwo Czarne, 2015).

¹⁹¹ Ukrainian Anti-Corruption Action Centre, *Corruption in Ukraine: The Yanukovych Era and Beyond* <https://antac.org.ua/en/publications/corruption-in-ukraine-the-yanukovych-era-and-beyond/> [accessed 2 April 2025].

1.12. Comparison of Ukraine with Mexico and with Brazil

Faughnan, Hiskey, and Revey examine the subnational context of corruption in Mexico. They assume that the regional authorities are responsible for the phenomenon's existence.¹⁹² It will be interesting to see if the same principles apply to the situation in Ukraine.

When analysing corruption in Mexico and Ukraine, it is essential to consider the political and economic structures and the cultural aspects that influence the perception and normalisation of corruption in each country. In Mexico, the political system has evolved into a de facto bipartisan state, dominated by the Institutional Revolutionary Party (PRI), the National Action Party (PAN), and, more recently, the National Regeneration Movement (MORENA). This concentration of power has facilitated the perpetuation of clientelist practices, where politicians exchange favours and resources for electoral loyalty. This phenomenon fuels corruption and creates a cycle of dependency that undermines accountability and transparency in public management. Culturally, an acceptance of corruption in Mexico manifests in the 'bandit' or 'thief'¹⁹³, figure, often seen as a popular hero. This perception is reflected in the veneration of historical figures who, despite their criminal acts, are considered defenders of the oppressed. The existence of the 'Virgin of the Bandits' illustrates how popular culture can intertwine with crime, creating a halo of romanticism around the figure of the criminal. Additionally, 'narco-corridos,' a musical genre that narrates the exploits of drug traffickers, reinforce this narrative by glorifying the life of the drug trafficker and implicitly criticising state institutions, which are seen as corrupt or ineffective. This cultural phenomenon normalises corruption, presenting it as part of the social fabric. In contrast, Ukraine operates under a multiparty system that, while theoretically promoting greater political diversity, has been marked by the disproportionate influence of oligarchs who control vast economic and political resources. These oligarchs, often linked to the government, manipulate institutions to their advantage, perpetuating an environment of systemic corruption. The institutional weakness in Ukraine, characterised by a lack of judicial independence and the ineffectiveness of anti-corruption agencies, has allowed these practices

¹⁹² Brian M. Faughnan, Jonathan T. Hiskey, and Scott D. Revey, 'Subnational Electoral Contexts and Corruption in Mexico', *Journal of Politics in Latin America*, 6.1 (2014), 45–81.

¹⁹³ D. Risk, 'El bandido y su construcción como parte del imaginario nacional mexicano' (*The Bandit and His Construction as Part of the Mexican National Imaginary*), paper presented at the III Congreso de la Literatura Iberoamericana entre dos Orillas, [n.d.].

to become entrenched in the political and social fabric of the country. The fight against corruption in Ukraine has been driven by social movements and protests demanding reforms and greater transparency. However, the distrust towards institutions and the perception that change is difficult to achieve due to the influence of oligarchs have generated an atmosphere of skepticism among the population. This creates an additional challenge for implementing effective policies that comprehensively address corruption.

The Role of Neighbouring Regions in the Dynamics of Corruption in Ukraine Corruption in Ukraine cannot be understood in isolation; it is essential to consider the role of neighbouring regions and how their dynamics may influence corruption within the country.¹⁹⁴ Comparing with other contexts, such as Brazil, can offer valuable insights into the interactions between regions and their impact on corruption.¹⁹⁵ This perspective allows for identifying patterns and factors that transcend national borders and may be relevant for analysing corruption in Ukraine. In the case of Ukraine, neighbouring regions, both within and outside its borders, can affect corruption through various channels.¹⁹⁶ On the one hand, geographical proximity can facilitate influence peddling, smuggling, and other illicit activities that fuel corruption. For example, border regions may become critical points where corrupt practices intertwine with illegal trade, eroding trust in local and national institutions.¹⁹⁷ This dynamic may be

¹⁹⁴ Anna Petrova, *Організаційно-правові засади протидії корупції в судовій системі України* (*Orhanizatsiino-pravovi zasady protydii koruptsii v sudovii systemi Ukrainy – Organizational and Legal Principles of Combating Corruption in the Judicial System of Ukraine*), author's dissertation for the degree of Candidate of Legal Sciences: 12.00.10 'Judiciary; Prosecutor's Office and Advocacy' (Kharkiv: Yaroslav Mudryi National Law University, 2017).

¹⁹⁵ M. M. Lutsenko and L. I. Shcherbyna, 'Корупція в Україні: сучасний стан і проблеми протидії' (*Koruptsiia v Ukraini: suchasnyi stan i problemy protydii – Corruption in Ukraine: Current State and Problems of Counteraction*), *Науковий вісник Міжнародного гуманітарного університету. Серія: Юриспруденція* (*Naukovyi Visnyk Mizhnarodnoho Humanitarnoho Universytetu. Seriia: Yurysprudentsiia – Scientific Bulletin of the International Humanitarian University. Series: Jurisprudence*), 15.2 (2015), 142–145.

¹⁹⁶ Zakharii and D. Nikytenko, 'Стан корупції в Україні: загальні тенденції та особливості динаміки' (*Stan koruptsii v Ukraini: zahalni tendentsii ta osoblyvosti dynamiky – The State of Corruption in Ukraine: General Trends and Peculiarities of Dynamics*), *Економіка і регіон* (*Ekonomika i rehion – Economics and Region*), 1 (68) (2018), 86–90.

¹⁹⁷ O. Zghalat-Lozyn'ska and M. M. Zinchenko, 'Інвестиційний потенціал економіки України' ('Investytsiinyi potensial ekonomiky Ukrainy' – 'Investment Potential of Ukraine's Economy'), in *Просторовий розвиток територій: традиції та інновації – Spatial Development of Territories:*

particularly evident in areas where local authorities are perceived as weak or corrupt, leading to greater tolerance for corruption as a means of survival or thriving in an adverse environment. By comparing the situation in Ukraine with Brazil, similarities and differences can be identified in how regions interact in the context of corruption. In Brazil, corruption has been a deeply entrenched phenomenon in local politics, where interactions between different states and municipalities can influence corruption at the national level.¹⁹⁸ Networks of clientelism and the exchange of favours between politicians from other regions have been key factors in perpetuating corrupt practices.¹⁹⁹ This situation resonates with the Ukrainian experience, where connections between regions can facilitate corruption and impunity, especially when institutions are perceived as ineffective or corrupt. Moreover, the comparison with Brazil allows exploring how governance and political culture differences influence corruption.²⁰⁰ In Brazil, implementing reforms and accountability mechanisms has impacted the reduction of corruption in some regions, while in others, resistance to change and systemic corruption have persisted. In Ukraine, the success of anti-corruption reforms may largely depend on regional dynamics and how interactions between different areas of the country affect the implementation of these reforms.²⁰¹ For instance, if the more corrupt regions are unwilling to cooperate with reform initiatives, this may hinder efforts to combat corruption at the national level.

Traditions and Innovations: Proceedings of the 2nd International Scientific-Practical Conference, Kyiv, 26–27 November 2020 (Kyiv: DKS Tsentr, 2020), pp. 46–48.

¹⁹⁸ John P. Sullivan, *Competition in Order and Progress: Criminal Insurgencies and Governance in Brazil* (Bloomington: Xlibris Corporation, 2022), pp. 401–510

¹⁹⁹ Valentyna Samodai and Halyna Kovtun, ‘Корупція: загрози та наслідки для соціуму’ (‘Koruptsiia: zahrozy ta naslidky dlia sotsiumu’ – ‘Corruption: Threats and Consequences for Society’), *Ekonomika ta suspilstvo*, 49 (2023).

²⁰⁰ Olha M. Oleshko, ‘Удосконалення системи управління конфліктами інтересів на державній службі як необхідний фактор зниження рівня корупції’ (‘Udoskonalennia systemy upravlinnia konfliktamy interesiv na derzhavnii sluzhbi yak neobkhidnyi faktor znyzhennia rivnia koruptsii’ – ‘Improving the Conflict of Interest Management System in the Civil Service as a Necessary Factor in Reducing Corruption’), *Aktualni problemy derzhavnoho upravlinnia*, 2 (2017), pp. 164–170.

²⁰¹ Ihor Ya. Shchupak, *Всесвітня історія* (*Vsesvitnia istoriia – World History*) (2019), pp. 182–189.

1.13. Gaps in the Literature

Corruption in Ukraine has been the subject of numerous studies, particularly in the context of the political and economic reforms that the country has undergone in recent decades.²⁰² However, upon examining the existing literature, it becomes evident that significant gaps persist that require attention. Identifying and addressing these gaps is fundamental to developing a more comprehensive and nuanced understanding of corruption in the country. One of the primary deficiencies in current research is the limited attention paid to corruption at the subnational level. Most studies tend to focus on corruption at the national level, analysing political and economic dynamics from a macro perspective.²⁰³ This approach, while valuable, overlooks the particularities and complexities that may exist in different regions of Ukraine. Each area may present a unique socioeconomic, cultural, and political context that influences the manifestation and functioning of corruption.²⁰⁴ For example, the dynamics of corruption in urban areas may differ significantly from those in rural areas, and regions with different historical and economic backgrounds may experience corruption in distinct ways. Moreover, the lack of research addressing the specific dynamics of regions suggests that anti-corruption policies implemented at the national level may not be equally effective across all local contexts.²⁰⁵ Without a detailed analysis of regional particularities, it is challenging to formulate strategies that effectively address the roots of corruption in each area. This may lead to the implementation of solutions that are not only ineffective but may

²⁰² Valentyna Samodai and Halyna Kovtun, 'Корупція: загрози та наслідки для соціуму' ('Koruptsiia: zahrozy ta naslidky dlia sotsiumu' – 'Corruption: Threats and Consequences for Society'), *Ekonomika ta suspilstvo*, 49 (2023).

²⁰³ John P. Sullivan, *Competition in Order and Progress: Criminal Insurgencies and Governance in Brazil* (Bloomington: Xlibris Corporation, 2022).

²⁰⁴ Oleh Drozdov, 'Геополітичний образ майбутнього молоді з різних регіонів України в контексті психологічної безпеки' ('Heopolitychnyi obraz maibutnoho molodi z riznykh rehioniv Ukrainy v konteksti psykholohichnoi bezpeky' – 'The Geopolitical Image of the Future Among Youth from Different Regions of Ukraine in the Context of Psychological Security'), *Problemy politychnoi psykholohii*, 21 (2018), pp. 113–127.

²⁰⁵ Anna Petrova, *Організаційно-правові засади протидії корупції в судовій системі України* (*Orhanizatsiino-pravovi zasady protyidii koruptsii v sudovii systemi Ukrainy* – *Organizational and Legal Principles of Combating Corruption in the Judicial System of Ukraine*), author's dissertation for the degree of Candidate of Legal Sciences: 12.00.10 'Judiciary; Prosecutor's Office and Advocacy' (Kharkiv: Yaroslav Mudryi National Law University, 2017).

also exacerbate local tensions or ignore the specific needs of affected communities.²⁰⁶ Additionally, the existing literature often focuses on corruption in particular sectors, such as politics or the economy, without considering how these corrupt practices interact with other social and cultural aspects of life in the regions.²⁰⁷ For instance, corruption can significantly impact education, public health, and local infrastructure, but these links are often not explored in depth. The lack of an interdisciplinary approach limits our understanding of how corruption intertwines with other social issues and how it can be addressed comprehensively. Therefore, future research must address these gaps in the literature. A more granular approach is needed that examines corruption in a subnational context, considering the local and regional dynamics that influence its manifestation.²⁰⁸ This would enrich the existing body of knowledge and provide policymakers with the necessary tools to design more effective interventions tailored to local realities. Ultimately, a deeper understanding of corruption in Ukraine, in all its dimensions and contexts, is essential for moving towards a more transparent and just future.

1.14. Contribution to Knowledge

The proposed research aims primarily to contribute to the understanding of corruption in Ukraine, especially in the context of its spatial and temporal distribution at the subnational level from 2014 to 2021. Ukraine is a country with considerable diversity in terms of history, culture, and economy. This study will capture this heterogeneity, providing a more nuanced

²⁰⁶ Olha M. Oleshko, ‘Удосконалення системи управління конфліктами інтересів на державній службі як необхідний фактор зниження рівня корупції’ (‘Udoskonalennia systemy upravlinnia konfliktamy interesiv na derzhavnii sluzhbi yak neobkhidnyi faktor znyzhennia rivnia koruptsii’ – ‘Improving the Conflict of Interest Management System in the Civil Service as a Necessary Factor in Reducing Corruption’), *Aktualni problemy derzhavnoho upravlinnia*, 2 (2017), pp. 164–170.

²⁰⁷ Larysa Hrytsenko, Iryna Boiarko, and Tetiana Vasyliieva, *Пріоритети розвитку фінансової системи України в умовах євроінтеграційних процесів (Prioritytety rozvytku finansovoi systemy Ukrainy v umovakh yevrointehratsiinykh protsesiv – Priorities for the Development of Ukraine’s Financial System in the Context of European Integration Processes)* (Sumy: Sumskyi Derzhavnyi Universytet, 2021).

²⁰⁸ Kateryna Sochka, Nick Palinchak, Olexandr Bobryk, and Bohdan Andriiv, ‘Local Budgets in the Context of Decentralization Processes in Ukraine’, in *Scientific Collection «InterConf»*, Proceedings of the 4th International Scientific and Practical Conference «Scientific Trends and Trends in the Context of Globalization», Umeå, Sweden, 19–20 August 2022, ed. by Anna Svoboda, no. 121 (Umeå: Mondial, 2022), pp. 38–49.

analysis that can be crucial for designing policies that effectively address corruption in specific local contexts.

Unlike many previous studies that have focused on corruption at the national level, this research intends to examine corruption in a subnational context. This enables a closer look at localised power structures, where elected politicians often serve both as agents of the public and as patrons in informal exchanges with economic actors. Understanding this dual role is essential in a country where oligarchic legacies and decentralisation reforms have created complex regional dynamics.

The use of proxies in corruption research is an innovative tool that allows researchers to address the complexity of this phenomenon more effectively and practically.²⁰⁹ Since corruption is inherently difficult to measure and often hidden, using proxies provides an alternative approach to identifying patterns and behaviours associated with corrupt practices. Proxies, as indirect indicators of corruption, enable researchers to capture the issue's essence without direct evidence, which can be hard to obtain in contexts where corruption is normalised or systemic.

This elaboration will use some commonly used proxies. Thus, it will simultaneously test their effectiveness in Ukrainian circumstances. Assessing their practicality will probably constitute an additional small contribution to knowledge.

The research seeks to identify the political, institutional, and socioeconomic factors that influence the distribution of corruption in Ukraine. In doing so, it draws implicitly on principal-agent dynamics, localised patron-client exchanges, and the degree of societal engagement or passivity – elements that together form the background of Ukraine's post-oligarchic governance landscape. These relationships are not isolated but interconnected: citizens (as principals) may delegate power to elected representatives (as agents), who then engage in informal networks (as patrons), while collective inaction or societal resignation enables such arrangements to persist. By incorporating this interplay into the analysis, the research offers a multi-theoretical foundation for understanding how entrenched corruption operates within specific regional configurations.

²⁰⁹ Mihály Fazekas, Luciana Cingolani, and Bence Tóth, *A Comprehensive Review of Objective Corruption Proxies in Public Procurement: Risky Actors, Transactions, and Vehicles of Rent Extraction*, GTI-WP/2016:03 (Budapest: Government Transparency Institute, 2016), pp. 2-18

This layered approach allows for a more detailed and contextualised framework that explains the causes of corruption in different regions. It can help design more effective policies tailored to local realities. The role of a particular institution (both formal and informal) in shaping and prevailing corruption might also constitute an important discovery.

By addressing corruption from a subnational perspective and considering the interaction of multiple factors, this research will fill a gap in the existing literature, which has often overlooked regional particularities. This will enrich the academic debate on corruption and offer new perspectives on addressing this phenomenon in political and economic transition contexts.

The research aims to propose an explanatory model of corruption at the subnational level, considering the identified variables. This model builds upon existing theoretical frameworks to explain how elected representatives, situated between the electorate and local economic interests, may simultaneously serve as agents and patrons – while also reflecting the broader collective dispositions of society itself. The research thereby recognises that societal tolerance, normalisation of corrupt practices, and limited civic mobilisation are not just contextual features but part of the causal mechanism itself. The proposed model is intended not only for Ukraine but also to provide relevant insights for other countries facing similar challenges in the fight against corruption.

The research findings are expected to serve as a basis for designing more effective anti-corruption policies. By identifying local dynamics and the factors that perpetuate corruption, policymakers can implement more specific and targeted interventions, thereby improving the effectiveness of anti-corruption efforts.

The research also explores how cultural and social dynamics influence the perception and acceptance of corruption in different regions. This will allow for a deeper understanding of how cultural contexts affect attitudes toward corruption and how these perceptions can be changed through educational and awareness-raising interventions.

In conclusion, this research not only seeks to contribute to academic knowledge about corruption in Ukraine but also has the potential to influence political practice and public policy formulation. By addressing corruption from a subnational approach and contextualising its findings within enduring institutional and social structures, the research

offers a unique opportunity to develop a deeper and more nuanced understanding of a complex and persistent phenomenon – essential for moving toward a more transparent and just future in Ukraine and beyond.

Chapter 2: Design and Methodology

2.1. Introduction

This chapter outlines the research design and methodology, detailing the structure and step-by-step execution of the study. The primary objective is to identify patterns of corruption distribution across various regions of Ukraine, employing a mixed-methods approach with a significant emphasis on quantitative techniques.

In the context of corruption, organisations like Transparency International (TI) are crucial. TI, a non-governmental organisation, has established itself as a benchmark in the global fight against corruption. Since its inception, TI has tirelessly promoted transparency and accountability in the public sector while fostering integrity in institutions. Its most notable tool, the Corruption Perception Index (CPI), serves as a standard for governments, researchers, and citizens to assess corruption levels in different countries. The CPI ranks nations based on perceptions of corruption in the public sector, derived from surveys and assessments conducted by experts and businesspeople²¹⁰.

While widely accepted, the CPI faces criticisms and limitations. A major concern is the subjectivity of its information sources. The CPI is built on assessments from diverse entities, which may lead to biases in perceived corruption. For instance, intense media coverage of a political leader, such as Yanukovich in Ukraine, can skew public perception and influence the country's rating, regardless of concrete evidence supporting such claims.²¹¹

The research questions are presented below, along with arguments explaining their formulation. This section clarifies why the thesis focuses on corruption in public procurement processes and how this approach reflects the realities of corruption patterns in contemporary Ukraine. Additionally, it justifies the choice to concentrate on the construction sector and the necessity of covering the subnational level.

²¹⁰ Transparency International, *Corruption Perceptions Index 2021* (Berlin: Transparency International, 2022) <https://www.transparency.org/en/cpi/2021> [accessed 2 April 2025].

²¹¹ Johan Galtung, 'Peace Journalism as an Ethical Challenge', *Global Media Journal: Mediterranean Edition*, 1.2 (2006), 1–5.

The following sections present the hypotheses, potential answers to the research questions, and the independent variables that measure phenomena contributing to the corruption problem. Control variables are also introduced to eliminate commonly used alternative explanations for the formulated hypotheses. Each independent and control variable is meticulously described, with supporting arguments for their selection.

Subsequently, other data representing the phenomenon of corruption are explained, which will later be used in the measurements and calculations required for this research. These data serve as proxies reflecting the corruption problem, given that the latter is immeasurable and intangible. The necessity of introducing proxies and justifications for their selection will be detailed. These variables constitute the dependent variables, all described in detail.

The last subsection, ‘Methodological Caveats’, enumerates potential problems and inaccuracies that may arise during the research. In political and social research, almost every hypothesis can be falsified. This section warns about the obstacles that may arise when applying the defined methodology and verifying the hypotheses. If minor errors occur, especially in the quantitative part of the research, this subsection outlines possible reasons to consider as causes.

The findings of this research are anticipated to contribute to a general understanding of the causes and development of corruption in Ukraine. This understanding could apply to other countries and regions affected by the same phenomenon, ultimately aiding in more effective combat against corruption.

2.2. Researching Corruption

Corruption in large enterprises is a complex phenomenon that manifests in various ways and has profound implications for the economy and politics. This phenomenon can be understood through a theoretical framework that explores its causes, consequences, and possible reforms. Susan Rose-Ackerman, in *Corruption and Government: Causes, Consequences, and Reform*²¹², argues that corruption arises in contexts where institutions are weak and

²¹² Susan Rose-Ackerman and Bonnie J. Palifka, *Corruption and Government: Causes, Consequences, and Reform*, 2nd edn (Cambridge: Cambridge University Press, 2016).

transparency is scarce, allowing companies to maximise profits through corrupt practices. This analysis is complemented by the Corruption Perceptions Index from Transparency International, which provides an overview of the perception of corruption in different countries, helping to contextualise the environment in which these companies operate.

Paolo Mauro has studied the relationship between corruption and economic growth in his article *Corruption and Growth*²¹³, where he presents empirical evidence suggesting that corruption negatively affects economic development. This finding is crucial for understanding how corrupt practices impact the companies involved and have broader repercussions on a country's economy. Robert Klitgaard, in *Controlling Corruption*²¹⁴, offers a theoretical framework for understanding corruption and proposes strategies for controlling it. It emphasises the importance of transparency and accountability in business and government relationships.

Additionally, Laura E. Sullivan, in her article *The Role of Corporate Governance in Preventing Corruption*²¹⁵, highlights how good corporate governance can be a preventive mechanism against corruption. This suggests that companies are responsible for establishing ethical practices that comply with the law and foster a more transparent business environment. Political trust and perceptions of corruption are topics addressed by Margaret Levi and Laura Stoker in *Political Trust and Trustworthiness*²¹⁶, where they argue that corruption erodes trust in institutions, leading to a vicious cycle of distrust and further corruption.

Pranab Bardhan, in *Democracy and Development: A Complex Relationship*²¹⁷, reviews the literature on corruption and development, analysing how corruption affects growth and economic development, as well as the implications for public policy. This analysis is

²¹³ Paolo Mauro, 'Corruption and Growth', *Quarterly Journal of Economics*, 110.3 (1995), 681–712.

²¹⁴ Robert Klitgaard, *Controlling Corruption* (Berkeley: University of California Press, 1988), pp. 69–82.

²¹⁵ Jennifer S. Carrera, Shana Bailey, Rachael Wiggins, Courtney Watkins, LaToya Sullivan, Melissa Mays, and Kelsea Key, 'Community Science as Resistance to Neoliberal Scientific Praxis', *Environmental Justice*, 16.1 (2023), 54–61 <https://doi.org/10.1089/env.2021.0099> [accessed 2 April 2025].

²¹⁶ Margaret Levi and Laura Stoker, 'Political Trust and Trustworthiness', *Annual Review of Political Science*, 3 (2000), 475–507 <https://doi.org/10.1146/annurev.polisci.3.1.475> [accessed 2 April 2025].

²¹⁷ Pranab K. Bardhan, *Democracy and Development: A Complex Relationship* (Toronto: Law and Economics Programme, Faculty of Law, University of Toronto, 1997).

fundamental for understanding the impact of corruption on social welfare and sustainable development. Raymond Fisman and Edward Miguel, in *Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets*²¹⁸, provide empirical evidence on how social norms and law enforcement influence corruption, which is relevant for understanding corporate behaviour in corrupt contexts.

Finally, Arnold J. Heidenheimer and Michael Johnston, in *Political Corruption: Concepts and Contexts*²¹⁹, offer a compilation of essays addressing different aspects of political corruption, including its relationship with the business sector and the implications for governance. These texts provide a theoretical and empirical framework that helps to understand how corruption in large enterprises can arise and perpetuate in contexts where institutions are weak.

2.3. Research Questions

As highlighted in the literature reviewed in the previous chapter, there is little to no systematic comparative analysis of corruption at the subnational level in Ukraine. Regional differences at the oblast level have not been measured or compared, even though an oblast constitutes a basic administrative division of the country. It has only been suggested that specific types and causes of corruption may predominate in certain geographical parts of the state. However, most elaborations referred only to macro-regions, lacking sufficient detail to focus on the oblast level. Similarly, conclusions were generalised. Furthermore, the literature was primarily descriptive, reflecting the overall situation in the country after gaining independence. None of the pieces focused specifically on measuring corruption in the socio-political context that occurred in the wake of the Revolution of Dignity. At that time, the fight against corruption became a key policy of the authorities, acquiring significant political meaning. Since then, notable progress has been made in introducing relevant instruments and combating the phenomenon. Simultaneously, regional differences have intensified, resulting

²¹⁸ Raymond Fisman and Edward Miguel, 'Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets', *Journal of Political Economy*, 115.6 (2007), 1020–1048 <https://doi.org/10.1086/527495> [accessed 2 April 2025].

²¹⁹ Arnold J. Heidenheimer and Michael Johnston (eds.), *Political Corruption: Concepts and Contexts*, 3rd edn (New Brunswick, NJ: Transaction Publishers, 2011).

directly from these events. Therefore, it seems reasonable to pose the following research questions: Are there significant differences and distribution patterns of corruption in various oblasts of Ukraine? If so, why do such differences occur?

2.4. The Choice of Detailed Research Area

To adequately respond to these questions, it is essential to examine the relationships between government and the private sector (as mentioned in the previous chapter, despite some exceptions, corruption generally arises when such a relationship is involved). To this end, looking at public procurement, where business relationships between the state and private capital most frequently intersect, is worthwhile. However, this part of public spending encompasses a vast range of products and services, some incomparable. It should not be forgotten that some occur only in national procurement, others are present at national and regional levels, while the rest pertain solely to local business relationships. The interest of this research includes the latter two points, namely, where local authorities are involved. At the same time, it is essential to consider those aspects of the phenomenon that are sufficiently large, prominent, and evenly distributed throughout the state.

The lack of inclusion of sectoral division and general analysis of public procurement could lead to misleading conclusions, as corruption in different sectors exhibits unequal dynamics. Therefore, regions whose economies depend more on one industry than another may show different corruption risks, not because governments are more corrupt or there is greater public tolerance towards the phenomenon, but simply due to the disproportionate existence of institutions where the phenomenon is likely to appear.

For instance, corruption related to cross-border trafficking will be higher in border oblasts than in others. It may also exist elsewhere due to the presence of customs services and international airports throughout Ukraine. Still, the varying proportions will make it unfeasible to identify the genuine distribution of corruption in the country based solely on data from this sector. Defence is subject to the Central Government, and only a small percentage of its budget may be transferred to the responsibilities of local authorities. As mentioned in the previous chapter, the education and health sectors primarily combat minor corruption, whose data are complicated to acquire. Furthermore, where corruption can be

observed, the pharmaceutical industry is too small for a regional scale, as it generally consists of a few small local branches of large multinationals, making its influence on corruption in Ukraine likely minimal.

Construction is the largest sector in Ukraine, and local authorities are responsible for it.²²⁰ Viewed from the perspective of the incoming budget, Artur Kovalchuk, Charles Kenny, and Mallika Snyder assert that public procurement constituted approximately 15% of GDP. Therein, construction constitutes its most significant part. The data comes from 2015, i.e., one year after the Revolution of Dignity.²²¹ Subsequently, the rate of the construction sector continued to grow even more,²²² which confirms its significance.

Across the majority of oblasts, construction accounts for the largest share of tenders. Likewise, public investment costs in this sector have been the highest in almost all oblasts over the past eight years.²²³ Many contracts within the construction sector at the subnational level sometimes reach very high prices. Therefore, the corruption occurring in these transactions will likely severely impact the local economy and society. For these reasons, the choice of the construction sector appears to be the most comprehensive. Finally, irregularities in the tendering processes are likely indicators of general corruption in the examined regions.²²⁴

Moreover, in most cases, local authorities decide who to award a contract. Generally, the development of construction and infrastructure is equally necessary across all oblasts of Ukraine. Therefore, the large scale of the sector and its uniform distribution across the country make it worthy of analysis when examining corruption. Additionally, the construction sector is very prominent, allowing most ordinary citizens to assess the development progress in this sector.

²²⁰ Roman Trach, Kateryna Pawluk, and Magdalena Lendo-Siwicka, 'Causes of Rework in Construction Projects in Ukraine', *Archives of Civil Engineering*, 65.3 (2019), 62–75., p. 63

²²¹ Artur Kovalchuk, Charles Kenny and Mallika Snyder, *Examining the Impact of E-Procurement in Ukraine*, CGD Policy Paper 511 (Washington, DC: Centre for Global Development, 2019).

²²² Ibid.

²²³ Prozorro / Tendergid <https://tendergid.ua/ua/> [accessed 31 December 2022].

²²⁴ Mihály Fazekas, Luciana Cingolani, and Bence Tóth, *A Comprehensive Review of Objective Corruption Proxies in Public Procurement: Risky Actors, Transactions, and Vehicles of Rent Extraction* (Budapest: Government Transparency Institute, 2016), pp. 2–6.

Construction is also one of the most dynamic sectors in public procurement. The enormous number of contracts and changes in circumstances compel authorities to make decisions quickly, providing more manoeuvrability for potential corrupt acts. Furthermore, the poor state of Ukrainian infrastructure today creates a natural demand for more tender contracts in the construction sector.²²⁵ Therefore, there are multiple predictions that the sector will develop even further, likely increasing its economic role.²²⁶

Corruption can be measured at the international, national, and subnational levels. As suggested earlier, corruption in the construction sector of public procurement should be compared among the largest subnational units that possess self-governance, namely, the Ukrainian oblasts and the City of Kyiv, as their authorities are responsible for the tendering processes. It has a particular significance in Ukrainian realities, where corruption overlaps with clientelism to a significant extent.

There are considerable reasons why the subnational level should be considered in this research. Corruption in Ukraine is likely to be present equally at both the state and subnational levels. However, due to the state's politically and ethnically diverse nature, it should be suspected that there is significant variety in the problem, and its distribution has specific patterns²²⁷. This topic has never been thoroughly developed in the academic literature on Ukraine. However, interesting studies have been conducted in other countries, such as, Mexico²²⁸, Brazil²²⁹, Italy²³⁰, and Spain²³¹, which emphasise the importance of the

²²⁵ Boris Dodonov, Christian von Hirschhausen, Petra Opitz, and Pavlo Sugolov, 'Efficient Infrastructure Supply for Economic Development in Transition Countries: The Case of Ukraine', *Post-Communist Economies*, 14.2 (2010), 149–167.

²²⁶ Artur Kovalchuk, Charles Kenny and Mallika Snyder, *Examining the Impact of E-Procurement in Ukraine*, CGD Policy Paper 511 (Washington, DC: Centre for Global Development, 2019).

²²⁷ Tim Judah, *In Wartime: Stories from Ukraine* (London: Penguin Books, 2016), pp. 39–155.

²²⁸ Brian M. Faughnan, Jonathan T. Hiskey, and Scott D. Revey, 'Subnational Electoral Contexts and Corruption in Mexico', *Journal of Politics in Latin America*, 6.1 (2014), 45–81.

²²⁹ James Bologna, *Contagious Corruption, Informal Employment and Income: Evidence from Brazilian Municipalities* (Berlin: Springer-Verlag, 2016), pp. 68–116.

²³⁰ Germana Corrado and Fiammetta Rossetti, 'Public Corruption: A Study across Regions in Italy', *Journal of Policy Modeling*, 40.6 (2018), 1126–1139
<https://www.sciencedirect.com/science/article/pii/S0161893818300012> [accessed 2 April 2025].

subnational dynamics of corruption. These studies have found regional differences in the progression of the phenomenon and suggested possible drivers responsible for such diversifications. There have also been attempts to research corruption at the subnational level, including some regions belonging to multiple states. However, most research dedicated to corruption that employs comparative methods examines differences between sovereign states. Such analyses utilise similar mechanisms but on a different scale. Ukrainian regions will also be analysed using similar techniques.

The main advantage of subnational research over international (although both frequently employ comparative methods) is that the former can be conducted more explicitly. In the latter case, objective comparisons are tough to achieve, as each country has its own uniqueness. The number of potential variables is vast, making it relatively challenging to select the appropriate ones, not only due to their quantity and the difficulty of assessing their utility but also because similar attributes are often measured differently across various countries. Ultimately, the variables of one state do not always correspond to the analogous ones of another. This potential obstacle is likely to diminish the accuracy of the research.

On the other hand, subnational research facilitates the entire analysis, as the available data are uniform and the examination tools are relatively easy to apply. Since Ukraine is a unitary state, there are even more similarities among the attributes of the variables across various oblasts. They constitute perfect equivalents to each other. Moreover, specific explanations regarding corruption can be fixed, allowing for a more precise exploration of the most significant variables. The remaining variables remain unchanged at the national level, making it easier to identify the true causes of corruption. Additionally, the number of necessary control variables can be reduced. Ultimately, subnational research can effectively demonstrate variations within the corruption problem throughout the country, illustrate how the phenomenon is distributed, and indicate the drivers of the discovered patterns.

The third possible type of research concerning the scope and level of governance is the analysis of corruption at the state level. However, the only comparison that could be made in such a case equates corruption across different sectors. This would not demonstrate that the

²³¹ Beatriz G. López-Valcárcel, Juan Luis Jiménez, and Jordi Perdigüero, 'Danger: Local Corruption Is Contagious!', *Journal of Policy Modeling*, 39.5 (2017), 790–808 <https://doi.org/10.1016/j.jpolmod.2017.08.002> [accessed 2 April 2025].

phenomenon is distributed unevenly by region but would significantly modify the purpose of this research, which is not to compare economic sectors but rather regions, ultimately establishing the distribution patterns of corruption.

In Ukraine, local executive and legislative institutions, such as the State Administration of the Oblast and the Local Council, constitute the most direct interaction between ordinary citizens and the state. They tend to adopt certain behavioural norms copied from higher levels of governance. Ultimately, corrupt practices are easier to observe at the local level. An interesting continuation of this research could be an attempt to find a correlation between state-level and subnational-level corruption, although that falls outside the scope of this work.

Using comparative methods is likely to reveal more detailed causes of corruption. All Ukrainian oblasts have histories, which have led to the development of corruption (at different levels and types). Therefore, analysing the problem from a local perspective can portray the fragmented drivers of corruption throughout the country, which may eventually demonstrate how the problem has been structured.

Finally, an essential factor for which public procurement can be easily investigated is data availability. Due to post-Euromaidan anti-corruption policies in Ukraine, transparency and openness of information have become crucial components of government strategy. Therefore, data on tender procurement have been made public and are available on a website called ProZorro²³². The information provided can be classified by oblast and economic sector. Details about all companies, including those that participated in tenders and those that won them, are available on the YouControl website.²³³ For these reasons, access to the complete information necessary for the research is relatively easy to obtain. However, all the data that is now available began to be recorded in 2013. Therefore, the research must cover the period starting at least from 2013 onwards (eventually, it begins one year later when the functionality of the program has much improved, not to mention, it follows the political transformation within the state in the aftermath of the Revolution of Dignity). An excerpt from Mihaly Fazekas, Luciana Cingolani, and Bence Toth *A Comprehensive Review of Objective Corruption Proxies in Public Procurement: Risk Actors, Transactions, and Rent Extraction Vehicles* indicates that the time frames for measuring corruption should be at least

²³² Prozorro / Tendersid <https://tendersid.ua/ua/> [accessed 31 December 2022].

²³³ YouControl, <https://youcontrol.com.ua/> [accessed 2 April 2025].

5 to 10 years.²³⁴ This research examines the problem over eight years, thus ideally fitting the suggested interval.

In summary, subnational research on corruption in Ukraine is easy to conduct, as all regions can be compared. Given that there is still little literature dedicated to the problem, it is crucial to ascertain whether regional differences in corruption exist, namely, one of the country's major issues, the reduction of which remains the primary objective of many Ukrainian politicians, NGOs, and other international institutions cooperating with the government. Furthermore, if a pattern of corruption distribution exists, it is likely to be explainable. The explanation will likely contribute to knowledge on how to intensify the measures applied thus far and conceive new ones in the fight against corruption in the Eastern European state.

2.5. Hypotheses, Independent and Control Variables

The analysis of existing literature is likely to lead to the conclusion that the level and form of corruption differ across various Ukrainian oblasts. It has been argued that there are substantial regional differences in light of the phenomenon caused by different political, economic, social, and cultural issues. Analogously, it seems probable that such distinctions manifest at the oblast level, as these administrative units are the largest form of local self-governance, possessing significant political power, including public procurement management. Furthermore, they are large enough to be distinctive due to their economic and sociological characteristics. This allows for the formulation of the hypothesis that the phenomenon of corruption is distributed unevenly across the country (based on an oblast-by-oblast analysis).

Although the research will primarily be conducted from a neo-institutional perspective (such an approach has been particularly suggested for researching corruption in post-communist

²³⁴ Mihály Fazekas, Luca Cingolani, and Bence Tóth, *A Comprehensive Review of Objective Corruption Proxies in Public Procurement: Risky Actors, Transactions, and Vehicles of Rent Extraction* (Budapest: Government Transparency Institute, 2016).

states by Antoni Kaminski and Bartłomiej Kaminski²³⁵), the investigation on corruption cannot be accurate if it entirely excludes the social context, as argued by Rasma Karklins²³⁶ and Johann Graf Lambsdorff.²³⁷ Due to the variety of sources of the phenomenon, appropriate independent variables that reflect the likelihood of its occurrence as realistically as possible must be selected.

While acknowledging the multifaceted historical, sociological, cultural, and economic roots of corruption in Ukraine, this study will prioritise the political and institutional dimensions due to their pronounced impact in the early post-Soviet era. Independent Ukraine has developed an oligarchic system characterised by a close intertwining of political authority and economic power. This structure facilitated a unique convergence of corruption and clientelism, where patronage networks and state capture mechanisms became deeply embedded within political institutions.²³⁸ Since the analysis emphasises the phenomenon at the subnational level, a particular focus should be placed on the roles of the Head of the Oblast State Administration and the Oblast Council.²³⁹

Thus, the main independent variables will derive from a highly significant political engine of the problem. They will be based on the tenure of a politician and a political party in power at the subnational level. They will be based on a politician's tenure and the political party in power at the subnational level. They aim to verify whether he or she has managed to build a clientelist network.

²³⁵ Antoni Z. Kaminski and Bartłomiej Kaminski, 'Governance and Corruption in Transition: The Challenge of Subverting Corruption', paper presented at the Spring Seminar of the UN Economic Commission for Europe, Geneva, 7 May 2001.

²³⁶ Rasma Karklins, 'Capitalism, Corruption, and Something Else: Typology of Post-Communist Corruption', *Problems of Post-Communism*, 49.4 (2002), 22–32.

²³⁷ Johann Graf Lambsdorff, *The Institutional Economics of Corruption and Reform: Theory, Evidence and Policy* (Cambridge: Cambridge University Press, 2007).

²³⁸ John Lough, 'Ukraine's System of Crony Capitalism', *Chatham House*, 1 July 2021 <https://www.chathamhouse.org/2021/07/ukraines-system-crony-capitalism> [accessed 2 April 2025].

²³⁹ Honorata Mazepus, Antoaneta Dimitrova, Matthew Frear, Dimitar Toshkov, and Nina Onopriychuk, 'When Business and Politics Mix: Local Networks and Socio-Political Transformations in Ukraine', *East European Politics and Societies*, 35.2 (2021), 437–459.

2.5.1. Independent Variables: Political Factors

According to research conducted in Mexico by Brian M. Faughnan, Jonatan T. Hiskey and Scott D. Revey²⁴⁰ the time a politician or a political party remains in power is widely correlated with the likelihood of corruption existing. In this way, the government gains time to build the necessary clientelist structures. It is important to note that, in this understanding of the problem, tenure is the most significant factor. The governance time of the same group of people should be proportional to the risk of developing the phenomenon of corruption. Similar theories have also been suggested by Coviello and Gagliarducci²⁴¹.

On the other hand, Scott Mainwaring²⁴² and Aníbal Pérez-Liñán²⁴³ assert that long tenure provides more political stability to the state, as politicians are oriented towards long-term policies rather than short-term ones. This is true in electoral democracies, where the primary goal is to succeed in the upcoming elections. In the former case, policies do not change as frequently, which could be associated with the unchanging clientelist groups related to politicians.

Thus, regarding political drivers, the hypothesis posits that the longer a person or a group of people (such as a political party) remains in power, the more likely corruption is to develop. In Ukraine, there are two institutions at the regional level responsible for executive power. The clientelist network is often structured around the representative of one of them, for example, the governor or the head of the oblast council (the local party leader with the most seats). We can note several relationships in this system: the relationship between the central government and the head of the state administration of the oblast (governor), who is centrally appointed; the relationship between the governor and the local population; the relationship of the governor with the representatives of the oblast council, who are elected in public

²⁴⁰ Brian M. Faughnan, Jonathan T. Hiskey, and Scott D. Revey, 'Subnational Electoral Contexts and Corruption in Mexico', *Journal of Politics in Latin America*, 6.1 (2014), 45–81.

²⁴¹ Diego Coviello and Stefano Gagliarducci, *Building Political Collusion: Evidence from Procurement Auctions*, IZA Discussion Paper, Institute for the Study of Labour (Bonn: IZA, 2010).

²⁴² Scott Mainwaring, Aníbal Pérez-Liñán and Daniel Brinks, 'Classifying Political Regimes in Latin America, 1900–2007', in *Democracies and Dictatorships in Latin America: Emergence, Survival, and Fall*, ed. by Jorge I. Domínguez and Michael Shifter (New York: Cambridge University Press, 2014), pp. 71–100.

²⁴³ Aníbal Pérez-Liñán, 'Juicio Político al Presidente y Nueva Inestabilidad Política en América Latina' ('Political Impeachment of the President and New Political Instability in Latin America'), *POSTData: Revista de Reflexión y Análisis Político*, 14 (2009), 243–247.

elections; and finally, the relationship of the latter with the public. Each of the groups may have its interests. However, clientelism is often built around the governor or the head of the oblast council (together with their closest co-operatives, i.e., usually members of the same victorious political party who also hold important positions within the council). In some cases, there may be competition between the two individuals, the outcome of which may be perceived somewhat analogously to a legal verdict that is contested or modified by the second of the two instances.

2.5.2. The Process of Appointing and Resignations of Governors in Ukraine

In Ukraine, oblast governors are appointed by the president upon submission of a candidate list by the cabinet of ministers.^{244 245} The nomination is based on political trust and loyalty to the President's party, meaning governors are often political figures close to the central power.

Once the president decides, the selected candidate is officially appointed and takes office. This process does not require the approval of the local legislative assembly, which gives the President significant control over regional administration.

During the period from 2014 to 2021, several governor nominations surprised public opinion and political analysts. Some of these nominations include:

- **Serhiy Kozyrev (Kherson Oblast, 2020):** His appointment was unexpected due to his lack of prior political experience in the region. Before his appointment, he had worked in the private sector and had no clear ties to local politics. This raised suspicions about the possibility that his appointment was influenced by external interests or clientelism.²⁴⁶

²⁴⁴ The Constitution of Ukraine, Article 118, <https://zakon.rada.gov.ua/laws/show/254к/96-сп#Text> [accessed 2 April 2025]

²⁴⁵ Закон України “Про місцеві державні адміністрації” (*Zakon Ukrainy “Pro mistsevi derzhavni administratsii” – Law of Ukraine “On Local State Administrations”*), № 586-XIV, 9 April 1999, <https://zakon.rada.gov.ua/laws/show/586-14#Text> [accessed 2 April 2025]

²⁴⁶ Указ Президента України № 530/2020 «Про тимчасове виконання обов’язків голови Херсонської обласної державної адміністрації Козирем Сергієм Вячеславовичем» (*‘Ukaz Prezydenta Ukrainy № 530/2020 “Pro tymchasove vykonannia oboviazkiv holovy Khersonskoi oblasnoi derzhavnoi*

- **Oleksandr Starukh (Zaporizhzhia Oblast, 2020):** His dismissal attracted attention as part of a broader wartime reshuffle of regional leadership amid the fallout from corruption scandals. According to Ukraine’s public broadcaster *Suspilne*, the heads of administration in five oblasts – Dnipropetrovsk, Zaporizhzhia, Kyiv, Sumy, and Kherson – were removed simultaneously, raising questions about the political rationale and coordination of the move.²⁴⁷ In Starukh’s case, there were thereby concerns voiced in political circles about the firmness of his true loyalty to the region amid the pressures of wartime governance following the 2022 Russian invasion.²⁴⁸

The extent of these governors’ ties to their provinces before their appointment varied considerably. Some lacked significant political or social ties to the region, raising concerns about their ability to represent local interests. This also fuelled suspicions of clientelism, as their lack of connection to the local community might have facilitated the implementation of policies that benefited specific groups rather than the population at large. The existing problems in the oblast can be measured through various variables, such as the Human Development Index (HDI), which reflects the population's overall well-being in terms of health, education, and standard of living.²⁴⁹ The unemployment rate is another critical indicator; high unemployment can indicate economic problems in the region and may

administratsii Kozyrem Serhiem Viacheslavovychem” – ‘Decree of the President of Ukraine No. 530/2020 "On the Temporary Execution of Duties of the Head of the Kherson Regional State Administration by Serhii Viacheslavovych Kozyr”’, 3 December 2020, <https://www.president.gov.ua/documents/5302020-35797> [accessed 2 April 2025].

²⁴⁷ Уряд погодив призначення нових керівників трьох ОДА (‘Uriad pohodiv pryznachennia novykh kerivnykiv trokh ODA’ – ‘The Government Approved the Appointment of New Heads of Three Regional State Administrations’), *Укрінформ* (Ukrinform), 2 March 2023, <https://www.ukrinform.ua/rubric-politics/3666914-urad-pogodiv-priznacenna-novih-kerivnikiv-troh-oda.html> [accessed 2 April 2025].

²⁴⁸ Указ Президента України № 577/2020 «Про призначення О. Старуха головою Запорізької обласної державної адміністрації» (‘Ukaz Prezydenta Ukrainy № 577/2020 “Pro pryznachennia O. Starukha holovoii Zaporizkoï oblasnoi derzhavnoi administratsii”’ – ‘Decree of the President of Ukraine No. 577/2020 “On the appointment of O. Starukh as Head of the Zaporizhzhia Regional State Administration”’), 18 December 2020, *Ofitsiine internet-predstavnytstvo Prezidenta Ukraini*, <https://zakon.rada.gov.ua/go/577/2020> [accessed 2 April 2025].

²⁴⁹ *Human Development Reports: Human Development Index (HDI)* (‘Human Development Reports: Human Development Index (HDI)’ – official data portal of the United Nations Development Programme), accessed via *HDR Data Centre*, <https://hdr.undp.org/data-center/human-development-index> [accessed 2 April 2025].

correlate with corruption and clientelism. The Corruption Perception Index, developed by organisations like Transparency International, measures perceived corruption in the region.²⁵⁰ Voter participation in elections is also significant; low electoral participation can indicate distrust in local institutions and politics, which may be related to corruption and clientelism. Additionally, the proportion of the population living in poverty can reflect the effectiveness of local government and resource distribution, which may be linked to corrupt practices. These indicators can help analyse how the nominations of governors and their performance reflect existing problems in the provinces and whether there are patterns of clientelism or corruption in the local governance process.

After 2014, governors in Ukraine experienced various unconventional forms of resignation or dismissal. These can be categorised into several types, with an estimation of the rates of resignations for personal and non-political reasons.

One prominent category involves dismissals due to corruption or misconduct. Several governors were removed after being implicated in corrupt activities, often attracting significant media attention.²⁵¹

Political pressure also led to resignations, where governors stepped down due to demands from their political parties or the central government. Oleksandr Starukh, the governor of Zaporizhzhia, resigned in 2023 following pressure from his party to align more closely with central government policies.²⁵²

Governors have also resigned in response to crises or conflicts, such as during the Euromaidan protests in 2014, when popular pressure and regional instability prompted several governors to resign.

Additionally, some governors have resigned for personal reasons, such as health concerns, family matters, or early retirement. These types of resignations tend to receive limited public attention compared to politically motivated dismissals. No Ukrainian oblast governor is

²⁵⁰ Transparency International, (n.d.), <https://www.transparency.org/en/> [accessed 2 April 2025]

²⁵¹ Taras Kuzio, *Ukraine: Democratization, Corruption, and the New Russian Imperialism* (Santa Barbara, CA: Praeger/Bloomsbury Academic, 2015).

²⁵² Paul D'Anieri, *Ukraine and Russia: From Civilized Divorce to Uncivil War* (Cambridge: Cambridge University Press, 2019).

known to have died while holding office. All known cases of gubernatorial deaths occurred after the individuals had left their posts.²⁵³

The data suggest that 197 governors served across Ukraine in the concerned oblasts from 2014 to 2021. Around 10 to 14 governors (5-7%) resigned for personal reasons. This highlights the complex political landscape in Ukraine and the various factors influencing the stability of governors in their regions.²⁵⁴

2.5.3. Business Loyalties

Companies rarely change loyalties, as reflected in the observation that, while there may be situations where a company alters its political alignment, such as when its former sponsor loses power, these cases are exceptional and infrequent.²⁵⁵ This phenomenon is framed within the discussion of clientelism networks, where companies that have established strong ties with a particular political group tend to maintain those loyalties over time.²⁵⁶ The stability in these relationships is because companies well-integrated into a corrupt system have more incentives to remain within that network than to risk changing their loyalty, which could jeopardise their profits and access to contracts and resources.²⁵⁷

Several factors can explain the persistence of these loyalties. First, companies that have cultivated relationships with certain political actors often invest time and resources in

²⁵³ E.g., Daria Shulzhenko, 'Former governor of Kherson Oblast Hennadii Lahuta dies at 49', *Kyiv Independent*, 17 September 2023, <https://kyivindependent.com/former-governor-of-kherson-oblast-hennady-lahuta-dies-at-49/> [accessed 2 April 2025].

²⁵⁴ 'Голови обласних та Київської міської державної адміністрацій' ('Holovy oblasnykh ta Kyivs'koyi mis'koyi derzhavnoyi administratsiy' – 'Heads of Regional and Kyiv City State Administrations'), *Kabiniet Ministriv Ukrainy* ('Кабінет Міністрів України' – 'Cabinet of Ministers of Ukraine'), Government portal, <https://www.kmu.gov.ua/diyalnist/regionalna-politika/golovi-oblasnih-ta-kiyivskoyi-miskoyi-derzhadministracij> [accessed 2 April 2025].

²⁵⁵ Mushtaq H. Khan, 'Markets, States and Democracy: Patron-Client Networks and the Case for Democracy in Developing Countries', *Democratization*, 12.5 (2005), 704–724, pp. 10.

²⁵⁶ James A. Robinson and Thierry Verdier, 'The Political Economy of Clientelism', *The Scandinavian Journal of Economics*, 115.2 (2013), 260–291, p. 265.

²⁵⁷ Ramón A. López, *Corruption and its Effect on Economic Development in Chile, Mexico and Brazil*, Working Paper, Department of Government, University of Nevada, Las Vegas (2019).

establishing a reputation and a network of contacts that allow them to operate effectively within that framework.²⁵⁸ Changing loyalty could mean losing those accumulated benefits, representing a considerable risk. Additionally, clientelism often involves an exchange of favours and benefits, creating a cycle of dependency that makes changing loyalties difficult.²⁵⁹ Companies may feel compelled to continue supporting their political sponsors, even if they lose power, due to the perception that their interests are aligned.²⁶⁰

This phenomenon is also related to the idea that companies can be seen as strategic actors in a corrupt environment, where political loyalty is based on ideology and the pursuit of economic benefits.²⁶¹ The literature suggests that companies operating in high-corruption contexts tend to develop an organisational culture that reinforces loyalty to their sponsors, perpetuating the cycle of corruption.²⁶² In this sense, political loyalty becomes a valuable asset that companies are willing to protect, explaining why changes in allegiance are so rare in these environments.

In conclusion, although exceptions exist, companies that have established ties in clientelism networks tend to maintain their loyalties over time, reinforcing the stability of corrupt systems and complicating the possibility of significant changes in power dynamics.²⁶³ The persistence of these loyalties is not only a matter of convenience but is also deeply rooted in the incentive structures that characterise corrupt environments.²⁶⁴

²⁵⁸ Alina Mungiu-Pippidi, 'The Quest for Good Governance: Learning from Virtuous Circles', *Journal of Democracy*, 27.1 (2016), 95–109.

²⁵⁹ Pranab Bardhan, 'Corruption and Development: A Review of Issues', *Journal of Economic Literature*, 44.2 (2006), 132–172.

²⁶⁰ Charles Tilly, *Democracy* (Cambridge: Cambridge University Press, 2007), p. 78.

²⁶¹ Michael Weintraub, Juan F. Vargas and Thomas E. Flores, 'Vote Choice and Legacies of Violence: Evidence from the 2014 Colombian Presidential Elections', *Research & Politics*, 2.2 (2015), <https://doi.org/10.1177/2053168015573348> [accessed 2 April 2025].

²⁶² Alina Mungiu-Pippidi, 'The Quest for Good Governance: Learning from Virtuous Circles', *Journal of Democracy*, 27.1 (2016), 95–109.

²⁶³ Mushtaq H. Khan, 'Markets, States and Democracy: Patron-Client Networks and the Case for Democracy in Developing Countries', *Democratization*, 12.5 (2005), 704–724, pp. 15.

²⁶⁴ James A. Robinson and Thierry Verdier, 'The Political Economy of Clientelism', *The Scandinavian Journal of Economics*, 115.2 (2013), 260–291, pp. 270.

2.5.4. Control Variables: Demographic Factors

Demography can also influence the level and type of corruption. Several economic and sociological factors are of great importance. One of them is the wealth of a region. The population of poorer oblasts may be compelled to engage in corrupt acts to satisfy some of their basic needs. Susan Stokes argues that poverty is a factor that makes corruption more likely to develop. In the case of clientelism, poorer citizens often become the primary targets of the patron who is eager to reward them when they act in their favour, for example, by giving their support in elections. According to Michael Armstrong, the population may be forced to act corruptly from above due to structural corruption.²⁶⁵ Due to the lack of other possibilities, residents of poorer regions may experience problems obtaining driving licences, finding a place for their child in a local school, or scheduling an appointment with a doctor unless they offer a small bribe. Officials are aware of the situation and enjoy impunity. This also concerns local authorities, for example, during the organisation of local tenders. GRP per capita (Gross Regional Product per capita) is one of the most popular proxies for the wealth and development of a region. It will constitute the basis for the first control variable of this research. Since the variable is assumed to be an indicator of corruption, a 1: oblast GRP ratio (the inverse ratio is used only for the convenience of reading the results) will serve as an appropriate control variable. In this case, the poorer the oblast, the greater the likelihood of corruption occurrence. Additionally, GDP (analogously, the GRP of particular regions) can be viewed as a proxy for state capacity.²⁶⁶ State capacity is lower, whereas per capita GDP and tax revenue are lower.²⁶⁷ Therefore, the controls over corruption that a stronger state with more robust institutions can provide are de facto insignificant in countries with low GDP. This problem often extends regionally, as well.

However, the scarcity of wealth itself is not the only factor that imposes limitations on residents and could compel them to engage in corrupt acts. Other aspects include limited access to education, slow regional development dynamics, low population mobility, low

²⁶⁵ Michael F. Armstrong, *They Wished They Were Honest: The Knapp Commission and New York City Police* (New York: Columbia University Press, 2012), pp. 113–132.

²⁶⁶ Peter Larmour and Nick Wolanin, *Corruption and Anti-Corruption* (Canberra: ANU Press, 2013), pp. 1–270

²⁶⁷ Arvind Sahay and Isabelle Dewarm, 'Political Capacity and Corruption Nexus: Re-Examining Evidence from 98 Developing Countries', *Economies*, 10.6 (2021), 127 <https://doi.org/10.3390/economies10060127> [accessed 2 April 2025]

levels of competition, and high unemployment rates. All these factors frequently lead to increased corruption in some important economic sectors (procurement is no exception). It is easier to maintain control over the clientelist network under such circumstances. All these phenomena occur more often in rural areas than in cities (also in Ukraine). Therefore, it should be assumed that all of them correlate with the urbanisation level. Thus, the level of urbanisation should significantly contribute to a lower level of corruption in an oblast. This may pertain equally to the lesser form of the phenomenon and the greater one. In the first case, the problem concerns the basic relationships between the population and their representatives and/or officials appointed by the central state. The second case may result from weaker institutions, less control, and relative ease in building clientelism. Therefore, the rural population rate should constitute a valid demographic control variable. As in the previous case, the higher the variable, the more likely a high level of corruption will be. This is one of the frequently used explanations for the phenomenon's existence. Urbanised oblasts are likely to produce better economic outcomes and, therefore, increase the wealth of ordinary citizens.²⁶⁸

Another social issue arises from Ukraine's complex history, parts of which belonged to various states in the past. The main argument of this research is that regionalisation has a tremendous influence on the distribution of corruption in modern Ukraine. Currently, regionalisation manifests itself through the predominance of a different native language, namely, Ukrainian or Russian, among the population in various parts of the country. Aside from the social foundations of the problem, language policies have also been heavily politicised, particularly after the annexation of the Crimean Peninsula by the Russian Federation and the outbreak of war in Donbas, which correspond in time with the beginning of this research.²⁶⁹ The variety of laws and institutional formations in different states that once covered the territory of contemporary Ukraine has likely made a significant contribution to the current distribution of corruption in the country. Therefore, the hypothesis regarding the causes of corruption predicts that regions where the Russian language predominates are more corrupt than areas where the Ukrainian language prevails. This can be argued by comparing the strength of institutions. The Russian Empire had weaker institutions than

²⁶⁸ Nerajda Feruni et al., “The Impact of Corruption, Economic Freedom and Urbanization on Economic Development: Western Balkans versus EU-27”, *Sustainability*, 12.22 (2020), 9743

²⁶⁹ The problem has become even more tense after the 2022 Russian invasion on Ukraine. However, these events are not included in this investigation.

Austria-Hungary and some of its successor states, such as Poland and Czechoslovakia, which also covered notable parts of contemporary Ukrainian lands, especially those where the Ukrainian language is now predominant. This is also a commonly used alternative explanation for the existence of corruption. It will be thoroughly explained in the next chapter. The third control variable will be ‘The Rate of Russian Language Use at Home.’

Data on the control variables: ‘The 1: oblast GRP Ratio’, ‘The Rural Population Rate’, and ‘The Rate of Russian Language Use at Home’ are available online on the State Statistics Service of Ukraine and the Ukrainian Census websites.²⁷⁰ The latest information is also available in the work of Ulrich Schmid and Oksana Myshlovska²⁷¹, *‘Regionalism without Regions: Reconceptualising the Heterogeneity of Ukraine’*, as it contains more current and comprehensive data than the 2001 census. The value of the first variable will be presented in Ukrainian hryvnias, while the values of the last two variables will be in percentages. In the case of the first two variables, the details will be taken from the statistics published annually. The respective data piece for each calendar year will be used twice in two subsequent correlations with the dependent variables in two semi-annual sub-periods of the research encompassed within that year. Unfortunately, censuses investigating the rate of various native languages among the inhabitants of a given oblast are conducted much less frequently. Aside from the official 2021 census and the work of Schmid and Myshlovska, there are very few estimates and surveys with reliable measurements on the proportion of the Ukrainian and Russian languages at the oblast level. Therefore, the datasets from the two sources will be correlated with the dependent variables separately throughout the research period.

²⁷⁰ State Statistics Service of Ukraine, *UkrCensus Database* http://database.ukrcensus.gov.ua/MULT/Database/Population/databasetree_en.asp [accessed 2 April 2025].

²⁷¹ Oksana Myshlovska and Ulrich Schmid (eds.), *Regionalism without Regions: Reconceptualising Ukraine’s Heterogeneity* (Budapest: Central European University Press, 2019), pp. 167-170

2.5.4.1. The Relationship: regional GRP vs. national GDP in Corruption Analysis

Gross Domestic Product (GDP) is a fundamental measure of a country's economic activity. Still, when analysing phenomena such as corruption at the subnational level, GRP can provide a more precise and relevant perspective. This assertion is supported by several reasons that highlight the utility of GRP compared to national GDP.

Firstly, GRP reflects a specific region's economic production and well-being, allowing researchers and policymakers to better understand local economic dynamics. In a country like Ukraine, where financial disparities between regions are significant, GRP becomes an essential tool for capturing the economic reality of each oblast.²⁷² This facilitates direct comparisons between different regions, enabling the identification of development patterns and correlations with corruption more effectively than national GDP, which may obscure essential variations.²⁷³

Moreover, GRP provides figures that are more accessible and understandable for citizens. An increase in a region's GRP can correlate with improvements in local infrastructure, job creation, and access to public services, making it more tangible for residents. This translates into a better capacity for policymakers to assess the impact of their decisions at the local level, allowing for more effective resource allocation and a more appropriate response a more appropriate response to each region's specific needs.²⁷⁴

From the perspective of corruption, using GRP facilitates the identification of correlations between economic growth and corruption. For example, if a region with growing GRP experiences an increase in corruption cases, this may indicate problems in public resource management that require immediate attention. Additionally, analysing GRP makes identifying

²⁷² World Bank, *Regional Economic Analysis: A Guide to the Use of Regional Accounts* (Washington, DC: World Bank, 2021), <https://documents1.worldbank.org/curated/en/099846204292224601/pdf/IDU0c0b12d7b09bcc04bc608484080b1522cd655.pdf> [accessed 2 April 2025].

²⁷³ OECD, *Measuring Regional Economic Performance* (2020), <https://www.oecd.org/en/topics/regional-rural-and-urban-development.html> [accessed 2 April 2025].

²⁷⁴ European Commission, *Regional Development and the Role of GDP* (2018), <https://ec.europa.eu/eurostat/documents/3217494/9210140/KS-HA-18-001-EN-N.pdf> [accessed 2 April 2025].

areas where corruption may negatively affect economic development easier, allowing researchers and policymakers to focus on the regions that need it most.²⁷⁵

In conclusion, GRP provides a more nuanced and accessible view of a region's economy than national GDP. Focusing on local dynamics facilitates data interpretation, and the capacity to respond to issues such as corruption is improved. This perspective is essential for developing effective policies promoting economic growth and public management transparency.

2.5.4.2. Russian Language as a Control Variable

Including the Russian language as a control variable in the analysis of corruption in Ukraine deserves special and nuanced attention. In a country where linguistic identity is deeply intertwined with political and cultural history, the Russian language is a means of communication. It reflects and shapes social dynamics and perceptions of corruption.²⁷⁶ Therefore, it is crucial to investigate the cultural significance of the Russian language, beyond its political dimension, and how this interpretation may influence the perception and experience of corruption in different contexts.

The Russian language, used by a significant portion of the Ukrainian population, can be seen as a symbol of cultural identity and, simultaneously, as a marker of political divisions. In some regions, the use of Russian may be associated with a greater acceptance of corrupt practices, partly due to the perception that state institutions, often dominated by the Ukrainian language, are less accessible or trustworthy. This situation may make Russian speakers feel marginalised or disconnected from power structures, which in turn may influence their willingness to engage in corrupt practices to access services or resources.

Moreover, the political interpretation of the Russian language can impact how corruption is perceived. In a context where the Ukrainian nationalist narrative has emphasised the struggle against Russian influence, the use of the language may be seen as an act of resistance or,

²⁷⁵ United Nations Development Programme, *Corruption and Economic Development: A Review of the Evidence* (2019), <https://www.undp.org/publications/corruption-and-economic-development-review-evidence> [accessed 2 April 2025].

²⁷⁶ Jacek Stanislawski and Maria E. Hebisz, 'The History of the Legal Status of the Ukrainian Language: From Kyivan Rus' to Contemporary Ukraine', *Eastern Review*, 12.2 (2025), University of Łódź, 57–79

conversely, as an act of betrayal.²⁷⁷ This polarisation can complicate how corruption is discussed and addressed, as accusations of corruption may be used as political tools to delegitimise certain groups or individuals rather than being analysed objectively.

Analysing the Russian language as a control variable also allows for exploring how linguistic differences may influence trust in institutions and perceptions of corruption. For example, in regions where Russian is predominant, there may be greater distrust towards institutions that primarily operate in Ukrainian, leading to a perception that corruption is more prevalent in those institutions. This perception may be fuelled by political narratives that associate the use of the Ukrainian language with corruption and inefficiency. At the same time, Russian may be viewed as a symbol of stability and connection to the past.

This analysis of the Russian language as a control variable in the final chapter and conclusion of a study on corruption in Ukraine can provide a more comprehensive perspective on the phenomenon. By considering how linguistic and cultural dynamics influence perceptions of corruption, a richer and more nuanced understanding of the roots of the problem can be developed. This would not only enrich academic analysis but could also inform more effective policies sensitive to local realities.

2.6. Dependent Variables

There are several ways to measure corruption. Unfortunately, none of them is perfect. Each has its advantages and disadvantages. Quantitative research results related to bribery based on calculations may contain slight statistical errors, while qualitative analyses sometimes tend to be subjective. Therefore, all data related to corruption may contain minimal mistakes or misjudgements. The phenomenon of corruption is intangible by nature. Thus, it is considerably challenging to answer the question of which methodology will likely provide the most reliable results in the context of this research. The methods must be evaluated by analysing those already applied in the literature.

Nick Duncan presents the simplest way to measure corruption by following existing official statistical data.²⁷⁸ These can be provided by the state in which the phenomenon occurs. They

²⁷⁷ Ibid., pp.72-79

are generally based on the number of legal claims related to corruption and the number of convictions. Alternatively, some states provide information on the economic waste caused by corruption. The former data come from official reports, while the latter often result from surveys conducted by the respective state institutions. It should be noted that such a method may not be effective in international comparisons. Each country has different laws, and surveys are conducted differently. Finally, states themselves vary in their level of corruption. The more corrupt ones are especially prone to providing false information. Therefore, this research can only be used in a comparative study at the subnational level in less corrupt countries.

One method examines the public perception of corruption in a given country or region. People are asked how they estimate the level of the phenomenon in the place where they live and their attitude towards it. Corruption cannot be measured in itself, although people can intuitively assess its presence. If the survey consists of a significant number of participants and the opinions converge, the likelihood that corruption is at the measured level looks pretty high.²⁷⁹

Johann Graf Lambsdorff²⁸⁰ asserts that, besides the people living in the investigated region, good potential survey participants are investors and companies operating there, sharing information about the difficulties experienced in conducting their business²⁸¹. Ordinary citizens are often subject to contact with everyday minor corruption in their region, while their knowledge about major corruption is more likely to come from secondary sources. On the other hand, investors and entrepreneurs are more likely to encounter experiences related to this latter type of problem.

²⁷⁸ Nick Duncan, 'The Non-perception Based Measurement of Corruption: A Review of Issues and Methods from a Policy Perspective', in *Measuring Corruption*, ed. by Charles Sampford, Arthur Shacklock, Chris Connors and Johan Galtung (Abingdon: Routledge, 2016)

²⁷⁹ Sandra Sequeira, 'Advances in Measuring Corruption in the Field', in *New Advances in Experimental Research on Corruption* (Bingley, UK: Emerald Group Publishing Limited, 2012), pp. 145–176

²⁸⁰ Johann Graf Lambsdorff, 'How Corruption Affects Persistent Capital Flows', *Economics of Governance*, 4.3 (2003), 229–243

²⁸¹ *Ibid.*, pp. 236–239

Transparency International uses a different method²⁸², whose Corruption Perception Index compares the amount of corruption in most countries worldwide. Instead of conducting the surveys themselves, the organisation compares some existing ones to make their records more reliable.

Finally, the proxy method is a very effective technique for measuring corruption. The proxy is not relevant in itself but measures a phenomenon generally associated with the dynamics of corruption.²⁸³ When determining corruption (in this case in the form of clientelism) in public procurement, the proxies mentioned in the literature generally refer to selected parts of the process. The U4 Anti-Corruption Resource Centre highly promotes the use of proxies in corruption research.²⁸⁴ Mihály Fazekas, Luciana Cingolani, and Bence Tóth, as well as several other authors, are also proponents of this method in various elaborations.²⁸⁵

Aaron Sayne, Alexandra Gillies, and Andrew Watkins developed the idea of using proxies in measuring corruption. The authors use the term ‘red flags’,²⁸⁶ which identifies various situations in which the risk of corruption is greater than under normal circumstances. These may include allowing an unqualified company to participate in the tendering process, permitting a company with a criminal record to participate, or involving a third party in the ownership of a winning company, among others.

E. Anderson expanded this theory, identifying several ‘red flags’ in procuring Ukrainian reality. She mentions, among others, the supplier that does not meet legally established standards, concealing important information related to the tendering process by a politician, a

²⁸² Transparency International, (n.d.), <https://www.transparency.org/en/> [accessed 2 April 2025]

²⁸³ Graham J. G. Upton and Ian T. Cook, *The Oxford Dictionary of Statistics*, 2nd edn (Oxford: Oxford University Press, 2002)

²⁸⁴ Jon Johnson and Paul Mason, ‘The Proxy Challenge: Why Bespoke Proxy Indicators Can Help Solve the Anti-Corruption Measurement Problem’, *U4 Anti-Corruption Resource Centre*, 2013.

²⁸⁵ Mihály Fazekas, Lorenzo Cingolani, and Bence Tóth, ‘A Comprehensive Review of Objective Corruption Proxies in Public Procurement: Risky Actors, Transactions, and Vehicles of Rent Extraction’, *Government Transparency Institute*, 2016.

²⁸⁶ Aaron Sayne, Alexandra Gillies and Andrew Watkins, *Twelve Red Flags: Corruption Risks in the Award of Extractive Sector Licences and Contracts* (Natural Resource Governance Institute, 2017), p. 3

lack of competitiveness, and prices at significantly different values from the standard market.²⁸⁷

When selecting proxies for corruption research, it is essential to consider their ability to reflect the phenomenon and the cultural, political, and economic context in which they are applied. Proxies that allow for observing patterns and behaviours associated with corruption and can be effectively measured through reliable data are the most valuable for future research.

The proxy method appears to be the most reliable of all described, but it also has disadvantages. As noted at the outset, corruption, as a phenomenon, is immeasurable, so this method (or any other method) can only show an approximation. The proxy method and ‘red flags’ only demonstrate the risk or probability of corruption occurrence. Sayne, Gillies, and Watkins emphasise that assigning ‘red flag’ to a company, contract, or politician is not a prediction of corruption but rather a research tool.²⁸⁸ It increases the likelihood of the phenomenon's appearance. If there are sufficient observations per variable, the probability calculations suggest that corruption should be more or less frequent in a place where it is examined. Furthermore, the research also aims to measure the dynamics of changes in bribery. Therefore, the proxy method seems most suitable for this research.

This approach not only contributes to academic knowledge about corruption in specific contexts, such as Ukraine,²⁸⁹ but also offers practical tools for policymakers and civil society organisations to design more effective interventions. Proxies can help identify problematic areas, guide the implementation of reforms, and facilitate monitoring changes over time. In summary, the use of proxies allows for a deeper and more nuanced exploration of corruption and can be a key component in efforts to combat it and promote transparency in governance.

²⁸⁷ E. Anderson, *Six Red Flags: The Most Frequent Corruption Risks in Ukraine's Defence Procurement*, Transparency International Defence and Security & The Independent Defence Anti-Corruption Committee, 2018, pp. 2–29.

²⁸⁸ Aaron Sayne, Alexandra Gillies and Andrew Watkins, *Twelve Red Flags: Corruption Risks in the Award of Extractive Sector Licences and Contracts* (Natural Resource Governance Institute, 2017), pp. 3–43.

²⁸⁹ Taras Kuzio, *Ukraine: Democratization, Corruption, and the New Russian Imperialism* (Santa Barbara, CA: Praeger/Bloomsbury Academic, 2015).

The independent variables, which constitute possible causes of the phenomenon, and the control variables, which indicate other common explanations, will be correlated with the main dependent variable: corruption. Given that the problem is immeasurable and intangible, it must be replaced by well-chosen proxies, namely, specific circumstances or events, highly correlated with the appropriate problem, whose occurrence is inherent to increased corruption risk and can be measured in numbers.

According to Aaron Sayne, Alexandra Gillies, and Andrew Watkins, the emergence or increase of such circumstances can be marked with ‘red flags’²⁹⁰ If a correlation between the independent variables and the selected proxies (i.e., the dependent variables) is demonstrated, the hypothesis related to the first research question will be confirmed. If we then observe which correlations are stronger and which are weaker, we will see closer indications of how the drivers of corruption differ regionally.

According to Fazekas, Cingolani, and Tóth, the proxies related to corruption in procurement can refer to the awarded contract, particularistic ties, the awarding body, and the winning company.²⁹¹ Since this research examines the relationships between local authorities and private companies, it will focus on the last of the four topics: the winning company. The proxies will be based on the characteristics of the winning tender companies, which are likely to increase the risk of corruption.

Therefore, the study will utilise the following proxies/dependent variables:

- The average age of a winning tender company when the tender was announced; in summary: the Average Age of the Company, measured in days (although when testing the dynamics, only the rate of younger companies of six and twelve months will be used instead, to simplify the calculation).

²⁹⁰ Aaron Sayne, Alexandra Gillies and Andrew Watkins, *Twelve Red Flags: Corruption Risks in the Award of Extractive Sector Licences and Contracts* (Natural Resource Governance Institute, 2017),

²⁹¹ Mihály Fazekas, Luciana Cingolani and Bence Tóth, *A Comprehensive Review of Objective Corruption Proxies in Public Procurement: Risky Actors, Transactions, and Vehicles of Rent Extraction*, Government Transparency Institute Working Paper 2016/03 (Budapest: Government Transparency Institute, 2016), p. 3 https://www.govtransparency.eu/wp-content/uploads/2016/08/GTI_WP2016_3_Fazekas-Cingolani-Toth_Conceptualising-PP-corr_160821.pdf [accessed 2 April 2025]

- The ratio between the registered capital of the company and the value of the contract; in summary: the Capital-to-Contract Value Ratio (similarly, during the measurement of corruption dynamics, the rate of companies when the capital does not exceed the value of the contract will be used for simplification; in the remaining calculations, the full numbers will be used).
- The rate of competitive tenders in a given oblast; in summary, the rate of competitive tenders is measured in percentage.

When considering proxies for corruption research, it is essential to evaluate their relevance, reliability, and ability to provide valuable insights into the phenomenon. The rate of non-competitive tenders is a valid proxy, as it can indicate a lack of transparency in public procurement processes. An increase in this rate generally suggests a higher risk of corruption, as it allows for manipulation and favouritism.²⁹² The relationship between a company's declared capital and the contract value is another crucial proxy, as it may indicate whether small companies are winning large contracts, which could suggest corrupt practices. The age of winning companies also deserves consideration, as it can help identify whether newly established and potentially fictitious companies are being used to manipulate the procurement system.

By focusing on observable variables, such as the rate of non-competitive tenders, the relationship between a company's declared capital and the contract value, and the age of winning companies, researchers can infer the risk of corruption and clientelism in a specific area.

When examining the proxies used to measure corruption, it is essential to determine whether they capture the broader phenomenon of corruption or are specifically designed to reflect clientelism. Proxies for corruption often include the prevalence of bribery, the level of transparency in government transactions, and the frequency of corruption scandals. These indicators can provide an overview of corrupt practices within a system.²⁹³

²⁹² Aaron Sayne, Alexandra Gillies and Andrew Watkins, *Twelve Red Flags: Corruption Risks in the Award of Extractive Sector Licences and Contracts* (Natural Resource Governance Institute, 2017).

²⁹³ Transparency International, *Corruption Perceptions Index 2020* (2020), <https://www.transparency.org/en/cpi/2020> [accessed 2 April 2025].

Since corruption and clientelism in Ukraine strongly overlap to a large extent and corruption is mostly driven by clientelism, it can be concluded that the variables in this research equally reflect problems of corruption and clientelism.

Clientelism, which involves the exchange of goods and services for political support, may require more specific proxies. For example, indicators such as the distribution of public resources to particular constituencies, clientelist networks, and the extent of political favours exchanged for votes can serve as more precise measures of clientelism.²⁹⁴

To accurately assess whether the proxies in question are effective in measuring general corruption or specifically clientelism, it is necessary to analyse their context and the mechanisms they capture. A thorough description of the characteristics of each proxy, its relevance to both general corruption and clientelism, and any empirical evidence supporting its effectiveness in distinguishing between the two phenomena will be necessary for a complete evaluation.²⁹⁵

While some proxies may overlap and serve dual purposes, others may be tailored to general corruption or clientelism. A careful analysis will help clarify their applicability and ensure that the measurement of these complex phenomena is both accurate and meaningful.²⁹⁶

To avoid exceeding the limits of this elaboration's volume, a sample of forty randomly chosen observations of tenders in the construction sector from each semi-annual period, from each considered oblast and the City of Kyiv, will be taken for statistical analysis. This will yield a total of 560 observations per oblast. The semi-annual repetitions of the correlation will aim to measure the dynamics of changes in corruption in a given oblast. The aforementioned proxies will be based on the sample dataset. The total number of tenders in the construction sector varies from oblast to another. It ranges from 1,136 in Ternopil to 51,563 (the sample equals 49% of the total) in the Kyiv Oblast (1%), and 1,000, while in the larger ones, the number can reach up to 5,000. All the data are listed in Table 2.1. The table

²⁹⁴ Herbert Kitschelt and Steven I. Wilkinson, *Patrons, Clients, and Policies: Patterns of Democratic Accountability and Political Competition* (Cambridge: Cambridge University Press, 2007).

²⁹⁵ Pranab Bardhan, 'Corruption and Development: A Review of Issues', *Journal of Economic Literature*, 44.2 (2006), 268–298

²⁹⁶ Alina Mungiu-Pippidi, *The Quest for Good Governance: How Societies Develop Control of Corruption* (Cambridge: Cambridge University Press, 2015).

also includes the average contract value, which is the lowest in the City of Kyiv (1.146 mln UAH) and the highest in Zakarpattia (28 mln UAH). This might be surprising, but the explanation is straightforward. In contrast to the predominantly rural and mountainous Zakarpattia, Kyiv has organised significantly more tenders, including multiple low-budget ones. This has had a significant impact on the lowering of the average statistics.²⁹⁷

²⁹⁷ Prozorro/Tendergid, (n.d.), <https://tendergid.ua/ua/> [accessed 1 July 2021].

Table 2.1. Total number of tenders in the construction sector and the average value of a contract from the entire research period (2014-2021)²⁹⁸

No.	Oblast	Total number of tenders	Average value of a tender contract
1	Cherkasy	3,415	UAH 8,955,975.96
2	Chernihiv	5,832	UAH 3,857,437.22
3	Chernivtsi	2,087	UAH 4,125,209.06
4	Dnipropetrovska	27,302	UAH 2,620,540.98
5	Ivano-Frankivsk	4,043	UAH 6,488,869.68
6	Kharkiv	9,410	UAH 6,921,580.56
7	Kherson	1,362	UAH 5,615,542.03
8	Khmelnitsky	3,635	UAH 5,618,757.67
9	Kirovohradska	1,569	UAH 17,608,106.06
10	Kyiv	51,563	UAH 1,243,120.40
11	Kyiv (City of)	49,453	UAH 1,146,027.42
12	Lviv	9,799	UAH 7,996,102.97
13	Mykolaiv	3,910	UAH 5,754,185.90
14	Odesa	5,875	UAH 7,104,507.93
15	Poltava	3,575	UAH 16,564,131.43
16	Rivne	3,092	UAH 6,385,981.62
17	Sumy	2,696	UAH 7,934,264.79
18	Ternopil	1,136	UAH 26,685,392.81
19	Vinnytsia	8,721	UAH 4,026,399.01
20	Volyn	2,779	UAH 8,586,236.28
21	Zakarpattia	1,261	UAH 28,818,864.97
22	Zaporizhzhia	8,439	UAH 7,102,157.14
23	Zhytomyr	6,297	UAH 2,820,821.92

²⁹⁸ Ibid.

2.6.1. The Average Age of the Company

The newer the company receives a significant contract, the greater the risk that it will be awarded the contract not for its experience but due to corruption.²⁹⁹ There are several arguments for this reasoning. The company may be intentionally created to win the tender contract, eliminating competition and ensuring that individuals within the clientelism benefit. In this case, the owners may have prior connections with the politicians responsible for making decisions regarding the tendering process. They may favour such a company, expecting the already agreed-upon bribe. This company may be created to win multiple contracts in the same sector because the entrepreneurs already belong to the clientele of the political decision-makers. On the other hand, it may also dissolve quickly after winning the contract and completing its tasks (or leaving them unfinished) to eliminate records and create an artificial burden to cover the company participants in case a lawsuit arises later, for example, due to the poor quality of the constructed infrastructure.³⁰⁰

The other situation occurs when a patron's corrupt activity and clientelism are under scrutiny (for example, when there are already some open cases in court). In such a case, they create fictitious companies without a history that have no evident connection to their previous ventures.

Sometimes, the company may have been established before the change of government and, therefore, before the official announcement of the actual tenders. Politicians wish to form clientelism that will help them implement their policies and from which they will eventually receive benefits when elected. All three of these examples demonstrate the utility of this proxy in explaining how young companies may constitute a greater risk concerning corruption.

However, some older companies may join a clientelist network and participate in rigged tenders. If power changes, the role of such companies diminishes. Of course, there are situations where an existing company changes its political loyalty, as its former patron loses

²⁹⁹ Diego Coviello and Stefano Gagliarducci, *Building Political Collusion: Evidence from Procurement Auctions*, IZA Discussion Paper, Institute for the Study of Labour (Bonn: IZA, 2010).

³⁰⁰ Mihály Fazekas and Bence Tóth, 'Proxy Indicators for the Corrupt Misuse of Corporations', *U4 Brief* (Bergen: U4/Chr. Michelsen Institute, October 2017) <https://www.u4.no/publications/proxy-indicators-for-the-corrupt-misuse-of-corporations.pdf> [accessed 2 April 2025]

their position and continues their corrupt activities. Nonetheless, these are rarer cases. Additionally, newer companies are at greater risk of being absorbed by the clientelist network due to their lack of history.

For these reasons, the average age of winning tender companies ('Average Age of the Company') is a valuable proxy for corruption. It reflects the possible strong connections between those in power and private investors. The creation of a fictitious company to ensure victory in a contract is a very common form of corruption, overlapping with clientelism. The method can be defined placing the right individuals in formal positions to act as proxies on behalf of the true beneficiary, an informal client – a political sponsor, who, for legal or reputational reasons, does not wish to appear in the contract directly. It is a common form of corruption in Ukraine, widespread in procurement, tenders, and the construction sector. Such phenomena have been the subject of multiple scandals in the country.

The sector's significance also suggests the appropriateness of using such a variable as a proxy for measuring corruption. Furthermore, Fazekas, Luckás, and Tóth³⁰¹ assert that companies formed close to the moment of power change or before winning very costly contracts often constitute pre-established agreements. The authors add that they often dissolve after completing the contract. Companies that win multiple contracts in a short period are also dangerous. However, the availability of data on companies participating in tenders is transparently displayed on the YouControl website. Any irregularity, including many young companies winning contracts frequently, is easy to detect.

Therefore, the actual time between the registration of a company and the announcement of the tender that the company subsequently wins will be considered as an increase in the likelihood of a corrupt act occurring (the aforementioned red flag or simply the risk of corruption). It will be counted in days. The fewer days, the greater the risk. Consequently, the average age of all selected companies that win tender contracts (measured at the time of tender submission) in an oblast will constitute the first proxy and dependent variable. As suggested earlier, measurements will be repeated every six months throughout the research time to control the dynamics of changes. Data related to the age of a company is available on

³⁰¹ Mihály Fazekas, Péter András Lukács, and István János Tóth, 'The Political Economy of Grand Corruption in Public Procurement in the Construction Sector of Hungary', in *Government Favouritism in Europe: The Anticorruption Report*, vol. 3, ed. by Alina Mungiu-Pippidi (Budapest: Central European University Press, 2015), pp. 53–68

the Prozorro website.³⁰² It should be noted that companies formed before 2014, i.e., before this research period, which subsequently won tenders announced in 2014 or later, will also be considered.

The use of company age as a proxy for measuring corruption is based on the observation that younger companies tend to be more involved in corrupt practices. Various reasons can explain this trend. First, newly established companies often lack a solid track record and credibility in the market, making them more vulnerable to being used as vehicles for corruption. These entities may be created solely to win contracts, without the intention of meeting quality standards or completing projects adequately. The lack of experience may make these companies unable to compete on equal terms with more established firms, making them ideal candidates to be manipulated in bidding processes.

Moreover, political connections play a crucial role in this phenomenon. Young companies may be founded by individuals with ties to political figures, allowing them to obtain contracts through corrupt practices. Creating a company at a strategic moment, such as just before the awarding of an important contract, may indicate that the company was established solely to win that contract. This behaviour is common in environments where corruption is prevalent, and companies may be seen as tools to facilitate corruption rather than legitimate entities seeking to compete in the market.

Another relevant aspect is the rapid disappearance of these companies. Many may dissolve shortly after fulfilling their corrupt function, making it difficult to trace their activities and hold them accountable. This phenomenon relates to the idea that companies can be used to carry out corrupt acts and then be closed to avoid legal consequences. The lack of an operational history and the ease with which they can be created and dissolved make these companies particularly problematic in the context of corruption, as their existence can be ephemeral and their impact difficult to measure.

The academic literature supports this relationship between company age and corruption. For example, Coviello and Gagliarducci³⁰³ argue that *‘the duration of a company operating in a*

³⁰² Prozorro/Tendergid, (n.d.), <https://tendergid.ua/ua/> [accessed 1 July 2021].

³⁰³ Diego Coviello and Stefano Gagliarducci, *Building Political Collusion: Evidence from Procurement Auctions*, IZA Discussion Paper, Institute for the Study of Labour (Bonn: IZA, 2010).

*bidding process is correlated with corruption*³⁰⁴. Younger companies, lacking an established history, are more likely to be used in corrupt schemes. This perspective is complemented by studies indicating that the creation of companies at strategic moments can be an indicator of corruption.³⁰⁵

Therefore, company age emerges as a valuable proxy for corruption, as younger companies tend to be more exposed to corrupt practices due to their lack of experience, political connections, and the possibility of dissolving quickly after engaging in corrupt acts.

If a company is fictitious and created solely to win a specific contract, this means that the intention to commit a corrupt act was manifested significantly in advance of its actual occurrence, i.e. long before the company was awarded the contract. Therefore, the results of the potential risk of corruption can be observed with a relatively greater delay than those of the other two variables.

2.6.2. The Capital-to-Contract Value Ratio

Another corruption risk, as suggested by Stefano Canepelle, Francesco Calderoni, and Sara Martocchia, may constitute a reliable proxy for measuring corruption in Ukraine.³⁰⁶ It also considers the companies that participate in tenders and subsequently win them. It is the size of the company. It may seem suspicious if a tiny company wins a contract for a substantial sum of money. This may mean that such a company is fictitious and is controlled by individuals close to the politicians in power.

³⁰⁴ Ibid., pp.88

³⁰⁵ Mihály Fazekas, Luciana Cingolani and Bence Tóth, *A Comprehensive Review of Objective Corruption Proxies in Public Procurement: Risky Actors, Transactions, and Vehicles of Rent Extraction*, Government Transparency Institute Working Paper 2016/03 (Budapest: Government Transparency Institute, 2016) https://www.govtransparency.eu/wp-content/uploads/2016/08/GTI_WP2016_3_Fazekas-Cingolani-Toth_Conceptualising-PP-corr_160821.pdf [accessed 2 April 2025].

³⁰⁶ Stefano Canepelle, Francesco Calderoni, and Sara Martocchia, 'Not Only Banks: Criminological Models on the Infiltration of Public Contracts by Italian Organised Crime', *Journal of Money Laundering Control*, 12.2 (2009), 151–172.

Therefore, the second dependent variable will be based on the difference between the company's registered capital, as provided by YouControl, and the total value of the contract offered by Prozorro. As in the previous cases, this variable only indicates the increased risk of corruption, not certainty. Some companies declare low capital for various reasons. However, those circumstances themselves are often a sign of corruption. For example, capital could be declared lower in companies in financial trouble or near bankruptcy, increasing the likelihood of their dishonest participation in the tendering process (for example, through money laundering).

The calculated ratio will demonstrate the greatest disparities and indicate that small companies are winning large contracts. The average value for each oblast will constitute the value of the dependent variable. Similarly to the previous case, measurements will be repeated every six months to observe the dynamics of changes. Subsequently, the correlation between this variable and all relevant independent and control variables will be sought.

Analogously to the first dependent variable, 'the red flag' placed by 'the ratio between the company's capital and the contract value' also seeks possible irregularities regarding the true purpose of the company's existence. Companies could have been created solely to win selected tenders, as their management could depend on public officials (i.e., they could belong to the clientelism of local politicians). Declaring the company's minimum capital could mean minimising paperwork because no one expects the company to grow after completing the contract. In another situation, when an existing company is in financial trouble, a corrupt deal with an agent may help overcome these problems. The company will strengthen its position, and the politician will have a fixed partner with whom to share future profits. Alternatively, the company may close quickly.

The issue is strictly related to clientelism, which, as stated earlier, is particularly important in procurement. Given that procurement constitutes a high rate of total public expenditure, this problem is fundamental. The proxy appears to represent the problem quite objectively. The YouControl website also provides data on all tender participants.

The company's capital is a crucial factor in assessing the likelihood of corruption in public procurement processes. This indicator reflects a company's financial capacity to carry out projects and indicates its legitimacy and experience in the sector. In the context of corruption,

a significantly low registered capital compared to the contract value may raise suspicions about the nature of the company and its relationship with public officials.³⁰⁷

For example, suppose a company with very low registered capital wins a large-scale contract. This may suggest that the company is fictitious or controlled by individuals close to the politicians in power.³⁰⁸ Such companies are often created specifically to win contracts, eliminating competition and ensuring that profits are distributed among members of the clientelist network.³⁰⁹

Moreover, companies with low capital may be involved in money laundering practices. By receiving large sums of money through public contracts, these companies can conceal the true nature of their operations and divert funds to private accounts or other entities controlled by the same corrupt actors.³¹⁰ The existence of companies with low capital winning significant contracts can also distort competition in the market, displacing legitimate companies that meet legal requirements and have the necessary capital to carry out projects.³¹¹

Therefore, analysing the ‘Capital to Contract Value Ratio’ is not only an indicator of corruption risk but also provides valuable information about the health of the public procurement market in a region. A high number of contracts won by companies with low

³⁰⁷ E. Anderson, *Six Red Flags: The Most Frequent Corruption Risks in Ukraine’s Defence Procurement*, Transparency International Defence and Security & the Independent Defence Anti-Corruption Committee (2018), <https://ti-defence.org/wp-content/uploads/2018/11/6-red-flags-ukraine-defence-procurement.pdf> [accessed 2 April 2025].

³⁰⁸ Yan-Leung Cheung, P. Raghavendra Rau and Aristotelis Stouraitis, ‘Which Firms Benefit from Bribes, and by How Much? Evidence from Corruption Cases Worldwide’, *NBER Working Paper* No. 17981 (Cambridge, MA: National Bureau of Economic Research, April 2012), <http://www.nber.org/papers/w17981.pdf> [accessed 2 April 2025].

³⁰⁹ Artur Kovalchuk, Charles Kenny and Mallika Snyder, *Examining the Impact of E-Procurement in Ukraine*, CGD Policy Paper 511 (Washington, DC: Centre for Global Development, 2019).

³¹⁰ Brian M. Faughnan, Jonathan T. Hiskey and Scott D. Revey, ‘Subnational Electoral Contexts and Corruption in Mexico’, *Journal of Politics in Latin America*, 6.1 (2004), 45–81.

³¹¹ Nick Duncan, ‘The Non-perception Based Measurement of Corruption: A Review of Issues and Methods from a Policy Perspective’, in *Measuring Corruption*, ed. by Charles Sampford, Arthur Shacklock, Chris Connors and Johan Galtung (Abingdon: Routledge, 2016).

capital may indicate a corrupt and clientelist environment, justifying the need for stricter monitoring and regulation in bidding processes.³¹²

2.6.3. The Rate of Competitive Tenders

The last dependent variable is based on a set of dummy variables. Access to the relevant data is very easy since the Prozorro website provides all the information about which tenders are competitive and which are not. Competitive tenders are generally open to the public, and any company can participate. On the other hand, non-competitive tenders are those in which only selected companies are allowed to participate, and their announcement is usually not open to the public.

Unfortunately, non-competitive tenders increase the risks of corruption occurrence. The fact that most companies are restricted from participating means that decision-makers can choose those whose management belongs to their clientelism or from whom they can expect a bribe. Furthermore, irregularities that arise when executing such a contract are easily concealed after the winning company completes its task. If, for example, the tendering process serves defence issues, any subsequent construction failures will not be announced to the public. Therefore, the corrupt act is effortless to commit, and the risk of future penalties for those involved is minimal.³¹³

Since there are relatively many tenders of this type in Ukraine, the topic constitutes a good proxy for measuring corruption. The rate of non-competitive tenders in each oblast in every semi-annual period will constitute the values of the dependent variable, which will be correlated with the relevant independent and control variables. The number of such contracts is elementary to measure, and at the same time, the concealment of the contract matter constitutes a relatively high risk of corruption occurrence.

³¹² Transparency International, (n.d.), <https://www.transparency.org/en/> [accessed 2 April 2025].

³¹³ Transparency International – Ukraine, *Public Procurement Without the Hype: Key Industry Changes Over the Past Year*, 27 May 2025, noting competition rose 18 % with an average 1.88 bidders per tender, while open auctions averaged only 1.26 bidders and just 38.7 % had two or more participants – including in construction (1.2 bidders and only 19.4 % with ≥ 2) <https://ti-ukraine.org/en/news/public-procurement-without-the-hype-key-industry-changes-over-the-past-year/> [accessed 2 April 2025].

2.6.3.1. Reasons for Non-Competitiveness of Tenders

In the context of tenders in Ukraine, several reasons may contribute to a lack of competitiveness beyond the suspicion of corruption. One prominent reason is national security, which is often used as a justification to limit competition in the tendering process. This is particularly relevant in the defence sector, where the government may argue that certain contracts should be awarded to specific suppliers who meet security and confidentiality requirements. However, in Ukraine, defence-related tenders are financed through the national budget, which means that competition may be limited to a small number of suppliers who meet specific security criteria. Therefore, their role at the subnational level is *de-facto* non-existent.^{314 315}

Sometimes, there may be a lack of qualified suppliers to meet the technical or quality requirements set out in the tender. This can be particularly true in specialised sectors where only a few companies have the experience or capacity to execute the contract. Additionally, in situations where a rapid response is required, such as in emergencies or crises, the government may opt for a non-competitive tendering process to expedite the awarding of the contract. This may be necessary to ensure that services or products are delivered promptly, although it may compromise transparency and competition.

In some instances, contracts may be awarded to existing suppliers working on previous projects. This can lead to non-competitiveness, as the government may prefer to continue working with a supplier with a performance history rather than opening the process to new competitors. Furthermore, some regulations may allow for non-competitiveness in certain circumstances, such as in the case of low-value contracts or situations where the need for a specific supplier is justified for technical or quality reasons.

It is important to note that while defence is a commonly cited reason for tenders' non-competitiveness, this argument does not apply to all local tenders. The national budget funds the defence tenders, implying that decisions regarding competition may be more centralised and less influenced by regional dynamics.

³¹⁴ Prozorro/Tendergid, (n.d.), <https://tendergid.ua/ua/> [accessed 1 July 2021].

³¹⁵ Artur Kovalchuk, Charles Kenny and Mallika Snyder, *Examining the Impact of E-Procurement in Ukraine*, CGD Policy Paper 511 (Washington, DC: Centre for Global Development, 2019).

2.6.4. Use of ‘Red Flags’ as a methodology. Advantages and disadvantages

To justify using red flags as a methodology in corruption analysis, it is essential to understand how these signals can act as indirect indicators of corruption in a specific context, such as public procurement. Red flags are situations or characteristics that, while not directly proving corruption, suggest a heightened risk of its occurrence.

The use of red flags in corruption research is based on the premise that, since corruption is an inherently complex phenomenon to measure and often hidden, it is more effective to identify patterns and behaviours associated with corrupt practices. According to Sayne, Gillies, and Watkins³¹⁶, red flags may include situations such as the participation of unqualified companies in bidding processes, a lack of competition in bids, or links between officials and winning contractors. These signals allow researchers to identify risk areas and focus on cases most susceptible to corruption. This elaboration also details how red flags can be used to identify corruption risks in granting licenses and contracts, providing a framework that can be adapted to other contexts, such as public procurement in Ukraine.

The focus on red flags is particularly relevant in contexts where corruption may be rooted in political and economic structures. For example, in Ukraine, where corruption has been a persistent problem, the use of red flags can help unravel the dynamics of clientelism and corruption in the construction and public procurement sectors. By identifying patterns of behaviour that deviate from expected norms, researchers can infer the likelihood of corruption without the need for direct evidence.

Therefore, using red flags as a methodology in corruption research allows researchers to address a complex and often hidden phenomenon more effectively. By focusing on indirect corruption indicators, patterns, and risks that might otherwise go unnoticed can be identified. This approach is practical and aligns with best practices in corruption research, as detailed in the existing literature.

The use of red flags allows researchers and policymakers to identify risk areas and focus their efforts on preventing and controlling corruption. This approach can be particularly valuable in contexts where corruption is endemic and institutions are weak. By highlighting

³¹⁶ Aaron Sayne, Alexandra Gillies and Andrew Watkins, *Twelve Red Flags: Corruption Risks in the Award of Extractive Sector Licences and Contracts* (Natural Resource Governance Institute, 2017).

corruption-associated phenomena, it opens the door to more thorough investigations and the implementation of corrective measures.

However, like any methodology, the red flag approach is imperfect and presents several disadvantages that must be considered. First, the ambiguity in the interpretation of red flags can lead to erroneous conclusions. A phenomenon regarded as a warning sign may not have the same meaning in another context. For example, a non-competitive bidding process could be justified for legitimate reasons, such as the technical specialisation required for a specific project. This lack of context can result in an overestimation of the level of corruption in certain areas.³¹⁷

Additionally, the methodology largely depends on secondary data, which may be incomplete or inaccurate. The quality of the data is fundamental to the validity of any analysis, and the use of unreliable information can compromise the results. Furthermore, the methodology may oversimplify a complex phenomenon like corruption by focusing on specific indicators and overlooking other important factors that contribute to its existence, such as political culture, institutional structure, and social dynamics.³¹⁸

Another drawback is that red flags may be influenced by external variables that have not been adequately controlled. This can lead to confusion in identifying the underlying causes of corruption. For instance, an increase in the number of non-competitive bids might coincide with a change in legislation that facilitates such processes, which does not necessarily indicate an increase in corruption.

Finally, the red flag methodology may be susceptible to adaptation by the involved actors. If corrupt officials know that specific indicators are red flags, they may alter their behaviour to avoid detection, making it more challenging to identify corruption in the future.

Consequently, applying these specific proxies within the Ukrainian subnational context may also constitute a modest contribution to knowledge, as the research not only investigates

³¹⁷ Francesco Decarolis and Cristina Giorgiantonio, 'Corruption Red Flags in Public Procurement: New Evidence from Italian Calls for Tenders', *EPJ Data Science*, 11 (2022)

³¹⁸ Lucinda Low, 'Methodologies for Proving Corruption in Arbitration', in *Methodologies for Proving Corruption* (London: Routledge, 2021), chap. 21

corruption but simultaneously tests the suitability and explanatory power of these indicators in capturing the phenomenon under these particular conditions.

2.6.5. Indicators of Corruption and Clientelism

Clientelism in Ukraine manifests through exchange relationships between politicians and their voters, where benefits are offered in exchange for electoral support.³¹⁹ This phenomenon is particularly relevant in the context of oblast councils and to the lesser extent, the role of governors, who play crucial roles in managing public resources and making decisions in their respective regions. In particular circumstances of the country, clientelism and corruption tend to overlap significantly.³²⁰ Therefore, in the case of Ukraine, several proxies may be able to equally measure both phenomena.

Members of the oblast council, elected by the local population, and governors, appointed by the president, operate in a political space where clientelist dynamics can create conflicts of interest. On one hand, governors, being appointed by the central authorities, may be more aligned with the agendas of the national government and, therefore, may prioritise the interests of their political sponsors. On the other hand, members of the oblast council, having closer connections to their constituents, may be motivated by the need to benefit their political bases through the allocation of contracts and resources.³²¹

This scenario raises the possibility that both groups of politicians – with different loyalties and objectives – may become involved in corrupt practices. The interaction between the governor and the council members can create tensions if one party's interest conflict with the other's. For example, a governor might favour awarding a contract to a company with which

³¹⁹ Ivan Krastev and Stephen Holmes, 'Explaining Eastern Europe: Imitation and Its Discontents', *Journal of Democracy*, 29.3 (2018), 117–128.

³²⁰ Timothy Frye, 'The Politics of Institutional Choice: A Comparative Analysis of Ukraine's Regional Governance', *Comparative Political Studies*, 50.6 (2017), 739–765.

³²¹ Oleksandr Fisun, *The Future of Ukraine's Neopatrimonial Democracy*, PONARS Eurasia Policy Memo No. 394 (Washington, DC: Institute for European, Russian and Eurasian Studies, George Washington University, October 2015), <https://www.ponarseurasia.org/the-future-of-ukraines-neopatrimonial-democracy/> [accessed 2 April 2025].

they have personal ties, while a council member might push for a local company that owes them political loyalty to be favoured.³²²

This potential conflict of interest between the two groups of politicians cannot only perpetuate corruption but also complicate the implementation of effective anti-corruption policies.³²³ In the future, research should consider how these dynamics of power and loyalty can influence the prevalence of corruption at the local level, as well as the effectiveness of anti-corruption reforms in Ukraine.

This rethinking introduces the idea that members of the oblast council and the governor are interrelated actors in the phenomenon of clientelism and suggests the potential for conflicts of interest, which can serve as a starting point for future research on corruption in the Ukrainian context.

In addition to the previously discussed dependent variables, it is crucial to consider the indicators of corruption and clientelism that can provide a more nuanced view of the dynamics of these phenomena in Ukraine. Below are some of the most relevant indicators that reflect both corruption and clientelism, focusing on variables such as the rate of non-competitive bidding and the relationship between the declared capital of companies and the value of contracts.

Corruption and clientelism are interrelated phenomena that affect governance and economic development in many countries, particularly in the Ukrainian realities. Although often used interchangeably, it is crucial to distinguish between them to better understand their dynamics and effects. This analysis delves into the indicators that reflect both corruption and clientelism, focusing on variables such as the rate of non-competitive bidding and the relationship between companies' declared capital and the value of contracts.

Corruption is the improper use of public power for private gain, manifesting in bribery, embezzlement, and favouritism in contract allocation. This phenomenon undermines trust in

³²² Taras Kuzio, *Ukraine: Democratization, Corruption, and the New Russian Imperialism* (Praeger Security International; London: Bloomsbury Academic, 2015), pp. 327–430.

³²³ Sergey Vasiliev, 'The Crises and Critiques of International Criminal Justice', in *The Oxford Handbook of International Criminal Law*, ed. by Kevin Jon Heller, Frédéric Mégret, Sarah M. H. Nouwen, Jens David Ohlin and Darryl Robinson (Oxford: Oxford University Press, 2020), pp. 626–651

institutions and distorts economic competition. On the other hand, clientelism is an exchange system in which politicians offer benefits in exchange for electoral support, based on personal relationships and loyalty networks. In this system, public resources are distributed unevenly, favouring certain groups at the expense of others.

Corruption indicators are metrics that assess the prevalence and severity of corrupt practices in a country. In the context of Ukraine, two key indicators are the rate of non-competitive bidding and the relationship between declared capital and contract value. The rate of non-competitive bidding measures the proportion of public contracts awarded without an open and competitive bidding process. An increase in this rate may indicate corruption, suggesting that contracts are awarded to friends or political allies rather than to the best bidders. The lack of competition in the bidding process reduces transparency and increases opportunities for bribery and favouritism.³²⁴ The relationship between declared capital and contract value examines the discrepancy between a company's stated capital and the value of the contracts it receives. If a company with low declared capital wins high-value agreements, this may indicate corrupt practices, such as bid manipulation or using shell companies to divert public funds.

Clientelism manifests through practices that can be difficult to measure, but specific indicators can help identify its presence. The distribution of public resources, such as subsidies, contracts, and infrastructure projects, can reflect clientelist practices. If resources are concentrated in specific regions or groups in exchange for political support, this may indicate clientelism. Likewise, informal loyalty networks between politicians and their supporters can indicate clientelism, as these networks often influence the allocation of resources and benefits.

The intersection of corruption and clientelism complicates the analysis, as both phenomena can coexist and reinforce each other. The phenomenon is powerful in Ukraine due to the country's recent history. For example, politicians may use corrupt practices to finance their clientelism, offering contracts to companies in exchange for electoral support. This creates a vicious cycle where corruption fuels clientelism and vice versa. Additionally, the overlap of these phenomena may hinder the precise measurement. A high rate of non-competitive

³²⁴ Alina Mungiu-Pippidi, 'The Quest for Good Governance: Learning from Virtuous Circles', *Journal of Democracy*, 27.1 (2016), 95–109.

bidding may indicate corruption. Still, it may also reflect a clientelist system where contracts are awarded to political allies rather than the best bidders.

The distinction between corruption and clientelism has essential implications for analysis and policy formulation. To effectively address these issues, differentiated approaches that recognise the particularities of each phenomenon are essential. This may include implementing specific reforms that address both transparency in contract awarding and equity in resource distribution. Promoting transparency in bidding processes and accountability in public resource management is essential to reducing both corruption and clientelism. This may include creating public information platforms that allow citizens to monitor resource allocation and project execution.

The relationship between corruption and clientelism in Ukraine is complex and multifaceted. Indicators such as the rate of non-competitive bidding and the relationship between declared capital and contract value are essential for understanding these dynamics. However, it is crucial to distinguish between these phenomena to develop effective strategies that promote transparency, accountability, and fair governance. The fight against corruption and clientelism requires a comprehensive approach that addresses the roots of these problems and fosters a healthier political and economic environment.

2.7. Research Methods

The information collected includes data from 22 oblasts and the capital city of Kyiv. The research period was seven years, starting from July 1, 2014 (i.e., after the Revolution of Dignity, the overthrow of Yanukovich, and the beginning of the war in Donbas) until June 30, 2021 (a little over half a year before the current large-scale Russian invasion). There are 11,700 randomly selected observations, which on average produce more than 500 observations per oblast. The data are presented semi-annually, with approximately 835 observations each six months. Therefore, there are almost forty observations per oblast in each semi-annual period. Information about tenders was announced to the public in 2013 and has thus been recorded on the Prozorro website. The site has been continuously updated.

The research will not be conducted in the oblasts of Donetsk and Luhansk, the Autonomous Republic of Crimea, and the City of Sevastopol. During the research period, the oblasts of Donetsk and Luhansk were in continuous armed conflict. The ongoing instability significantly altered how local politics were conducted there and affected the social aspects of the lives of Ukrainian citizens in those areas. Therefore, the two oblasts were not taken into account for this research. The Russian Federation had also annexed the Crimean Peninsula and maintained total control over its territory. The other two regions – the Autonomous Republic of Crimea and the City of Sevastopol – are also excluded for the same reasons. Research in those regions could yield completely different results compared to the other areas. Finally, they could affect the authenticity of the study in the rest of the country.³²⁵ The research period ends in 2021. A year later, the Russian Federation launched a large-scale invasion across Ukraine, partially occupying and claiming two more oblasts (Zaporizhzhia and Kherson). The fate of the war remains unknown (i.e., during the drafting stage of this thesis), and so do future changes within Ukrainian society.

The research will be comparative. The regions will be examined to verify whether the phenomenon of corruption in Ukraine is distributed equitably or unequally and whether there are notable patterns in that distribution. The following conclusions will form the basis for subsequent, comprehensive, and quantitative analysis. Furthermore, the collected data will be utilised in various ways, so it will not be solely the quantitative research. The first phase will respond to the first of the research questions, simultaneously confirming (or rejecting) the presented hypothesis. It will also determine the ‘statistically similar’ and ‘statistically different’ oblasts. The second phase will investigate the identified patterns and attempt to answer the other research question more precisely, exploring the main causal mechanisms responsible for regional variations in corruption throughout Ukraine.

The applied research methods will aim to provide evidence that connections between politicians and private companies at the local level are widely present in Ukraine. In particular, a strong correlation exists between decision-makers (who create the political and economic drivers of corruption) and corruption itself. Factors, such as demography, which influence the social and cultural causes, will provide alternative explanations of the problem.

³²⁵ Taras Kuzio, ‘When an Academic Ignores a Fact’, *New Eastern Europe* (London: I.B. Tauris, 21 June 2016), <http://neweasterneurope.eu/2016/06/21/when-an-academic-ignores-inconvenient-facts/> [accessed 2 April 2025].

When all numerical data are collected, the first step will be to search for particularly distinctive variations by observation. This process will constitute a preliminary verification of whether the hypothesis holds. The most notable variations will be taken into account when formulating conclusions.

The subsequent part of the research will depend on correlating the independent variables with the dependent ones. The Tenure of the Governor in Power and the Tenure of the Political Party in Power in the Oblast Council will be correlated respectively with: 'the Average Age of the Company', 'the Ratio Capital-to-Contract', and 'the Rate of Competitive Tenders'. Although both independent variables may seem similar, they are entirely unrelated, representing data from two different examined institutions. If correlations are found, they will constitute the basis for further investigation. The statistics used in the research are descriptive. It aims to identify particular patterns and correlations in the data. It also allows for estimating the differences in the connections of those in power (whose tenures are represented by independent variables) with clientelist corruption (represented by proxies, i.e., dependent variables) in different oblasts of Ukraine.

Similarly, the control variables regarding corruption risks, notably, '1: oblast GRP Ratio' (for convenience), 'Rate of Rural Population, and 'Rate of Russian Language Use at Home' will be correlated with the three dependent variables. This will allow the analysis to exclude alternative hypotheses. Given that there are assumptions that demography is associated with corruption, it can significantly contribute to this research. Demographic data do not depend on a governor or a political party in power in the oblast. Their sole purpose is to confirm the level of corruption in an oblast, which has already been correlated with the politically formulated independent variables indicating the likelihood of the phenomenon's occurrence. The demographic data, also reflected in the control variables chosen for this research, strongly connect with corruption, which is frequently emphasised in the literature. Likewise, it can test or refute early hypotheses about the social and economic causes of the phenomenon. The use of this data will also affirm the neo-institutional character of this research.

The phenomenon of corruption tends to be dynamic not only in space but also in time. The unit of analysis concerning the latter will be half a year. The independent variables will be measured in days, i.e., how many days a governor and how many days a political party in the Oblast Council have been in power (in the case of the latter, due to the inconsistency of data

recording, it is only possible to count the days from the day of local elections on March 26, 2006).

The control variables will be correlated with the dependent variables at the respective moment of the research period. Unfortunately, due to the incompleteness of the data, the variables ‘1: oblast GRP Ratio’ and ‘the Rate of Rural Population’ will only be measured once annually. Therefore, a measurement of a control variable will be used in two correlations with two different values of the respective dependent variables from the same calendar year. The variable ‘The Rate of Russian Language Use at Home’ has been measured even less frequently. Therefore, its acquired value in two measurements can only be applied to all correlations throughout the research period. One comes from the official 2001 census³²⁶, and the other from the research and estimation of 2013.³²⁷

Suppose a corrupt act depends on establishing a fictitious company, which has been established solely to win the contract. In that case, the six-month period seems precise in light of the selected proxies representing corruption. The procedure for opening and registering the company and the simultaneous development of the project for which the tender will be needed in the construction sector will likely take approximately that time. The same situation occurs if a company without a previous history is required to win the tender. The assumption is less valid in the case of companies that belonged to a clientelist network for a longer time.

Finally, if the research does not show any correlation, and thus no particular pattern of corruption distribution, it would only prove that corruption in Ukraine was more chaotic than the literature has suggested thus far. It should be emphasised that the research questions posed at the beginning would remain very valuable, even if it were demonstrated that the assumed hypothesis was false. This would mean that the intangibility of corruption has been underestimated. In such a case, all tools, techniques, and methods to investigate corruption would be insufficient, as the phenomenon is more unpredictable than previously thought.

³²⁶ State Statistics Service of Ukraine, *UkrCensus Database* http://database.ukrcensus.gov.ua/MULT/Database/Population/databasetree_en.asp [accessed 2 April 2025].

³²⁷ Oksana Myshlovska and Ulrich Schmid (eds.), *Regionalism without Regions: Reconceptualising Ukraine's Heterogeneity* (Budapest: Central European University Press, 2019), pp. 167-170

This elaboration would also significantly contribute to current knowledge if the research yields such results. Nevertheless, such a scenario seems extremely unlikely based solely on the observation of existing data. The links between the functioning of political institutions and the risk of corruption in procurement will almost certainly be demonstrated to differ across the country. Therefore, the significant diversification of the phenomenon across various regions seems plausible in this research.

2.8. Administrative Laws on Budgets and Tender Processes in Ukraine

This section is fundamental for the thesis's design, as it addresses a key aspect of corruption in public contracting. In Ukraine, the structure of local government is highly complex. Despite significant progress in the legal framework, some laws still lack the necessary transparency, and the competencies of the respective institutions are often not clearly defined. This lack of clarity creates opportunities for rule-bending, which, consequently, can increase corruption. The organisation of tenders is a good example of such activities.

2.8.1. Budgeting

First, let us familiarise ourselves with how Ukraine's budgeting and tendering processes are organised at the local governance level. Ukraine is a unitary state. Despite all the differences mentioned in the previous subsection, the legal framework is uniform across the country. Therefore, funds acquired through taxes and other forms of income flow directly into the national budget. Subsequently, the central government budgets regions depending on local needs. Two separate institutions are responsible for governance at the oblast level, namely, the State Administration of the Oblast and the Oblast Council. The head of the former (the governor), who enjoys most executive powers (which could still be annulled by executive decisions made at the national level), is appointed by the President upon the proposal of the Cabinet of Ministers. The head of the State Administration of the Oblast nominates their closest associates themselves. They are official representatives of the state. On the other hand, members of the Oblast Council are elected in local elections, and the institution primarily serves a legislative function, although it also possesses some executive power. Unlike the former, members of the Oblast Council do not enjoy the status of state

representatives; they constitute only local self-governance. Analogous organisations also exist at even lower levels of administration, such as rayons, cities, etc.³²⁸

Since budgeting comes from the Central Government, it is the responsibility of the State Administration of the Oblast to propose the required budget for a predefined purpose. The Oblast Council can then approve or disapprove the proposed budget. According to the Ukrainian Constitution, the Administration is responsible for a variety of projects carried out in the territory of a given oblast:

‘the implementation of national and regional programs for socio-economic and cultural development, programs for environmental protection, and also – in places of compact residence of indigenous peoples and national minorities – programs for their national and cultural development’³²⁹

The State Administrations of the Oblast are accountable to the Oblast Councils. The latter manage the revenues of local budgets, various other funds, and local resources belonging to the communities within the oblast, with some legally defined exceptions.

In the construction sector, both institutions are responsible, depending on the type of infrastructure. Some pieces fall under the administration's responsibility and others under the council's. Both have separate budgets. As a state-nominated authority, the administration has a significantly larger budget than the oblast council. The division of responsibilities is also not very clear. Even a single undertaking could lead to a conflict between the two bodies over which should take the initiative.

2.8.2. Tender Process

The tender process in Ukraine can unfold through three distinct scenarios, each operating independently of direct oversight by the State Administration or the Council. In these instances, a third party may be appointed to oversee the tender's progression. This third party could be one or more authorised individuals, a tender committee, or a centralised purchasing

³²⁸ Yevhenii Horlov, *Personal interview with the author*, semi-structured, conducted 2023.

³²⁹ *The Constitution of Ukraine*, <https://zakon.rada.gov.ua/laws/show/254к/96-ep> [accessed 2 April 2025].

organisation. While the legal frameworks governing these scenarios differ slightly, the choice of tender processing method is primarily influenced by the scale of the tender.

Concerns arise when the third party has connections to either the State Administration or the Council, particularly if there is a suspicion of pre-announced tender rigging. Although proving such collusion is challenging, it remains a plausible concern. Smaller tenders, often initiated by low-budget councils, are generally more susceptible to manipulation. This is due to the potential for bribery of a single authorised individual on a committee, which is less likely to be scrutinised than larger tenders involving state administration.

2.9. Methodological Considerations

The state's capacity can be limited for various reasons beyond mere poverty, particularly in regions close to the war zone. Key factors include:

- **Weak Institutions:** The absence of strong, effective institutions can impede public policy implementation and economic regulation, leading to increased corruption and diminished service provision.³³⁰
- **Endemic Corruption:** In regions rife with corruption, infrastructure and public services resources may be misappropriated, further constraining state functionality.³³¹
- **Political Instability:** As seen in Ukraine, political turmoil can disrupt governance and hinder necessary reforms.³³² Frequent leadership changes can undermine policy continuity.
- **Conflicts and Social Tensions:** Social unrest and ongoing conflict can divert governmental focus and resources toward crisis management, detracting from economic and social development.³³³

³³⁰ Michael Johnston, *Syndromes of Corruption: Wealth, Power, and Democracy* (Cambridge: Cambridge University Press, 2005).

³³¹ Transparency International, <https://www.transparency.org/en> [accessed 2 April 2025].

³³² Serhii Plokhyy, *The Gates of Europe: A History of Ukraine* (London: Penguin Books, 2016).

³³³ Wojciech Misiąg, 'Основні Передумови Реформи Фінансів Місцевого Самоврядування в Україні' (*Osnovni Peredumovy Reformy Finansiv Mistsevoho Samovryaduvannya v Ukraini – Main Prerequisites for the Reform of Local Government Finances in Ukraine*) (Rzeszów: University of Rzeszów, 2014), pp. 5-25

- **Regional Inequality:** Development disparities can result in certain areas receiving less government attention and resources, limiting their growth potential.³³⁴
- **Lack of Investment:** Insufficient domestic and foreign investment can stifle economic growth and job creation, impacting the state's capacity to generate revenue and provide services.³³⁵

Despite these limitations, regions that attract investment and foster economic growth tend to exhibit greater state capacity, enabling effective policy implementation and improved citizen quality of life. Investment in infrastructure, education, and health is vital for enhancing state capacity and reducing corruption, creating a positive cycle of development and governance.

Research often necessitates simplifications to avoid excessive detail that may detract from the core inquiry. However, specific information must be included to prevent methodological distortions. The research should remain focused and transparent, adhering to its planned scope. Given the enormous importance of political and institutional factors in the country's recent history, these will constitute the main perspective of the investigation. However, the others will not be ignored.

2.10. Methodological caveats

Research often necessitates simplifications to avoid becoming mired in excessive detail, some of which may not be directly relevant to the core inquiry. However, it is crucial to include specific information to prevent methodological distortions. The research must remain focused and transparent, adhering to its planned scope, although minor errors will likely occur.

For instance, proxies may not fully capture the extent of corruption in any Ukrainian region, regardless of their selection quality. There will always be information gaps. Similarly, analysing selected variables within a given oblast may not definitively indicate the current

³³⁴ Maksym Klymak, 'Paying Over the Odds at the End of the Fiscal Year: Evidence from Ukraine', *Discussion Paper Series*, Department of Economics, University of Oxford (2020).

³³⁵ Honorata Mazepus, Antoaneta Dimitrova, Matthew Frear, Dimitar Toshkov, and Nina Onopriychuk, 'When Business and Politics Mix: Local Networks and Socio-Political Transformations in Ukraine', *East European Politics and Societies*, 35.2 (2021), 437–459.

level of corruption. Nonetheless, these proxies can highlight red flags that suggest the likelihood of bribery more accurately than mere perception assessments. Errors are still possible, and results may lack complete accuracy. Anticipating potential errors, such as inaccuracies in statistical data, is also necessary.

A pertinent example involves the independent variables potentially correlating with dependent ones. However, the manifestation of these phenomena may differ across various oblasts. This is particularly true for the independent variable concerning the tenure of governors. Some governors have held office for varying durations, from weeks to decades. For example, Mr. Serhiy Chernov served as the Head of the Oblast Council in Kharkiv from 2008 to 2020, while the Head of the State Administration of Sumy Oblast changed five times in 2014 alone. The Revolution of Dignity likely influenced the situation.

The rapid turnover of leadership can complicate efforts to distinguish between genuinely developing companies and those emerging from corrupt practices. The case of Mr. Valeriy Holovko, who was removed from his position due to corruption allegations, illustrates that the probability of corruption can increase both with prolonged tenure and unexpectedly short terms. Politicians who lack a robust clientelist network and whose corrupt activities are exposed may face consequences.

The notion that ‘even negative results can be significant’ underscores the value of findings that do not support the original hypothesis or show a lack of correlation. This is particularly relevant in studies of complex phenomena like corruption and clientelism. Negative results should not be viewed as research failures but as opportunities to deepen understanding of the underlying mechanisms.

If research fails to demonstrate correlations between independent and dependent variables, it may suggest that corruption in Ukraine is more chaotic than existing literature indicates. Such findings, while negative concerning initial hypotheses, can be significant for several reasons:

- **Re-evaluation of Theories:** Negative results can prompt a reassessment of prevailing theories regarding corruption and its distribution in Ukraine. According to Popper³³⁶, scientific progress often occurs through falsifying hypotheses, indicating that unexpected results can be as informative as those that confirm expectations.

³³⁶Popper, K. R. (1959). *The Logic of Scientific Discovery*, Basic Books

- **Methodological Insights:** Findings that reveal a lack of correlation may highlight inadequacies in the tools and methods used to measure corruption, suggesting that the phenomenon is more complex than previously understood. This aligns with the recognition that social research frequently encounters methodological challenges that can influence results.³³⁷
- **New Research Directions:** Negative results can inspire new research questions and areas of inquiry that had not been previously considered. As Feyerabend posits,³³⁸ scientific advancement occurs through theory confirmation and exploration of new avenues arising from unexpected findings.
- **Contextual Understanding:** Negative results can enhance comprehension of how corruption operates in specific contexts, providing valuable insights for policymakers and academics. The literature on corruption emphasises the importance of understanding local dynamics and variations, which is crucial for developing effective intervention strategies, as, for instance, in the elaboration by Mungiu-Pippidi.³³⁹

In corruption research, it is essential to seek results that confirm hypotheses and pay attention to those that challenge them, as they can yield important insights into the phenomenon under study.

³³⁷ Earl Babbie, *The Practice of Social Research*, 14th edn (Boston, MA: Cengage Learning, 2016).

³³⁸ Paul Feyerabend, *Against Method* (London: Verso, 1975).

³³⁹ Alina Mungiu-Pippidi, 'The Quest for Good Governance: Learning from Virtuous Circles', *Journal of Democracy*, 27.1 (2016), 95–109.

Chapter 3: The History, Economy, Institutionalism, Sociology, Regionalism, and Politics of Ukraine

3.1. Introduction

This chapter is devoted to the history of contemporary Ukraine, with a particular focus on the issue of corruption, which is a central theme of this thesis. To understand this issue comprehensively, it is essential to adopt a partially interdisciplinary approach encompassing historical, sociological, institutional, legal, and political perspectives. The previous chapter outlined the methodologies employed in this research; however, a multifaceted examination of the country's dynamics is crucial to ascertain the effectiveness of these methods.

To begin, the chapter will briefly introduce Ukraine's history, catering to readers who may be unfamiliar with the country. Subsequently, the historical overview will delve into the events that unfolded following the collapse of the USSR and Ukraine's subsequent independence. Notably, since that pivotal moment, Ukraine has grappled with pervasive corruption. Efforts will be made to elucidate the underlying reasons for this phenomenon, tracing its roots back to the Soviet era. It is important to note that the issue of corruption was exacerbated during the Brezhnev period, when institutional centralisation was reinforced and the foundations of Soviet clientelism were established.³⁴⁰ A brief comparison will be drawn with Khrushchov's (Khrushchev's) leadership, as he exhibited a stronger identification with Ukraine and implemented economic empowerment measures for the republic. This comparison will elucidate the reasons behind the varying strengths of different regions within Ukraine.³⁴¹

Furthermore, the chapter will explore why *the Revolution of Dignity* represented a significant turning point in the country's trajectory. It will aim to illustrate the factors that have led to Ukraine's remarkable diversification, despite its designation as a unitary state. This diversification has proven resilient enough to endure the centralised policies of the Soviet era, which sought to homogenise the Union. The discourse will incorporate historical, linguistic,

³⁴⁰ Susanne Schattenberg, *Leonid Breschnew. Staatsmann und Schauspieler in Schatten Stalins. Eine Biographie* ('Leonid Brezhnev: Statesman and Actor in Stalin's Shadow. A Biography') (Cologne: Böhlau Verlag GmbH & Cie, 2017).

³⁴¹ William Taubman, *Khrushchev: The Man in His Era*, Polish edn (Wrocław: Bukowy Las, 2012).

and economic foundations, emphasising that Ukraine's diversification has not solely been spatial; it has also unfolded over time.

3.2. Brief History of Ukraine and Its Relationship with Corruption

The history of Ukraine can be traced back to Kyivan Rus, one of the earliest organised state structures in the region, which existed from the 9th to the 13th century. This entity is often viewed as a precursor to modern-day Ukraine, Belarus, and Russia.³⁴² Following the Mongol invasion in 1237, Ukrainian territories were fragmented, complicating the formation of a unified national identity. During the 16th century, Ukrainian lands were integrated into the Polish-Lithuanian Commonwealth, where the Ukrainian Cossacks established the Zaporizhzhian Sich, marking a significant milestone in developing Ukrainian national identity.^{343 344}

3.3. Differences in Governance, Law, and Society between the Russian-Controlled Part of Ukraine and Austro-Hungarian Galicia in the 19th and Early 20th Centuries

During the 19th and early 20th centuries, Ukraine was divided among various empires, with the eastern and central regions under the control of the Russian Empire, while Galicia in the west was part of the Austro-Hungarian Empire.³⁴⁵ This geopolitical division significantly influenced governance, legislation, and social structures, subsequently affecting levels of corruption and public perceptions regarding it. In the Russian-controlled territories, governance was characterised by a centralisation of power, where political and administrative decisions were made in Moscow, thus limiting local self-governance³⁴⁶. This excessive centralisation fostered an environment conducive to corruption, as local officials often relied

³⁴² B. A. Rybakov, *Рождение Руси (Rozhdeniye Rusi – The Birth of Rus')* (Moscow: AiF Print, 2003).

³⁴³ Władysław A. Serczyk, *Historia Ukrainy (The History of Ukraine)* (Wrocław: Zakład Narodowy im. Ossolińskich, 1990), pp. 171-240.

³⁴⁴ Andreas Kappeler, *The Russian Empire: A Multi-Ethnic History* (London: Routledge, 2001).

³⁴⁵ Władysław A. Serczyk, *Historia Ukrainy (The History of Ukraine)* (Wrocław: Zakład Narodowy im. Ossolińskich, 1990).

³⁴⁶ *Ibid.*, pp. 116–138.

on the approval of central authorities and resorted to corrupt practices to secure favours or resources. The bureaucratic system in Russia was rife with clientelism, normalising corruption as an integral aspect of governmental operations.³⁴⁷

Conversely, Galicia enjoyed a degree of autonomy under the dual system of the Austro-Hungarian Empire. Local administrations wielded more power to make decisions, promoting greater public participation in governance and reducing opportunities for large-scale corruption, as local officials were held more accountable to their constituents. The Austro-Hungarian administration implemented more effective and transparent institutions, prioritising modernisation and development, including establishing a more independent judiciary and promoting education, both of which contributed to enhanced accountability.

Concerning legislation, the Russian regions adopted repressive measures to control the populace. Laws were frequently arbitrary, utilised to silence dissent and cultivate an atmosphere of distrust towards institutions, thereby fostering the perception that corruption was a necessary tool for navigating an oppressive system. In contrast, Galicia's legislation was more progressive, advocating civil rights and liberties, fostering a sense of belonging and responsibility among its citizens. A more equitable judicial system allowed for the effective addressing of corruption cases, while the Austro-Hungarian authorities instituted measures to combat corruption through the establishment of oversight and auditing bodies.³⁴⁸

Society in the Russian-controlled regions was characterised by a pervasive distrust of the government and its institutions. Political repression and a lack of rights led to a culture of silence and fear, where corruption was viewed as essential for survival. Moreover, corruption exacerbated inequality and poverty, as public resources were mismanaged and diverted to private interests, perpetuating a cycle of poverty that hindered social and economic development³⁴⁹. In contrast, Galicia fostered a more active and participatory society. Greater autonomy and civil rights encouraged political and social activism, contributing to a culture of accountability and transparency. Investment in education and culture enhanced social

³⁴⁷ Orest Subtelny, *Ukraine: A History*, 2nd edn (Toronto: University of Toronto Press, 2000).

³⁴⁸ Larry Wolff, 'Chapter One. Inventing Galicia: The Josephine Enlightenment and the Partitions of Poland', in *The Idea of Galicia: History and Fantasy in Habsburg Political Culture* (Stanford, CA: Stanford University Press, 2010), pp. 13–62

³⁴⁹ Olena Lennon, review of *Ukraine and Russia: From Civilized Divorce to Uncivil War*, *Harvard Ukrainian Studies*, 36.3–4 (2019), 512–514.

awareness of civic rights and responsibilities, creating an environment where corruption was less tolerated and more frequently reported.

The disparities in governance, legislation, and social structures between the Russian-controlled regions and Austro-Hungarian Galicia profoundly impacted corruption. In the Russian territories, the centralisation of power, the absence of an independent judiciary, and political repression cultivated an environment ripe for corruption, compelling citizens to engage in corrupt practices to secure basic services and protection, thereby perpetuating a cycle of corruption and distrust. Conversely, the decentralisation, promotion of civil rights, and existence of effective institutions in Galicia reduced corruption, where civic participation and education fostered a culture of responsibility and transparency.

The differences in governance, law, and society between the Russian-controlled part of Ukraine and Austro-Hungarian Galicia in the 19th and early 20th centuries illustrate how the political and social context can influence corruption. While repression and centralisation in the Russian regions fostered corruption, autonomy and civic participation in Galicia helped establish a more transparent and accountable environment. These historical lessons are relevant for understanding the current dynamics of corruption in Ukraine and the importance of strengthening institutions and citizen participation to combat it.³⁵⁰

The sociological aspect will attempt to illustrate why Ukraine has become so diversified despite being a unitary state. The division was strong enough to survive the Soviet era, where all parts of the Union were centralised. This work will also invoke historical, linguistic, and economic foundations. Additionally, special attention ought to be paid to the fact that diversification in Ukraine has not always been spatial; it has also occurred over time.

Following World War I, the Russian and Austro-Hungarian empires collapsed. The former was in the midst of a civil war following the Communist Revolution. There were two attempts to create an independent Ukrainian state in the contemporary sense. In 1917, the Ukrainian People's Republic declared itself an autonomous part of Russia. It claimed most of present-day Ukraine with the addition of some regions that currently belong to the Russian Federation. In February 1918, it requested complete independence, initially receiving minimal recognition. The independence of the Western Ukrainian People's Republic was

³⁵⁰ Andrew Wilson, *The Ukrainians: Unexpected Nation* (New Haven: Yale University Press, 2015), pp. 72–100.

declared on 1 November 1918. Eight months later, it joined the UPR. Finally, the international community recognised the new Polish-Soviet border without an independent Ukraine in 1920. The WUPR was divided between Poland, Czechoslovakia, and Romania. The UPR became part of the communist Soviet Union (as the Ukrainian SSR) with limited autonomy at first. When Joseph Stalin became the Soviet leader in 1924, he initiated a de-Ukrainisation policy to deprive all parts of the Soviet Union of their national individualities. After World War II, the whole of Ukraine remained a Soviet republic.³⁵¹

In Serczyk's assessment, the severe penalties reduced corruption in the interwar period in the Ukrainian lands within Poland and Czechoslovakia.³⁵² The argument is also confirmed by many authors.³⁵³

These historical lessons are pivotal for understanding the contemporary dynamics of corruption in Ukraine and underscore the importance of strengthening institutions and promoting citizen participation, as essential strategies for combating corruption.

3.4. Far-Right Movements and Nazism in Ukraine during World War II

The dynamics of World War II in Ukraine were marked by a complex interplay of various political movements, particularly the Organisation of Ukrainian Nationalists (OUN) and its military wing, the Ukrainian Insurgent Army (UPA). Stepan Bandera, a prominent leader of the OUN, emerged as a central figure in the struggle for Ukrainian independence. However, his legacy is contentious due to the OUN's initial collaboration with the Nazis and its involvement in acts of violence against Russians, Poles, and Jews.³⁵⁴

Founded in 1929, the OUN sought to establish an independent Ukrainian state and resorted to extreme tactics to achieve its objectives. During the Nazi occupation, Bandera and the OUN hoped for German support in realising their nationalist aspirations. Nevertheless, the

³⁵¹ Władysław A. Serczyk, *Historia Ukrainy (The History of Ukraine)* (Wrocław: Zakład Narodowy im. Ossolińskich, 1990),

³⁵² Ibid.

³⁵³ Stefan Bratkowski, 'Fenomen Czech (The Phenomenon of Czechia)', *Wprost.pl* <https://www.wprost.pl/tygodnik/62774/fenomen-czech.html> [accessed 2 April 2025].

³⁵⁴ Taras Kuzio, *Ukraine: Democratisation, Corruption, and the New Russian Imperialism* (Praeger Security International; London: Bloomsbury Academic, 2015), pp. 23-48.

relationship was fraught with tension, and following Bandera's arrest by the Nazis in 1941, the OUN fractured into factions, some collaborating with German forces while others resisted them.³⁵⁵

The UPA, established in 1942, dedicated itself to armed struggle against any potential occupiers, as well as against ethnic minorities within Ukraine. While these movements may have been celebrated in specific sectors of contemporary Ukrainian society, their legacy is marred by violence and polarisation. It is crucial to note that the OUN and UPA are primarily associated with far-right ideologies and nationalism; however, their influence on the evolution of corruption in Ukraine, both in the post-war period and today, is limited.³⁵⁶ Corruption in Ukraine has deeper and more intricate roots, dating back to the Soviet era and exacerbated by the transition to a market economy in the 1990s.³⁵⁷

After the dissolution of the Soviet Union, corruption in Ukraine intensified, driven by rapid privatisation and the absence of robust democratic institutions. Former Communist Party officials and emerging oligarchs capitalised on the transition to amass power and wealth, thereby establishing a pervasive system of corruption that continues to afflict the nation today. Despite the narrative linking nationalist movements to corruption, recent investigations have revealed that the roots of corruption in Ukraine are more closely related to a lack of transparency in public administration, the influence of oligarchs, and institutional weaknesses rather than the ideologies of the far right.³⁵⁸

The ideologies of the OUN and UPA have not significantly influenced contemporary corruption. Instead, corruption manifests in bribery, nepotism, and a lack of accountability, all indicative of a weak political system rather than a specific ideological agenda. Although far-right and Nazi movements in Ukraine during World War II have left a controversial legacy, their relationship with the development of corruption in contemporary Ukraine is

³⁵⁵ D'Anieri, Paul (2019) *Ukraine and Russia: From Civilised Divorce to Uncivil War* Cambridge University Press.

³⁵⁶ Grzegorz Rossoliński-Liebe, *Bandera. Życie i Mit Ukraińskiego Nacjonalisty: Faszyzm, Ludobójstwo, Kult* (*Bandera: The Life and Myth of the Ukrainian Nationalist: Fascism, Genocide, and Cult*) (Warsaw: Prószyński i S-ka, 2018), pp. 257–480.

³⁵⁷ Mason, Paul (2020), *Ukraine. The Unfinished Revolution*. London: Verso

³⁵⁸ Alexander J. Motyl, *Ukraine, Europe, and Bandera* (Cicero Foundation, 2009), pp.10–11 https://www.cicerofoundation.org/wp-content/uploads/Alexander_J_Motyl_UKRAINE_EUROPE_AND_BANDERA.pdf [accessed 2 April 2025]

tenuous at best. Thus, combating corruption in Ukraine necessitates an approach that addresses these systemic roots while promoting transparency and accountability within government structures.³⁵⁹

3.5. The Far Right in Contemporary Ukraine and Its Relationship with Corruption

Contrary to narratives often propagated, particularly by the current Russian authorities, regarding the alleged prevalence of far-right movements in Ukraine, the contemporary reality presents a different picture. While far-right groups exist in Ukraine, their political and social influence remains marginal, especially when compared to other European countries where such movements have achieved significant representation in parliaments and local governments. For instance, in the 2019 parliamentary elections, the far-right party Svoboda garnered only 2.15% of the votes, preventing it from gaining representation in the Verkhovna Rada (Ukrainian parliament).³⁶⁰

In contrast to countries like France, Italy, or Hungary, where far-right parties have attained considerable levels of political representation and influence, the narrative portraying Ukraine as dominated by the far right is utilised by the Kremlin as a propaganda tool to justify its invasion and intervention in the country. This rhetoric seeks to delegitimise the independence movement and Ukrainian national identity, portraying Ukraine as a failed and extremist state, when, in reality, a significant majority of the population supports democratic and Western values.

The influence of the far right on corruption in Ukraine is essentially negligible. Corruption in the country has deeper roots linked to systemic factors that are not inherently connected to the political ideologies of the far right. Corruption in Ukraine has developed over decades, exacerbated by the transition from a Soviet system to a market economy. Factors such as the lack of robust democratic institutions, the influence of oligarchs, and a pervasive culture of

³⁵⁹ Volodymyr Zelensky, *Address to the Nation: The Path Forward for Ukraine* (Ukrainian Presidential Office, 2021).

³⁶⁰ Central Election Commission of Ukraine, *Results of the 21 July 2019 Extraordinary Elections to the Verkhovna Rada* https://www.cvk.gov.ua/vibory_category/vibori-narodnih-deputativ-ukraini/pozachergovi-vibori-narodnih-deputativ-ukraini-21-lipnya-2019-roku.html [accessed 2 April 2025].

bribery have significantly contributed to the perpetuation of corruption, rather than the mere presence of far-right groups.

According to Transparency International's Corruption Perceptions Index, Ukraine has slightly improved its score in recent years, although it still faces significant challenges. As of 2022, Ukraine scored 33 out of 100, indicating that while corruption remains a pressing issue, it is not linked to far-right ideology.

In conclusion, contemporary Ukraine exhibits a marginal presence of far-right movements compared to other European nations, with their influence on corruption virtually non-existent. The narrative that associates Ukraine with the far right is essentially a construct of propaganda aimed at undermining its struggle for independence and democracy. Corruption in Ukraine constitutes a systemic problem that necessitates a comprehensive approach and deep reforms, wherein far-right ideology plays no significant role in its development.

3.6. The Political and Economic Evolution of Ukraine: From the Soviet Union to Independence

The political landscape of Ukraine underwent significant transformations in the 1950s, particularly under the leadership of Mikita Khrushchov (commonly referred to, as Nikita Khrushchev due to the Russian spelling), born to Russian parents, raised in Ukraine – condemned the repressive politics of his predecessor – Joseph Stalin by the introduction of the de-Stalinisation process, the new First Secretary of the Communist Party of the Soviet Union. Khrushchov's de-Stalinisation initiative included the termination of *the gulag program*, resulting in the release of numerous political prisoners. During his tenure, Ukraine was notably favoured among other Soviet republics; for instance, Khrushchov joined the Crimean Peninsula to the Ukrainian SSR and invested heavily in the republic's heavy industry, particularly in the Donbas and Zaporizhzhia areas. He also granted the Ukrainian Communist Party a measure of autonomy, and the Soviet economy was flourishing at the time, allowing for the allocation of substantial funds to the republic. The new workers would come from different republics to the latest industrial centres. Hence, the use of the Russian language spread fast in the Eastern oblasts. On the other hand, the West remained more

agricultural. His actions were aimed at consolidating Ukraine's position within the USSR.³⁶¹
³⁶² ³⁶³ ³⁶⁴ ³⁶⁵ It acknowledges its abundant natural resources and fertile land, supporting significant agricultural development.³⁶⁶

However, Ukraine's history during the Soviet era was also characterised by intense centralisation and state control, which severely limited individual freedoms. Under the regimes of Stalin and Brezhnev, Ukrainian identity was systematically suppressed in favour of a singular Soviet identity. Although such repressions faced criticism from even pro-communist intellectuals, Ukrainian national culture persisted, particularly in the rural western regions, where national identity continued to thrive despite imposed restrictions.

The intertwining of corruption within various sectors resulted in significant economic damage. Under Leonid Brezhnev's leadership – who himself was of Ukrainian descent – the Soviet economy became increasingly dependent on the export of raw materials, which, coupled with international price regulations, rendered Soviet products uncompetitive. This scenario precipitated an economic decline that proved unsustainable for his successors, who struggled to reverse the crisis.³⁶⁷

The highly centralised structure of the Soviet Union was reflected in the institutional functioning of its republics, where decisions were made in Moscow, depriving Ukraine of autonomy in its governance. Mikhail Gorbachev, the final Soviet leader, perceived a threat from Brezhnev's Dnipropetrovsk group and, in light of the country's mounting economic instability, proposed democratic reforms known as 'Perebudova' (commonly referred to as

³⁶¹ Evgeny Spitsyn, *Хрущёвская слякоть. 1953–1964 годы* ('Khrushchevskaya Slyakot'. 1953–1964 Gody' – 'Khrushchev's Slush: Years 1953–1964') (Moscow: OOO Konceptual, 2020), pp. 114–130, 279.

³⁶² William Taubman, *Khrushchev: The Man in His Era*, Polish edn (Wrocław: Bukowy Las, 2012), pp. 270–448, 574–596.

³⁶³ Serhii Ploky, *The Gates of Europe: A History of Ukraine* (London: Penguin Books, 2016), pp. 294–305.

³⁶⁴ Andrew Wilson, *The Ukrainians: Unexpected Nation*, 4th edn (New Haven: Yale University Press, 2015), pp. 152–156.

³⁶⁵ Władysław A. Serczyk, *Historia Ukrainy* ('The History of Ukraine') (Wrocław: Zakład Narodowy im. Ossolińskich, 1990), pp. 462–463.

³⁶⁶ William Taubman, *Khrushchev: The Man in His Era*, Polish edn (Wrocław: Bukowy Las, 2012), pp. 574–596.

³⁶⁷ Susanne Schattenberg, *Leonid Breschnew. Staatsmann und Schauspieler in Schatten Stalins. Eine Biographie* ('Leonid Brezhnev: Statesman and Actor in Stalin's Shadow. A Biography') (Cologne: Böhlau Verlag GmbH & Cie, 2017), pp. 347–454, 573–610.

'*Perestroika*' in Russian or '*Restructuring*' in English).³⁶⁸ Nonetheless, subsequent events, including the war in Afghanistan and the Chernobyl disaster in 1986, further destabilised the Soviet Union and generated widespread discontent among Ukrainians, particularly due to the central government's ineffective response to the nuclear crisis.³⁶⁹

By the late 1980s, the Soviet state was on the verge of collapse. Rival political factions in Ukraine united in opposition to Gorbachev, while the economy teetered on the brink of bankruptcy. Nationalists in Ukraine deemed the reforms insufficient and clamoured for complete independence. The attempted coup in Moscow in 1991, known as the 'Yanayev Coup', marked a pivotal moment, leading Ukrainian authorities, under the leadership of Leonid Kravchuk, to seize the opportunity presented by the weakened Soviet state to declare independence.

Ukraine's newfound independence ushered in a process of transitioning to a market economy, albeit accompanied by a sharp rise in poverty and social discontent. The rampant privatisation and reprivatisation, conducted in a climate rife with corruption, facilitated the emergence of a new class of oligarchs, many of whom maintained connections to organised crime and the former Communist Party. Hyperinflation in the early 1990s plunged many citizens into poverty; however, some efforts, notably those led by Viktor Yushchenko, stabilised the economy in the face of widespread corruption.³⁷⁰

In contrast to Russia, where Vladimir Putin successfully consolidated power over the oligarchs, Ukraine experienced a scenario where oligarchs exerted considerable influence over politicians. Despite economic stabilisation in subsequent years, corruption remained a persistent issue, exacerbated by the election of Viktor Yanukovich, as president in 2010, which precipitated a resurgence of corrupt practices.

The events of 2013 and 2014, characterised by massive protests against Yanukovich, marked a decisive shift towards democracy. However, the annexation of Crimea and the ongoing conflict in Donbas imposed significant economic costs, perpetuating both poverty and corruption in the country. The public's fatigue with the old system was a driving force that

³⁶⁸ Serhii Plokhy, *The Gates of Europe: A History of Ukraine* (London: Penguin Books, 2016), pp. 309–312.

³⁶⁹ O. M. Lykovyy, personal interview with the author, Novosibirsk Oblast, Russia, 2021.

³⁷⁰ Tim Judah, *In Wartime: Stories from Ukraine* (London: Penguin Books, 2016), pp. 141–142

mobilised protesters in Maidan and cities across Ukraine, reflecting a collective desire for change and a commitment to a more promising future.

3.7. Deep Diversification of Ukraine – A Unitary State

Despite the unification of most institutions and various aspects of life during the Soviet period, a significant segment of the population continued to identify primarily as Ukrainians. This included members of the Communist Party of the Soviet Union, such as its leader Mykyta Khrushchov (despite his ethnic Russian heritage)³⁷¹, and members of the Ukrainian Communist Party.³⁷² The leader of the latter, Leonid Kravchuk, exemplifies this national identity.

Moreover, many Western Ukrainians were less affected by Soviet ideology compared to their eastern counterparts. Consequently, much of Ukraine's cultural heritage, comprising multiple pre-Soviet elements, has been disproportionately preserved in this region.³⁷³ This cultural and political division is evident in the numerous national and regional elections that followed, where variations in national identification and political preferences became increasingly pronounced.

It is also important to note that while the western part of the country has remained largely agricultural and less prosperous relative to the east, corruption has not been absent. The smaller, less urbanised oblasts in the west have presented opportunities for corruption to develop, as residents often face significant economic challenges and may resort to bribing officials to access necessities, such as medication prescriptions or driving licenses.³⁷⁴

In Ukraine's east and central regions, six major metropolitan areas emerged, including Kyiv, Kharkiv, Odesa, Dnipro, Zaporizhzhia, and Donetsk (prior to 2014). Although official

³⁷¹ William Taubman, *Khrushchev: The Man in His Era*, trans. into Polish (Wrocław: Bukowy Las, 2012), pp. 35–47.

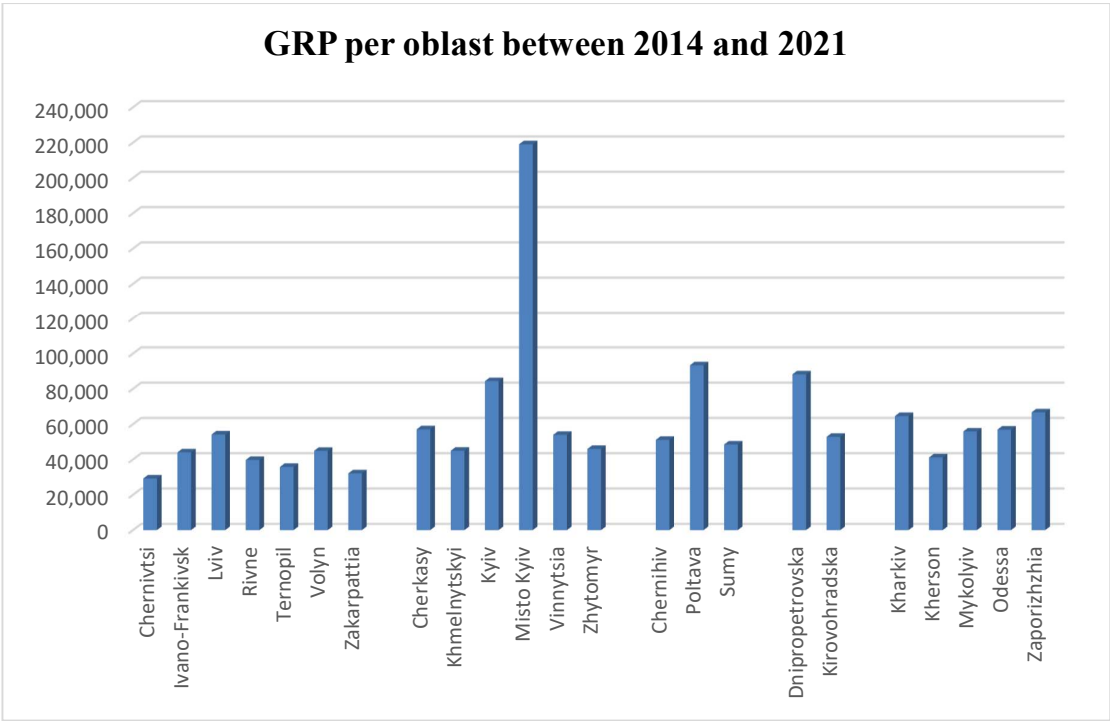
³⁷² Peter Conradi, *Who Lost Russia: From the Collapse of the USSR to Putin's War on Ukraine* (London: One World, 2022).

³⁷³ Jonah Fisher, 'Zelensky v. Oligarchs: Ukraine President Targets Super-Rich', *BBC News* <https://www.bbc.co.uk/news/world-europe-57198736> [accessed 2 April 2025].

³⁷⁴ Peter Conradi, *Who Lost Russia: From the Collapse of the USSR to Putin's War on Ukraine* (London: One World, 2022), pp. 3–91.

statistics might suggest otherwise, the Russian language predominated in these areas.³⁷⁵ Conversely, the west contained only one significant urban agglomeration: Lviv, which is predominantly Ukrainian-speaking. This linguistic divide significantly limited professional opportunities for Ukrainians residing in the western part of the country, highlighting the complexity of regional disparities in Ukraine's socio-economic landscape.

Chart 3.1.³⁷⁷

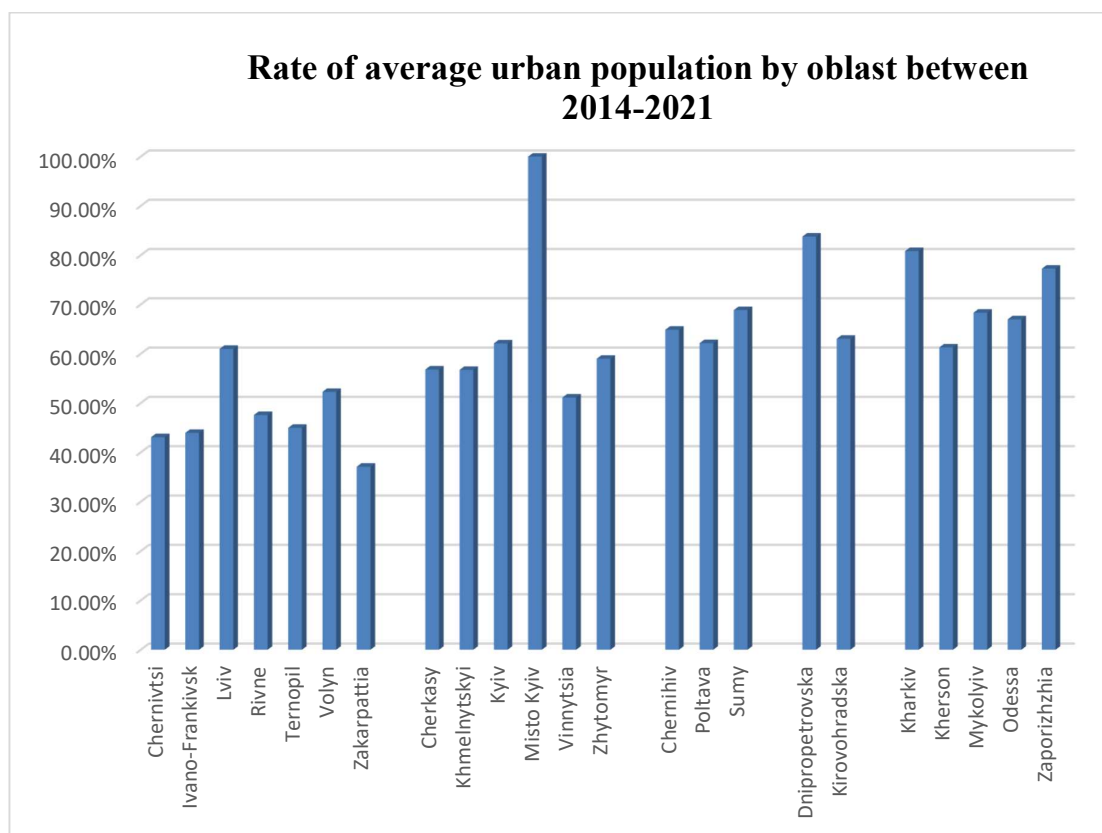


³⁷⁵ Ulrich Schmid and Oksana Myshlovska (eds), *Regionalism without Regions: Reconceptualising Ukraine's Heterogeneity* (Budapest: CEU Press, 2019), pp. 135–218.

³⁷⁶ For example, most of the inhabitants of Kyiv were bilingual or they spoke Surzhyk on the daily basis. From the field research, I can confirm that the Russian language was still predominant in the capital in 2014–2016. The choice of the mother tongue in the censuses and surveys resulted mostly from the sense of identity, rather than from the actual use of a language. Ukrainian was widely understood, anyway.

³⁷⁷ State Statistics Service of Ukraine, *Official National Statistical Database* http://ukrstat.gov.ua/druk/publicat/kat_u/2021/zb/04/zb_vrp_2019.pdf [accessed 2 April 2025].

Chart 3.2³⁷⁸



On the other hand, the mandates of political parties in councils and those of governors tended to be longer in the southeast than in the west. This means that the former regions had more opportunities to establish clientelist networks. This aligns with the views of Judah³⁷⁹ and Yurchenko³⁸⁰, who also defended such an argument by observing the foundations in historical sources.

It is also necessary to pay special attention to political parties where mandates were generally even longer, particularly in the south-eastern part of the state. Moreover, many party members frequently changed their affiliations, even if their party lost, to remain in power longer. Additionally, Ukraine's structure is very complex and has more centres of particular

³⁷⁸ State Statistics Service of Ukraine, *UkrCensus Database* http://database.ukrcensus.gov.ua/MULT/Database/Population/databasetree_en.asp [accessed 2 April 2025].

³⁷⁹ Tim Judah, *In Wartime: Stories from Ukraine* (London: Penguin Books, 2016), pp. 79–160.

³⁸⁰ Yuliya Yurchenko, *Ukraine and the Empire of Capital* (London: Pluto Press, 2018), pp. 68–127.

sociological variations reflecting attitudes toward corruption) than the more generalised ones, i.e., West vs. Southeast.

In the period following the October Revolution, the central policies of the Soviet authorities included centralisation, a common industrialisation programme for the entire state, including Ukraine, the spread of communist ideology, 'uniformisation', periodic attempts at pan-union Russification, internal migration (often forced), and the totalitarian communist regime (particularly during Stalin's era; in the case of Ukraine, explicitly after the 'Holodomor', where millions of Ukrainians died of hunger due to an artificially created famine³⁸¹). At that time, the people's ongoing fear of exposing any differences seemed to confirm the unity of the entire country. However, appearances were far from the truth. It is worth mentioning that during Stalin's rule, Ukraine had the highest number of political prisoners per capita of all the republics of the Soviet Union. Most of them came from the western part of the Republic.³⁸²

The inhabitants have not forgotten the past. Well-concealed individual characteristics must have survived. People were afraid to show any signs of individualism, to speak openly about inconvenient topics from the regime's point of view, among other pre-revolutionary traditions or their political opinions. Instead, they kept them secret. Nevertheless, those characteristics survived and persisted beyond the Soviet era.³⁸³

³⁸¹ *The Holodomor or the Great Famine* was a purposeful programme orchestrated by the Soviet Authorities, Joseph Stalin in particular, aiming to confiscate all the edible goods, restrict the movement, and cut off a given region from any kind of external deliveries. A series of these tragic events took place between 1932 and 1933 in Ukraine. Currently, it is suspected to have aimed to dissuade the potential Ukrainian nationalists from organising an uprising for independence. Proportionally, the Republic had the largest opposition to the USSR at that time. The alternative explanations for the connections of the *Holodomor* with the fast process of industrialisation, during which, numerous Ukrainian farmers became unneeded. This led to the death toll of, depending on the source from 3.3 million up to 10 million citizens. Not until 2006 was *the Holodomor* officially recognised as a genocide. Then, Ukraine, as well as a few other countries made the decision of such a recognition. It cannot be unmentioned that the 'analogous operations' were conducted to the lesser extent in the other parts of the USSR, too.

³⁸² Robert Conquest, *The Great Terror: A Reassessment*, rev. edn (Oxford: Oxford University Press, 2008), pp. 214–249.

³⁸³ Iza Chruślińska (interview with Yaroslav Hrytsak), *Zrozumieć Ukrainę* ('To Understand Ukraine') (Warsaw: Wydawnictwo Krytyki Politycznej, 2022), pp. 63–105.

In theory, all institutions were to be standardised throughout the USSR. However, despite the strong influence of the Soviet central government, Ukrainian regions remained different, economically, culturally, and ethnically, which affected the functioning of state institutions. Soviet propaganda designers hid these facts from the public, for whom promoting equality and ‘uniformisation’ remained the key objective³⁸⁴. As mentioned, many people avoided showing their proper attitudes toward the state and institutions.

Therefore, numerous factors of various natures must have influenced particular regions differently. It was not until the Soviet Union collapsed that the differences became transparent. At that time, Ukraine became a highly diversified country. Thus, even pre-Soviet times, with a high degree of probability, significantly affected the behaviours of people from various regions of Ukraine and the functioning of institutions in the new independent state. The Soviet period temporarily froze the display of these differences. In some parts of the country, the general stance has not changed since then. In contrast, in others, especially those with more Russian dominance, a more Soviet mentality prevailed (for example, due to the large number of Russian-speaking immigrants). This process constituted another socio-cultural division of Ukraine.

³⁸⁴ Mervyn Matthews, *Privilege in the Soviet Union: A Study of Elite Life-Styles under Communism* (London: Routledge, 2011), pp. 59–90.

Map 3.1. Territorial evolution of Ukraine since its first self-declared autonomy³⁸⁵



The years marked on the map above illustrate when Ukrainian territories were integrated into Czarist Russia or the USSR. Despite early attempts to establish a sovereign state, it wasn't until Soviet rule that all of Ukraine was unified. Following independence, the country maintained these borders; however, it is crucial to note that while these borders are legally and internationally recognised, some regions are currently occupied by Russia.

In this context, it is essential to identify the main sociological and cultural differences between the Ukrainian regions that were part of the Russian Empire, where corruption was mostly tolerated, and those that belonged to the Austro-Hungarian Empire. Although the latter was not a fully democratic state, it did recognise the rights of national minorities and actively encouraged their participation in the politics of the entire state. After the fall of the Austro-Hungarian Empire at the end of World War I, various regions of Ukraine found themselves within the borders of three nations: Poland, Czechoslovakia, and Romania. Notably, during the interwar period, Poland and Czechoslovakia imposed severe penalties for corruption, reflecting their commitment to combating this issue.³⁸⁶

³⁸⁵ Wikimedia Commons, *Simplified Historical Map of Ukrainian Borders, 1654–2014* [map] https://upload.wikimedia.org/wikipedia/commons/c/cc/Simplified_historical_map_of_Ukrainian_borders_1654-214.jpg [accessed 2 April 2025].

³⁸⁶ Stefan Bratkowski, 'Fenomen Czech (The Phenomenon of Czechia)', *Wprost.pl* <https://www.wprost.pl/tygodnik/62774/fenomen-czech.html> [accessed 2 April 2025].

Nevertheless, the historical and cultural tradition of corruption has been less widespread in the western parts of Ukraine, which were under Czarist Russia and the USSR for a much shorter duration. On the other hand, poverty in these areas may have increased the risk of corruption, even if clientelist networks had less influence. Consequently, two contradictory impulses can be observed in that part of the country, highlighting the issue's complexity.

In the aftermath of the fall of communism and the dissolution of the USSR, a close examination of the development of particular regions from the early 1990s until *the Revolution of Dignity* in 2014 reveals similar economic patterns across most oblasts. Initially, there was a significant decline lasting until 1999. This was followed by a period of rapid growth that continued until 2004, after which the economy stabilised between 2004 and 2007. Finally, another decline occurred, although a relatively more stable period was observed between 2009 and 2011.

Interestingly, despite the similarity of these patterns, notable exceptions exist, revealing substantial variations between certain oblasts. For instance, regions such as Cherkasy, Chernihiv, Kirovohradska, Kyiv, Poltava, and Sumy achieved significantly higher economic results (Gross Regional Product, or GRP) than others. In contrast, despite having very similar characteristics, Khmelnytskyi, Rivne, Vinnitsa, Volyn, and Zhytomyr exhibited slightly poorer economic performance than other oblasts. This underscores the existing economic advantage of the Centre and East over the West since the inception of Ukrainian independence.

3.8. The Short Average Term of Governors

At first glance, the short average term of governors may seem to limit the development of clientelism. However, there are several reasons why this phenomenon can persist even in contexts where governors are not elected and have brief tenures.³⁸⁷ First, many governors are appointed through political decisions rather than being elected by the public. As a result, their loyalty may be more aligned with those who appointed them than with the local population.

³⁸⁷ Vladimir Gel'man, *Authoritarian Russia: Analysing Post-Soviet Regime Changes* (Pittsburgh: University of Pittsburgh Press, 2015).

This dynamic can foster clientelism, as governors may feel pressured to reward their political sponsors with favours and resources, regardless of the length of their term.^{388 389}

Additionally, in many cases, interim governors hold office for short periods. This can influence the average term length, distorting the perception of stability and continuity in leadership. However, even interim governors can swiftly establish clientelist networks to secure their position or gain support for future appointments.

Moreover, some interim governors have remained in office for extended periods, contributing to the consolidation of clientelism. Thus, the short tenure of governors does not inherently limit the development of clientelism. The non-elective nature of many appointments, the potential for quickly establishing clientelist networks, and the existence of governors who hold prolonged mandates are all key factors in understanding the persistence of clientelism in the political arena.³⁹⁰

Despite their brief time in office, governors can effectively establish clientelist networks, as clientelism is fundamentally based on personal relationships and the ability to offer immediate benefits in exchange for loyalty. A governor who understands how to navigate this system can leverage their short tenure to build a robust support base.

3.9. The Era of Yanukovich and Corruption in Ukraine

The presidency of Viktor Yanukovich (2010-2014) is widely regarded as one of the most corrupt periods in modern Ukrainian history. During his tenure, corrupt practices became entrenched, profoundly affecting various state institutions and the country's overall economy. In 2013, Transparency International reported that corruption in Ukraine had reached alarming

³⁸⁸ Anna Grzymala-Busse, *Rebuilding Leviathan: Party Competition and State Exploitation in Post-Communist Democracies* (Cambridge: Cambridge University Press, 2007).

³⁸⁹ Lucan A. Way, 'Authoritarian State Building and the Sources of Political Competition in the Fourth Wave: The Cases of Belarus, Moldova, Russia, and Ukraine', *World Politics*, 57.2 (2005), 231–261.

³⁹⁰ Loshchykhin, Olha and Nataliia Martyniuk, 'Теоритичні підходи до визначення поняття та особливостей муніципальної демократії (Teorytychni pidkhody do vyznachennia poniattia ta osoblyvostei munitsypalnoi demokratii – Theoretical Approaches to the Definition and Features of Municipal Democracy)', *Pravo.ua*, 3 (2017), 5.

levels, ranking the country at 144 out of 177 in its Corruption Perceptions Index.³⁹¹ This report reflected a widespread perception of corruption within government and public institutions, underscoring that corrupt practices had become institutionalised, characterised by a significant rise in bribery and embezzlement of public funds.

In consequence, Freedom House, in its Nations in Transit 2014 report, described Yanukovych's era as one marked by 'democratic backsliding', during which corruption became a systemic phenomenon. The report indicated that Yanukovych's administration used corruption as a tool to consolidate power, leading to a deterioration of democratic institutions and an increase in political repression.³⁹²

Academic studies also corroborate these assertions. In *Corruption in Ukraine: A Historical Perspective*, Taras Kuzio analyses the evolution of corruption in Ukraine and highlights that Yanukovych's presidency was characterised by a significant increase in high-level corruption, favouring oligarchs and promoting nepotism. Kuzio argues that corruption became a political and economic control mechanism during this period.³⁹³ Similarly, Natalia Antonenko³⁹⁴ examines how corruption became integrated into the Ukrainian political system under Yanukovych, noting that his administration benefited from a network of corruption involving government officials and businessmen, resulting in the diversion of public resources and a lack of accountability.

Specific cases further illustrate the scale of corruption during this period. Yanukovych's opulent residence, Mezhyhirya, became a symbol of corruption. After his flight in 2014, it was revealed that the mansion had been acquired through corrupt means and had cost millions of dollars, generating public outrage and highlighting the diversion of public funds. Additionally, a report from Ukraine's National Anti-Corruption Bureau estimates that billions

³⁹¹ Transparency International Ukraine, 'Corruption Perceptions Index 2014: Ukraine's Score', *Transparency International Ukraine*, 3 December 2014 <https://ti-ukraine.org/en/research/cpi-2014/> [accessed 2 April 2025].

³⁹² Freedom House, 'Ukraine: Nations in Transit 2014', *Nations in Transit Reports*, Freedom House, 2014 <https://freedomhouse.org/country/ukraine/nations-transit/2014> [accessed 2 April 2025].

³⁹³ Taras Kuzio, *Ukraine: Democratization, Corruption, and the New Russian Imperialism* (Praeger Security International; London: Bloomsbury Academic, 2015), pp. 327–430.

³⁹⁴ Nataliia Antonenko, 'From Research to Participation: An Attempt to Reset the Post-Soviet Southern Cities of Ukraine', *Periodica Polytechnica Architecture*, 53.2 (2022), 104–112.

of dollars were embezzled during Yanukovych's presidency through public contracts and bribes, which had a devastating impact on the country's economy.³⁹⁵

In conclusion, the era of Viktor Yanukovych is characterised by a significant increase in corruption in Ukraine, supported by reports from international organisations and academic studies. Corruption became institutionalised, severely affecting governance and the economy of the country. The evidence underscores that this period is considered one of the most corrupt in modern Ukrainian history, leaving lasting repercussions on Ukrainian politics and society.

3.10. Elections in Contemporary Ukraine

The political landscape in Ukraine has undergone significant changes since *the Revolution of Dignity*, making it essential to analyse how these changes have affected administrative entities. It is crucial to identify which party dominated in various regions and local councils and understand voting patterns across different types of elections. This comprehensive analysis will allow for a better understanding of the diversification of attitudes among Ukrainians in various regions and the dynamics of opinion changes over time.³⁹⁶

Moreover, information regarding which party enjoyed the most excellent support at the national level within each oblast is vital, especially in a context where the central government was often composed of party coalitions. The following subsections will briefly describe the political parties and key actors that have shaped the political situation in Ukraine. Additionally, the mechanisms within the government that led to social dissatisfaction regarding corruption and other pressing issues, ultimately culminating in *the Revolution of Dignity*, will be explored.

Despite some fluctuations, the trend toward decreasing corruption has become evident, although the democratisation process has come at a significant cost to the Ukrainian nation.

³⁹⁵ Zbigniew Parafianowicz and Michał Potocki, *Wilki Żyją Poza Prawem: Jak Janukowycz przegrał Ukrainę (The Wolves Live Outside the Law. How Yanukovych Lost Ukraine)*, (Wołowiec: Wydawnictwo Czarne, 2015), pp. 121–185.

³⁹⁶ Inna Melnykovska, 'Studying Ukraine in Political Science: From Theory Testing to Theory Building', *Ukrainian Analytical Digest*, 2 (2023), 8–9.

Thus, the analysis of clientelism and elections in Ukraine reveals a complex interaction between the duration of mandates, power dynamics, and corruption. Understanding these elements is fundamental to addressing the country's current and future political challenges.³⁹⁷

3.11. Political Parties and Camps

The Ukrainian political scene has been characterised by an ideological split into three main camps.³⁹⁸ The pro-Russian camp advocates for continued economic ties with Russia, Belarus, and some other former Soviet countries, predominating in south-eastern Ukraine, where many ethnic Russians and Russian speakers reside.

In contrast, the second camp, the pro-Western faction, seeks integration into NATO and the European Union, promoting economic cooperation with the West. Its generally young and educated supporters primarily come from regions west of Kyiv.³⁹⁹ According to Gwendolyn Sasse, *'The ethnic cleavage between Ukrainians and Russians is often portrayed as the key to post-Soviet politics in Ukraine.'*⁴⁰⁰

Lastly, the third and most minor camp comprises right-wing and nationalist parties that oppose any form of integration, whether eastward or westward. The members of these parties and their supporters similarly wish to eliminate any signs of Soviet heritage.⁴⁰¹ At the same time, they believe that membership in the EU would threaten the country's sovereignty, maintaining that Ukraine should be self-sufficient and free from foreign influence.⁴⁰²

³⁹⁷ Alexander Rahr, 'Die große geoökonomische Zeitenwende' ('The Great Geoeconomic Turning Point'), *WeltTrends*, 193 (2022).

³⁹⁸ S. Peresunko, 'Partisan Political Structure', *Analitik*, 7 (2014) <http://www.analitik.org.ua/analytics/> [accessed 2 April 2025].

³⁹⁹ Taras Kuzio, 'Ukraine Is Not Russia: Comparing Youth Political Activism', *SAIS Review of International Affairs*, 26.2 (2006), 67–83

⁴⁰⁰ Gwendolyn Sasse and Alice Lackner, 'War and Identity: The Case of the Donbas in Ukraine', *Post-Soviet Affairs*, 34.2–3 (2018), 139–157.

⁴⁰¹ Melanie Mierzejewski-Voznyak, 'The Ukrainian Far Right After Maidan: Continuities and Ruptures', *Europe-Asia Studies*, 71.9 (2019), 1446–1470.

⁴⁰² Anton Shekhovtsov, *Russia and the Western Far Right: Tango Noir* (London: Routledge, 2017).

However, such parties have generally experienced limited electoral success, primarily confined to a few local areas in the western part of the country.

Volodymyr Zelensky's party '*the Servant of the People*' undoubtedly belongs to the second camp. His presidency and his party's policies on fighting corruption in Ukraine highlight not only his electoral promises but also the concrete actions he has taken since assuming office. Zelensky, who came to power in 2019 with a strong popular mandate and a discourse centred on reform and transparency, faces the complexity of the Ukrainian political system, which has been marked by decades of corruption and clientelism.⁴⁰³

One of his administration's key initiatives has been implementing reforms in the judicial system and in public procurement. However, it is crucial to analyse how these reforms have been received by established political actors and whether they have succeeded in generating real change in governance culture.

Moreover, the economic crisis has posed significant challenges for his government. The international pressure to address corruption has intensified, but there are also concerns about the effectiveness of reforms in an environment where immediate needs may overshadow long-term goals. Therefore, the analysis of Zelensky's presidency must go beyond describing his policies and actions. It should include a critical assessment of how his approach has influenced public perceptions of corruption, the resistance of traditional political institutions, and his government's ability to implement meaningful changes in such an adverse context.⁴⁰⁴

Several points can be highlighted regarding the negative aspects of Zelensky's management. First, his administration has been accused of a lack of effectiveness in implementing reforms. Despite initial promises to combat corruption, many citizens have perceived that significant progress has not been made. Additionally, Zelensky has faced criticism for his relationship with oligarchs (such as Ihor Kolomoyskyi) and his apparent inaction against corrupt political

⁴⁰³ Steven Derix and Marina Shelkunova, *Zelensky: A Biography of Ukraine's War Leader* (paperback edn, Canbury Press, 2023), pp. 84-108

⁴⁰⁴ Wojciech Rogacin, *Zelenski. Biografia (Zelensky. Biography)* (Warsaw: Wielka Litera, 2022), pp. 179–234.

figures within his circle. This has led to questioning his genuine commitment to the fight against corruption.⁴⁰⁵

Furthermore, his handling of the COVID-19 crisis has also been criticised, as many argued that the measures implemented were inadequate and that there was a lack of transparency in the distribution of resources. In summary, while Zelensky came to power with great expectations and a mandate for change, his management has been marked by significant challenges and criticisms that call into question his effectiveness in the fight against corruption in Ukraine.⁴⁰⁶

⁴⁰⁵ L. M. Dunaieva, 'Трансформація цінностей українців в контексті аналізу риторики Президента України В. Зеленського (Transformatsiia tsinnosteï ukrainsiv v konteksti analizu rytoryky Prezydenta Ukrainy V. Zelenskoho – The Transformation of Ukrainian Values in the Context of Analysing the Rhetoric of President V. Zelensky)', *Politychne Zhyttia*, (2023), 84–88.

⁴⁰⁶ Yevhen Mahda, 'Пандемія COVID-19 та дезінформаційні кампанії: кейс України (Pandemiia COVID-19 ta dezinformatsiini kampanii: keis Ukrainy – The COVID-19 Pandemic and Disinformation Campaigns: The Case of Ukraine)', *Visnyk Lvivskoho Universytetu. Seriia Filosofska-Politologichni Studii*, 30 (2020), 176–182.

Table 3.1. The continuity of parties governing in particular oblast councils and the city of Kyiv⁴⁰⁷

OBLAST	2006	2008-2010	2014	2015	2020
Cherkasy	BYUT	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	All-Ukrainian Union ‘Cherkashchany’
Chernihiv	BYUT	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	Servant of the People
Chernivtsi	BYUT	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	Agrarian Party of Ukraine
Dnipropetrovska	Party of Regions ⁴⁰⁸	Party of Regions	-	Opposition Bloc	Servant of the People
Ivano-Frankivsk	Our Ukraine	All-Ukrainian Union “Freedom”	-	Petro Poroshenko Bloc “Solidarity”	All-Ukrainian Union “Freedom”
Kharkiv	Party of Regions	Party of Regions	-	Revival	Servant of the People
Kherson	Party of Regions	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	Servant of the People
Khmelnysky	BYUT	Party of Regions	-	For the Specific Issues	For the Future
Kirovohradska	BYUT	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	Servant of the People
Kyiv	BYUT	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	Servant of the People
Kyiv, City of	Chernovetsky Bloc	Chernovetsky Bloc	UDAR	Petro Poroshenko Bloc “Solidarity”	UDAR ⁴⁰⁹
Lviv	Our Ukraine	All-Ukrainian Union “Freedom”	-	Petro Poroshenko Bloc “Solidarity”	European Solidarity
Mykolaiv	Party of Regions	Party of Regions	-	Opposition Bloc	Servant of the People

⁴⁰⁷ Ibid.

⁴⁰⁸ The green fields signify the continuity of one party in power. In some cases, its name changes. It may be caused by the official renaming, establishing a new party by the same key politicians, transferring the key politicians to another party, or the participation in the elections, as a coalition of the senior party with the others. If a council was under control by two different parties/camps during a tenure longer than two terms, one party was marked with light green, so as to make it distinct from the other.

⁴⁰⁹ The Mayor of Kyiv – Vitaly Klitschko is the leader of *the Ukrainian Alliance for Reform* party. However, in 2015 he joined *the Petro Poroshenko Bloc* coalition, from which he withdrew a year later. That is why the whole line is marked in green, which means the continuity of government.

Odesa	Party of Regions	Party of Regions	-	Opposition Bloc	Servant of the People
Poltava	BYUT	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	Trust
Rivne	BYUT	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	European Solidarity
Sumy	BYUT	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	Servant of the People
Ternopil	BYUT	All-Ukrainian Union “Freedom”	-	Petro Poroshenko Bloc “Solidarity”	All-Ukrainian Union “Freedom”
Vinnitsia	BYUT	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	Ukrainian Strategy of Groyzman
Volyn	BYUT	All-Ukrainian Union “Fatherland”	-	UKROP	For the Future
Zakarpattia	Our Ukraine	United Centre	-	United Centre	Servant of the People
Zaporizhzhia	Party of Regions	Party of Regions	-	Opposition Bloc	Servant of the People
Zhytomyr	BYUT	Party of Regions	-	Petro Poroshenko Bloc “Solidarity”	Servant of the People

3.11.1. The Analysis of All the Elections Beginning from 2006

The political landscape of Ukraine underwent significant transformation following *the Revolution of Dignity* (Euromaidan), prompting an examination of how these changes manifested across various administrative entities. Understanding the dynamics of power and voting patterns across different regions is crucial for grasping the diverse political attitudes of ordinary Ukrainians. This analysis will shed light on the shifts in public opinion and the underlying mechanisms of corruption that have persisted in the political fabric of Ukraine.

To grasp the political scene's evolution, it is essential to identify which parties held dominance in different regions and local councils and their performance on the national stage. This understanding is particularly relevant given the frequent coalition governments in Ukraine post-2000, as they impact the selection of regional governors and local governance dynamics.

The subsequent subsections will briefly overview the major political parties and key figures influencing Ukraine's political landscape. This will illustrate the mechanisms that led to

widespread public dissatisfaction regarding corruption and law enforcement, culminating in *the Revolution of Dignity*. Though fluctuations in corruption levels have occurred post-revolution, a general decline has been observed, albeit at a significant cost to the Ukrainian populace striving for democratisation.

The main party from the pro-Russian camp was the Party of Regions, led by Viktor Yanukovych, which was dissolved post-revolution. Another significant entity was the Communist Party of Ukraine, which was later outlawed. The Opposition Bloc emerged as a more democratic successor to the Party of Regions, alongside the Party for Life, which can also be classified within this camp.

In contrast, the parties from the pro-Western camp included the relatively new *Servant of the People* established by the current president Volodymyr, *the European Solidarity*, a part of the former coalition of *the Petro Poroshenko Bloc*, the party of Vitali Klitschko - *Ukrainian Democratic Alliance for Reform (UDAR)*⁴¹⁰, which was a part of the former presidential coalition for a short time, too, *the Self-Reliance Party*, *the People's Front*, the former president Viktor Yushchenko's *Our Ukraine*, the former Prime Minister's party *Fatherland*, which earlier competed in the election as a part of the coalition *Yulia Tymoshenko Bloc*, the other former Prime Minister's party *The Ukrainian Strategy of Groysman*, *the Revival* (slightly inclining towards the pro-Russian camp), *the Ukrainian Association of Patriots* (slightly inclining towards the nationalist camp), as well as the parties, which evolved from it: *For the Future*, and *The Radical Party* (also slightly inclining towards the nationalist camp).⁴¹¹

3.12. The Main Political Figures

Corruption has been a persistent issue in Ukrainian politics, affecting numerous leaders. Notable figures include:

⁴¹⁰ Vitali Klitschko, 'I Lead My Team to Parliament', *Vitali Klitschko Official Website* <https://klitschko.org/news/?id=23180&lang=eng> [accessed 2 April 2025].

⁴¹¹ Nadiia Petak, 'Аналіз діяльності Верховної Ради України в напрямку утвердження демократичних цінностей (Analiz diialnosti Verkhovnoi Rady Ukrainy v napriamku utverdzhennia demokratychnykh tsinnostei – Analysis of the Activities of the Verkhovna Rada of Ukraine Aimed at Consolidating Democratic Values), 2014–2017', unpublished paper, 2018.

- **Yulia Tymoshenko:** During her tenure as Prime Minister, she was accused of embezzlement of public funds in the energy sector, particularly concerning gas contracts with Russia.⁴¹²
- **Leonid Kuchma:** He governed from 1994 to 2005 and was accused of corruption and abuse of power, particularly in the privatisation of state enterprises, benefiting close oligarchs.⁴¹³
- **Viktor Yanukovych:** His legacy of corruption was fuelled by nepotism and bribery practices that had become normalised in Ukrainian politics.⁴¹⁴
- **Petro Poroshenko:** Despite being elected with the promise to combat corruption, he faced criticism for his involvement in scandals, such as the ‘Panama Papers’.⁴¹⁵
- **Viktor Yushchenko:** Although he symbolised the struggle for democracy, he was criticised for not implementing effective reforms against corruption during his presidency.⁴¹⁶

These examples underscore the entrenched nature of corruption in Ukrainian politics, which has eroded public trust in governmental institutions. We will examine the detailed roles of these politicians, as well as others.

Each political party associated with these figures has been built around strong personalities, creating a connection between their success in elections and the local popularity of their leaders. The hypothesis suggests that the long tenures of local politicians and their parties foster clientelism and corruption. If quantitative research supports this assumption, we can identify where and among which political groups corruption was most prevalent between 2014 and 2021. The highest levels of corruption were recorded under Yanukovych, but this data pertains to the period before *the Revolution of Dignity*, making it less relevant to the

⁴¹² Taras Kuzio, *Ukraine: Democratisation, Corruption, and the New Russian Imperialism* (Santa Barbara: Praeger, 2015).

⁴¹³ G. Korzhov, *Олігархія як модель обмеженої модернізації (Oliharkhiia yak model' obmezhenoi modernizatsii – Oligarchy as a Model of Limited Modernisation)* (Donetsk: Donets'kyy Natsional'nyy Tekhnichnyy Universytet – Donetsk National Technical University, 2007)

⁴¹⁴ Henry E. Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective* (New York: Cambridge University Press, 2015).

⁴¹⁵ Ibid.

⁴¹⁶ Peter Thomas Nasuti, *The Reformist Leviathan: Centralization of Power and Anti-Corruption Initiatives in Ukraine and Georgia* (PhD diss., University of Wisconsin–Madison, 2015)

current research context. Nevertheless, the revolution significantly impacted regional corruption dynamics. Analysing which party held the most council seats and governors in specific regions post-2014 is crucial for understanding these shifts.

The political landscape of Ukraine in the 1990s was primarily dominated by post-communists led by Leonid Kravchuk, who later distanced himself from the Communist Party to run as an independent candidate. Kravchuk's pragmatic approach allowed him to secure victories across most regions, although he later shifted his support from Yanukovych to Tymoshenko following the Orange Revolution.⁴¹⁷

Kravchuk's main opponent, Vyacheslav Chornovil, represented *the Rukh Movement*⁴¹⁸, and advocated for democratic reforms and anti-corruption measures. Chornovil's untimely death in 1999 raised suspicions of foul play, reflecting the tumultuous political climate of the time.⁴¹⁹

By the late 1990s, the political landscape began to shift, with the Socialist Party of Ukraine and the Communist Party of Ukraine gaining prominence. Despite their Moscow-oriented policies, these parties' emergence set the stage for future clientelist networks contributing to corruption.

Leonid Kuchma's presidency from 1994 to 2005 was marred by corruption allegations and pro-Russian leanings. His controversial stance during the Orange Revolution further complicated his legacy.⁴²⁰ Following a re-election in 1999, Kuchma's support primarily came from Western oblasts, although his presidency was marred by corruption allegations.⁴²¹

Viktor Yanukovych, born in Donetsk Oblast, rose to prominence through the ranks of the Communist Party and the Party of Regions, maintaining strong regional support. His controversial tenure as Prime Minister and subsequent presidential election victory in 2010

⁴¹⁷ Interns, 'Kravchuk Explains His Drift to Tymoshenko', *Kyiv Post*, 21 December 2009.

⁴¹⁸ Tsentral'na Vyborcha Komisiya – Центральна Виборча Комісія (Central Electoral Commission), *Official Website* <https://cvk.gov.ua/> [accessed 2 April 2025].

⁴¹⁹ Frank Sysyn, 'The Reemergence of the Ukrainian Nation and Cossack Mythology', *Social Research*, 58.4 (1991), 845–864.

⁴²⁰ David Crouch, 'Secrets of Journalist's Murder Cast Long Shadow over Ukraine's Orange Revolution', *The Guardian*, 6 April 2005 <https://www.theguardian.com/media/2005/apr/06/pressandpublishing.ukraine> [accessed 2 April 2025].

⁴²¹ Razumkov Centre, *Official Website* <http://razumkov.org.ua> [accessed 2 April 2025].

were overshadowed by allegations of election fraud and corruption, ultimately leading to his ousting during *the Revolution of Dignity*.⁴²²

Viktor Yushchenko, a pro-Western leader, faced challenges during his presidency, including internal dissent and corruption allegations. Despite his commitment to democratic reforms, his government struggled to combat corruption effectively.⁴²³

Yulia Tymoshenko, a prominent figure in Ukrainian politics, leveraged her wealth and connections in the gas industry to rise through the political ranks, becoming a key architect of the Orange Revolution. Her tenure was not without controversy, as allegations of corruption followed her throughout her career.⁴²⁴

Vitali Klitschko, a former boxing champion, transitioned into politics, winning the mayoral election in Kyiv and advocating for pro-Western policies. His party, UDAR, initially aligned with Poroshenko's coalition, and he has remained a significant figure in Ukrainian politics.⁴²⁵

Petro Poroshenko, a businessman turned politician, capitalised on his wealth and connections to establish a pro-Western political platform.⁴²⁶ Despite his successes, he faced accusations of oligarchism and corruption throughout his career.⁴²⁷

The current president, Volodymyr Zelensky, represents a significant shift in Ukrainian politics, emphasising anti-corruption and reform. His party, Servant of the People, has

⁴²² Zbigniew Parafianowicz and Michał Potocki, *Wilki żyją poza prawem. Jak Janukowycz przegrał Ukrainę?* (*The Wolves Live Beyond the Law. How Did Yanukovich Lose Ukraine?*) (Wołowiec: Wydawnictwo Czarne, 2015), pp. 121–185.

⁴²³ BBC News, 'BBC Profile: Viktor Yushchenko', *BBC News*, 2010 <http://news.bbc.co.uk/1/hi/world/europe/4035789.stm> [accessed 2 April 2025]

⁴²⁴ Dmitri Popov and Ilia Milstein, *Julia Timoschenko: Die autorisierte Biographie* (*Yulia Tymoshenko: The Authorized Biography*) (Munich: Redline Wirtschaft, 2012).

⁴²⁵ Vitali Klitschko, 'I Lead My Team to Parliament', *Vitali Klitschko Official Website* <https://klichko.org/news/?id=23180&lang=eng> [accessed 2 April 2025].

⁴²⁶ Brian Bonner, 'Ukrainians Make Forbes Magazine's List of World Billionaires', *The Kyiv Post* <https://www.kyivpost.com/article/content/ukraine-politics/eight-ukrainians-make-forbes-magazines-list-of-wor-123875.html> [accessed 2 April 2025].

⁴²⁷ Jonah Fisher, 'Zelensky v Oligarchs: Ukraine President Targets Super-Rich', *BBC News* <https://www.bbc.co.uk/news/world-europe-57198736> [accessed 2 April 2025].

redefined political engagement in Ukraine, warranting further examination of its impact on the political landscape.⁴²⁸

The origins of mainstream politicians often reflect the ideological divides within Ukraine. Two major political camps have created strongholds in different regions, leading to varying levels of corruption and clientelism based on local political dynamics.

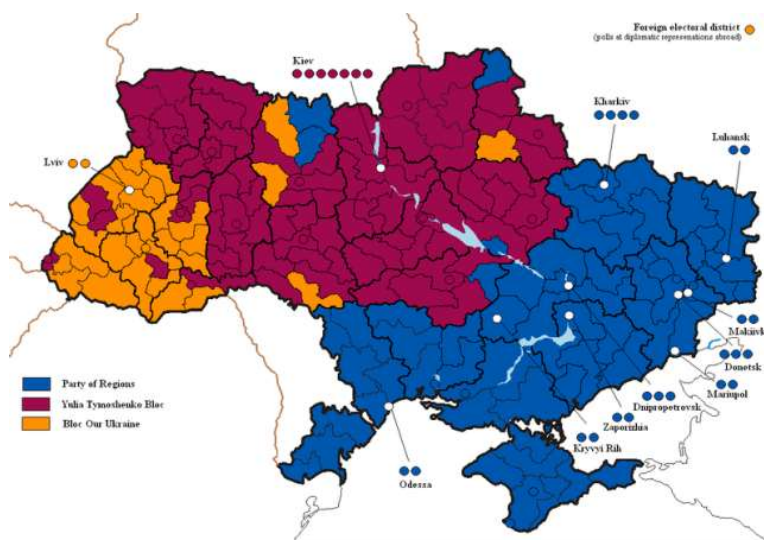
3.13. The Dynamics of Elections at Different Levels from the Oblast Perspective

The analysis of elections began in 2006, as data prior to this period is limited. By examining all types of elections post-2006, including the 2010 and 2006 presidential elections, we can gauge the political climate in Ukraine leading up to and following *the Revolution of Dignity*. Understanding whether these events influenced electoral preferences will also provide insights into regional corruption dynamics.

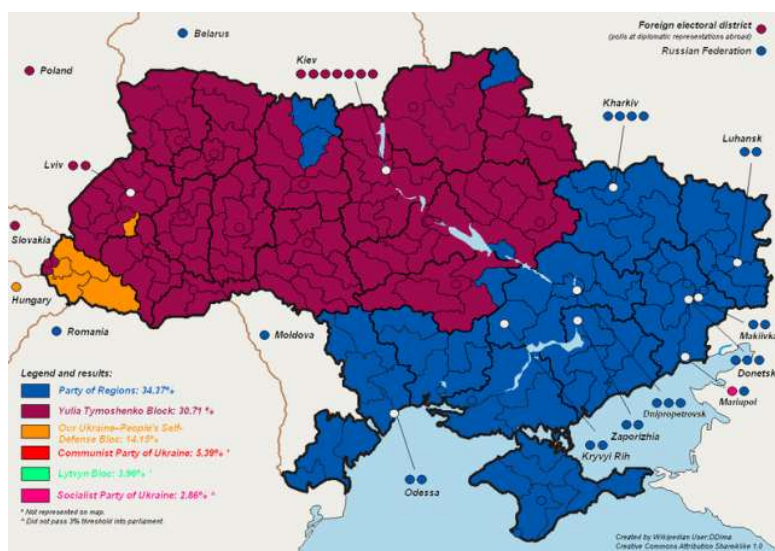
Investigating the tenures of politicians post-2014 will reveal whether the Revolution of Dignity disrupted established clientele networks and contributed to changes in corruption levels. Correlating these tenures with proxies for corruption during the research period (2014-2021) will help confirm or refute the hypothesis that a relationship exists between political tenure and corruption in Ukraine.

⁴²⁸ Franziska Fislage, 'El potencial de los nuevos partidos en Europa (The Potential of New Parties in Europe)', *Diálogo Político* (Montevideo, 2021), pp. 60–69.

Map 3.2. – 2006 Verkhovna Rada elections⁴²⁹



Map 3.3. – 2007 Verkhovna Rada elections⁴³⁰



As observed in Maps 3.2 and 3.3, during the parliamentary elections of 2006 and 2007, practically the same oblasts were won by the same party blocs. The bloc commonly associated with the pro-Russian Party of Regions secured victories in the Dnipropetrovsk,

⁴²⁹ Wikimedia Commons, Ukrainian Parliamentary Election Map – 2006 [map] https://upload.wikimedia.org/wikipedia/commons/3/3b/Wahlkreise_ukraine_2006_eng.png [accessed 2 April 2025].

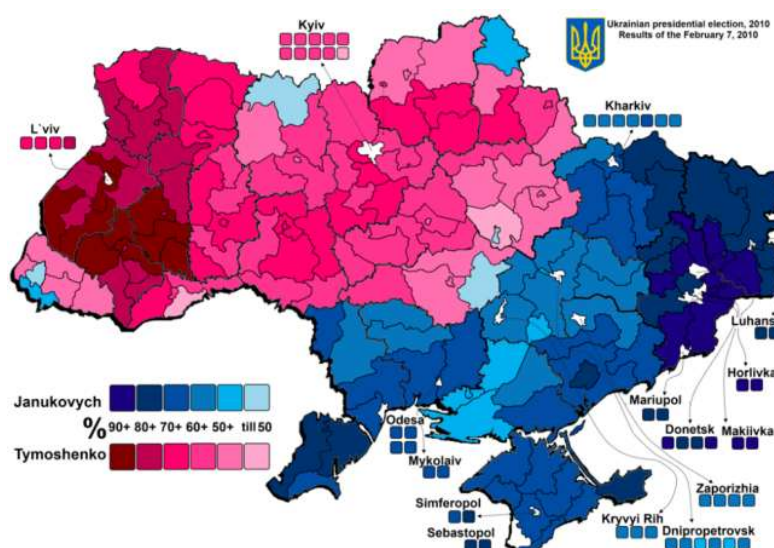
⁴³⁰ Wikimedia Commons, Ukrainian Parliamentary Election Map – 2007 (First Place Results) [map] https://upload.wikimedia.org/wikipedia/commons/2/28/Ukrainian_parliamentary_election%2C_2007_%28first_place_results%29.PNG [accessed 2 April 2025].

Donetsk (not considered for analysis in this research), Kharkiv, Kherson, Luhansk (also excluded from this study), Mykolayiv, Odesa, Zaporizhzhia, as well as in Crimea and the City of Sevastopol (also beyond this investigation). Additionally, the party achieved minor victories in some rayons of Sumy and Zhytomyr Oblasts.

On the other hand, in the pro-Western camp, which enjoys greater popularity in western Ukraine, Yulia Tymoshenko's Bloc had significant victories in Cherkasy, Chernihiv, Khmelnytsky, Kirovohradska, Kyiv, Poltava, Rivne, Sumy, Vinnytsia, Volyn, Zhytomyr, and the City of Kyiv. Furthermore, the more conservative Our Ukraine Bloc, supported by then-President Viktor Yushchenko, won in the westernmost oblasts, including the former Eastern Galicia, Chernivtsi, and Zakarpattia. Consequently, during the parliamentary snap elections the following year, the presidential party lost all the oblasts to Yulia Tymoshenko's Bloc except for Zakarpattia. The Party of Regions maintained control over the same oblasts. Therefore, the balance between the pro-Russian and pro-Western camps remained unchanged.

Similarly, in 2006, the same parties began to control the oblast councils in all the aforementioned oblasts, except for Cherkasy and Ternopil, which came under the power of Yulia Tymoshenko's Bloc. The Bloc of Leonid Chernovetskyi also constituted a pro-Western coalition, with its leader, Leonid Chernovetskyi, winning the post of Mayor of Kyiv.

Map 3.4. – 2010 Presidential election⁴³¹



When considering the presidential elections in 2010, as illustrated in Map 3.4, the proportion of victories for the camps had not changed since the 2006 and 2007 *Verkhovna Rada* elections, as well as the previous regional elections. The same constituencies supported the pro-Western camp, while others backed the pro-Russian camp. However, the pro-Russian leader of the *Party of Regions* won the presidency against the leader of the pro-Western *Batkivschchyna Party* (the Fatherland), Yulia Tymoshenko, who was no longer part of the broader coalition at that time, although she maintained her centre-right ideology. This undeniable rise in the popularity of the *Party of Regions* during the 2008-2010 local elections strengthened Yanukovich's position, allowing him to win the subsequent presidential election by a total popular vote.

The next local election took place between 2008 and 2010, depending on the oblast (please, see Table 3.1, in which the evolution of political parties is also shown), and was more diversified. The Yanukovich's pro-Russian *Party of Regions* had numerous victories in the areas previously supporting the pro-Western camp. The new oblasts that came into the *Party of Regions'* jurisdiction were Cherkasy, Chernihiv, Chernivtsi, Khmelnytsky, the

⁴³¹ Wikimedia Commons, 2010 Presidential Election – Second Round by District [map] https://upload.wikimedia.org/wikipedia/commons/2/26/%D0%94%D1%80%D1%83%D0%B3%D0%B8%D0%B9_%D1%82%D1%83%D1%80_2010_%D0%BF%D0%BE_%D0%BE%D0%BA%D1%80%D1%83%D0%B3%D0%B0%D1%85-en.png [accessed 2 April 2025].

Kirovohradska, Kyiv, Poltava, Rivne, Sumy, Vinnytsia, and Zhytomyr. This voting behaviour might have displayed the disillusionment with the then-ruling centre-right coalition.

Not surprisingly, though, the East Galician oblasts of Lviv, Ivano-Frankivsk, and Ternopil – the stronghold of Ukrainian conservatism – entered into the governance of the Svoboda (Freedom) Party from the nationalist camp. The control over the last oblast council formerly kept by the presidential party – Zakarpattia – was taken over by *the United Centre Party*, which split off from the presidential *Our Ukraine*.⁴³² Nevertheless, the power remained in the hands of the same people. At the same time, Leonid Chernovetskyi also retained the post of the Mayor of Kyiv.

Map 3.5. – 2012 Verkhovna Rada election⁴³³



The next election to the Verkhovna Rada took place in 2012. For the first time since 2006, the continuity of the polarised system between the pro-Western and pro-Russian oblasts in the nationwide election changed. It had only happened once before, during the regional election of 2008-2010. This parliamentary election occurred approximately one year before *the Revolution of Dignity* began, so it signifies that public opinion became more dynamic. It

⁴³² Міністерство юстиції України (*Ministerstvo yustytysi Ukrainy – Ministry of Justice of Ukraine*), *Official Website* <https://web.archive.org/web/20100621114558/http://www.minjust.gov.ua/0/13603> [accessed 2 April 2025].

⁴³³ Wikimedia Commons, *Ukrainian Parliamentary Election Map – 2012* [map] https://upload.wikimedia.org/wikipedia/commons/2/2c/Ukrainian_parliamentary_election%2C_2012.png [accessed 2 April 2025].

was still linked to the regions, but the extent of these connections significantly dropped. At the local level, it may have signified the further weakening of the existing clientele. Alternatively, the period when *the Party of Regions* was in power, which, according to the TI, constituted the peak of corruption in Ukraine, might have caused the spread of clientelism to the new areas where it had not been strong before.

The pro-Western camp lost the Zakarpattia Oblast to *the Party of Regions*, and the nationalist camp's Svoboda (Freedom) Party won the Lviv Oblast. It is worth noting that the Zakarpattia Oblast is a special case, as it is the only oblast that elected two ideologically opposite parties in the considerably distant left–right spectrum in the short period of time before *the Revolution of Dignity*.

The new party UDAR (Ukrainian Democratic Alliance for Reform) led by Vitali Klitschko won the seats representing the City of Kyiv. The significant gains were also scored by the Communist Party in the Southwest of the Kherson Oblast, which was *de-facto* pro-Russian oriented. The election was followed by a large number of accusations of being fraudulent.⁴³⁴ In a few regions, the allegations were repeated after the announcement of the results.^{435 436 437}

Notably, prior to *the Revolution of Dignity*, the country was clearly polarised. The system began to alter before the last election preceding the event. The changes were not big, though they turned out to be significant. They demonstrated the common dissatisfaction, among

⁴³⁴ Yuriy Onyshkiv, 'Warning: Fraudulent Oct. 28 Parliamentary Election Ahead', *The Kyiv Post*, 17 February 2012 <https://www.kyivpost.com/article/content/ukraine-politics/warning-fraudulent-oct-28-parliamentary-election-a-122637.html?cn-reloaded=1> [accessed 2 April 2025].

⁴³⁵ Anonymous, 'Вищий Суд Позбавив Мандатів Двох Депутатів' (*Vyshchyy Sud Pozbavyv Mandativ Dvokh Deputativ* – 'The Supreme Court Deprived Two Deputies of Their Mandates'), *Українська правда* (*Ukrainska Pravda*), 8 February 2013 <https://www.pravda.com.ua/news/2013/02/8/6983167/> [accessed 2 April 2025].

⁴³⁶ Anonymous, 'В Опозиції Ініціюють Звільнення Суддів ВАСУ' (*V Opozytsiyi Initsiyuyut' Zvil'nennya Suddiv VASU* – 'The Opposition Initiates Dismissal of HAC Judges'), *День* (*Den*), 11 February 2013 <http://day.kyiv.ua/uk/news/110213-v-opoziciji-iniciyuyut-zvilnennya-suddiv-vasu> [accessed 2 April 2025].

⁴³⁷ Anonymous, 'Baloha, Dombrovsky No Longer MPs', *Ukrinform*, 2013 https://archive.vn/20130813172622/http://www.ukrinform.ua/eng/news/baloha_dombrovsky_no_longer_mps_305874 [accessed 2 April 2025].

other things, from the petty and bureaucratic corruption at the local level that ordinary citizens encountered on a daily basis.⁴³⁸

Among the 27 administrative subjects of Ukraine (oblasts, independent cities, and an autonomic republic), there had been seventeen pro-Western ones in the west and centre of the country. Ten pro-Russian ones in the southeast (Dnipropetrovska, Kharkiv, Kherson, Odesa, Mykolaiv, and Zaporizhzhia, as well as the future conflict areas), the Party of Regions and its allies, had been continuously gaining victories in all of the latter group. It seems very hard to find any variations in any elections in that part of the country until the very Revolution.

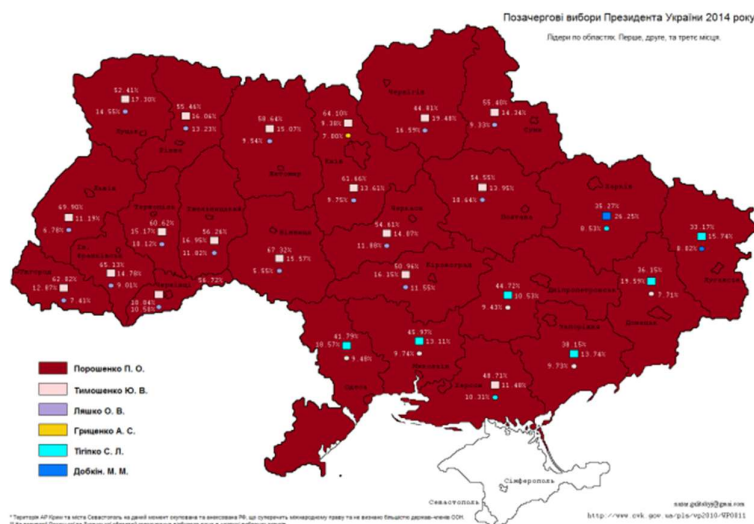
Map 3.6. – 2014 Parliamentary election⁴³⁹



⁴³⁸ Andrey Kurkov, *Ukraine Diaries: Dispatches from Kyiv* (London: Harvill Secker, 2014), pp. 1–58.

⁴³⁹ Wikimedia Commons, *Ukrainian Parliamentary Election Map – 2014* [map] https://upload.wikimedia.org/wikipedia/commons/5/55/Ukrainian_parliamentary_election%2C_2014.png [accessed 2 April 2025].

Map 3.7. – 2014 Presidential election⁴⁴⁰



No further elections were held until the outbreak of *the Revolution of Dignity*, an event that partially ended the country's polarisation. The first election following these events took place on May 25, 2014, where Petro Poroshenko defeated all other candidates in the first round, becoming the new president of Ukraine. Additionally, Vitali Klitschko won the mayoral election in Kyiv. Subsequently, local elections were held in various sub-regional entities, such as small cities, settlements, and villages. Parliamentary elections were scheduled for October 26 of the same year, followed by regional elections in autumn 2015. However, in some regions, the latter had to be repeated in early 2016.

Petro Poroshenko, leader of *the Petro Poroshenko Bloc coalition*, won elections in 24 oblasts and the city of Kyiv. Crimea and Sevastopol were already under Russian control, so they could not vote. However, Crimeans who held Ukrainian passports were able to vote elsewhere. In the parliamentary elections in October, the Opposition Bloc, the successor of the Party of Regions, managed to win in the oblasts of Dnipropetrovsk, Kharkiv, and Zaporizhzhia, as well as in parts of the Donetsk and Luhansk oblasts still controlled by the Ukrainian state. On the other hand, the rest of the oblasts were won by the People's Front of Arseniy Yatseniuk and the Petro Poroshenko Bloc, both with a strongly pro-Western stance.

⁴⁴⁰ *Wikimedia Commons, 2010 Presidential Election – Second Round by District [map]*
https://upload.wikimedia.org/wikipedia/commons/2/26/%D0%94%D1%80%D1%83%D0%B3%D0%B8%D0%B9_%D1%82%D1%83%D1%80_2010_%D0%BF%D0%BE_%D0%BE%D0%BA%D1%80%D1%83%D0%B3%D0%B0%D1%85-en.png [accessed 2 April 2025].

The People's Front, more conservative, won in the oblasts of Cherkasy, Chernivtsi, Ivano-Frankivsk, Khmelnytsky, Kirovohradska, Kyiv, Lviv, Poltava, Rivne, Ternopil, Volyn, and Zhytomyr (i.e., mainly in the West). At the same time, the Petro Poroshenko Bloc took the oblasts of Chernihiv, Kherson, Mykolayiv, Odesa, Sumy, Vinnytsia, Zakarpattia, and the city of Kyiv (mainly in the Centre and Central-East). The People's Front received the highest percentage of votes. Consequently, these parties and three other pro-Western parties that achieved minor successes, namely *Samo-Pomich* (the Self-Reliance Party), *Batkivshchyna* (Fatherland), and the Radical Party, formed a pro-European coalition.⁴⁴¹ The latter had a moderate nationalist ideology. However, after a few years, the coalition dissolved, and a new government was formed that remained until the next elections.

In the 2015 local elections, the Petro Poroshenko Bloc won almost all the oblast councils. Notable exceptions were the oblasts of Dnipropetrovsk, Mykolayiv, Odesa, and Zaporizhzhia, which had been traditional strongholds of pro-Russian politicians and were won by the Opposition Bloc. Additionally, some smaller parties also achieved victories in various oblasts: *Vidpodzhennya* (Revival) in Kharkiv, *Za Konkrentni Spravi* (For Specific Affairs) in Khmelnytsky, UKROP (Ukrainian Association of Patriots) in Volyn, and finally, the United Centre in Zakarpattia. For Specific Affairs and the United Centre were part of the pro-Western camp. On the other hand, Revival in Kharkiv Oblast, one of the most pro-Russian regions after the outbreak of the war in Donbas, leaned moderately towards the pro-Russian camp. Simultaneously, UKROP had a partially pro-nationalist orientation.

It is highly likely that the overwhelming victory of the new president, as well as the majority of seats in the Verkhovna Rada and the oblast councils won by the pro-Western camp, were a direct result of the annexation of Crimea and the outbreak of war in Donbas. The ideology of the Opposition Bloc underwent a subtle shift. Although they condemned the corrupt activities of former president Viktor Yanukovych and criticised Russian intervention, they insisted on normalising relations with the neighbouring country as soon as possible.⁴⁴² They also

⁴⁴¹ Anonymous, 'New Ukraine Coalition Agreed, Sets NATO As Priority', *Radio Free Europe / Radio Liberty*, 2014 <https://www.rferl.org/a/ukraine-parliament-coalition-agreement/26703123.html> [accessed 2 April 2025].

⁴⁴² It has to be stated that the true motives of Yanukovych are unknown. Calling him a 'pro-Russian' president was slightly exaggerated by the media at the time. He probably wanted to keep his own regime with the appearances of democracy, yet, he was constantly blackmailed by Vladimir Putin, even before the Euromaidan, during his presidency. After the revolution, he fled to Russia because no other country would

demanded that Ukraine officially become a bilingual state (Ukrainian and Russian), which had already been the case for years.

However, five years later, the hopes of the Ukrainians had not been fully realised. While the change in power significantly reduced corruption and some reforms were successful⁴⁴³, the country signed a Deep and Comprehensive Free Trade Agreement with the European Union in 2014, which was ratified three years later.⁴⁴⁴ Shortly thereafter, Ukrainian citizens obtained a visa-free regime for Schengen area states and candidate countries. In some EU countries, work permits were granted *en masse*. Despite the reforms and improvements in the fight against corruption and substantial foreign financial aid, the Donbas war consumed many resources. Corruption in the country remained strong, wages were very low, and many citizens lived in poverty⁴⁴⁵, resulting in a very low overall satisfaction level.⁴⁴⁶

In summary, Ukraine was regionally divided regarding political opinions before Euromaidan. However, growing social frustration began to change the situation, culminating in *the Revolution of Dignity*, still primarily supported by Ukrainians from the west. After this event, changes in society continued to occur even more rapidly. ‘*The Party of Regions*’ and ‘*the Communist Party*’ were dissolved and banned, and most other pro-Russian parties, including the successors of the two previous ones, softened their rhetoric. Thus, the strict division into factions began to loosen, which could be associated with the dissolution of some clienteles and the diminishing importance of others. However, the level of corruption, as measured by Transparency International, continued to decline.⁴⁴⁷ The majority of regions continued to

offer him asylum. Undoubtedly, he was a strongly-corrupted authoritarian leader with the criminal past but the ‘friendship’ with the Russian president was the initiative of the latter. The proof can be found, among other sources, in Oliver Stone’s Documentary: Oliver Stone, *Ukraine on Fire*, documentary film, 2016.

⁴⁴³ Transparency International, ‘Ukraine’ <https://www.transparency.org/en/countries/ukraine> [accessed 2 April 2025].

⁴⁴⁴ European Commission, *Association Implementation Report on Ukraine* (2016) https://trade.ec.europa.eu/doclib/docs/2016/november/tradoc_155103.pdf [accessed 2 April 2025].

⁴⁴⁵ International Monetary Fund, *World Economic Outlook Database – October 2020* <https://www.imf.org/en/Publications/WEO/weo-database/2020/October/weo-report> [accessed 2 April 2025].

⁴⁴⁶ Ulrich Schmid and Olga Myshlovska (eds), *Regionalism without Regions: Reconceptualising Ukraine’s Heterogeneity* (Budapest: Central European University Press, 2019), pp. 324–328.

⁴⁴⁷ Transparency International, ‘Ukraine’ <https://www.transparency.org/en/countries/ukraine> [accessed 2 April 2025].

display their old electoral preferences, resembling a gradual and evolutionary process towards country unity.⁴⁴⁸

The West, in particular, stood out as the most pro-European. The most western oblasts, such as Ivano-Frankivsk, Lviv, and Volyn, sometimes showed victories for politicians leaning towards nationalist camps. On the other hand, the Centre and the North remained in the pro-Western camp, while the Northeast turned out to be more conservative than the centre. Only the South and the East continued to elect successors of the Party of Regions, although this phenomenon was less visible in the Centre-East.

The previous analysis raises the following issue: if one wishes to analyse in detail the durations of political party mandates in the oblast councils, one must return to times before *the Revolution of Dignity*, that is, before the actual research period. This way, we can follow the evolution of the entire process. As seen in the electoral maps, reunification began in the regions, which likely weakened local clientelism and undoubtedly reoriented Ukraine towards becoming a Western country.

The fewer parties are in power in a given period, the longer the same people remain in power, allowing them to build clientelist networks. Since 2006, the longest mandates have been in the Southeast (including Kharkiv), where an average of 1.4 parties were in power from 2006 to 2021. The Centre-East followed them with three parties, the West with 3.1, and the Centre with 3.5. Finally, the most favourable results, indicating the lowest risk of corruption, were obtained in the Northeast with an average of 4 parties.

When considering the research period, i.e., the years following *the Revolution of Dignity*, the proportions change as follows. The first place still belongs to the Southeast (including Kharkiv) with 1.4 political parties, while the following places are occupied by the West (2.3 parties) and both the Centre and the Centre-East (2.5 in both cases). The Northeast had the highest average number of political parties in power during the period, indicating that the average duration was the shortest. From a corruption standpoint, these results are the best. A trend shift can be observed after the Revolution, suggesting that the events of 2013/2014 impacted the country's corruption, especially in its perception by citizens. Thus, Ukraine became a more civic society.

⁴⁴⁸ Iza Chruślińska (interview with Yaroslav Hrytsak), *Zrozumieć Ukrainę* ('To Understand Ukraine') (Warsaw: Wydawnictwo Krytyki Politycznej, 2022), pp. 321–334.

The mandates of centrally appointed governors were always shorter, allowing for a more detailed analysis of them. This does not imply that they provide more helpful information, but it is worth attempting. From 2006 to 2014, the fewest number of governors was recorded in the Northeast (4, with an average of approximately 2 years of mandate per governor), followed by the Southeast (including Kharkiv) with 4.2 governors on average (1.9 years of mandate), then both the West and the Centre (4.3 governors; 1.9 years per governor), finishing with the Centre-East, which had six governors (1.4 years per governor).

During the research period, i.e., in the aftermath of the events of *the Revolution of Dignity*, notable changes can also be observed. Both the West and the Centre reached first place, with an average of 3.3 governors during the research period (1.5 years of average mandate per governor); followed by the Centre-East (3.5 governors on average; 1.4 years of mandate), then the Southeast and Kharkiv (4.8 governors; 1 year) and finally the Northeast, which had the highest number of governors (5.3) and the shortest average duration of mandate (0.9 years). Apparent and notable regional differences can be observed, as well as a dramatic. Furthermore, it is important to note that the durations of representatives of two separate institutions that hold executive power at the oblast level vary significantly. This raises an intriguing yet unaddressed question about the mechanisms through which corruption impacts at the local level (oblast in the case of Ukraine). To explain it, the question is whether the clientelist behaviour that ultimately leads to the corrupt misallocation of public funds focuses on political parties and locally elected politicians or if centrally appointed governors are at the centre of this activity. Alternatively, if the corrupt activities that relate to specific outcomes encompass both levels of governance, these are crucial questions that this research seeks to address. The latter seems less likely, as it would imply an extraordinary level of coordination from those seeking to corrupt and from politicians (or different affinities), given that we are ultimately talking about a phenomenon composed of multiple individual acts, i.e., episodes of won tenders. However, we do not know this for sure. Similarly, if there is no coordination between the levels of governance, it is important to establish which of them is the centre of corrupt activity. Therefore, most clients may be linked only to one type of local governance. The use of correlations with corruption (more precisely, proxies for corruption) will likely explain this issue.

An entirely unexpected outcome was the election of Volodymyr Zelensky as president of Ukraine in 2019, which revolutionised the system and the national mindset of voters, leading

to practically total depolarisation of the country. One of the symptoms of these changes was the increased frequency of alternations in local governance positions. Thus, the dynamics of changes and the number of people holding the same position in a given period grew immensely. Their average time in power became significantly shorter, given that decisions aimed at combating corruption and breaking existing clientelism were implemented.

3.14. Context of Volodymyr Zelensky's Rise

Volodymyr Zelensky's rise to the presidency in 2019 took place in a context of disillusionment regarding the corruption and clientelism that had characterised previous governments, especially the legacy of Yanukovich. The five-year management of Petro Poroshenko did not satisfy the demands of the Ukrainian nation. Endemic corruption had eroded citizens' trust in state institutions. Zelensky, an actor with no previous political experience, capitalised on this disillusionment by presenting himself as an outsider who could break with the corrupt system. From the start of his campaign, he adopted a strong anti-corruption discourse, promising to clean up the government and establish a new order based on transparency and accountability.⁴⁴⁹

His slogan 'No more!' resonated with an electorate tired of previous leaders' corrupt practices. Despite his populist approach and anti-corruption message, Zelensky distanced himself from Yanukovich's legacy, trying to implement reforms to dismantle the structures of corruption that had consolidated during his presidency.⁴⁵⁰ However, he faced significant challenges, including resistance from established power groups and the need to balance voter expectations with political realities.⁴⁵¹

⁴⁴⁹ Volodymyr Zelensky, *Campaign Speech*, unpublished speech, 2019.

⁴⁵⁰ Taras Kuzio, *Ukraine: Democratisation, Corruption, and the New Russian Imperialism* (Santa Barbara: Praeger, 2015).

⁴⁵¹ Henry E. Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective* (New York: Cambridge University Press, 2015).

Therefore, Ukraine's history is marked by a legacy of corruption that has affected its leaders and eroded trust in institutions. Zelensky's rise to power represents an attempt to break this cycle, although his success in combating corruption remains uncertain.⁴⁵²

Volodymyr Zelensky, born in Dnipropetrovsk Oblast, was an actor and comedian amid his acting career, participating television shows and films. He worked for one of Ukraine's largest media groups, 1+1, which capitalised on the instability following *the Revolution of Dignity* and allowed Zelensky to play a role in the short series '*Servant of the People*'.⁴⁵³ The airing of this program deeply impacted Ukrainian public opinion. The story narrates the life of an honest and humble man who, by coincidence, became the president of Ukraine. The series presented a fictional narrative of how a poor Ukraine transformed into one of the wealthiest countries in the world. Simultaneously, the character played by Zelensky was a positive figure throughout the series. His positivity, morality, and the common association with the real Zelensky were likely decisive factors in one of the most successful presidential campaigns in history. Visual campaigns are very effective at influencing voters' minds.⁴⁵⁴ Ultimately, an actor with no political experience won the presidency with a record score in the history of independent Ukraine.⁴⁵⁵

In the aftermath, multiple conspiracy theories emerged claiming he was merely a puppet controlled by powerful oligarchs. However, none of these theories could be proven. Nevertheless,⁴⁵⁶ the idea that the series' production was an intentional part of the political campaign seems quite plausible. However, Zelensky denies this, claiming that during filming he had no plans to enter real politics. He made such a decision in 2018, despite having been suggested to do so earlier. He never took that suggestion seriously.

⁴⁵² Anonymous, 'Volodymyr Zelensky on Track to Win First Round in Ukraine Poll', *Financial Times*, 1 April 2019 <https://www.ft.com/content/2640982c-5391-11e9-91f9-b6515a54c5b1> [accessed 2 April 2025].

⁴⁵³ Anonymous, 'Volodymyr Zelensky on Track to Win First Round in Ukraine Poll', *Financial Times*, 1 April 2019 <https://www.ft.com/content/2640982c-5391-11e9-91f9-b6515a54c5b1> [accessed 2 April 2025].

⁴⁵⁴ Anthony Pratkanis and Elliot Aronson, *The Age of Propaganda: The Everyday Use and Abuse of Persuasion* (New York: Henry Holt and Company, 2001), pp. 138–145, 150–165.

⁴⁵⁵ Alexander G. Yushchenko, *A Modern Psycho-Virus War of AI for the Global Mind*, conference paper, 6th International Conference on Cryptography and Information Security (CRIS 2020), Zurich, February 2020, pp. 3–4

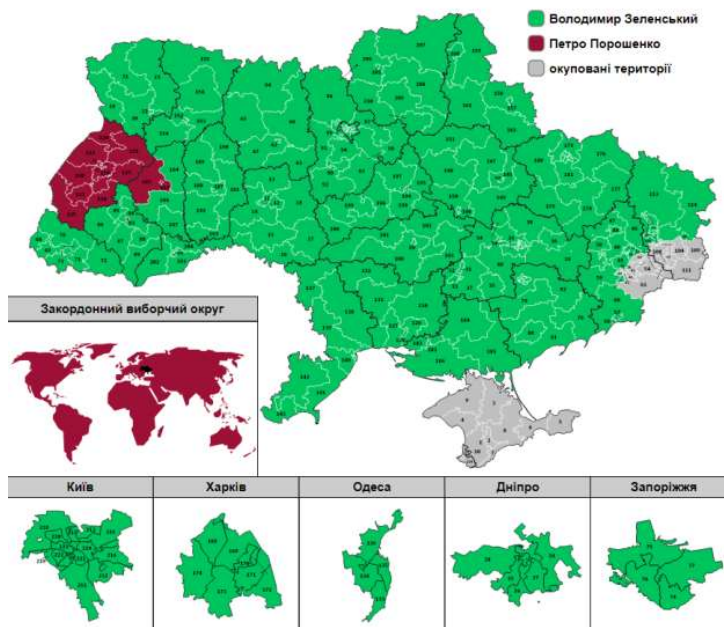
⁴⁵⁶ Wojciech Rogacin, *Zelenski. Biografia (Zelensky. Biography)* (Warsaw: Wielka Litera, 2022), pp. 179–234.

From the outset, it was predictable that the new government of Poroshenko and Yatseniuk would not meet the expectations of Ukrainians due to the problematic situation in the country, which could not be resolved in five years. Many voters would seek a new political force. The pre-campaign proved to be a resounding success. Ultimately, Zelensky won in almost all oblasts, except for Lviv, where Poroshenko maintained the lead. As previous results showed, Lviv was one of the most conservative oblasts, and it is likely that voters did not wish to vote for someone unknown in the political world at that time.⁴⁵⁷

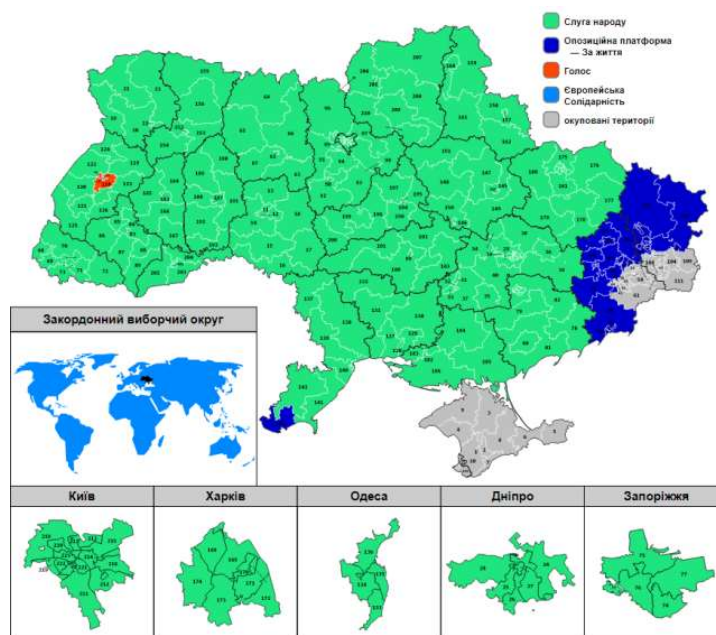
Shortly after the series aired, the political party of the same name, ‘Servant of the People’, was registered. Although this party won the subsequent parliamentary elections, it did not replicate the magnitude of success that Zelensky had achieved as a presidential candidate. Analogous to the previous section, the maps below present the electoral results and the surprising success that Mr. Zelensky has achieved.

⁴⁵⁷ Cas Mudde and Cristóbal Rovira Kaltwasser, *Populism: A Very Short Introduction* (Oxford: Oxford University Press, 2017), p. 23.

Map 3.8. – 2019 Presidential election⁴⁵⁸



Map 3.9. – 2019 Verkhovna Rada election⁴⁵⁹



⁴⁵⁸ Wikimedia Commons, 2019 Presidential Election Map (Ukraine) [map] [https://upload.wikimedia.org/wikipedia/commons/1/1d/Результати_Виборів_Президента_України_2019_за_округами_\(другий_тип\).svg](https://upload.wikimedia.org/wikipedia/commons/1/1d/Результати_Виборів_Президента_України_2019_за_округами_(другий_тип).svg) [accessed 2 April 2025].

⁴⁵⁹ Wikimedia Commons, 2019 Parliamentary Election Map (Ukraine) [map] <https://commons.wikimedia.org/w/index.php?curid=77631482> [accessed 2 April 2025].

The candidate won the presidency in April 2019, achieving a record popular vote of 73.22%. Furthermore, the political party named after the series ‘Servant of the People’ was registered, securing a majority of seats during the elections for the Verkhovna Rada held six months later. However, the nationwide result was considerably lower, with only 43.16%.⁴⁶⁰ Despite this, the party won in all oblasts, except those partially occupied, such as Donetsk and Luhansk, allowing Ukraine to become a unified country again during the 2019 elections.

The political ‘*revolution*’ that took place was, in fact, a significant democratic transformation. The elaborations of authors like Judah and Wilson, published in 2015, could not foresee such a course of action. The de-diversification of Ukraine occurred to some extent, significantly weakening regionalism.⁴⁶¹

Nevertheless, significant support for Zelensky and his party began to wane. In the regional elections 2020, the party lost its traditional provinces in historical Eastern Galicia and some neighbouring provinces like Chernivtsi, Khmelnytsky, and Volyn. The latter two, along with Ivano-Frankivsk and Ternopil, all considered very conservative provinces, opted for more right-wing or nationalist forces. Lviv was won by the ‘*European Solidarity*’ party, a new formation of Petro Poroshenko, who also secured victory in Rivne province. On the other hand, the other pro-Western party, ‘*Ukrainian Strategy of Groysman*’, led by former Prime Minister Volodymyr Groysman, who had served during the latter part of Poroshenko's presidency, won in the Vinnitsa Oblast. Regional parties had electoral successes in Cherkasy and Poltava provinces, while Zelensky also lost Chernivtsi province to the Agrarian Party of Ukraine. Finally, the UDAR party (Ukrainian Democratic Alliance for Reforms), led by Vitali Klitschko, left the presidential coalition after the 2014 and 2015 elections, and Klitschko was re-elected as mayor of Kyiv. Therefore, ‘*Servant of the People*’ did not replicate its successes in the recent national elections, as it only remained a majority force in twelve provincial councils.. Simultaneously, many small parties emerged on the political scene (such as the Union of All Ukrainians ‘*Cherkashchany*’ the Agrarian Party of Ukraine, the Ukrainian Union ‘*Freedom*’, and ‘*Trust*’ in Poltava)⁴⁶², something that had not happened

⁴⁶⁰ Tsentral'na Vyborcha Komisiya (Центральна Виборча Комісія – Central Electoral Commission), *Official Website* (n.d.) <https://cvk.gov.ua/> [accessed 2 April 2025].

⁴⁶¹ Wojciech Rogacin, *Zelenski. Biografia (Zelensky. Biography)* (Warsaw: Wielka Litera, 2022), pp. 181-203

⁴⁶² Tsentral'na Vyborcha Komisiya (Центральна Виборча Комісія – Central Electoral Commission), *Official Website* (n.d.) <https://cvk.gov.ua/> [accessed 2 April 2025].

since the early 2000s, which was part of the de facto democratic transformation of the existing system. These circumstances were unprecedented in independent Ukraine. New forces found their voice, although it was not Zelensky's explicit objective.

In simple terms, Zelensky's emergence in politics continued to generate changes. Although his party did not enjoy the success he had hoped for, many new formations set the tone in the new political scene. The old systems barely retained their power. Many people, both centrally nominated and directly elected, were entirely new. Rogacin emphasises that even people within Zelensky's party lacked political experience, which led to the commission of errors. From the beginning, Zelensky asserted that his goal was to combat corruption. Although some Western observers evaluated this process as too slow, it was underway. Paradoxically, however, TI confirms that in the first year of Zelensky and his party in power, corruption began to increase, although it then started to decrease again.⁴⁶³ One of the reasons could be the inexperience of the people holding positions of responsibility, especially at the local level, while the old system continued to operate in the background.

However, one undeniable fact is that ideological fields have been regionally constructed throughout modern Ukraine's history. This may have resulted from the time a given part of Ukraine belonged to the Russian Empire, the USSR, or other nations. The duration of this period has greatly contributed to the assimilation level among peoples and their ancestors' visions, affecting current generations.⁴⁶⁴ Furthermore, they are often associated with the language spoken by the majority population in a region. However, this does not answer the central question of the research; it may be just a small piece of the puzzle regarding the distribution of corruption.⁴⁶⁵

On the other hand, national elections (both presidential and parliamentary) tended to align. In contrast, local elections appeared more diversified and, simultaneously, more favourable for pro-Russian parties, even in pro-Western provinces. This has likely shaped various types of relationships between local authorities and the central government, suggesting that people tend to vote for a particular person they know (in some cases, even personally), while in

⁴⁶³ Wojciech Rogacin, *Zelenski. Biografia (Zelensky. Biography)* (Warsaw: Wielka Litera, 2022), pp. 151–234

⁴⁶⁴ Florian Kellermann, 'Präsident Selenskyj – großes Versprechen, große Zweifel' ('President Zelensky – Big Promises, Big Doubts'), *Deutschlandfunk* (2020), (audio broadcast).

⁴⁶⁵ Wojciech Rogacin, *Zelenski. Biografia (Zelensky. Biography)* (Warsaw: Wielka Litera, 2022), pp. 179–234

national elections, they choose between representatives of political parties they have only heard about through media.

As the West, North, Central-East, and Southeast used to have fixed political affiliations, it was in the Centre where the primary electoral battle was fought between pro-Western and pro-Russian camps. When Zelensky and his party were elected, specific changes undoubtedly began to occur. Their fate remains uncertain due to many factors. What can be observed, however, is that increasingly, people's voting intentions are based on their perception of the quality of politicians, rather than on the camp they belong to. This phenomenon also begins to influence national elections.

The tables below will summarise the elections before the research, the research period (between *the Revolution of Dignity* and Zelensky's election), and the subsequent period. Including the prior period is important to observe how long certain politicians have held their positions. Some governors and political parties resisted *the Revolution of Dignity* and Zelensky's election. Thus, it will show their actual time in power, which frequently exceeded the years of the research period. Unfortunately, it was not feasible to conduct the complete research, including all the years in which some of the considered politicians were already in power, as there was no possibility of collecting data related to corruption, given that prior to 2014, databases like 'Prozorro' and 'YouControl' did not exist.

Table 3.2. shows the average duration of tenures of political parties in the oblast councils of the given macro-region in the pre-research period and during the proper research period. Table 3.3. shows how frequently governors changed in the macro-regions in the pre-research period, in the first part of the research period (until the 2019 election), and in the second part of the research period (after the 2019 election). The notable differences between the two tables result from the fact that the political parties in councils are regularly elected according to the constitution, and, hence, they usually have fixed terms. On the other hand, the terms of nominated governors, who could be dismissed from office at any time, are much shorter. Unfortunately, a short time elapsed between Zelensky's election and the full Russian invasion of the country, which makes it impossible to add a long enough period, in which he became president, as a third timeframe for comparison. However, we can observe whether the elected parties changed more rapidly in the oblasts before and after Euromaidan and have a brief view regarding the length of tenures of governors after their election.

Table 3.2. Average Number of Political Parties in Power in a Province in a Traditional Historical, Sociological, and Cultural Region in the Defined Period of time.

Number of parties / Part of Ukraine	Number of parties leading in the oblast councils in 2006-2021 per annum	Number of parties leading in the oblast councils in 2014-2021 per annum
West	0.20	0.33
Centre	0.23	0.36
Northeast	0.26	0.43
Central East	0.20	0.36
Southeast & Kharkiv	0.09	0.20

Table 3.3. Average Number of Governors in a Province in a Traditional Historical, Sociological, and Cultural Region in the Defined Period of time.

Number of governors / Part of Ukraine	Before Euromaidan 2006-2014 (per annum)	Research period before Zelensky 2014-2019 (per annum)	Research period after Zelensky 2019-2021 (per annum)
West	0.52	0.67	1.38
Centre	0.52	0.67	1.43
Northeast	0.48	1.08	1.10
Central East	0.72	0.71	2.14
Southeast & Kharkiv	0.51	0.82	1.62

As we can see, both the average regional duration of political parties in provincial councils and that of governors vary. Another interesting aspect is that the number of leading political parties in councils and governors grew in the period following an event considered crucial for contemporary Ukrainian politics. The more politicians hold a relevant position at a given moment (measured in the previous tables as an annual rate), the shorter their terms are. Suppose the hypothesis is correct (see the next two chapters). In that case, evidence will be

provided that corruption is co-dependent on the duration of politicians' terms, as most indicators clearly show that corruption in the country continues to decrease.

3.15. Elections: Summary

Since Ukraine's independence, corruption has been a persistent problem, exacerbated by a lack of government accountability. *The Revolution of Dignity* in 2014 marked a turning point, with increased public pressure to combat corruption. Despite some advancements, corruption remains a significant challenge.

Elections since 2006 have shown voting patterns that reflect the country's ideological polarisation. Identifying the dominant parties in each region is crucial to understanding the dynamics of corruption. For instance, the Party of Regions, which was dissolved after *the Revolution of Dignity*, and the Communist Party of Ukraine, which was banned, are examples of how strong figures and clientelism have marked politics.

The short average tenure of governors may seem like an obstacle to clientelism, but in reality, this phenomenon can persist for various reasons. Many governors are politically appointed, which can encourage clientelism by directing their loyalty toward those who appointed them. This leads them to reward their sponsors with favours and resources, regardless of the length of their term.

In conclusion, although the short average tenure of governors may suggest a limitation on the development of clientelism, the reality is more complex. The non-elective nature of many appointments, the possibility of quickly establishing clientelist networks, and the existence of governors who have remained in office for extended periods contribute to the persistence of clientelism in the political arena. These factors must be considered when analysing clientelism dynamics in different political contexts.

3.16. Conclusions

It can be concluded that groups of oblasts with similar voting intentions tended to coincide with the boundaries of previously existing states and empires⁴⁶⁶. In the upcoming chapters, these areas will serve as macro-regions, i.e., demographically and historically similar regions consisting of several oblasts, which, unlike the latter, are large enough to perform mathematical correlations that provide reliable results.

Therefore, this chapter explains Ukraine's diversity. It also provides evidence that any further analysis should be conducted at the subnational level to demonstrate the country's complexity and existing level of diversification, maintaining thoroughness and reliability as the research progresses.

The political evolution of Ukraine has been marked by corruption, influenced by the duration of local politicians' terms and the structure of parties. *The Revolution of Dignity* was a catalyst for change, but the fight against corruption remains a crucial challenge for the country's future. Identifying voting patterns and the relationship between parties and corruption is essential to understanding current political dynamics.

The analysis of local elections in Ukraine began in 2006, given that prior data is scarce. To assess support for different parties in the oblast, it is essential to consider all elections since 2006, including national ones. The presidential elections closest to this period were held in 2010, while parliamentary elections occurred in 2006. This analysis will allow us to understand the political climate in Ukraine before *the Revolution of Dignity* and determine whether this event influenced electoral preferences and corruption in the regions. If it is observed that *the Revolution of Dignity* reduced the average duration of political mandates, we could infer that existing clientelist networks were significantly weakened.

Since 2006, the same parties have dominated elections in various oblasts. The Party of Regions, considered pro-Russian, won in regions like Dnipropetrovsk, Kharkiv, and Odesa, while '*the Yulia Tymoshenko Bloc*', more popular in the west, achieved victories in oblasts like Kyiv and Poltava. In the first elections of 2007, '*the Yulia Tymoshenko Bloc*'

⁴⁶⁶ Ulrich Schmid and Olga Myshlovska (eds), *Regionalism without Regions: Reconceptualising Ukraine's Heterogeneity* (Budapest: CEU Press, 2019), pp. 67-74, 297-301

consolidated its power, while *'the Party of Regions'* maintained its dominance in the same regions. Thus, the balance between the pro-Russian and pro-Western camps was maintained.

Local elections between 2008 and 2010 showed greater diversity, with *'the Party of Regions'* gaining ground in areas that previously supported the pro-Western opposition. This could reflect discontent with the ruling Centre-right coalition. In contrast, the oblasts of Eastern Galicia, such as Lviv and Ivano-Frankivsk, remained under the control of the nationalist Svoboda party. Despite the changes, power remained in the hands of the same elites.

In the 2010 presidential elections, political polarisation persisted, with the Party of Regions winning the presidency. However, the 2012 election marked a shift in dynamics, as public opinion became more dynamic and less tied to regions, which may have weakened existing clientelism. The pro-Western camp lost the Oblast of Zakarpattia to *'the Party of Regions'*, while *'the Svoboda Party'* won in Lviv.

The Revolution of Dignity in 2014 brought significant change to the political landscape. Petro Poroshenko won the presidency, and *'the Petro Poroshenko Bloc'* dominated the elections in 24 oblasts. However, corruption remained a persistent problem, despite some reforms and the signing of a Free Trade Agreement with the European Union. General dissatisfaction with life and poverty continued to affect the population.

As we approached the 2015 local elections, *'the Petro Poroshenko Bloc'* won the majority of provincial councils, although the Opposition Bloc achieved victories in some pro-Russian regions. Political polarisation began to fade, but old electoral preferences persisted in many areas. Western Ukraine appeared more pro-European, while the South and East continued to elect successors of *'the Party of Regions'*.

The analysis of party mandates in provincial councils reveals that, in general, longer mandates were found in the Southeast, suggesting a greater risk of corruption. However, after *the Revolution of Dignity*, the duration of mandates decreased, indicating a change in the political dynamic. Although corruption remains present, it has begun to be perceived differently by citizens, suggesting an increase in civic awareness.

Despite short mandates, clientelism persists in Ukrainian politics. Non-elective appointments and the possibility of quickly establishing clientelist networks contribute to its continuity.

Examples of governors who have maintained clientelist relationships for extended periods highlight how this phenomenon can influence electoral outcomes.

In conclusion, Volodymyr Zelensky's election in 2019 marked a radical change in the Ukrainian political system, leading to a depolarisation of the country. The dynamics of changes in local governance accelerated, with an increase in the turnover of leaders and a reduction in the duration of their mandates. These changes aim to combat corruption and dismantle the old clientelism, reflecting a movement toward a more civic and less polarised Ukraine.⁴⁶⁷

The election of Volodymyr Zelensky in 2019 stands out as a milestone in Ukrainian politics, characterised by his background as an actor and comedian, which allowed him to connect with an electorate tired of corruption and the ineffectiveness of traditional politicians. Zelensky's rise to power represented a democratic transformation in Ukraine, challenging established political structures. However, his administration faced criticism for the slow pace of the fight against corruption, even though some indicators showed a decrease in corruption levels during his tenure. The inexperience of many of his collaborators and the persistence of the old political system further complicated his governance.⁴⁶⁸

In summary, Zelensky's election symbolises a significant change in Ukrainian politics. Voter perceptions began to focus more on the quality of politicians than on traditional party affiliations. As the country moves forward, political diversity and regional fragmentation will remain key factors in developing its political system.

⁴⁶⁷ Franziska Fislage, 'El potencial de los nuevos partidos en Europa (The Potential of New Parties in Europe)', *Diálogo Político* (Montevideo, 2021), pp. 60–69.

⁴⁶⁸ Wojciech Rogacin, *Zelenski. Biografia (Zelensky. Biography)* (Warsaw: Wielka Litera, 2022), pp. 151–234.

Chapter 4: Subnational Dynamics of Corruption in Ukraine

4.1. Introduction

Thus far, the focus has primarily been on Ukraine's spatial distribution of corruption. However, it is essential to recognise that corruption is not static; rather, it is highly dynamic and evolves over time. The data collected for this analysis span seven years, during which the distribution of corruption may have changed significantly.

This chapter examines the temporal variations in corruption risks across the country during these seven years. To achieve this, I will utilise three previously selected dependent variables: 'the rate of uncompetitive tenders', 'the ratio of declared company capital to contract value', and 'the age of companies'. By doing so, I will illustrate how the corruption landscape in specific oblasts has evolved between 2014 and 2021.

In addition, I will introduce the concept of macro-regions – groupings of oblasts sharing similar features – to determine whether regional trends are critical to understanding the dynamics of corruption. This approach will begin with a national overview, then narrow it down to the macro-region level, and ultimately focus on individual oblasts. Following this structured pattern, I will investigate the evolution of the selected variables, which signify existing corruption risks, at various points throughout the research period. This methodology will yield clear and transparent results, and I will highlight noteworthy spatial and temporal variations that may contribute to the analysis in the concluding chapter.

The choice of seven years is appropriate for this research, as it allows for a comprehensive observation of trends and changes in corruption over time, capturing the effects of implemented reforms and fluctuations in the country's political and economic context. Mihály Fazekas et al. suggest that the time frames for measuring corruption should be at least 5-10 years.⁴⁶⁹ Hence, this investigation ideally fits in the proposed interval.

⁴⁶⁹ Mihály Fazekas, Lorenzo Cingolani, and Bence Tót, 'A Comprehensive Review of Objective Corruption Proxies in Public Procurement: Risky Actors, Transactions, and Vehicles of Rent Extraction', *Government Transparency Institute* (2016), p. 6.

4.2. The Introduction of Macro-Regions

The previous chapter illustrated the diversity among several macro-regions of contemporary Ukraine. A macro-region typically consists of geographically proximate oblasts that exhibit similar levels of indicators, as measured by the control variables considered in this research, such as Gross Regional Product (GRP), urban and rural population ratios, and the prevalence of the Ukrainian or Russian language spoken at home. Notably, the borders of these macro-regions often correspond to the historical boundaries of the states to which the divided Ukrainian territory once belonged. Furthermore, macro-regions reflect voting patterns in recent elections, highlighting their importance in understanding regional dynamics.

I have defined five macro-regions:

1. **The West:** Comprising Chernivtsi, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Volyn, and Zakarpattia oblasts.
2. **The Centre:** Including Cherkasy, Khmelnytskyi, Kyiv, Vinnytsia, Zhytomyr oblasts, and the City of Kyiv.
3. **The North-East:** Comprising Chernihiv, Poltava, and Sumy oblasts.
4. **The Central East:** Including Dnipropetrovska and Kirovohradska oblasts.
5. **The South East and Kharkiv:** Comprising Kharkiv, Kherson, Mykolaiv, Odesa, and Zaporizhzhia oblasts.⁴⁷⁰

The introduction of macro-regions aims to establish trends in the subnational dynamics of corruption. By examining these regions separately, we can determine whether their commonalities extend beyond demographic data to reflect changes in corruption levels overtime. Therefore, the analysis will explore macro-regions and subsequently collate oblasts within each region.

⁴⁷⁰ The Kharkiv Oblast is situated in the North-East of Ukraine. However, it is geographically connected with the South-Eastern oblasts only through the territories of the Donetsk and Luhansk, which had partially been occupied by Russia in 2014-2021. Because of this reason, they have been excluded from the research. Nonetheless, the demographics and history of the Kharkiv oblast have many common points with the South-Eastern oblasts. Therefore, they were all allocated in one macro-region.

It is crucial to note that the dynamics of a single oblast could significantly influence the behaviour of an entire macro-region. Conversely, the dynamics of other oblasts within the same macro-region may exhibit opposing trends, which could obscure the overall picture at the macro-regional level. Thus, the first step will involve analysing the selected dependent variables at the national level from 2014 to 2021. This data will be compared with information provided by Transparency International for the same period, serving as a benchmark for the robustness of the variables.

Secondly, the same dependent variables will be used to investigate macro-regions, allowing for a comparative analysis of corruption risks across different parts of Ukraine. Finally, examining these variables at the oblast level within the macro-regions will provide detailed insights, with the most notable variations being variations being discussed in further detail.

4.3. The Collection and Sorting of Tables

Corruption can be viewed from a national or even international perspective, providing a general overview of the situation in Ukraine. Transparency International (TI) primarily compares corruption circumstances across various states worldwide. According to TI, Ukraine's corruption score improved from 25 points in 2013 to 33 points in 2020, where a higher score indicates less corruption. During this period, the country's ranking among states rose from 144th to 117th place.⁴⁷¹ This data underscores that the Yanukovych era was marked by extreme corruption.⁴⁷²

However, the process and impact of combating corruption in the post-Yanukovych era likely varied significantly across different regions of the country. Comparing various potential drivers of corruption from 2014 to 2021 reveals substantial regional differences. Some factors may predominate in specific oblasts or macro-regions, resulting in uneven distributions of corruption risk across the nation.

⁴⁷¹ UkrStat – State Statistics Service of Ukraine, *Construction in Ukraine: Statistical Yearbook* (2020) <http://www.ukrstat.gov.ua/> [accessed 2 April 2025].

⁴⁷² Transparency International, *Ukraine* (n.d.) <https://www.transparency.org/en/countries/ukraine> [accessed 2 April 2025].

Moreover, the situation during this period has been highly dynamic. Regions previously regarded as highly corrupt may have experienced a reduction in corruption, while others may have seen an increase. This phenomenon is evident as the overall levels of corruption began to decline in the wake of the continuous introduction of new democratic reforms. Nevertheless, regional variations remain significant.

When measuring the dynamics of corruption, it is essential to focus on tendencies and their evolution over time rather than relying on isolated observations. The concept of monotonicity will be central to this analysis. By the end of this chapter, I aim to identify significant patterns in corruption risk, observing how they manifest across regions and time. This approach will facilitate the localisation of substantial variations among macro-regions and oblasts.

It is essential to acknowledge that significant events within the country can influence corruption and its variations, but not uniformly. The timing of these impacts may vary, as the duration required for changes to become apparent can depend on several factors, including the specific variable being examined, the level of analysis (national, macro-regional, or oblast), and prevailing economic and political conditions. While estimations may be involved, observable tendencies are evident in most of this investigation. Although the findings may not align perfectly with TI data, some degree of synchronisation is often present.

Several major political events have occurred during the timeline of this research, suggesting disruptions to existing systems and correlating with peaks in changes across the three measured variables. The analysis begins with the Revolution of Dignity, which created a chaotic political environment in Ukraine. The signing of the Minsk Agreements, particularly the second one in early 2015, also marked a significant event, leading to a degree of stabilisation in the state during the years 2015 and 2016⁴⁷³. During this period, the population began to perceive a provisional stabilisation, which coincided with a decline in the number of 'risky' tenders.

Another peak occurred around 2019, coinciding with shifts in power at various levels following the presidential, parliamentary (2019), and local elections (2020). Zelensky and his

⁴⁷³ CEIC, *Database: Ukraine Household Income per Capita* (n.d.) <https://www.ceicdata.com/en/indicator/ukraine/annual-household-income-per-capita> [accessed 2 April 2025].

party, who emerged victorious in these elections, endeavoured to fulfil their electoral promises by introducing anti-corruption and anti-oligarchic laws⁴⁷⁴. Consequently, numerous changes occurred in crucial state positions, including local levels, with many experienced politicians being replaced by newcomers lacking political experience. While the motives behind these changes were understandable, they led to significant transformations in state functioning, which required time to stabilise.

Wojciech Rogacin posits, and provides multiple examples, that opportunism may have contributed to a short-lived increase in corruption. In contrast, this investigation suggests that corruption risks began to decline again after 2020, a trend that aligns with Transparency International (TI) data. It appears plausible that Zelensky and his administration needed time to consolidate their political strength, and by 2020, they had made progress toward stabilising the country to a certain extent.⁴⁷⁵

While the dates of changes are not precise, they are loosely connected to the events mentioned above. Nonetheless, there is a clear correlation between significant state events and noticeable changes in corruption risks at the subnational level. Conversely, all notable shifts in the attempted measurements of corruption appear to be associated with specific events.

4.4. The Perception of Corruption in Ukraine by Transparency International

Charts 4.1 and 4.2 illustrate the perception of corruption in Ukraine during the research period, as measured by Transparency International.⁴⁷⁶ Both graphs are interconnected, as they rely on the same data. The first graph displays Ukraine's Corruption Perception Index (CPI) score, an absolute measurement, while the second depicts the country's rank among other states globally, a relative measurement.

⁴⁷⁴ Volodymyr Ichenko, 'Олександр Новіков, Голова НАЗК – Переможемо у Війні з Корупцією, а Тоді – і з Росією' ('Oleksandr Novikov, Chairman of the NAZK – We Will Win the War with Corruption, and Then with Russia'), *Ukrinform* (June 2021) <https://www.ukrinform.ua/rubric-politics/3258815-oleksandr-novikov-golova-nazk.html> [accessed 2 April 2025].

⁴⁷⁵ Wojciech Rogacin, *Zelenski. Biografia (Zelensky. Biography)* (Warsaw: Wielka Litera, 2022), pp. 151-234

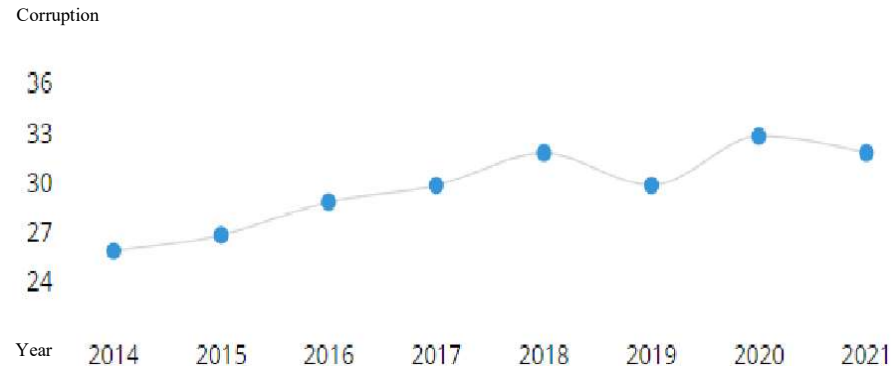
⁴⁷⁶ Transparency International, *Ukraine* (n.d.) <https://www.transparency.org/en/countries/ukraine> [accessed 2 April 2025].

It is evident that, on an international scale, the trend is positive for both metrics. Corruption perception in Ukraine continued to improve throughout the research period, with only minor setbacks observed in 2019 and 2021. This positive trajectory reflects a growing public awareness and response to corruption, underscoring the importance of ongoing efforts to combat this pervasive issue.

In conclusion, the analysis of subnational dynamics of corruption in Ukraine reveals significant temporal and spatial variations. By introducing macro-regions and examining the evolution of corruption risks through selected variables, this chapter provides a comprehensive understanding of how corruption has shifted across the country from 2014 to 2021. As we move forward, the findings from this chapter will inform subsequent analyses and contribute to a deeper understanding of corruption in Ukraine.

Chart 4.1.

The Corruption Perception Index of Ukraine according to the Transparency International⁴⁷⁷

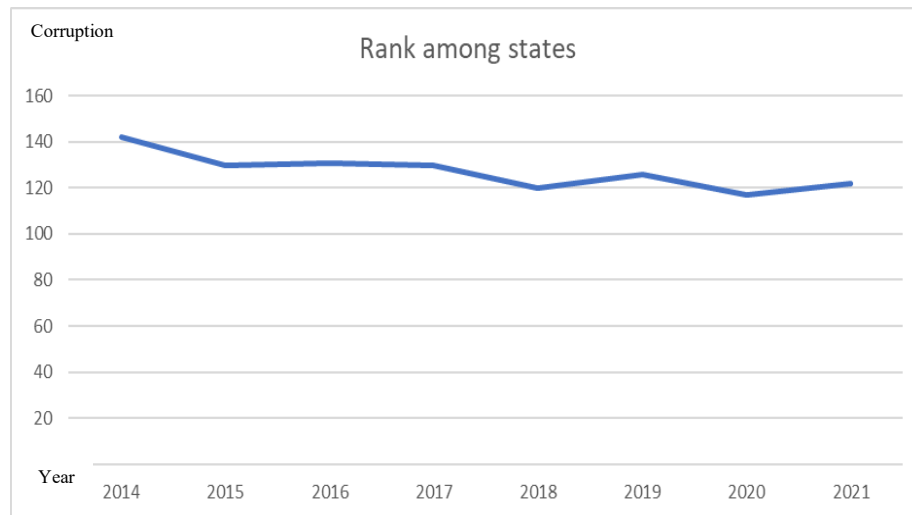


⁴⁷⁷ According to Transparency International ‘Each country’s score is a combination of at least 3 data sources drawn from 13 different corruption surveys and assessments. These data sources are collected by a variety of reputable institutions, including the World Bank and the World Economic Forum’.

Transparency International, *How CPI Scores Are Calculated* (n.d.) <https://www.transparency.org/en/news/how-cpi-scores-are-calculated> [accessed 2 April 2025].

Chart 4.2.

The Corruption Perception Index of Ukraine according by the Transparency International – the country’s position among the other world states



The graphs below illustrate the values of the dependent variables over time, calculated for Ukraine. The principal observations should be made while analysing the temporal dynamics, specifically how corruption may have changed across the country concerning each chosen dependent variable.⁴⁷⁸ To gain a comprehensive understanding, comparing these graphs with the Transparency International (TI) graphs presented earlier is crucial. This comparison will help identify any particularly significant differences that may arise. In this context, it is essential to note that while TI data provides a broader overview of corruption perception, the variables selected for this research are confined to the construction sector and focus on specific aspects of the corruption issue.

4.4.1. Notable Caveats of Transparency International

In evaluating the results of the analysed variables against the reports from Transparency International, we must consider the limitations inherent in measuring corruption. Indeed, existing reports may not fully capture the complexity of corruption in Ukraine. This analysis

⁴⁷⁸ Martin Paldam, 'The Transition of Corruption: Institutions and Dynamics', *European Journal of Political Economy* (2021).

underscores that measuring corruption is inherently imperfect, necessitating a more nuanced approach to understand this multifaceted phenomenon, as highlighted in Khan's work.⁴⁷⁹

Transparency International employs various methodologies to assess corruption in different countries, including perception surveys, data analysis, and case studies. However, these methodologies often have limitations, primarily because they rely on public perception and data availability. Consequently, they may not provide a complete picture of corruption in a specific country. In the case of Ukraine, reports have documented a concerning trend in the perception of corruption; however, they may fail to adequately address the systemic nature of corruption, which encompasses elements such as clientelism, political corruption, and influence networks that are not always evident in perception surveys.

Corruption manifests in diverse forms, from administrative to political, and measuring it can often be reduced to indices that do not reflect the full spectrum of corrupt practices occurring within a country. Furthermore, perceptions of corruption can vary significantly among different social and cultural groups. Therefore, relying solely on perception surveys may not accurately capture the realities faced by various population segments.

To gain a deeper understanding of corruption in Ukraine, it is essential to complement quantitative data with qualitative research. A comprehensive analysis should consider the economic, political, and social factors influencing corruption, including institutions, political culture, and the country's historical context. This broader perspective can provide rich insights into how and why corruption persists.

Understanding the dynamics of corruption in Ukraine is critical for informing the necessary policies and reforms to address the issue. Therefore, developing evidence-based strategies that acknowledge the complexity of corruption is essential, moving beyond traditional metrics. Strengthening the institutions tasked with combating corruption is also vital, ensuring they possess the resources and autonomy to carry out their work effectively.

In conclusion, comparing the results of the analysed variables with Transparency International reports reveals limitations in measuring corruption, particularly in complex

⁴⁷⁹ Mushtaq H. Khan, 'Determinants of Corruption in Developing Countries: The Limits of Conventional Economic Analysis', in *International Handbook on the Economics of Corruption*, ed. by Susan Rose-Ackerman (Cheltenham: Edward Elgar, 2006), pp. 216–244.

contexts like Ukraine. Corruption is a multifaceted phenomenon that demands a deeper and more nuanced analysis for adequate comprehension. According to Khan, adopting a multidimensional approach that considers the various manifestations of corruption and the contexts in which they occur is essential. We can develop effective strategies to combat corruption and promote transparency in public management through a comprehensive analysis.⁴⁸⁰

4.5. Fiscal Considerations and General Context

Fiscal considerations refer to the policies and practices related to revenue collection and the allocation of public resources by the government. In the context of corruption, these considerations are crucial, as how a government manages its finances can significantly influence transparency and accountability. Poor fiscal management, characterised by inadequate controls, opacity in resource allocation, and a lack of oversight, creates an environment conducive to corruption. For instance, if public contracts are awarded without a transparent competitive process or insufficient audits and controls over public spending, the risk of corrupt practices, such as bribery or favouritism, increases.

Additionally, the general context encompasses the political, economic, and social environment in which corruption occurs. In Ukraine's case, this context comprises factors such as the country's political history, reforms implemented since the Yanukovich era, the influence of external actors (including the European Union), and the socioeconomic conditions that affect governance. Political instability, internal conflicts (such as the war in Donbas), and pressure from interest groups can adversely affect the effectiveness of anti-corruption reforms and the implementation of fiscal policies. Furthermore, the social context, including public perceptions of corruption and trust in institutions, plays a fundamental role in the dynamics of corruption.

The interrelationship between fiscal considerations and the general context is vital for understanding how and why corruption varies across different regions and over time. An unstable economic environment can increase corruption, as officials may resort to corrupt

⁴⁸⁰ Ibid.

practices to secure resources. Conversely, robust and transparent fiscal management can mitigate these risks, fostering an environment where competition and accountability prevail.

In summary, *‘Fiscal Considerations and General Context’* refers to the complex interaction between public resource management and the broader environment in which governmental decisions are made. This interplay has a significant influence on the prevalence and nature of corruption in Ukraine. Consequently, addressing fiscal policies and contextual factors is essential for effectively understanding and combating corruption.

4.6. Evaluation of Non-Competitive Tenders. General Theory

Evaluating non-competitive tenders is crucial for analysing transparency and integrity in public management. This analysis focuses on the rate of non-competitive bids and their correlation with levels of economic activity⁴⁸¹, revealing that an increase in these bids may be linked to political and economic instability. This connection raises concerns about corruption and the lack of competition in contract awarding. Despite government efforts to enhance transparency in 2019, stabilising the non-competitive bid rate suggests that corrupt practices may persist.

Non-competitive bids refer to contracts awarded without an open competitive process, where multiple suppliers are not invited to submit offers. While such agreements may be necessary in emergencies or when it is deemed that only one supplier can fulfil the contract requirements, they often generate skepticism. This skepticism arises from their potential to facilitate corruption and clientelism by circumventing the control and oversight mechanisms characteristic of competitive processes.

⁴⁸¹ Transparency International Ukraine, ‘Результати моніторингу ProZorro: неконкурентні процедури закупівель становили 67 %, а їх вартість – 41 % від загальних витрат’ (‘Rezultaty monitorynhu ProZorro: nekonkurentni protsedury zakupivel’ stanovyly 67 %, a yikh vartist’ – 41 % vid zahal’nykh vytrat’ – ‘ProZorro Monitoring Results: Non-Competitive Procurement Procedures Made up 67%, Their Value 41% of Total Expenditures’), *Transparency International Ukraine*, 2017 <https://ti-ukraine.org/news/ti-ukraina-predstavyla-zvit-pro-stan-prozorro-u-pershomu-pivrichchi-2017-ho/> [accessed 2 April 2025].

It is important to note that the military is often cited as a common reason for not disclosing tenders. However, since even small military infrastructure is typically financed by the central budget, this issue does not significantly impact this research, which exclusively focuses on tenders funded by the regional budgets.

An increase in non-competitive bids may signal political and economic instability. In crisis contexts, governments may award contracts without competition to expedite project execution or address emergency situations. However, this practice can result in a lack of transparency and corruption. The relationship between non-competitive bids and levels of economic activity is intricate; during periods of recession or instability, the inclination to resort to non-competitive bids may grow, negatively affecting investor confidence and the perception of the business environment.

Data from 2019 indicates an extremely low rate of non-competitive tenders, suggesting an attempt by the government to enhance transparency and promote a more competitive environment. This reduction may have been influenced by internal and external pressures to improve governance and decrease corruption. Nevertheless, the stabilisation of the non-competitive bid rate in subsequent years implies that, despite initial efforts, corrupt practices may still be a challenge. This persistence suggests that the reforms implemented have not been sufficient to alter the culture surrounding contract awards in a sustainable manner.

Thus, the prevalence of non-competitive bids underscores the need for effective reforms in the contract awarding process. Establishing more robust control mechanisms to ensure transparency and competition in the awarding of public contracts is essential. Promoting a competitive environment is vital for reducing corruption and improving the efficiency of public resource utilisation. This may include implementing policies that encourage the participation of multiple suppliers in tenders and creating digital platforms that facilitate access to information about contracts and tenders.

In conclusion, evaluating non-competitive bids is a key component in analysing transparency and corruption in public management. The relationship between the rate of non-competitive bids and levels of economic activity suggests that an increase in these bids may correlate with political and economic instability. Although government efforts in 2019 to enhance transparency constitute a positive step forward, stabilising the non-competitive bid rate indicates that corrupt practices continue to pose a challenge. To achieve more effective

governance, it is crucial to implement reforms that foster competition and transparency in contract awarding, thereby strengthening public trust in institutions and enhancing public resource management. Additionally, it is critical to recognise that uncompetitive tenders may be linked to low levels of economic activity, particularly in poorer and less urbanised oblasts, where a lack of competition can lead to a greater reliance on non-competitive contracts.

4.7. Theoretical Analysis of the Capital-Contract Relationship

The relationship between the declared capital of companies and the value of the contracts they obtain is fundamental for analysing corruption and transparency in public management. This analysis examines how this relationship can signal corruption risk, particularly in the context of public tenders. Although it is legal for companies to declare a lower capital than the actual amount, this discrepancy can signal potential irregularities that warrant attention.

Declared capital refers to the amount of capital a company officially reports to tax and regulatory authorities. This capital is used to assess the company's financial capacity and suitability to participate in public tenders. Conversely, the value of the contract represents the amount of money allocated to a company for executing a project or providing goods and services. The relationship between declared capital and contract value can yield valuable insights into the viability and transparency of tenders.

When a relatively small company secures a significant contract, it may raise red flags regarding corruption, as these companies often lack the technical or financial capacity necessary to fulfil the requirements of a large contract. If the declared capital is disproportionately low compared to the contract value, it could indicate that the company has engaged in corrupt practices to secure the tender. Although it is legal to declare a lower capital than the actual amount, this practice can be problematic, as the discrepancy may be exploited to manipulate the bidding process, leading to favouritism and corruption. Therefore, authorities must diligently monitor and verify these figures to identify potential irregularities.

Verifying declared capital and its relationship with contract value is essential for understanding market dynamics. Authorities should establish auditing and control mechanisms that assess the accuracy and consistency of capital declarations with the contracts awarded. This relationship can indicate corruption risk, and conducting a detailed

analysis can help identify suspicious patterns while implementing preventive measures to mitigate risk in the bidding process.

Implementing reforms in the bidding process is crucial to addressing the corruption risks associated with the relationship between capital and contracts. This may involve establishing stricter criteria for evaluating companies participating in tenders and promoting transparency in contract awarding. Ensuring transparency in public contract management is vital for cultivating public trust in institutions. Authorities must guarantee that information about tenders and contracts is accessible and comprehensible, as this can help prevent corruption and enhance accountability.

In summary, analysing the relationship between a company's declared capital and the value of contracts is crucial for identifying corruption risks in the bidding process. While claiming a lower capital than the actual amount is legal, this practice may indicate irregularities that deserve scrutiny. Verifying this variable is crucial for understanding market dynamics and implementing effective measures that promote transparency and integrity in public management. Through reforms in the bidding process and a proactive approach to verifying financial data, it is possible to mitigate the risk of corruption and strengthen trust in institutions.

4.8. Evaluation of Dependent Variables

Consequently, the three dependent variables used to measure corruption in the construction sector in Ukraine must be evaluated: 'the rate of non-competitive tenders', 'the age of the company', and 'the ratio of the declared capital to the contract value'. This evaluation is expected to provide a clear view of each variable's effectiveness and limitations, as well as their applicability in the Ukrainian context and future research.

4.8.1. Rate of Non-Competitive Tenders

Utility: The ‘rate of non-competitive tenders’ has proven to be a robust and functional variable for measuring the corruption risk in Ukraine's public bidding process. This variable reflects the number of contracts awarded without an open and transparent competition process, often indicating an environment prone to corrupt practices. According to previous studies, an increase in the rate of non-competitive tenders usually correlates with increased corruption, as it reduces transparency and accountability.

Disadvantages: However, it is essential to note that this variable also has limitations. For example, legitimate circumstances may justify the lack of competition, such as the need for a quick response in emergencies or the technical specialisation required for specific contracts. This could lead to overestimating corruption risks in contexts where non-competition is necessary and legally justified.

4.8.2. Rate of Capital to Contract

Utility: The ‘rate of capital to contract value’ was proposed as an indicator of corruption risk, as a significant discrepancy between a company's declared capital and the value of the contracts won may suggest corrupt practices, such as bid manipulation. However, this variable will eventually be proven to be less reliable in the Ukrainian analysis.

Disadvantages: The main disadvantage of this variable lies in Ukraine's lax capital declaration regulations. Companies may declare a capital significantly lower than the actual amount, distorting this relationship and hindering its utility as a proxy for corruption. This variable could be useful in contexts where companies are required to declare their actual capital; however, in Ukraine, its application is problematic and may lead to erroneous conclusions about corruption risk.

4.8.3. Age of the Company

Utility: The ‘age of the company’ is used as a proxy to identify patterns of corruption, based on the premise that younger companies are more likely to be involved in corrupt practices. This is because newly formed companies often lack a solid track record and may be explicitly created to win contracts through clientelist networks. The variable has provided mixed results, suggesting that age can be a useful, albeit not always direct, indicator of corruption.

Disadvantages: However, the variable has its downsides. Older companies may also be involved in corrupt practices, particularly if they have developed long-standing ties with local politicians. This suggests that while age may be relevant, it is not an infallible indicator and may require a more nuanced analysis. Additionally, the lack of accurate data on the age of companies in the Ukrainian context may limit this variable's ability to offer clear and precise conclusions.⁴⁸²

4.9. The Dynamics of Corruption from the International and National Perspective

The following graphs represent all the chosen dependent variables measured across Ukraine from 2014 to 2021. These visual representations will provide valuable insights into the evolution of corruption dynamics, allowing for a comprehensive analysis of trends and patterns over time. By examining these variables in conjunction with previous findings, we can further elucidate the complexities of corruption in Ukraine and its implications for governance and public management.

⁴⁸²Fazekas, M. & Tóth, B. (2017). *Proxy Indicators for the Corrupt Misuse of corporations* [in:] *U4 Brief*, U4 Anti-Corruption Resource Centre

Chart 4.3
Rate of non-competitive tenders in Ukraine

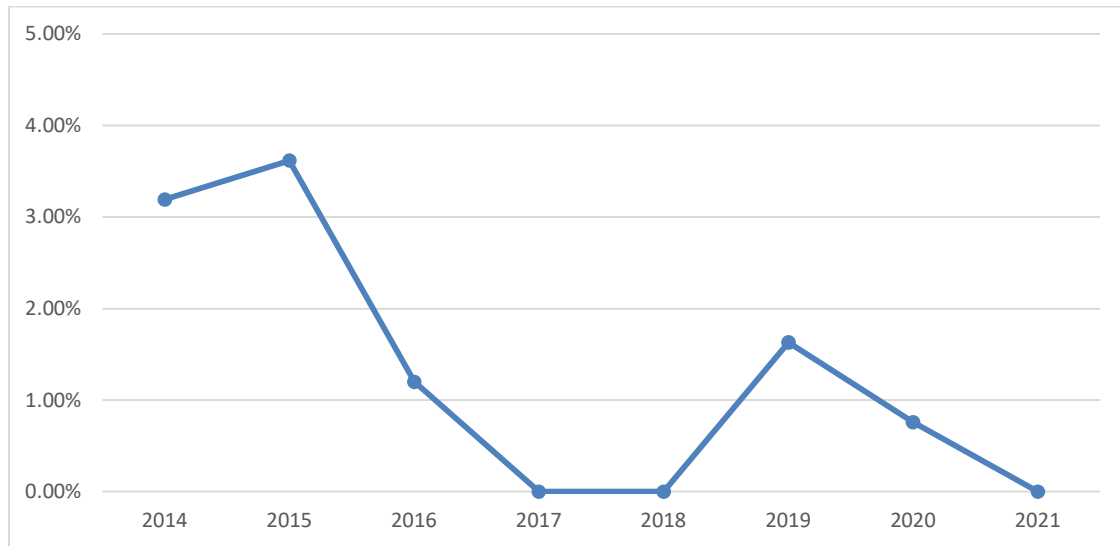


Chart 4.4.
Rate of tenders won by companies whose capital was declared lower than the actual tender contract value

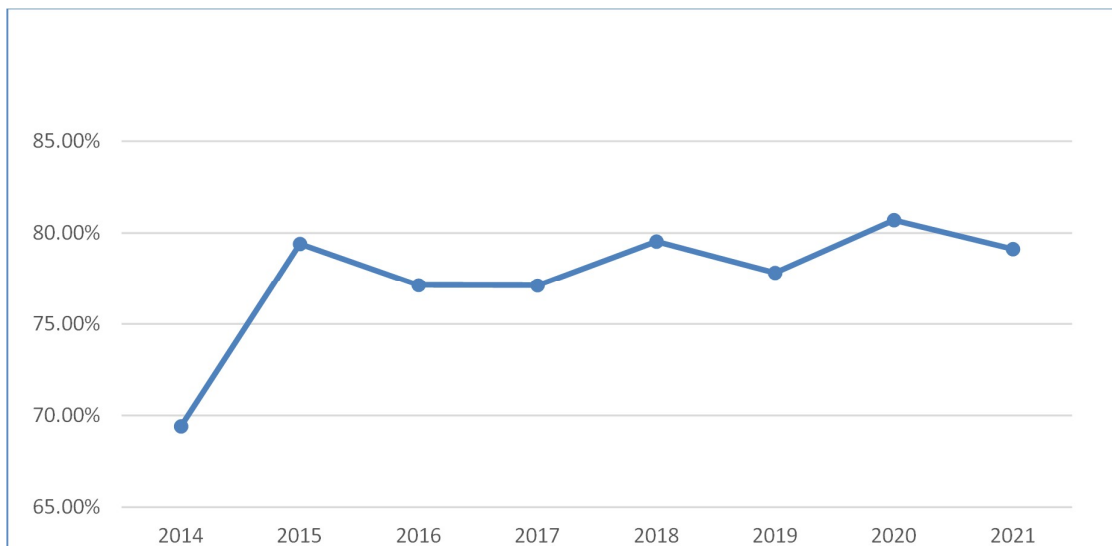
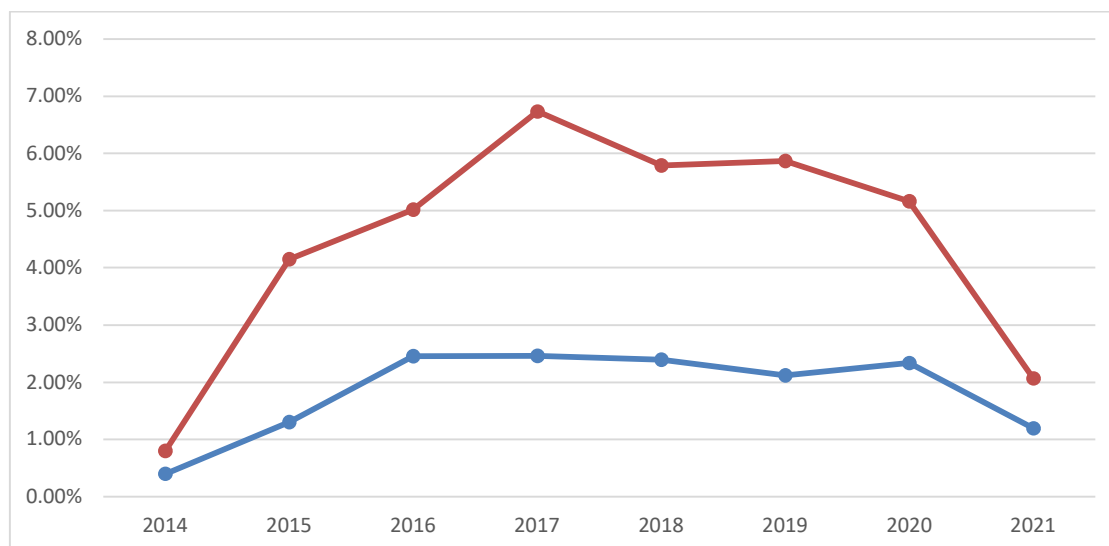


Chart 4.5.

Rate of tender winner companies younger than 6 and 12 months respectively, when the contract was signed



The decrease of corruption in Ukraine may appear significantly more rapid compared to several other countries facing similar challenges; however, it is crucial to recognise that this is a lengthy process⁴⁸³. As we examine the values presented in the graphs, it becomes apparent that they exhibit moderate visual representations of trends. Notably, there are exceptions to these general trends, as rapid fluctuations also occur.

Chart 4.5 illustrates the rate of relatively new companies that have won tender contracts, specifically those that have been operating in the market for six months and one year at the time of the award. These companies may present corruption risks, as some may have been established solely to win contracts.

The graph depicting the rate of companies not older than one year is more complex than that of firms younger than six months. The additional six-month period significantly increases the number of firms involved, leading to greater fluctuations and consequently providing more potential variations in the data. For instance, alongside companies linked to existing clientele,

⁴⁸³ Transparency International, *Ukraine* (n.d.) <https://www.transparency.org/en/countries/ukraine> [accessed 2 April 2025].

there may also be new, fully operational companies that have been legally established and are entitled to participate in tenders. This situation could foster fair competition, negatively impacting existing clientelism and limiting corruption. While clientelism continues to exist, it is essential to note that data indicating its presence may reflect a different narrative. Increased competition does not necessarily heighten the likelihood of corruption; rather, the long-standing relationships between politicians and firms operating in the market for an extended period (i.e., companies involved in clientelism) may remain influential when considering a longer timeframe.

However, both scenarios mentioned above appear to be exceptions. As highlighted in various pieces of literature, the theory regarding short-lived companies serves as a more compelling indicator of corruption risk,^{484 485}. It is anticipated that the next chapter will further support this theory.

In summary, analysing the issue from a temporal perspective reveals that the most significant variations occur in the case of ‘The Ratio of Company Capital to Tender Value’. Due to the choice of scale, its extreme values are substantially larger than those of ‘The Number of Non-Competitive Tenders’ and ‘The Rate of New Companies’. Nevertheless, evaluating all three variables leads to the conclusion that their results exhibit considerably greater fluctuations than the measurements reported by Transparency International (TI). The annual changes are notably more pronounced. Please, refer to the table below for additional details.

⁴⁸⁴ Aaron Sayne, Alexandra Gillies and Andrew Watkins, *Twelve Red Flags: Corruption Risks in the Award of Extractive Sector Licences and Contracts* (Natural Resource Governance Institute, 2017), pp. 3–43.

⁴⁸⁵ Brian M. Faughnan, Jonathan T. Hiskey and Scott D. Revey, ‘Subnational Electoral Contexts and Corruption in Mexico’, *Journal of Politics in Latin America*, 6.1 (2014), Institute of Global and Area Studies (GIGA).

Table 4.1.

The decrease of perception/risk of corruption according to TI measurement, as well as three used variables

Year	TI	Uncompetitive tenders	Ratio	New companies (<6 months)	New companies (<12 months)
2014	-	-	-	-	-
2015	4.00%	-13.36%	-14.41%	-227.09%	-420.36%
2016	3.85%	66.83%	2.87%	-88.14%	-20.89%
2017	7.41%	Reaches the level of '0'	0.03%	-0.33%	-34.13%
2018	3.45%	At '0' level	-3.14%	2.75%	14.02%
2019	6.67%	Growth to 1.63%	2.16%	11.51%	-1.40%
2020	-6.25%	53.33%	-3.70%	-10.26%	12.04%
2021	10.00%	Reaches the level of '0'	1.95%	48.84%	60.00%

The dynamics of changes in the variable values exhibit larger magnitudes; however, the overarching trends remain similar. Notable exceptions arise during the years 2014-2015, where, according to Transparency International (TI)⁴⁸⁶, corruption appears to decrease, while data regarding tenders suggests otherwise. This discrepancy coincides with the launch of the Prozorro/Tendergid website, which aimed to enhance transparency in the tendering process. It is plausible that initial errors or incomplete information were present during this period, as establishing a comprehensive public platform for tender information was a complex task. Nonetheless, this initiative marked a significant step forward in the fight against corruption.

⁴⁸⁶ Transparency International, *Corruption Perceptions Index 2020* (2021) <https://www.transparency.org/en/cpi/2020/index/nzl> [accessed 2 April 2025].

Subsequent results appear to align more closely with TI data. Specifically, ‘The Number of Non-Competitive Tenders’ reflects trends consistent with TI, except for the 2015 result, which contradicts TI perception measurements for all three variables. The only other instance of contradiction occurred in 2021. Notably, 2019 and 2021 are the only years in which TI indicates an increasing tendency in the perception of corruption.

Moreover, ‘The Ratio of Company Capital to Tender Value’ measurements diverge from TI trends in 2015, 2018, 2019, and 2021. Similarly, ‘The Rate of New Companies’ does not align with TI values. However, a closer examination of the table and graphs reveals an initial growth in corruption that extends beyond TI’s observations, peaking in 2017 rather than 2015. Following this peak, the risk of corruption begins to decline but experiences a resurgence in 2020 for companies younger than six months and 2019 for those younger than 12 months, paralleling TI’s findings. Eventually, the likelihood of corruption improves across all variables.

It is possible that the factors influencing fluctuations in corruption dynamics exerted their effects at varying speeds on the specific tailored variables. The observed fluctuations are more pronounced than those TI reported, encompassing corruption across the entire country. Thus, if patterns repeat with a one- to two-year delay across different variables, it may indicate that the uniqueness of a given variable contributes to a delayed result. Despite these nuances, the overall trend remains consistent.

Among the variables analysed, ‘The Ratio of Company Capital to Tender Value’ is the most detached from the trend established by TI and the other selected variables.

4.10. The Dynamics of Corruption from the Macro-Region Perspective

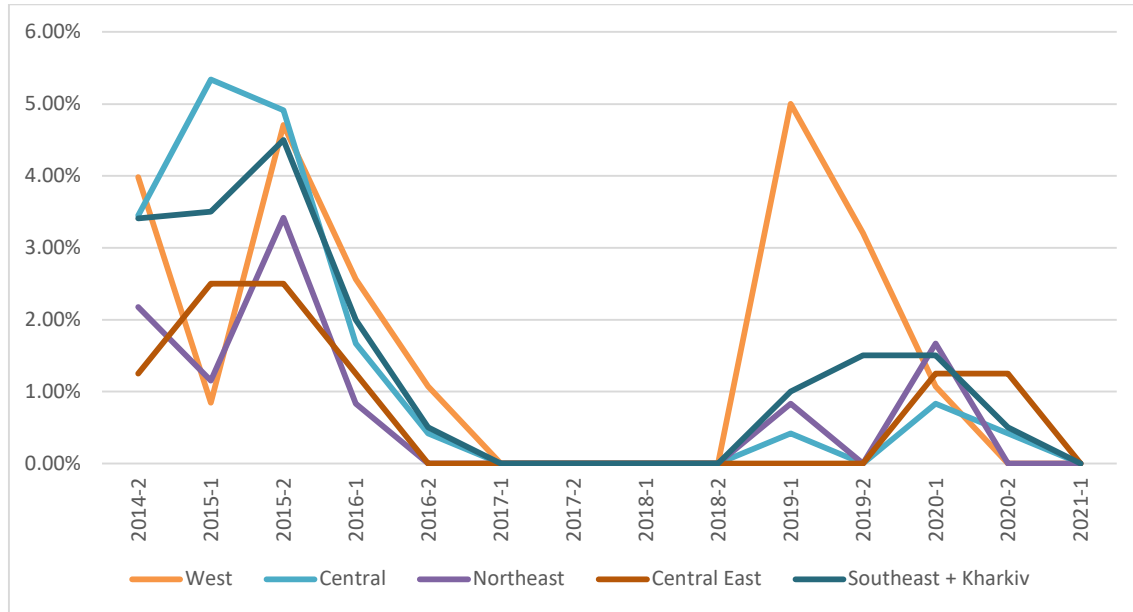
This section focuses on the distribution of corruption across the five macro-regions previously identified. This informal categorisation of Ukraine into larger regions is prevalent in the literature,⁴⁸⁷ and serves as a valuable framework for analysis. Following this overview, the research will delve deeper, examining temporal and spatial distributions at the oblast level. The primary objective of these observations is to identify singularities and variations in

⁴⁸⁷ E.g., Andrew Wilson, *The Ukrainians: Unexpected Nation* (New Haven: Yale University Press, 2015), pp. 207–233.

corruption patterns. The same dataset employed in the preceding section will be utilised, but the analysis will be confined to the macro-region or oblast currently under discussion.

Chart 4.6.

Rate of uncompetitive tenders by macro-region



The rate of uncompetitive tenders is relatively low across the whole of Ukraine. As seen on the graph above, Central Ukraine has the highest rate, which exceeds 5% in the first half of 2015, the West reaches less than 5% in the second half of 2015, and reaches 5% in the first half of 2019. South-East and Kharkiv exceeded 4% in the second half of 2015. The other macro-regions present much lower values. The three variations mentioned above do not often reach their highest results in the same period. The case is the West, whose five percent result in 2019 is approximately three times higher than the results of the remaining macro-regions in 2019 and 2020.

Interestingly, the significant results of the three macro-regions and their medium-size results at other times, as well as the values of the remaining variables, occur only between 2014 and 2016, with a peak in 2015, and between 2018 and 2020, with a peak in 2019. In the period between 2017 and 2018, all the macro-regions adopted values equal to zero.

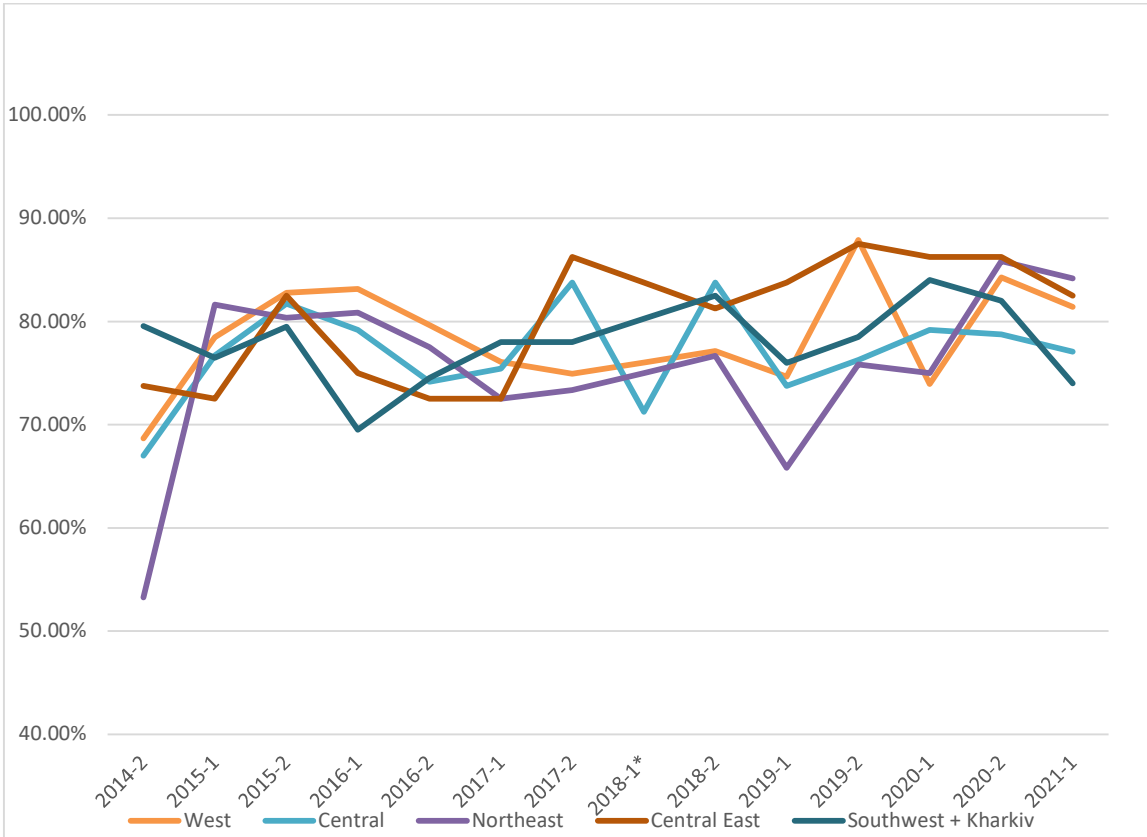
The difference between the minimum and maximum values may be much larger in some cases than others. In the case of the variable presented in the chart above, the situation is

relatively simple because all the variables reach the value of ‘0’ at one point. Therefore, only the upper limit counts. In the case of the other variables, the situation may differ.

Nonetheless, there are differences between the upper limits (extrema) among the macro-regions, which inform us that the macro-regions behave differently concerning this variable. The highest results of three different variables showing the values in three different macro-regions (the Centre and the West, and the Southeast and Kharkiv) at the same time, i.e. the years 2014-2015 have the most significant fluctuations, which means that, according to this indicator (i.e., proxy), corruption grows immensely in those years, but beginning from 2016, it sharply begins falling to zero. The higher results at the beginning and end of the research period and negligible values in the middle also constitute valuable information.

Chart 4.7.

Rate of tenders won by companies whose capital was declared lower than the actual tender contract value



As mentioned before, in the case of ‘the ratio of the company capital and contract value’, the curves in the graph only reflect the rate of companies with a lower capital than the sum of the contracts, which they have secured (in the next chapter, the analysis will be based on numerical values). It has a decisive connection with clientelism, because if some companies were to be established for the benefit of public authorities, they would probably be small, especially those that would turn out to be short-lived, as long as they only fulfilled all the legal requirements. However, if in the case of the two remaining variables, we are seeking risks of corruption connected with clientelism, in this case, the analysis might answer an additional question, too. What types of companies are usually hired to perform the job?

For this variable, reaching high levels does not seem so important, as in the case of ‘the uncompetitive tenders’. The extrema are very remote, i.e., in the case of the temporal analysis of the likelihood of corruption in one macro-region, the variable might adopt various numbers, constituting a considerable interval between them. Such a phenomenon may occur from one year to the next. Thus, the fluctuations are very high and frequent, so the temporary situation will likely alter very quickly. The variations take on much higher values than in the case of two other variables, all of them exceeding 50% (in the following subsection, little rate of the companies at the oblast level will reach the results below that value; this underscores the importance of subnational research), which means that the majority of the companies had declared the lower capital than the sum of the contract that they have later won. The majority of graphs are situated between 70% and 80%.

The declared capital is not equal to the company's affluence. However, if many firms with low declared capital are wealthy enough to participate in one of the most expensive sectors (construction), it is quite likely that corruption takes place. The ‘red flag’ should be placed there anyway, but this is a good topic for another academic work regarding corruption in the private sector.

According to ‘the ratio’ variable, the most significant risk of corruption exists in the Central East, beginning from the second half of 2017, which is occasionally surpassed by the Centre in the second half of 2018 and the West in the second half of 2019. The North-East has the lowest results. However, there are no considerable variations considering the scale, which has to be used because of the large fluctuations. This shows that this variable has a limited usefulness in this kind of subnational research.

Chart 4.8.

Rate of tender winner companies that are younger than six months when the contract was signed

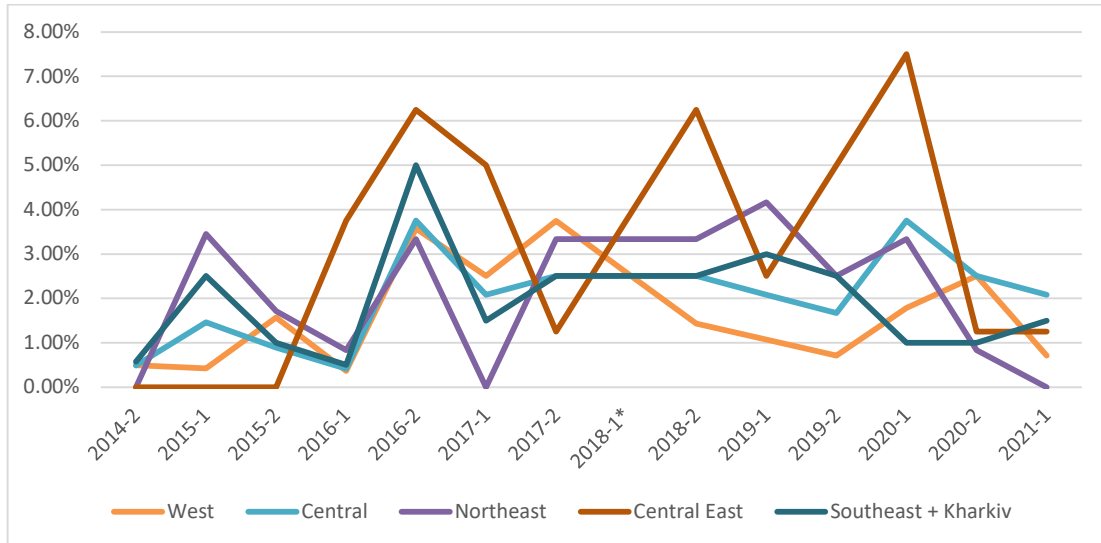
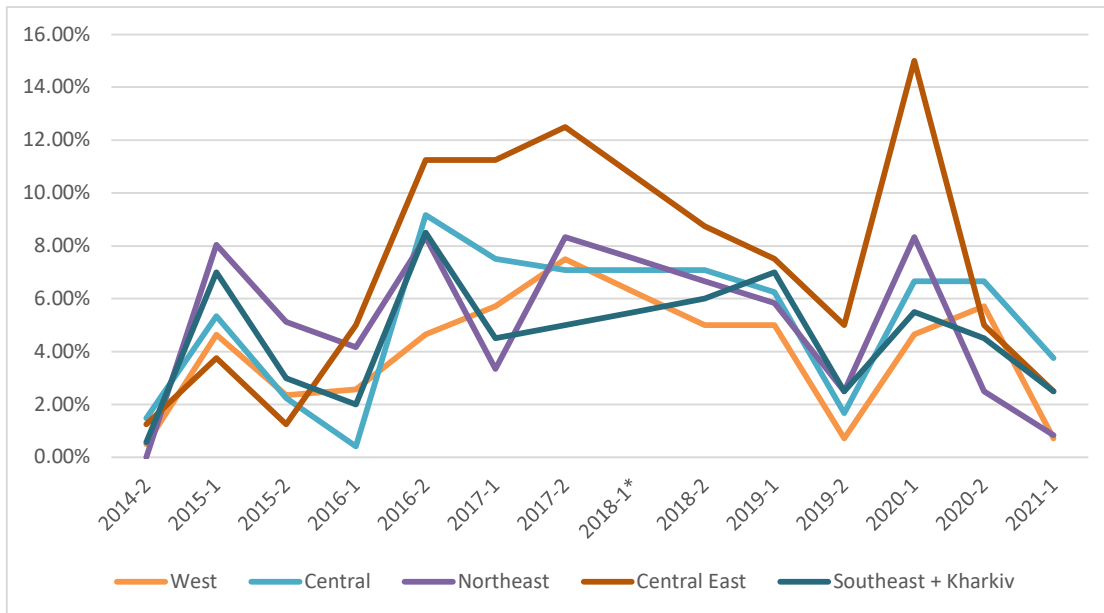


Chart 4.9.

Rate of tender winner companies younger than twelve months when the contract was signed



Both charts 4.8. and 4.9. refer to the third dependent variable, ‘the company average age’. the chart 4.8. displays the rate of firms no older than six months, which won tender contracts, while chart 4.9. copes with those younger than twelve months. Therefore, both results will be described together. As in the previous case of ‘the ratio of company capital to contract value’, the graphs below only show the rates of such companies to simplify the observations. The next chapter will demonstrate the numerical values of days, which will be correlated with the tenures of the local authorities.

The charts indicate the likelihood of corruption growth in the research's early years, though until late 2015, they remain at a relatively low value. The peak of Central East (the most likely macro-region to be corrupted) is in the second half of 2016 (6.2%), the second half of 2018 (6.2%), and the first half of 2020 (7.5%) if the six-month-old companies are considered. In the case of twelve-month companies, the highest results are visible in the second half of 2017 (12.5%) and the first half of 2020 (15%).

Let us notice that the values differ from those of the previous variables. Still, all patterns of behaviour are in accordance, especially with ‘the rate of uncompetitive tenders’, but they are slightly put off. There might be a plausible explanation for that. While analysing the variable ‘age of the company’, we refer to the establishments of companies six or twelve months before the date shown on the graph, hence the delay.

Despite the lack of tangibility and, in the aftermath, precision of the research on corruption, the tendency remains mostly stable. There are analogies between the trends of pan-national research and the TI data. It is infeasible to compare national results with subnational ones. Still, we must also remember that the national analysis is a net total of all the macro-region values. As the macro-regions differ, but the variations are not enormous, the similarities between the subnational and pan-Ukrainian analyses will likely suggest a specific pattern. Of course, some regions deviate, creating significant variations that impact the overall set of results. The data also significantly changes over time. Yet, these alternations are not so considerable as to change the tendencies across the entire country.

Likewise, the variables. Some are better choices, while others are worse indicators. They do not change the principal observation that the initially high corruption dropped around 2016, grew again around 2018, and fell again in 2020. The peaks are usually in 2015 and 2019. They may be slightly moved because of the character of the variable, or some of the results may lack sufficient precision, or, finally, some oblasts (smaller units) may adopt particularly

strong or weak values of some variables that may change the behaviour of the whole macro-region. Nonetheless, they only seem to be exceptions to the rule. However, the deeper the observation is conducted, the more details are revealed. Therefore, it is crucial to follow the dynamics of changes and move from the national level to the regional level, then to the oblast level. For future research, it is thus recommended to delve even deeper into the rayon level, which will likely provide a more precise view of (in particular) petty corruption.⁴⁸⁸

According to the preliminary results referring to macro-regions, the most significant risk of corruption is likely to be in the Central East of Ukraine, while the lowest is in the South-East and Kharkiv. The latter is unexpected first, because the two mentioned regions are neighbours. Second, the latter region maintained strong links with Russia. The War in Donbas may be the cause of such diverse results. The reason may be that some significant oblasts of the entire region are excluded from the research, or simply because the entire region had to adapt to new circumstances, and many institutions were forced to change their operating methods.⁴⁸⁹

⁴⁸⁸ Ibid., pp. 207-233

⁴⁸⁹ Tim Judah, *In Wartime: Stories from Ukraine* (London: Penguin Books, 2016), pp. 79–160.

4.11. The dynamics of corruption from the oblast perspective

The following part of this chapter will directly look at the oblasts. It will demonstrate whether the risks of corruption are balanced within demographically similar *macro-regions*, or perhaps there are particular oblasts whose impact is so strong as to reorient the results of the whole region.

4.11.1. The uncompetitive tenders

Chart 4.10.

Rate of uncompetitive tenders in the West of Ukraine by oblast

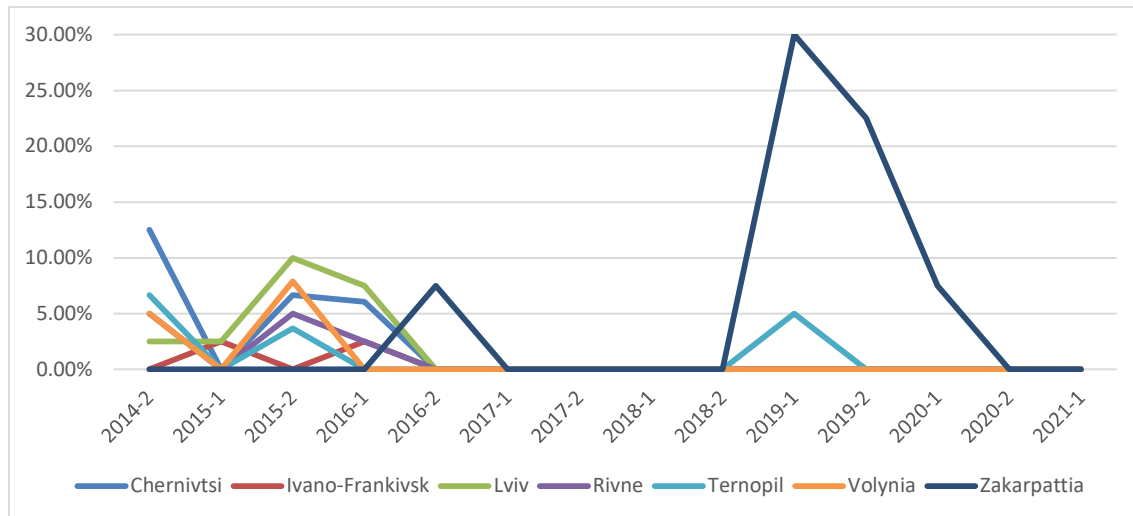


Chart 4.10 presents a random sample of the rate of uncompetitive tenders launched in Western Ukraine between 2014 and 2021. During the early post-Yanukovich years (2014-2016), the percentage of uncompetitive tenders fluctuated significantly across all oblasts, with some regions exhibiting unexpectedly high rates. Chernivtsi and Lviv were the only oblasts where the rate of uncompetitive tenders reached 10% in the initial part of the research, specifically in 2015. The level of fluctuations remained high until 2016.⁴⁹⁰

Following this period, there were no recorded uncompetitive tenders until the end of 2018, indicating a relatively calm phase. An unexpected result emerged from the Zakarpattia oblast,

⁴⁹⁰ Transparency International, *Corruption Perceptions Index 2021* (2021) <https://www.transparency.org/en/cpi/2021/index/nzl> [accessed 2 April 2025].

which rapidly achieved a rate of 30% in the first half of 2019, approximately three times higher than any other oblast during the entire research period. This variable holds the absolute record among all oblasts across all macro-regions.⁴⁹¹

Subsequently, the rate of uncompetitive tenders gradually declined to nearly 0% by the end of 2020. The situation in Zakarpattia in 2018 constitutes a *sui-generis* case that will be analysed in detail later. Such variations can only be discerned through a more granular examination, specifically by analysing data at the subnational level.⁴⁹²

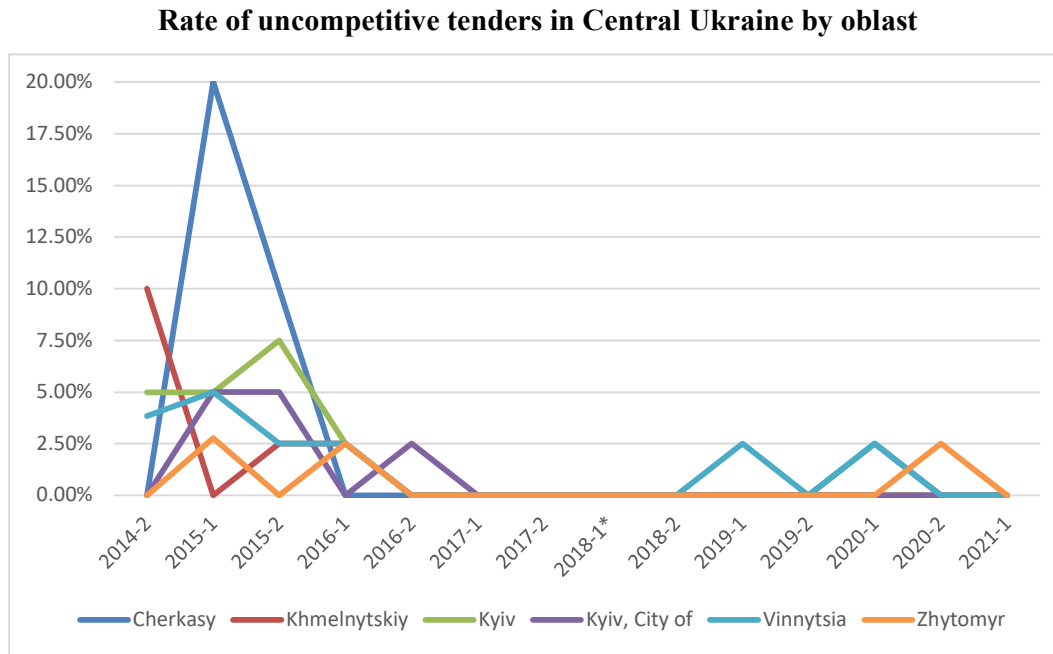
In Chart 4.6 above, we observed a significant corruption risk associated with the uncompetitive tender rate during 2014-2016. After this period, the situation appeared to stabilise; however, starting in 2018, there was a notable increase in the risk of corruption. Even after 2018, most oblasts maintained a relatively calm situation, with only Ternopil Oblast reaching 5% in 2019, which is not a substantial figure. Nonetheless, the 30% rate in Zakarpattia significantly elevates the overall risk for the entire macro-region. Without examining the individual oblasts, we might misinterpret the overall variable for Western Ukraine, especially since the remaining oblasts demonstrate a very low risk of corruption.⁴⁹³

⁴⁹¹ Alina Mungiu-Pippidi, 'The Quest for Good Governance: Learning from Virtuous Circles', *Journal of Democracy*, 27.1 (2016), 95–109.

⁴⁹² World Bank, *World Development Report 2017: Governance and the Law* (2017) <https://www.worldbank.org/en/publication/wdr2017> [accessed 2 April 2025].

⁴⁹³ OECD, *Anti-Corruption and Integrity* (2017) <https://www.oecd.org/en/topics/anti-corruption-and-integrity.html> [accessed 2 April 2025].

Chart 4.11.

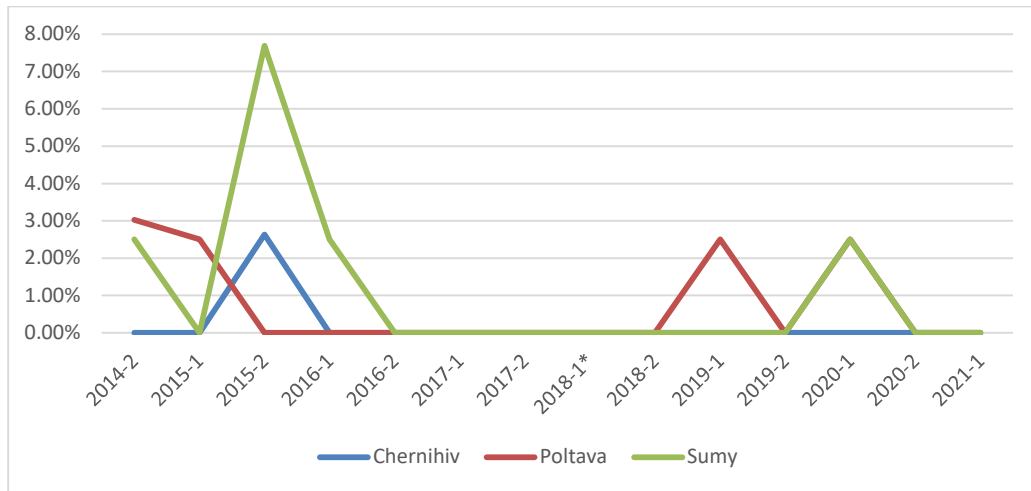


In Central Ukraine, the issue of uncompetitive tenders occurs mostly at the beginning of the research period, i.e. in years 2014-2016. Since then time, it *de-facto* becomes negligible. In the first phase, only Khmelnytskyi in 2014 attains 10% and Cherkasy in 2015 reaches 20%, which makes the latter a runner-up after Zakarpattia in 2018 among all oblasts in all the macro-regions, for such high values never appear elsewhere. This variation is likewise worth a further look.

Unlike Zakarpattia in the previously described macro-region, which constituted a unique situation, the other oblasts from the Central macro-region (not only Cherkasy) also have significant results at some points in time. Kyiv follows the mentioned Khmelnytskyi with 10% in 2014 and 7.5% in 2015. Some other oblasts also get some percentage points. The fluctuations are similar (particularly between 2014 and 2016). Then, the variable becomes very stable and is almost always equal to '0' until the end of the research (save a few insignificant exceptions).

Chart 4.12.

Rate of uncompetitive tenders in north-eastern Ukraine by oblast



The North-East has one of the lowest scores amongst all the macro-regions. According to the graph above, the most considerable risk of corruption appeared in the Sumy region in 2015 (up to 8% in 2016). The fluctuations are infrequent. The remaining oblasts have *de facto* negligible results. The highest ones are 3% in 2014 for Poltava and less than 3% in 2015 for Chernihiv. The low results of the North-East could also be spotted on Graph 4.6. Therefore, there are no huge oblast variations from this *macro-region* worth considering.

Chart 4.13.

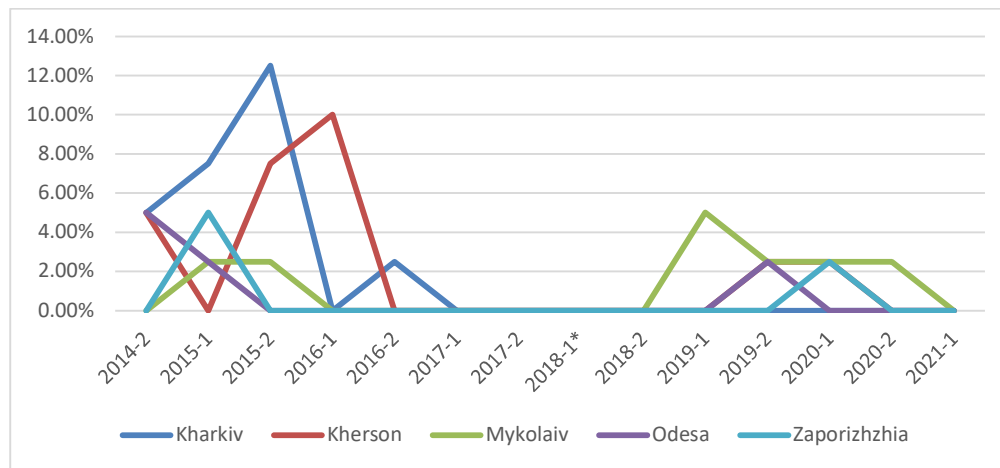
Rate of uncompetitive tenders in the Central East of Ukraine by oblast



The Central East region contains only two oblasts. *The Dnipropetrovska* has significantly higher results of the risk of corruption than *The Kirovohradska*. Analogously to the other *macro-regions*, the most uncompetitive tenders occur at the first phase of research (until 2016) and in the final one (beginning from 2019), yet the results remain very low, which was already noticeable at the chart 4.6. *The Dnipropetrovska* only reaches the value of 5% in 2015. During most of the time of research, both oblasts have no uncompetitive tenders. Additionally, the fluctuations are also small and infrequent.

Chart 4.14.

Rate of uncompetitive tenders in South-eastern Ukraine and the Kharkiv Oblast



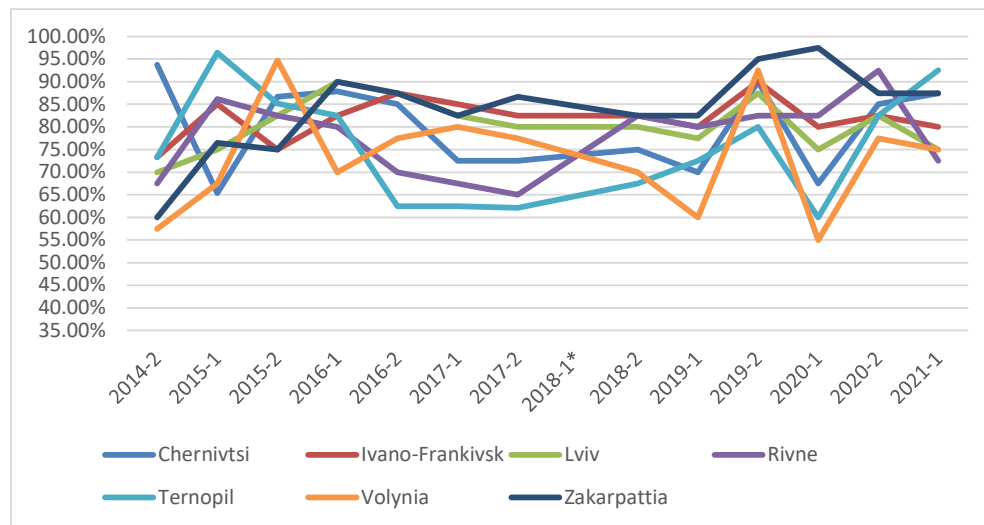
The rate of uncompetitive tenders in the South-East and Kharkiv also follows the general trend of corruption in Ukraine. The period between the outbreak of the War in Donbas and the Second Minsk Agreement shows higher values of the described indicator of corruption. Likewise, it is the most tempestuous. The fluctuations in this period are more frequent. It was the region where the politics were volatile during that time. The period is followed by a few years of 'no uncompetitive tenders' (analogous to the other macro-regions). Beginning in 2019, the situation deteriorated again, but not to the same extent as in the beginning. In 2015 Kharkiv exceeded 12% of uncompetitive tenders, while in 2016, Kherson reached 10%. Other oblasts demonstrate lower values. The only ones worth mentioning are Zaporizhzhia and Mykolaiv, barely exceeding 4% (respectively in 2014 and 2019).

4.11.2. The Ratio of the Company Capital to the Contract Value

Similarly to chart 4.7, which represents the ‘ratio of the company capital to the contract value’ by macro-regions, the identical rule applies to the oblasts in the subsequent charts. As in the case of uncompetitive tenders, it is worth observing whether single oblasts are capable of influencing the behaviour of an entire macro-region.

Chart 4.15.

Rate of tenders won by companies whose capital was declared lower than the actual tender contract value in the West of Ukraine



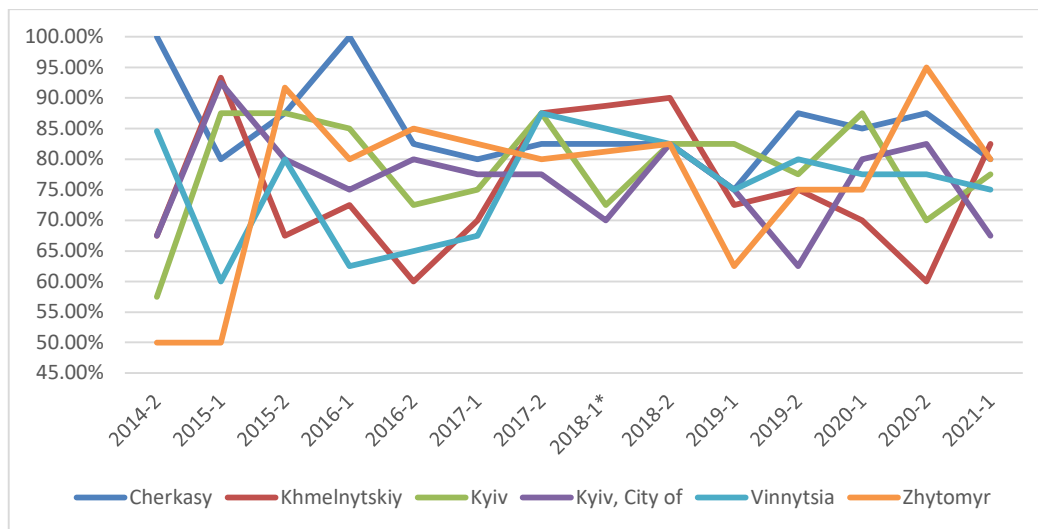
As in the chart 4.7., the rates of those tenders whose winners’s declared company capitals are lower than the contract values show higher results than the remaining variables, also at the oblast level. Unsurprisingly, here, the fluctuations are even higher than those in the chart presenting *macro-regions*. The interval is from 55% up to 97%. This confirms the argument that a lot of small companies tend to win contracts.

The highest results are Ternopil in 2015 (96.5%), Volyn in the same year (95%), and Zakarpattia in 2019 and 2020 (respectively 95% and 97.5%). On the other hand, the Ternopil Oblast has one of the largest intervals between the extrema. It is probably the least likely to be corrupted of all the oblasts in the Western macro-region, which is well visible in the remaining measurements of the variable in the oblast (in 2020, it barely achieves 60%). The

higher results are also in Chernivtsi in 2014 and Rivne in 2020 (respectively 93.7% and 92.5%).

Chart 4.16.

Rate of tenders won by companies whose capital was declared lower than the actual tender contract value in Central Ukraine



When the values of the central part of Ukraine are considered, the Cherkasy Oblast is in the lead, reaching 100% of small companies winning tender contracts, much more expensive than their capital, twice in 2014 and 2015. This means that all the Cherkasian companies that secured the tenders during the research period had lower declared capital than the predicted costs of the investments. Of course, it crosses the line defining the enlarged risk of corruption. Zhytomyr is the other oblast crossing this line, reaching 95% in 2020. Zhytomyr has extensive intervals between the extrema in the early phase of research. It also has the lowest results in the macro-region – 50% – in 2014 and early 2015; in late 2015, it exceeded 90%.

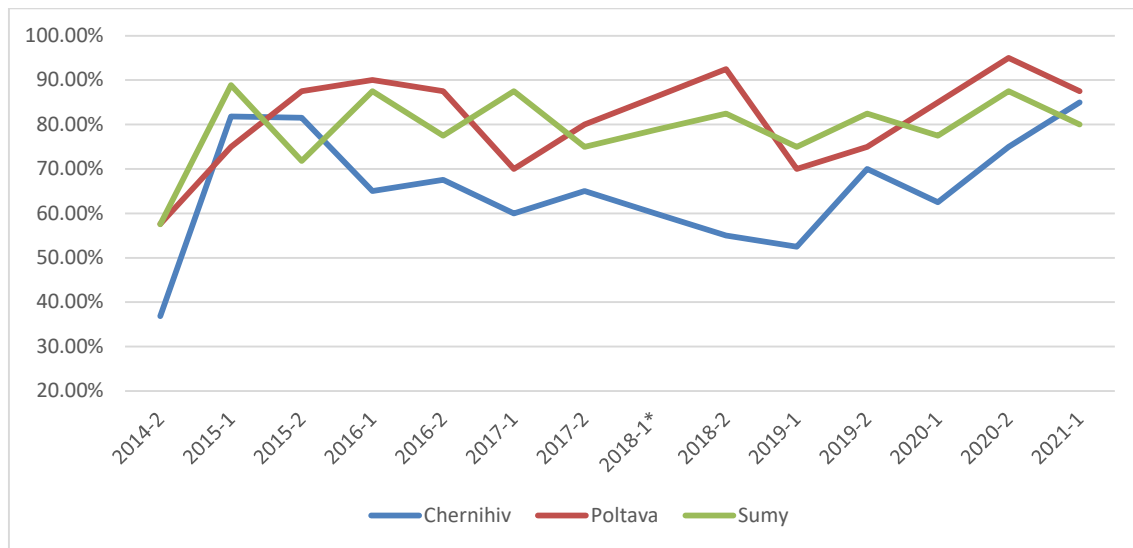
The City of Kyiv also achieved high results (94%) in 2015. In the remaining years, the capital's values have been relatively low, which is quite surprising, as it could have been expected that the capital would have many corrupt activities. The City of Kyiv even went below 65 % in 2019.

The Centre is very non-uniform. The range of fluctuations reaches 50% (from 50% to 100%). On chart 4.7. above, which compares all the macro-regions across Ukraine, the graph

representing Central Ukraine already appears to be the most alternating and unsystematic one. The fluctuations are also very frequent, and this concerns most of the oblasts.

Chart 4.17.

Rate of tenders won by companies whose capital was declared lower than the actual tender contract value in Northeast Ukraine



The graphs representing the Northeast of Ukraine are undoubtedly more uniform. There was visible growth in 2014-2015, after which the situation stabilised.

The Poltava Oblast reached 95% in 2020. As will be demonstrated, Poltava is one of the wealthiest regions in Ukraine and the most affluent oblast in the North-Eastern macro-region. This may impact the corrupt behaviour occurring there. This topic will return in the next chapter. Poltava reached 90% in 2016 and 92.5% in 2018.

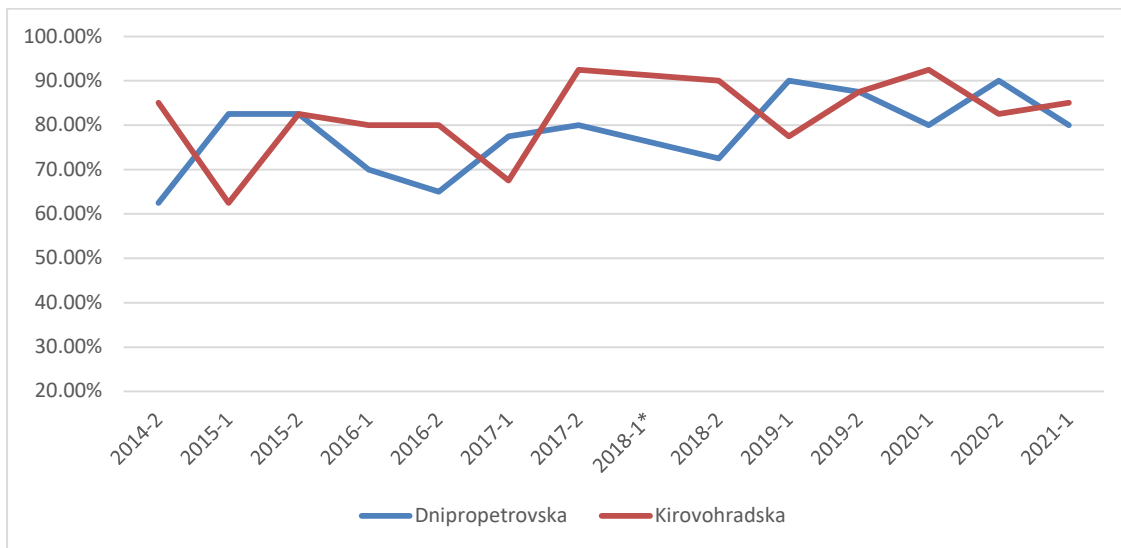
The Sumy Oblast also has high results. Occasionally, it overtakes Poltava, and its maximum is 90%.

According to this indicator, the least risk of corruption is in Chernihiv, whose graph (save three measurements) adopts the lowest values. It also adopts one of the lowest values in the whole research. In 2014, it went below 40%. It is one of only three oblasts (the two others being Kharkiv and Kherson from the South-East and Kharkiv macro-region) amongst all the macro-regions, which have such a low score concerning the rate of companies with a lower

company capital than the contract value. Its highest value is 85% in 2021. In addition, Chernihiv is a model for the behaviour of corruption in Ukraine if we consider the monotonicity. When it grows in 2014 and stabilises in 2015, it decreases until 2019 when it begins increasing again. This pattern goes following the TI, and the majority of measurements included in this research (national and subnational). The remaining oblasts have more frequent fluctuations, i.e., the monotonicity alters more rapidly.

Chart 4.18.

Rate of tenders won by companies whose capital was declared lower than the actual tender contract value in the Central East of Ukraine



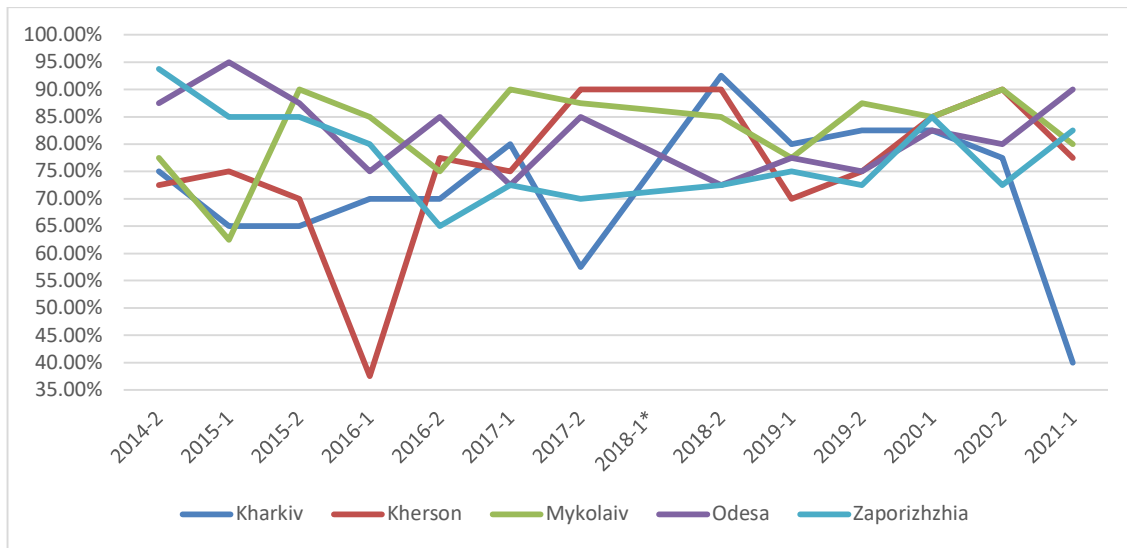
In the two oblasts of Central East Ukraine, the growing trends concerning corruption prevail (with some exceptions). Additionally, if the first half of the research period corresponds to the data of the Central East in chart 4.7, i.e., between 70 and 80%, then the second half (approximately beginning from 2017) keeps the results between 80 and 90%. *The Kirovohradska* usually has bigger results than *The Dnipropetrovska*. The maximum of the former is around 92% in 2020. The latter reaches 90% in the same year.

Considering the other data and the lack of many alternations in this region, continuity is provided. The shortage of any changes is also characteristic of clientelism. Hence, there is a probability that corruption is not sufficiently fought in this region. It is worth considering, for

when the macro-regions were tested in the previous subsection, the Central East showed the greatest risk of corruption occurrence.

Chart 4.19.

Rate of tenders won by companies whose capital was declared lower than the actual tender contract value in South-eastern Ukraine and the Kharkiv Oblast



The fluctuations are significant in the macro-region containing the Southeast and the Oblast of Kharkiv. Two oblasts (Kherson in 2016 and Kharkiv in 2021) reached the absolute minima (below 40% of the small companies winning large contracts in the case of both oblasts). However, the same Oblast of Kharkiv also approached 95% in 2018. Kherson also exceeded 90% between 2017 and 2018. This signifies that the interval between their extrema reaches almost 60%, which is uncommon in this research.

The remaining oblasts also demonstrate significant and frequent fluctuations. Mykolayiv and Kherson have been at the top for the longest period of time. Odesa achieved 95% in 2015 and also gained high results throughout the whole research period. On the other hand, Zaporizhzhia reached 93.7% in 2014, but since then, it has been decreasing (with a few exceptions), reaching 72.5% in 2020.

As shown on the five charts, the ‘Ratio of the company capital to the contract’ *value* represents the most striking variations of all the variables in each macro-region and each oblast.

It is worth noting that the Central East has the lowest intervals between the extrema of values amongst the macro-regions. The largest ones appear in the South East and Kharkiv. The most frequent fluctuations appear in the Centre and the West.

In the West – Ternopil, Volyn, and Zakarpattia (twice) appear to encounter the highest corruption risks as measured by oblast; in the Centre – Cherkasy (twice) and Zhytomyr; in the North-East – Poltava; in the Central East – none of the oblasts; finally, in the South-East and Kharkiv – Odesa.

It achieves the largest rates and often demonstrates that the oblasts from the same group achieve dissimilar and unpredictable results. Moreover, they frequently contradict the macro-region, national, and TI patterns. Likewise, the dynamics of corruption behaviours within a single oblast, according to this indicator, are often unconventional. Some exceptions behave more predictably, e.g., Chernihiv, Zaporizhzhia, and a few others. Generally speaking, it does not mean that the variable is totally useless. Its usefulness is limited. It may turn up in the next chapter, where the correlations will be conducted.

When the variables related to macro-regions and oblasts were discussed, the issue of ‘fluctuation’ occurred. Some entities presented more frequent and significant fluctuations than others, indicating that the risk of corruption was changing rapidly. The graphs showed sudden changes in direction and monotonicity. This was particularly notable when the ‘ratio’ variable was considered, for the fluctuations often turned immense. The problem of fluctuation itself has little meaning to corruption. However, the level of usefulness of the chosen variable is outstanding. None of them is perfect. They are just proxies used to measure intangible phenomena. However, some may be closer to the truth, while others may be further away. A great deal depends on how the research is conducted. If some variables are convenient in one type of investigation, they may be of little value in the other. The high fluctuation renders the results less probable. If, for example, one oblast has negligible risk of corruption in one year, then the corruption grows in the following one, and finally, in the third year it drops again to the minimal values, the oblast probably has an unstable political situation but it is also probable that the variable is not the perfect choice for a given piece of research. The latter probability grows if the problem appears in more than one oblast. The variable can still be used, but with particular caution.

In this research, the problem occurred with the ‘ratio of company capital to the contract value’ variable. Its usefulness turned out to be very limited. Therefore, I do not recommend

using it in similar research, e.g., subnational analysis of corruption. At some points, 'the ratio' was not reliable.

4.11.3. The Company Average Age

In the case of *The Company Average Age*, the risk of corruption has a decreasing tendency throughout the whole research period, as shown on charts 4.5, partially on 4.8, and 4.9. A few single oblasts may constitute exceptions to the rule. If so, they should now be identified.

Analogously to the previous situations, instead of counting the company age in days, the rate of those whose age does not exceed six months and one year, respectively, will be calculated. However, there seem to be only a few companies winning tender contracts that are younger than six years old, as well as only slightly more that are younger than twelve months in Ukraine. As discussed previously, the young age constitutes a 'red flag' in terms of corruption. However, it does not prove it. There are young, honest companies and old, corrupted firms. The assumption is based on the probability. Hence, we can identify areas where an increased risk of corruption may be present.

It is important to note that the delays between the occurrence of a corrupt act and its outcomes are beneficial in analysing new companies (the third proxy: 'age of the company'). If these companies are created specifically to win a tender or serve clientele, all the bureaucracy associated with their establishment takes some time. Therefore, if such a company is made, it is likely that we will see its winning tenders with a delay of at least 1 or 2 years. This means that the movements in the graphs are visible to the right, reflecting the lagged nature of the corruption effects in the statistics.

Chart 4.20.

Rate of tender winner companies younger than six months when the contract was signed in the West of Ukraine

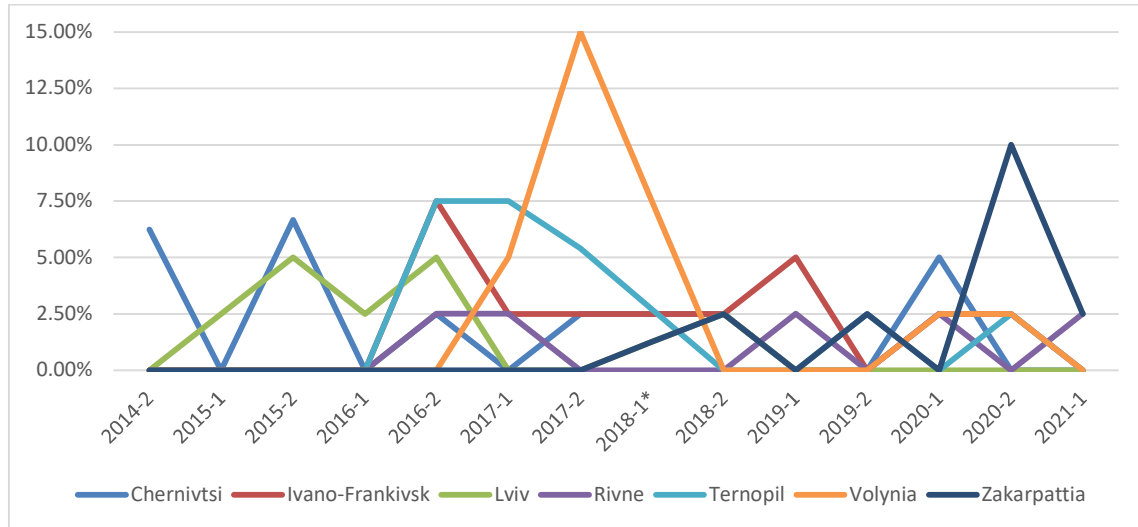
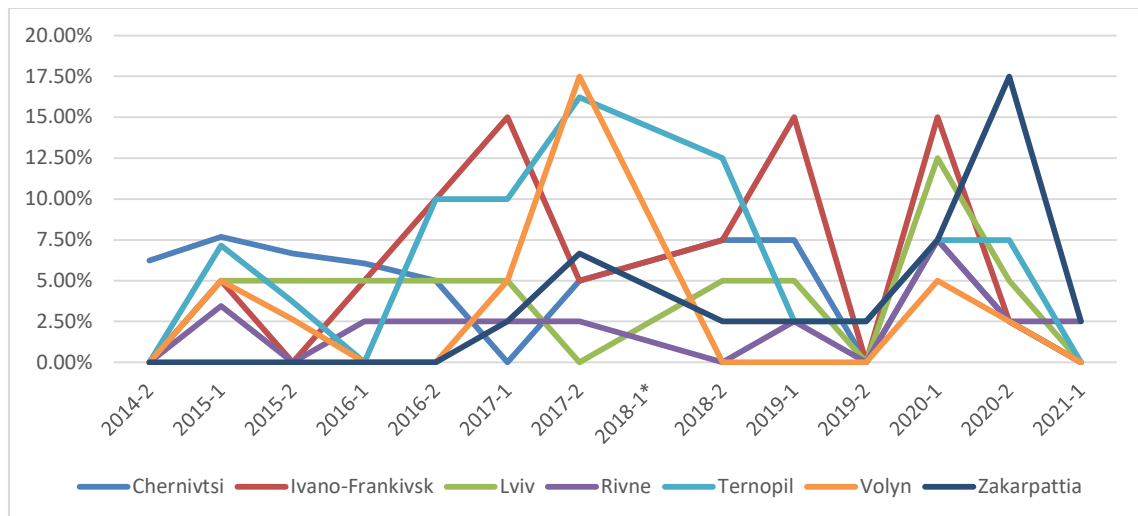


Chart 4.21.

Rate of tender winner companies younger than twelve months when the contract was signed in the West of Ukraine



In the West of Ukraine, Volyn had high rates of young companies in 2017 (10% of the companies were younger than six months) and 2018 (17.5% of the companies were younger than twelve months). Interestingly, the years 2017-2018 usually seem to be the most tranquil regarding corruption. However, the variations may have been caused by the delayed effect of the corrupt deeds on the visible result related to this variable.

The other oblasts with high rates of young companies are Zakarpattia in 2020 (10% of the companies younger than six months and 17.5% of the companies younger than a year), Ternopil from 2016 to 2017 (7.5% for the six months and 17.5% for twelve month period), as well as in 2017 (approximately 16% in the case of companies younger than twelve months), and Ivano-Frankivsk in 2017, 2019, and 2020 (the latter reaches 15% but only in the annual measurement).

Chart 4.22.

Rate of tender winner companies younger than six months when the contract was signed in Central Ukraine

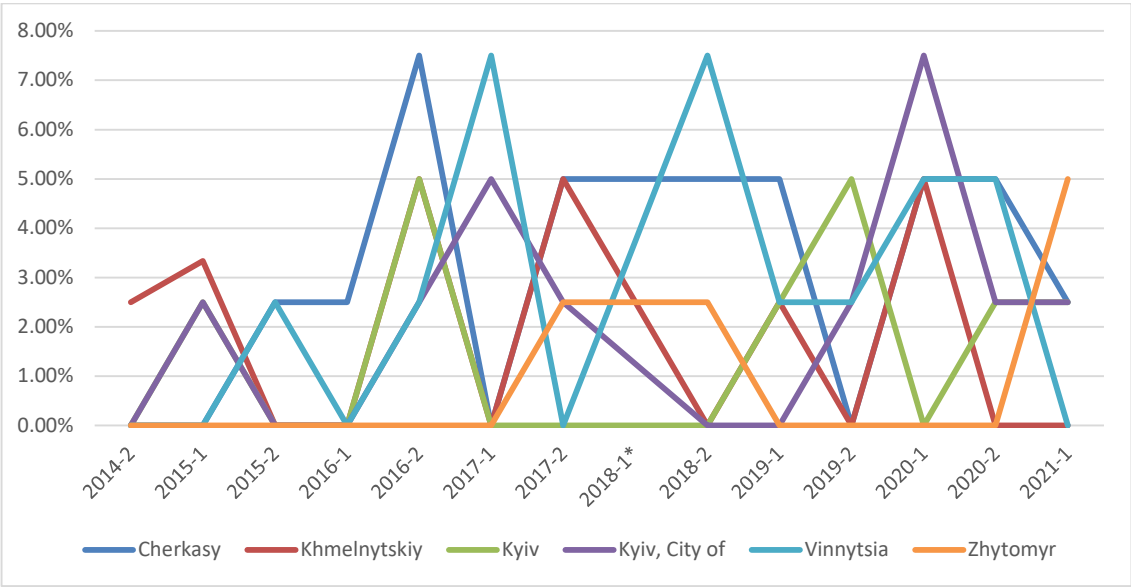
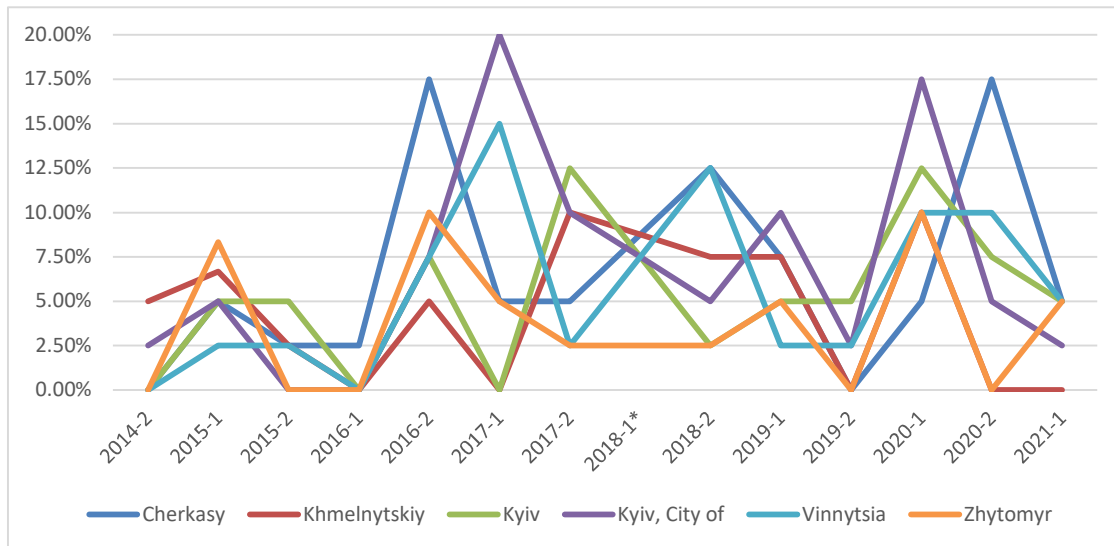


Chart 4.23.

Rate of tender winner companies younger than twelve months when the contract was signed in Central Ukraine



In the Central macro-region of Ukraine, the years 2017-2019 are calmer than in the previous case, yet they have their extrema related to some oblasts. Among the companies younger than six months, in the abovementioned period, their rate reaches notably high values in Vinnytsia in 2017, and 2018 (there is a considerable fluctuation in between), and is equal to 7.5%. The high rates are also notable in Cherkasy in 2016 (7.5%) and the City of Kyiv in 2020 (7.5%). The other oblasts have mostly low results; none go beyond 5%.

When companies younger than 12 months are considered, the City of Kyiv gained 20% in 2017. The Capital City also gained high values in 2020, but the result is slightly lower, equal to 17.5%. Cherkasy obtained the same result in 2016 and 2020. Additionally, Vinnytsia reached 15% in 2017. According to this indicator, these oblasts constituted the highest risk of corruption in the abovementioned years.

The graph shows a few corruption risks during the first phase of the research. Following that, it grows, then begins falling again around 2017, and after 2019, it grows back. In 2021, the situation improved again. Hence, this macro-region is closer to the hitherto observed pattern. Again, a slight delay results from the specifics of this variable.

Chart 4.24.

Rate of tender winner companies younger than six months when the contract was signed in North-Eastern Ukraine

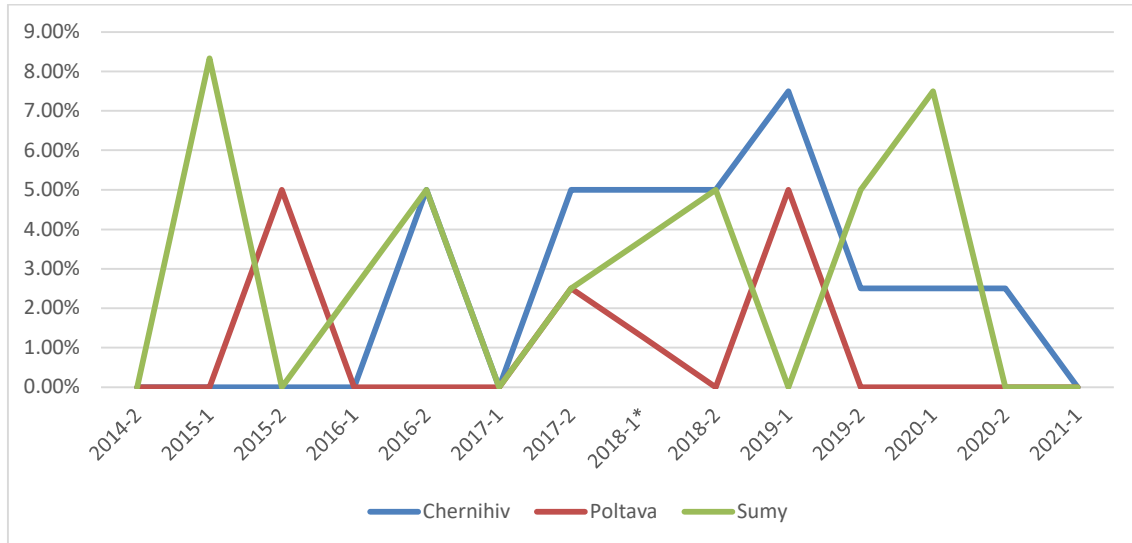
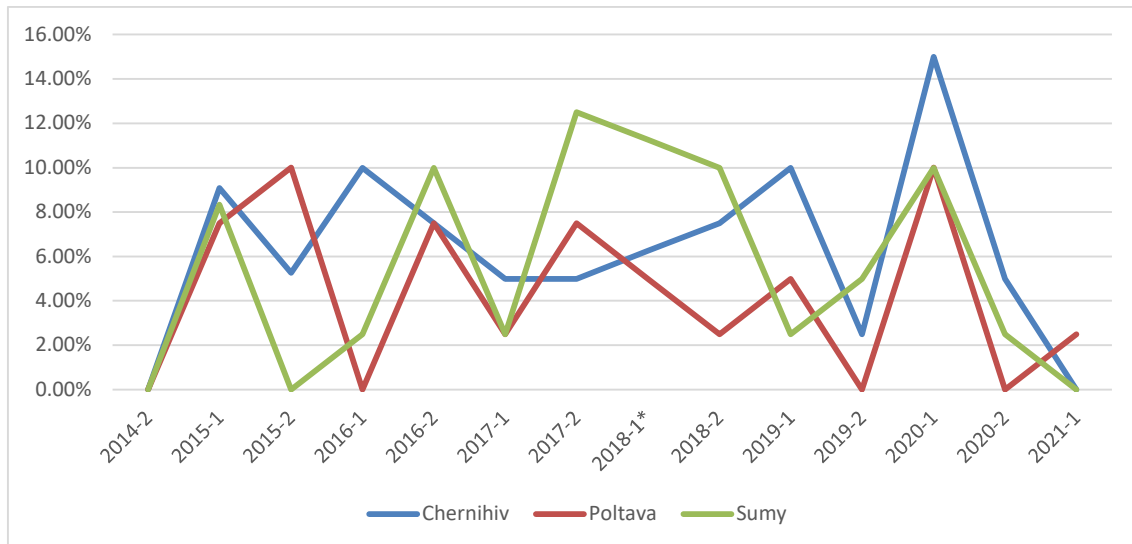


Chart 4.25.

Rate of tender winner companies younger than twelve months when the contract was signed in North-Eastern Ukraine



In the Northeast, when we consider companies six months or younger, Sumy exceeded 8% in 2015 and 7% in 2020. Chernihiv exceeded 7% in 2019. Poltava (the most affluent oblast in the area) demonstrates much lower values. It does not surpass 5%.

In the case of the firms younger than one year, only Chernihiv is noteworthy, as in 2020, it reached 15%, which can be considered a high result compared to other oblasts. Chernihiv and Poltava try to follow the general trend with more corruption risk at the beginning and the end (but not the very end), and a more tranquil situation approximately in 2016-2018. Sumy has larger results in the middle period of the research. It also has huge fluctuations. Poltava also experiences the same phenomenon, but the values are lower, and the fluctuations are more minor.

Chart 4.26.

Rate of tender winner companies younger than six months when the contract was signed in the Central East of Ukraine

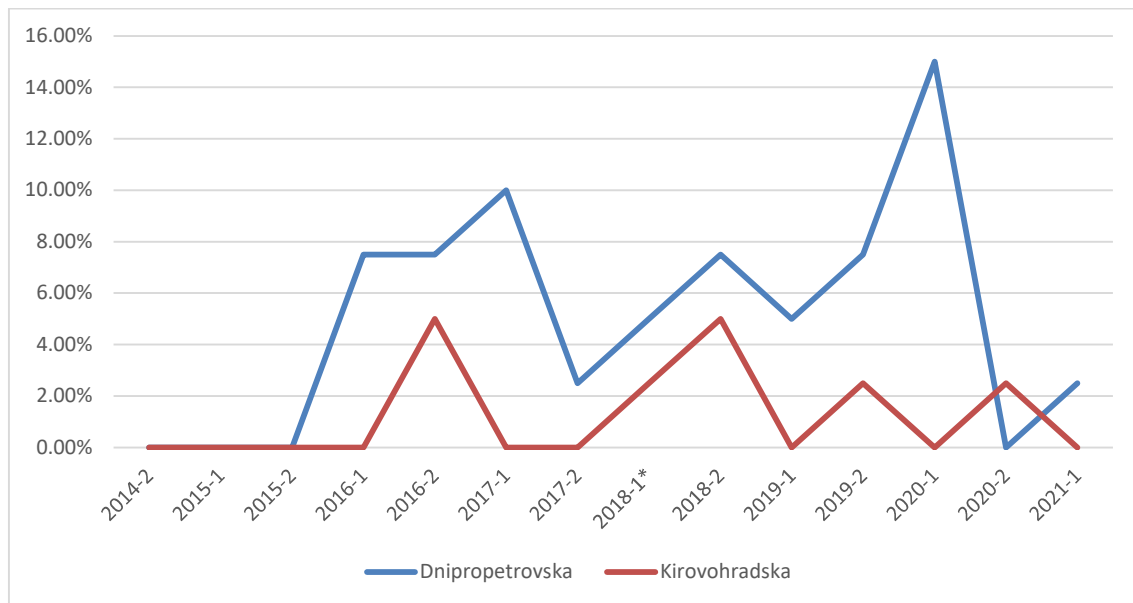
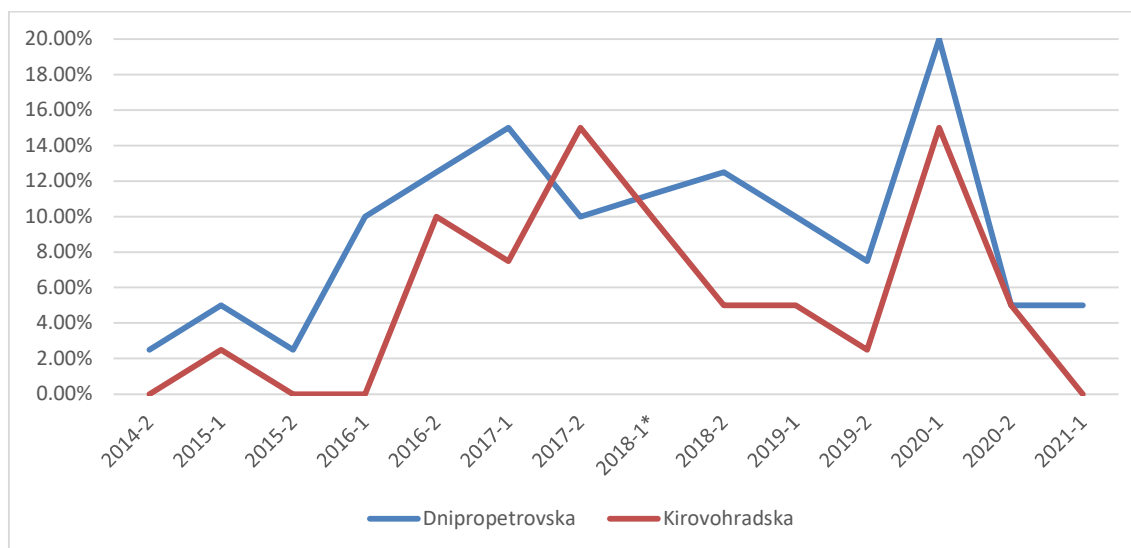


Chart 4.27.

Rate of tender winner companies younger than twelve months when the contract was signed in the Central East of Ukraine



In the Central East, which includes two oblasts, the Dnipropetrovska achieves larger values than the Kirovohradska when companies younger than 6 months are considered. The former reached 15% in 2020, and a few other times, it achieved slightly lower results, yet it was still high enough. From 2015 to 2016, it almost reached 8% in 2017, it reached 10%, then again in 2018, it was close to 8%, and finally in 2019, it reached 8%. On the other hand, the Kirovohradska Oblast does not surpass 5%. In addition, the latter has a decreasing tendency.

When the annual comparison is at stake, we observe growing tendencies (which signifies that there are more companies older than 6 months but younger than 12 months, no matter if they are honest or connected to any form of clientelism). Again, Dnipropetrovska has higher results, but Kirovohradska also has notable results. The former reaches 15% in 2017 and 20% in 2020, while the latter reaches 15% in 2017 and 2020.

The discovered pattern is not perfect in this observation. However, it is possible to spot in the chart (the one referring to 12 months) that the risks of corruption begin to drop around 2017 and then climb again two years later and fall again in 2021. Nonetheless, the pattern is not so clear in the chart, which displays the rate of 6-month-old firms or younger.

Chart 4.28.

Rate of tender winner companies younger than six months when the contract was signed in South-eastern Ukraine and the Kharkiv Oblast

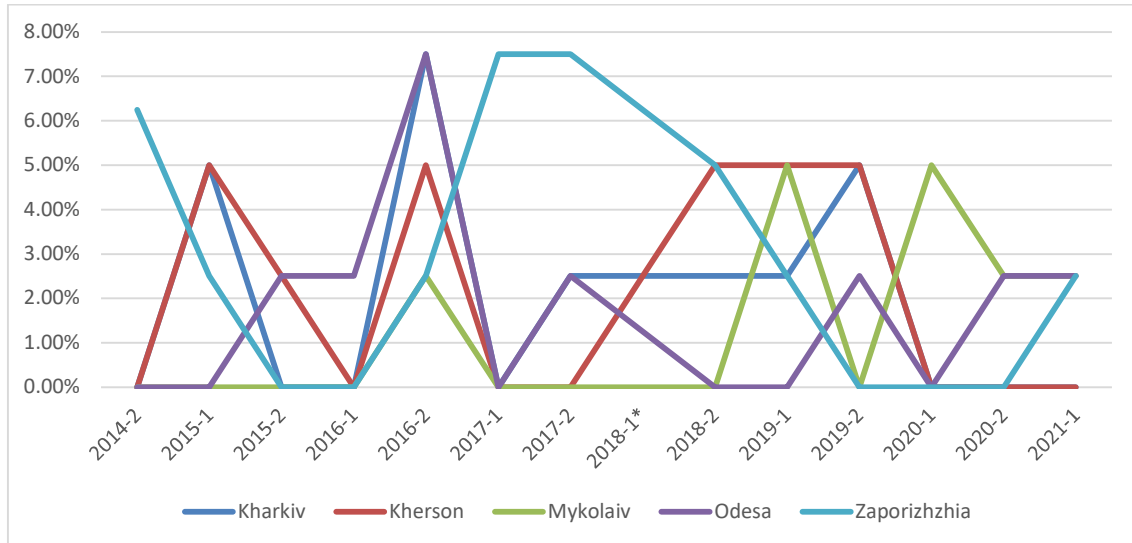
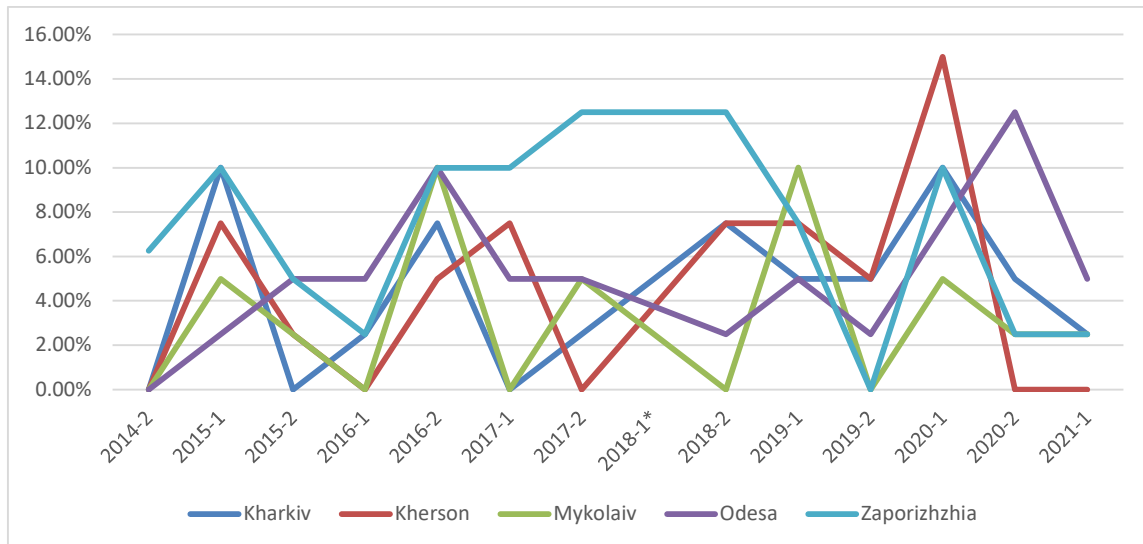


Chart 4.29.

Rate of tender winner companies younger than twelve months when the contract was signed in South-eastern Ukraine and the Kharkiv Oblast



In South-Eastern Ukraine and the Oblast of Kharkiv, the following notably high values can be observed: Kharkiv (2016), Odesa (2016), and Zaporizhzhia (2017). All of them reach the level of 7.5% when companies six months old or younger are at stake.

On the other hand, on the twelve-month scale, only Kherson reaches a significant value of 15%. It is followed by Odesa and Zaporizhzhia, which also have notably larger values than the remaining macro-regions, but these are still lower than those of Kherson. Zaporizhzhia exceeded 12% in 2017 and 2018, and Odesa exceeded the same value in 2020.

Let us notice that the South-East and Kharkiv do not confirm the general national tendency, either. In particular, the Zaporizhzhia Oblast has relatively low values in the first and the last part of the research period. On the other hand, it has the most significant results in the years 2017-2018 (in both rates: the one covering six months and that including twelve-month-old companies). It is unlikely to be caused by any movement forward. It is a proper variation of the variable. The other oblast behaves more similarly to the rest. Zaporizhzhia, additionally, has notable fluctuations.

4.12. The Dynamics of Corruption and the Political Cycle

The relationship between corruption and electoral cycles is a crucial area of study that illustrates how corruption variables often peak during election periods. This observation indicates that politicians might exploit corruption to enhance their prospects for re-election⁴⁹⁴. Consequently, while specific policies may be implemented to mitigate corruption initially, these reforms are frequently reversed once a new government solidifies its power.⁴⁹⁵

Moreover, it is essential to recognise that different regions may yield varying outcomes regarding corruption, suggesting that local dynamics can significantly shape the observed patterns. The complex interplay between corruption and political cycles has been explored across numerous disciplines, including economics, political science, and sociology. In Ukraine, this relationship is particularly shaped by the country's complex political history, intricate power structures, and dynamic electoral dynamics.

Research has demonstrated that corruption-related variables tend to reach extreme levels during electoral periods. On one hand, politicians seeking re-election may engage in corrupt

⁴⁹⁴ Martin Paldam, 'The Transition of Corruption: Institutions and Dynamics', *European Journal of Political Economy* (2021), 1-21

⁴⁹⁵ Erica Kramon and Nolan Posner, 'Political Corruption in a Democracy: The Role of Political Institutions', in *The Oxford Handbook of Political Institutions*, ed. by R. A. W. Rhodes, Sarah A. Binder and Bert A. Rockman (Oxford: Oxford University Press, 2016), pp. 1–25.

practices that provide them with competitive advantages, such as misusing public resources to fund campaigns, manipulating public contracts, and establishing clientelist networks to secure electoral support in exchange for favours⁴⁹⁶. On the other hand, candidates often make promises of anti-corruption reforms during electoral campaigns, but these commitments are frequently neglected or superficially addressed once they assume office. This discrepancy arises because new governments often face internal and external pressures that prioritise political stability over meaningful reform.⁴⁹⁷

Additionally, political instability, which often accompanies electoral cycles, can exacerbate corruption. During times of crisis, governments may resort to corrupt practices to ensure their political survival. This results in an uptick in non-competitive bidding, as unstable periods often prompt the expedited execution of projects, creating fertile ground for corruption. The lack of competition in the bidding process diminishes transparency and amplifies opportunities for bribery and favouritism.⁴⁹⁸ Furthermore, governments may redirect resources intended for social or developmental programs toward initiatives that politically benefit them, thereby perpetuating a cycle of corruption and eroding public trust in institutions.

The implementation of anti-corruption reforms typically follows a cyclical pattern. Initially, a new government may introduce measures to combat corruption; however, these reforms often dissipate over time. This phenomenon can be attributed to the concept of ‘state capture’, where new leaders, as they consolidate their power, may be swayed by vested interests seeking to maintain the status quo of corruption. Consequently, this can weaken the institutions responsible for overseeing and sanctioning corrupt practices. The lack of tangible results in the fight against corruption may breed public disillusionment, leading to diminished pressure on politicians to enact effective reforms. Politicians can exploit this disillusionment to justify their inaction in the face of corruption.

⁴⁹⁶ Martin Paldam, ‘The Transition of Corruption: Institutions and Dynamics’, *European Journal of Political Economy* (2021), 1-21

⁴⁹⁷ Erica Kramon and Nolan Posner, ‘Political Corruption in a Democracy: The Role of Political Institutions’, in *The Oxford Handbook of Political Institutions*, ed. by R. A. W. Rhodes, Sarah A. Binder and Bert A. Rockman (Oxford: Oxford University Press, 2016), pp. 1–25.

⁴⁹⁸ Eric Friedman, Simeon Djankov, Daniel Kaufmann and Pablo Zoido-Lobaton, ‘Dodging the Grabbing Hand: The Determinants of Unofficial Activity in 69 Countries’, *Journal of Public Economics*, 76.3 (2000), 459–493.

Therefore, most graphs, including the ratio of the company capital to the contract value, show the most considerable fluctuation in the post-electoral periods.

The interplay between corruption and political cycles has significant implications for governance in Ukraine. The perception that corruption intensifies during electoral cycles can erode public trust in governmental institutions, complicating the implementation of effective policies and citizen engagement.⁴⁹⁹ Furthermore, corruption can contribute to political instability, as citizens may grow increasingly dissatisfied with the government, potentially leading to protests and social unrest.

In summary, the relationship between corruption and political cycles in Ukraine is a multifaceted issue that warrants in-depth analysis. Politicians' manipulation of corruption to enhance their re-election prospects, coupled with political instability and cycles of reform and regression, creates an environment where corruption can flourish. Addressing this issue necessitates implementing sustainable reforms and cultivating a culture of transparency and accountability within the government. Active citizen participation and persistent pressure on political leaders are vital to breaking this cycle and advancing toward more effective and less corrupt governance.

4.13. The Summary of the Usefulness of Particular Variables/Proxies in the Research

Most of the earlier assumptions proved true after testing all the chosen variables as proxies for the sub-national corruption analysis in Ukraine's construction sector across different regions. 'The rate of non-competitive tenders' is the most reliable and informative variable. It follows logical patterns on graphs and almost always effectively highlights corruption risks, which are later easily interpretable (through comparison with other data or the analysis of a region's history at a given moment, and finding several plausible and likely explanations). 'The age of the company', while more ambiguous, remains partially useful – especially when accounting for a delay of one to two years in corruption effects. Although newer companies often indicate higher corruption risk, this must be interpreted carefully, as

⁴⁹⁹ Erica Kramon and Nolan Posner, 'Political Corruption in a Democracy: The Role of Political Institutions', in *The Oxford Handbook of Political Institutions*, ed. by R. A. W. Rhodes, Sarah A. Binder and Bert A. Rockman (Oxford: Oxford University Press, 2016), pp. 1–25.

older firms embedded in clientelist networks can also contribute to systemic corruption. Some of the latter may have existed in Ukraine since the 1990s, and during the Yanukovych era. There is a real possibility that they are still corrupted and very influential, having found new patrons in the aftermath of the political changes. However, considering the one- to two-year delay in reading results, the data analysis still indicates the usefulness of this variable, although it does not appear to be as effective as the previous one. ‘The ratio of company capital to contract value’, nonetheless, as mentioned in the text, proves the least effective. Due to weak capital declaration regulations, their inconsistency and vulnerability to manipulation make them unreliable indicators in Ukraine. It may only be suitable in jurisdictions with stringent capital reporting laws.

The analysis suggests prioritising the variable ‘rate of non-competitive tender’, cautiously using the ‘age of the company’ with temporal nuance, and avoiding ‘the ratio’ in future investigations on sub-national Ukrainian contexts.

4.14. Spatial, Temporal, and Variable-related Diversifications

This chapter analyses data from three different perspectives, emphasising the comparative nature of the thesis and its focus on the distribution of corruption across Ukrainian regions. In addition to spatial distribution, temporal distribution is vital, as corruption indicators can exhibit starkly different results over varying periods. This temporal aspect constitutes a form of distribution in itself. The third perspective involves the type of variable. Initially deemed most appropriate for this research, three dependent variables have been selected for testing and analysis regarding their diversifications across specific oblasts and time periods.

4.14.1. Spatial Diversifications Given Time and Type of Variable

The results of the corruption proxies, particularly the first variable – ‘the Rate of Uncompetitive Tenders’ – closely align with Transparency International (TI) data. Notably, fluctuations in the chosen variables are generally more pronounced than those observed in TI research. This discrepancy may be attributed to the specificity of each variable and its

narrower scope compared to TI, which simultaneously encompasses various aspects of corruption. Despite these frequent fluctuations, both measurements maintain similar trends.

Beginning with a relatively high likelihood of corruption in 2015-2016, the number of uncompetitive tenders in the randomly selected sample eventually dropped to zero. However, starting in 2018 or 2019, there was a resurgence in these tenders, likely indicating a rise in corruption, which ultimately stabilised. Similar processes can be observed across macro-regions, with fluctuations potentially being even more pronounced. Some macro-regions reached a “0” level as early as 2016, while a second wave of increased corruption risk commenced in 2019. Nevertheless, the overarching pattern remains consistent across all macro-regions.

Most oblasts consistently report uncompetitive tenders below 10%. Notable exceptions include Zakarpattia in 2019 and Cherkasy in 2015, with respective values of 30% and 20% – figures significantly higher than the average across other oblasts throughout the research period.

In the initial investigation phase, the remaining oblasts from the macro-regions, as mentioned earlier, exhibited medium to high results. Conversely, the Central East macro-region showed significantly lower values. In the concluding phase of the research, only the West (excluding Zakarpattia), South-East, and Kharkiv regions yielded medium to high results, while the others reported very low outcomes. In general, the behaviour of all oblasts remained consistent throughout the research period concerning ‘the Rate of Uncompetitive Tenders’.

The ‘Ratio of Company Capital to the Contract Value’ demonstrated greater variability than TI data at the national level. Notably, the rates of companies, as noted in the previous chapter, are substantially higher than those of the last variable. This indicates a greater number of companies exhibiting risks associated with corruption than before. Unlike the previous variable and TI data, the years 2014-2015 reflect a relatively low corruption risk, albeit above 70%. Following this period, the risk decreased, only to rise again in 2017. In contrast, ‘the Rate of Uncompetitive Tenders’ recorded a zero result, while TI indicated a decline in corruption. After 2017, fluctuations remained high, suggesting that the results may have been due to chance. Therefore, although not entirely ineffective, the ‘Ratio’ variable is the least robust in this research.

Dramatic differences arise when comparing macro-regions, with some graphs lacking continuity. Variations between extremes can exceed 40% within a year without any discernible pattern. However, there are exceptions; the results in the Central East align more closely with TI data and other variables. Another significant observation is Cherkasy, which recorded a 100% score twice – in 2014 and 2016 – indicating that all randomly selected transactions in the oblast posed corruption risks during those years. Interestingly, Cherkasy also exhibited a considerable corruption risk in previous analyses.

In terms of ‘the Age of the Company’, young firms, defined as those no older than six months and one year, exhibited more variability. The results values are akin to the rate of uncompetitive tenders, although annual measurements yield higher values, but not to the extent observed with the previous variable.

Furthermore, the graphs reflect events that transpired at least six months or a year after the corruption act had occurred. Thus, the data presented may exhibit delays. If a tender was rigged, a few months must pass before the contract can be signed. These graphs display a more significant delay with TI data, typically reflecting a lag of half a year to one year, likely due to the variable's specificity. The low initial results are unsurprising, as platforms like Prozorro/Tendergid and YouControl did not exist before 2014. When these systems first became public, they were not fully functional and may have contained errors or lacked sufficient information.

Afterward, the corruption risk began to decline around 2016, showing a one-year lag in the six-month measurement and a two-year lag in the one-year measurement. A slight uptick in corruption likelihood in 2019 is also observable before the situation ultimately stabilises.

When comparing macro-regions, similar delays are evident. For instance, in the West, peaks occurred in 2017 and 2020 for both six-month and annual measurements. In the Centre, peaks were noted in 2016, 2017, 2018, and 2020 for the six-month measurement, and in 2016, 2017, and 2020 for the twelve-month measurement. In the North-East, a significant variation appeared in 2015, particularly in the Sumy Oblast, while other variations arose in 2018 and 2020. The highest results were obtained in the annual measurements in 2017 and 2020. The Central East exhibited significant variations in 2016 and 2020 for both six- and twelve-month-old companies, with an additional peak in 2017 for twelve-month-old companies. In

the South-East and Kharkiv macro-region, peaks occurred in 2017 and 2018 for both measurements, with a further peak in 2020 for the twelve-month measurement.

It can be inferred that peaks from 2016, 2017, and sometimes even 2018 are likely the results of corrupt acts committed earlier, while other indicators point to 2014, 2015, and occasionally 2016. Similarly, results from 2020 (typically lower) correspond to those from 2019 in different variables.

The highest corruption risks were found in the Central East for six-month-old companies, with the Dnipropetrovska Oblast achieving results nearly double those of the runners-up (20%). This region also performed well in annual measurements, although those results were less distinct. Other macro-regions displayed medium to high levels for six-month measurements, with notable differences in twelve-month-old companies. The Centre and Central East achieved significantly higher variations than the remaining macro-regions.

It is also worth noting that unexpectedly, six-month-old companies sometimes exhibit different behaviours than twelve-month-old companies. Time may be a critical factor, with six-month measurements potentially being more precise if tenders were fixed. An alternative explanation could involve greater competition among one-year-old firms, which requires further investigation.

In conclusion, regarding the variable “the rate of uncompetitive tenders. the regions with the highest corruption risks were the West (particularly Zakarpattia), the South-East and Kharkiv, and the Cherkasy Oblast from the Central Macro-Region. Cherkasy appears to be one of the most corrupt regions in terms of the ratio of Company Capital to tender contract values. Conversely, concerning ‘the Age of the Company’, the most corrupt areas are likely the Centre (including Cherkasy and the capital city), as well as the South-East and Kharkiv. The latter exhibited very high results twice, while the Centre displayed high results twice, but Cherkasy appeared three times. The West achieved high values only once, but Zakarpattia set records concerning the first variable in 2019.

The observation that local variation and outlying results within a single oblast can significantly influence findings for an entire macro-region underscores the importance of examining local-level and sub-national variations even more closely.

4.14.2. Temporal Diversifications Given Space and Type of Variable

Three proxy variables have been tested as potential corruption risk indicators, drawing from Prozorro/Tendergid transparency website data. As previously mentioned, the implementation of the Prozorro/Tendergid system began in 2014, which may have resulted in minor inaccuracies. However, subsequent data demonstrate no significant errors. The mixed quality of initial data has minimal impact on the overall picture, as the dataset is extensive enough to indicate diversification of corruption risk concerning both time and space. Nevertheless, one variable – ‘The Ratio of Company Capital to the Contract Value’ – proved less helpful, as it generated chaotic scores leading to massive fluctuations inconsistent with the trends evident in the other two variables.

In 2014, TI indicated a high level of corruption in Ukraine,⁵⁰⁰ which began to decline gradually. A similar pattern emerges when examining the variable ‘The Rate of Uncompetitive Tenders’, which requires one year (2014) to rise before beginning to fall. Generally speaking, the risk of corruption indicated by this variable appears high in 2014 and 2015, decreasing to zero by 2017. In 2019, the risk rises again and stabilises with a slight downward trend.

The West exhibited relatively high results in the macro-regions, particularly in the Chernivtsi Oblast, which surpassed 10%. Similarly, several other oblasts also displayed significant percentages of uncompetitive tenders. A calmer situation characterised the North-East and Central East. Some oblasts experienced medium to high variations in the South-East and Kharkiv, although these were not as pronounced as those in the first two macro-regions.

Surprisingly, in 2015, following the Minsk agreements of 2014 and early 2015, which aimed to establish a ceasefire, the corruption risk began to decrease, especially regarding the ‘Rate of Uncompetitive Tenders’. Despite the ongoing early phases of the War in Donbas and national chaos, reforms advocated by the European Union began to take shape, potentially explaining these improvements. The likelihood of corruption rose again, maintaining a significant level (up to 10%) until 2016. High values persisted for an additional year in the Centre, though they did not exceed 7.5%. A similar pattern emerged in the North-East, with

⁵⁰⁰ Transparency International, *Corruption Perceptions Index 2014* (2014) <https://www.transparency.org/en/cpi/2014/index/ukr> [accessed 2 April 2025].

the Sumy Oblast achieving notably higher results than its counterparts, as did the Central East. Conversely, some oblasts in the South-East and Kharkiv reached 15%.

In 2016, the 'Rate of Uncompetitive Tenders' dropped compared to the previous year in most macro-regions, with notable exceptions in the Central East, where the Kirovohradska Oblast maintained a relatively high value. Additionally, the South East and Kharkiv displayed substantial variations in 2016.

As noted, 2017-2018 exhibited calm regarding this variable, with no variations detected based on the gathered sample. However, 2019 proved particularly tumultuous for the Zakarpattia oblast concerning the 'Rate of Uncompetitive Tenders'. These variations were also noted in the Ternopil Oblast. High results (though lower than the previous year) persisted in Zakarpattia until 2020, while the remaining oblasts in the Western Macro-Region remained at zero. In other macro-regions, variations during 2019-2021 were present but not exceedingly high. In the North-East, variations concluded in 2020, resulting in null values for 2021.

'The Age of the Company' was assessed based on the proportion of companies younger than six and twelve months that secured tender contracts. Significant variations were observed throughout the research period across all macro-regions, with particular peaks typically occurring around 2017. However, as previously explained, the graphs reflect corruption acts committed at least six months to one year prior. Thus, the charts often depict even longer timeframes but generally follow macro-regions' trends concerning uncompetitive tenders, which largely align with national levels and TI measurements.

This pattern is similarly observable in graph 4.5, albeit less noticeable without prior examination of the macro-region graphs. The central part of the graph illustrates data for the entirety of Ukraine, represented by a single curve with a peak at the Centre. Notably, this peak signifies corruption from 2014-2015, whose effects remain visible two years later.

An atypical case is the Sumy Oblast in the North-East, which recorded over 8% in 2014, indicating a deviation from the trend observed in the six-month measurement. The remainder of this macro-region exhibited no substantial variations. In 2016, the Centre achieved relatively high values, particularly in Cherkasy (almost 8% for the six-month and 17.5% for the twelve-month measurements). In 2017, Kyiv also garnered attention in the Centre, achieving a high value of 20% in the twelve months. Vinnytsia reached 7.5% for the six

months, repeating the same result the following year. In 2020, Volyn in the West also reached 20%, constituting one of the highest records. In the same year, Kyiv attained 7.5% for six months and 17.5% for one year. Zakarpattia also exhibited relatively high results (10% and 17.5% for six and twelve-month periods, respectively). Notably, Zakarpattia previously exhibited a very high result in the 'Rate of Uncompetitive Tenders'.

It warrants investigation that Zakarpattia had been governed by the United Centre Party for 12 years, with Mr. Vytalyi Turynok serving as governor for one and a half years. Other notable variations in 2020 include Kyiv (7.5% and 17.5% for six and twelve-month measurements) and Cherkasy (17.5% annually). The Central East did not exhibit significant differences from the established model, apart from the aforementioned Dnipropetrovska Oblast, which recorded a very high result of 20% in the twelve-month measurement for the same year. The South-East and Kharkiv adhered to the pattern observed throughout the research period.

Despite the high values exhibited by certain variables, it is essential to consider the time perspective, as specific oblasts and entities reappear multiple times. For example, Kyiv, Cherkasy, and Vinnytsia often re-emerge, suggesting that corruption within these oblasts may not be coincidental. This phenomenon provides a foundation for further research.

Unfortunately, 'The Ratio of Company Capital to the Contract Value' was the least helpful variable. Its frequent fluctuations render the graphs difficult to interpret; yet, when a trend emerges, it typically diverges from general results.

According to this variable, several macroregions displayed low values and risks of corruption during the initial research years: in 2014, the West, Centre, and North-East, and in 2015, the same regions, with the exception of the last. The results fluctuated between 40% and 60% for many oblasts. Subsequently, rates began to rise, highlighting this proxy's tendency to behave contrary to established trends.

In the Centre, establishing a pattern post-2015 is challenging, except for Cherkasy, which surged to maximum points in 2016, mirroring its performance in 2014. Oddly, 2016 was also when the North East stabilised its values, fluctuating between 50% and 90% while remaining relatively calm in comparison to other macro-regions (with Poltava and Sumy placing between 70% and 90% and Chernihiv between 50% and 80%).

An improbable pattern emerged in the Central East, beginning from a comparatively high level. Values fluctuated between 60% and 80% (occasionally exceeding other regions) until 2017. Following that, values increased to between 70% and 90%, maintaining this trend until 2019.

The South-East and Kharkiv macro-region exhibited no visible pattern, with fluctuations ranging from 60% to 95%. Various oblasts behaved differently, with some experiencing sharp increases in corruption risk while others witnessed sharp declines during the later years of the research period.

In the final phase of the research, beginning from 2019 (i.e., following President Zelensky's election), outcomes according to this variable remained perplexing. All values started to rise in the North-East, while the Central East saw fluctuations diminish, stabilising between 80% and 90%. Values suddenly became chaotic in the West, which had generally exhibited the most stability according to this variable, while the Centre, South-East, and Kharkiv maintained their unsettled nature. Thus, employing this variable did not provide significant insights concerning time.

The other two variables, 'The Rate of Uncompetitive Tenders' and 'The Age of the Company', produced results that generally aligned with the temporal patterns identified in Transparency International's research. Minor time shifts likely resulted from the very nature of the proxies.

4.14.3. Variable Diversifications Given Place and Time

Based on the observations, it must be emphasised that "The Ratio of the Company Capital to the Tender Value" proxy exhibits the most substantial variations, primarily due to its frequent fluctuations and extreme values. Thus, it stands as the least reliable of the selected dependent variables. Given its prevalence in the literature⁵⁰¹, it warranted testing. However, this research

⁵⁰¹ Simone Canepelle, Federico Calderoni and Stefano Martocchia, 'Not Only Banks: Criminological Models on the Infiltration of Public Contracts by Italian Organised Crime', *Journal of Money Laundering Control*, 12.2 (2009), 151–172.

often produced results that diverged significantly from the other dependent variables, raising questions about its credibility.

It can be argued that these ‘aberrant’ scores open up avenues for new inquiries, and it should not be overlooked that this research focuses on a very narrow field: the construction sector at the subnational level. Perhaps the variable may yield better results in different contexts.

While it may prove helpful in the future, it necessitates further testing beyond the current study's limitations. Special caution is required in its application, which was unnecessary for the other two variables. Therefore, despite its relatively common use in literature,⁵⁰² its application in similar research is, as already mentioned, not recommended.

Based on the results of the variables tested, with primary emphasis placed on the two successful ones, the key takeaway is that differentiation within regions is more pronounced than differentiation between areas in Ukraine. Analysing localised data is likely to yield a more diverse understanding than examining national-level data; the closer the focus, the more meaningful the findings.

4.15. Conclusions

The results of the comparative investigation largely align at every level (national, macro-region, and oblast), indicating that corruption reflects similar trends across the examined entities. However, they are not identical despite using the same data, particularly when contrasting with Transparency International’s analysis at the pan-national level, which utilises entirely different information sources. The trends remain comparable, although various factors may result in exceptions.

The findings indicate that changes in one or more macro-regions can influence the perceived levels of corruption throughout Ukraine. Similarly, significant variations in corruption within specific oblasts can shape the overall behaviour regarding corruption in an entire macro-region, yielding different results if those oblasts were excluded from consideration. Conversely, conducting research solely at the national level would likely overlook subtle

⁵⁰² Aaron Sayne, Alexandra Gillies and Andrew Watkins, *Twelve Red Flags: Corruption Risks in the Award of Extractive Sector Licences and Contracts* (Natural Resource Governance Institute, 2017), pp. 3–43.

nuances arising from local variations, risking omission of critical causal mechanisms underpinning corruption. Thus, the conclusions for Ukraine could be understated or overstated if extreme values were not revealed; such discrepancies could drastically alter the outcomes.

Indeed, numerous observations support this phenomenon. For instance, oblasts such as Zakarpattia (in 2019), Volyn (in 2017), Cherkasy (in 2015), and Dnipropetrovska (in 2020) serve as prime examples. Other influential oblasts that may have affected corruption risk were also highlighted throughout the text. The macro-regions would likely exhibit entirely different parameters had the oblasts above been excluded from the analysis.

In conclusion, a deeper exploration of subnational levels is essential for understanding and examining corruption dynamics more effectively. Events occurring in one region during a specific timeframe can significantly impact the overall trajectory of the phenomenon on a national scale. Such behaviours were illustrated throughout the text. The next chapter will pivot toward political aspects, examining correlations to ascertain whether a connection exists between authorities (specifically their power duration) and corruption.

Chapter 5: Correlations. Quantitative Research, Causal Mechanisms, and Plausible Explanations

5.1. Introduction

The previous chapters laid the theoretical groundwork for understanding corruption in Ukraine, detailing the existing literature, identifying research gaps, and outlining the methodology for this study. Chapter 4 provided a descriptive analysis of corruption across various regions of Ukraine from 2014 to 2021, a period marked by significant political upheaval and conflict. This chapter shifts the focus to a quantitative analysis, employing bivariate correlations to explore the relationship between the tenure of political leaders and the risk of corruption.

Corruption is a complex phenomenon that affects various societies in different ways, and Ukraine is no exception. This chapter addresses two fundamental questions: Is corruption in Ukraine distributed unevenly? And what are the causal mechanisms that explain this distribution? Based on the proposed hypothesis, which posits that the longer the term (of the governor or the oblast council), the greater the likelihood of corruption. The results obtained in chapters four and five quantitatively will be further analysed. The qualitative examples will complement the quantitative investigation.

The software tool used for running the correlations was IBM SPSS 27.⁵⁰³

5.2. The Unequal Distribution of Corruption in Ukraine

The analysis of corruption in Ukraine reveals an unequal distribution in different regions and contexts, highlighting the complexity of the phenomenon in the country. This inequality in corruption is not a mere accident but is deeply rooted in Ukraine's social, political, and economic structures. In chapter four, three dependent variables representing corruption risk were examined: 'the rate of non-competitive tenders', 'the relationship between declared

⁵⁰³ IBM, *IBM SPSS Statistics 27* (n.d.) <https://www.ibm.com/uk-en/products?q=SPSS%2027> [accessed 31 December 2021].

capital and contract value’, and ‘the age of the company’. These indicators are crucial for understanding how corruption can vary between different regions and based on time and political conditions. For example, in areas where institutions are weaker and oversight is scarce, non-competitive bidding is more likely to be used, creating an environment conducive to corruption.

The results obtained in this chapter indicate no significant dependence between the governor's term and the risk of corruption. This finding is revealing, as it suggests that despite the length of the term, other factors may influence corruption at the governmental level. This could imply that corruption is not solely a matter of time in office but is also related to the quality of institutions, political culture, and citizens' ability to demand accountability. However, a slight dependence is being observed between the council's term and the risk of corruption, suggesting that the structure of power and the duration of terms at the local level may have a direct impact on corrupt dynamics. This is particularly relevant in the context of Ukraine's decentralisation process, which has placed local councillors in direct and frequent contact with citizens. Such proximity intensifies the potential for clientelist relationships to emerge, as elected officials are more likely to build personal ties with local economic and social actors – creating a fertile ground for more entrenched and informal practices of corruption.⁵⁰⁴

Additionally, it is essential to consider how each region's socioeconomic and cultural dynamics can influence how corruption manifests. For example, corruption is likely to take on more subtle and complex forms in areas where the economy is more informal or where there is greater reliance on public administration for employment and contracts.⁵⁰⁵ Clientelist networks can flourish in these contexts, where officials use their power to particular groups or individuals in exchange for political loyalty or electoral support.⁵⁰⁶ This situation

⁵⁰⁴ U4 Anti-Corruption Resource Centre, *Advancing anti-corruption capacity in Ukraine's local self-government* (Bergen: U4, 2024), p. 12.

⁵⁰⁵ Colin C. Williams, John Round and Peter Rodgers, ‘Explaining the Normality of Informal Employment in Ukraine: A Product of Exit or Exclusion?’, *American Journal of Economics and Sociology*, 70.3 (2011), pp. 729–755.

⁵⁰⁶ Elena Denisova-Schmidt and Martin Huber, ‘Regional Differences in Perceived Corruption among Ukrainian Firms’, *Eurasian Geography and Economics*, 55.1 (2014), pp. 10–36.

perpetuates corruption and undermines public trust in institutions and the democratic system.⁵⁰⁷

Therefore, understanding the unequal distribution of corruption in Ukraine requires a multidimensional analysis that considers not only quantitative variables but also qualitative factors that influence the behaviour of the actors involved. Corruption is not an isolated phenomenon; it results from complex interactions between individuals, institutions, and social contexts. Therefore, it is essential to adopt a holistic approach that considers the particularities of each region and seeks to identify the roots of corruption to develop effective strategies to address this persistent challenge in Ukraine.

The aim is to determine whether the length of a governor's or a political party's tenure correlates with indicators of corruption, recognising that corruption is inherently difficult to measure. This chapter will also examine regional variations and the influence of demographic factors on corruption, ultimately providing plausible explanations for the findings.

Data was collected from 2014 to 2021, focusing on the tenures of governors and political parties at the oblast level, along with information on public procurement in the construction sector. This dataset comprised 11,700 observations, allowing for a robust analysis of corruption indicators. The results indicate that while some correlations exist, they often challenge initial hypotheses, suggesting a more complex relationship between political tenure and corruption.

Control variables were employed to validate the chosen corruption indicators. The analysis confirmed that demographic factors, such as the rural population rate and economic indicators like regional gross product (GRP), have a significant influence on corruption levels. Interestingly, the rate of native Russian speakers did not show a strong correlation with corruption, challenging the assumption that language, ethnicity, and corruption are closely linked.

The findings indicate that vertical distribution, where corruption is more prevalent among locally elected officials, plays a crucial role in understanding corruption in Ukraine. This

⁵⁰⁷ Valentyna Cherviakova and Tetiana Cherviakova, 'The Relationship between Corruption and the Shadow Economy in Ukraine and Other Central and Eastern European Countries', *Comparative Economic Research – Central and Eastern Europe*, 23.4 (2020), pp. 7–30.

vertical dynamic suggests that local political structures and the relationships between politicians and their constituents are more influential in shaping corruption patterns than the actions of centrally appointed governors.

5.3. Expanding the Research Question: Patterns of Corruption Distribution

Anticipating the findings of the correlation analysis, it was reasonable to expect that corruption in Ukraine would not be evenly distributed, but shaped by the proximity of institutions to society and the region-specific informal norms that influence public life. The embeddedness of local political actors within their communities, the structure of formal and informal institutions, and the varying levels of citizen engagement across oblasts are likely to affect how corruption operates in practice. These expectations are grounded in the assumption that quantitative outcomes must ultimately be interpreted within a broader framework – one that accounts not only for institutional design, but also for the social and cultural context in which these institutions function.

The research confirms that significant differences exist in the distribution of corruption throughout Ukraine, reflecting the durability of control that certain political parties maintain over local councils.⁵⁰⁸ These differences can be attributed to several factors:

- **Local Political Dynamics:** The length of tenure of locally elected officials allows them to establish strong clientelist networks. Local politicians often have deeper ties to their communities, enabling them to navigate the political landscape more effectively and engage in corrupt practices with less oversight.⁵⁰⁹
- **Institutional Structures:** The dual governance structure in Ukraine, featuring appointed governors and elected councils, fosters a complex power dynamic. Elected officials, who are often more familiar with local contexts, may exploit their positions

⁵⁰⁸ The World Bank, *The World Bank Annual Report 2021: From Crisis to Green, Resilient, and Inclusive Recovery*, vol. 1 of 3 (Washington, D.C.: World Bank, 2021), <http://documents.worldbank.org/curated/en/120541633011500775> [accessed 2 April 2025].

⁵⁰⁹ Olha Zadorozhna, “Clientelism and Land Market Outcomes in Ukraine”, *Eastern European Economics*, 58.6 (2020), 478–496.

to engage in corrupt activities. At the same time, appointed governors may face more scrutiny and pressure from central authorities.^{510 511}

- **Economic Conditions:** The economic environment in different regions influences corruption levels. Areas with higher poverty rates and fewer economic opportunities may experience higher levels of corruption as local officials seek to exploit their positions for personal gain.⁵¹²
- **Historical Context:** The legacy of corruption in Ukraine, rooted in its post-Soviet transition, continues to shape current political dynamics. Regions with a history of strong oligarchic influence may exhibit more entrenched corrupt practices, as local elites maintain control over political and economic resources.⁵¹³
- **Public Perception and Trust:** The level of public trust in institutions also plays a role in the dynamics of corruption. In regions where citizens have low trust in government, there may be greater tolerance for corrupt practices, as people feel disenfranchised and powerless to effect change.⁵¹⁴
- **Geographical Variations:** The geographical distribution of corruption is not uniform. Certain oblasts, particularly those with significant economic activity or strategic importance, may experience higher levels of corruption due to the concentration of resources and political power.^{515 516}

⁵¹⁰ Закон України ‘Про місцеве самоврядування в Україні’ (*Zakon Ukrainy ‘Pro mistseve samovriaduvannia v Ukraini’* – Law of Ukraine “On Local Self-Government in Ukraine”), No. 280/97-BP, enacted 21 May 1997, as amended to 1 December 2022, arts 10–12 <https://zakon.rada.gov.ua/laws/show/280/97-%D0%B2%D1%80#Text> [accessed 9 June 2025].

⁵¹¹ Закон України ‘Про місцеві державні адміністрації’ (*Zakon Ukrainy ‘Pro mistsevi derzhavni administratsii’* – Law of Ukraine “On Local State Administrations”), No. 586-XIV, enacted 9 April 1999, arts 3, 5, 8–9 <https://zakon.rada.gov.ua/laws/show/586-14#Text> [accessed 9 June 2025].

⁵¹² Anastasiya Penska, “Determinants of Corruption in Ukrainian Regions: Spatial Analysis”, *Ekonomia* 42 (2015), pp. 145–163.

⁵¹³ Cole Aubrey, *Ending the Oligarchic Age: Combatting Corruption in Post-Maidan Ukraine* (Princeton University, PhD diss., 2023).

⁵¹⁴ The World Bank, *The World Bank Annual Report 2021: From Crisis to Green, Resilient, and Inclusive Recovery*, vol. 1 of 3 (Washington, D.C.: World Bank, 2021), <http://documents.worldbank.org/curated/en/120541633011500775> [accessed 2 April 2025].

⁵¹⁵ Nicholas Kyle Kupensky and Olena Andriushchenko, ‘The Outpost of Ukraine: The Role of Dnipro in the War in the Donbas’, in *Ukraine’s Outpost: Dnipropetrovsk and the Russian–Ukrainian War*, ed. by Sergei I. Zhuk and Paul D’Anieri (London: E-International Relations, 2022), pp.107-143

- **Impact of Political Events:** Major political events, such as the Revolution of Dignity and subsequent elections, have reshaped the corruption landscape in Ukraine. These events may lead to changes in power dynamics, altering relationships between political actors and their constituents.⁵¹⁷
- **Regulatory Environment:** The regulatory framework governing public procurement and local governance can facilitate or hinder corrupt practices. Weak regulations and enforcement mechanisms create opportunities for corruption to flourish, particularly in regions where oversight is minimal.⁵¹⁸
- **Cultural Factors:** Cultural attitudes towards corruption and governance also influence corruption patterns. In regions where corruption is normalised or seen as a necessary means of survival, the likelihood of corrupt practices increases.⁵¹⁹
- **And above all, Clientelism and Corruption:** This constitutes the very basis of the hypothesis of the thesis. Given the particular historical circumstances of Ukraine, it has been assumed that these political and institutional drivers were crucial in shaping corruption in contemporary Ukraine. Therefore, the ability of local politicians to build clientelist networks is a critical factor in understanding corruption patterns. Politicians who can effectively cultivate relationships with local businesses and constituents are more likely to engage in corrupt practices, as they rely on these networks for electoral support. Such politicians are very likely to be native to regions, in which they later operate.⁵²⁰

⁵¹⁶ Khrystyna Huk and Ayaz Zeynalov, “Regional Disparities and Economic Growth in Ukraine” (preprint, arXiv, 10 November 2022) <https://arxiv.org/abs/2211.05666> [accessed 9 June 2025]

⁵¹⁷ Oksana Huss, ‘Continuity and Change of the Social Contract in Ukraine: The Case of Contested Anti-Corruption Policies’, in *Ukraine’s Patronal Democracy and the Russian Invasion: The Russia-Ukraine War, Volume One*, ed. by Bálint Madlovics and Bálint Magyar (Budapest: Central European University Press, 2023), pp. 91–118.

⁵¹⁸ Organisation for Economic Co-operation and Development, *OECD Integrity and Anti-Corruption Review of Ukraine* (Paris: OECD, 2025), <https://www.oecd.org/governance/oecd-integrity-review-ukraine-2025.htm> [accessed 2 April 2025].

⁵¹⁹ Erik S. Herron, *Normalising Corruption: Failures of Accountability in Ukraine* (Ann Arbor: University of Michigan Press, 2020), pp. 1–25.

⁵²⁰ L. Titko, ‘Фаворитизм, непотизм, кронізм, клієнтелізм як форми конфлікту інтересів’ (‘Favorityzm, nepotyzm, kronizm, kliientelizm yak formy konfliktu interesiv’ – ‘Favoritism, Nepotism, Cronyism, and Clientelism as Forms of Conflict of Interest’), *Forum Prava* (2019).

Thus, the research is to demonstrate that corruption in Ukraine is influenced by a complex interplay of local political dynamics, economic conditions, historical context, and public perception. These dynamics operate within and across the conceptual frameworks of Principal–Agent theory, Collective Action theory, and clientelism, each of which offers partial yet complementary insights into the mechanisms of corrupt behaviour. The findings underscore the significance of focusing on vertical distribution and the influence of elected political officials in shaping corruption patterns. Future research should continue to explore these dynamics at even more granular levels, such as the rayon level, to uncover the complexities of corruption in Ukraine and inform more context-sensitive and effective anti-corruption strategies.

The Spearman coefficient is particularly useful for analysing correlations between ordinal data and can be applied to dummy variables, where binary outcomes are represented as '0' and '1'. This method allows for a nuanced understanding of the relationships between the duration of political mandates and corruption indicators.

In the bivariate correlation, the Pearson coefficient is used when two random sets of numerical values are correlated. The method of interpreting the results, based on this project, is analogous to Spearman's rho coefficient, where the closer the value is to the absolute value of 1, the stronger the correlation.

5.4. The Unequal Distribution of Corruption in Ukraine: Causal Mechanisms and Quantitative Analysis

Corruption is a multifaceted phenomenon that affects various societies in different ways, and Ukraine is no exception. This phenomenon manifests not only in the embezzlement of public funds or bribery but also infiltrates social, economic, and political structures, undermining citizens' trust in their institutions and weakening the social fabric. In the case of Ukraine, corruption has been a significant obstacle to the country's development and stability, especially in a context where the transition to a consolidated democracy and an efficient market system has been complex and fraught with challenges. This thesis aims to address two fundamental questions: Is corruption in Ukraine distributed unequally? And what are the causal mechanisms that explain this distribution?

The first question focuses on the unequal nature of corruption in Ukraine, which varies not only between different regions but also among different sectors and levels of government. Corruption is not distributed evenly; instead, it tends to concentrate in areas where institutions are weaker and oversight and accountability are less effective. This can be observed in the rates of non-competitive bidding, which are a key indicator of corruption risk. In regions where governance is poor, opaque procurement processes are more likely to be used, allowing certain actors to benefit at the expense of fair competition. According to recent studies, corruption in Ukraine varies across regions and over time, rather than being uniform. Furthermore, corruption may be influenced significantly by socioeconomic factors, such as poverty and unemployment, which increase the vulnerability of citizens and businesses to corrupt practices.^{521 522}

The second question pertains to the causal mechanisms that explain this unequal distribution. Based on the proposed hypothesis, which posits that the longer the term (of the governor or the oblast council), the higher the probability of corruption, it can be inferred that prolonged tenure may lead to greater consolidation of clientelist networks and corrupt practices. This is because officials who remain in office for extended periods can establish stronger relationships with economic and political actors, allowing them to manipulate decision-making processes in their favour. The lack of turnover in positions can result in a culture of impunity, where officials feel less pressured to act ethically, knowing they have prolonged control over resources and decisions.

To delve deeper into this issue, it is essential to analyse the results obtained in Chapters 4. of the research, where various variables influencing corruption are examined. These variables include the age of companies, the relationship between declared capital and contract value, and the rate of non-competitive bidding. Each of these indicators provides insight into how corruption may vary concerning contextual and structural factors. Even though, as the hypothesis states, younger companies are more likely to be at risk of corruption because they

⁵²¹ Anastasiya Penska, “*Determinants of Corruption in Ukrainian Regions: Spatial Analysis*”, *Ekonomia* 42 (2015), 145–163.

⁵²² Yurii Horodnichenko, Dzhonatan Lene, Ilona Solohub, ‘Які фактори обумовлюють рівень сприйняття корупції в Україні?’ (‘Yaki faktory obumovliuiut riven spryiniattia koruptsii v Ukraini?’ – ‘What Factors Determine the Level of Perceived Corruption in Ukraine?’), *VoxUkraine*, 28 March 2024 <https://voxukraine.org/what-factors-determine-the-level-of-perceived-corruption-in-ukraine> [accessed 2 April 2025].

may be created solely to fulfil a pre-defined political purpose⁵²³, older companies may also pose a risk in some cases, having closer connections with local officials that allow them to influence procurement decisions in their favour. This suggests that corruption is not merely a governance issue but is also intrinsically linked to power dynamics and the networks of influence established at the local level.

Moreover, it is crucial to explore qualitative examples that complement the quantitative analysis. These examples can illustrate how causal mechanisms operate in practice and how personal relationships and power networks can influence the distribution of resources and opportunities. By examining specific cases of corruption in various regions of Ukraine, a more nuanced understanding of how local dynamics impact the prevalence of corruption can be gained. These examples not only enrich the analysis but also help identify patterns and trends that may not be evident through a purely quantitative approach.

5.5. Causal Mechanisms of Corruption in Ukraine

To understand the causal mechanisms behind the unequal distribution of corruption in Ukraine, it is essential to consider both structural and contextual factors that interact in complex ways. One key mechanism is the lack of transparency in procurement processes. For example, a high rate of non-competitive bidding – as evidenced in our data from several macro-regions – points to an environment where public contracts are awarded without adequate oversight, enabling corrupt practices. This is consistent with the findings in the NAZK document, which argues that opacity in public procurement creates fertile ground for corruption.⁵²⁴

A second mechanism involves the consolidation of informal power networks, particularly where long-term political actors are embedded in local economic structures. The correlation tables (especially Table 5.1 and Table 5.3) suggest that oblast councils with longer tenures

⁵²³ Mihály Fazekas and Balázs Tóth, 'Proxy Indicators for the Corrupt Misuse of Corporations', *U4 Brief*, U4 Anti-Corruption Resource Centre (2017), <https://www.u4.no/publications/proxy-indicators-for-the-corrupt-misuse-of-corporations.pdf> [accessed 2 April 2025].

⁵²⁴ Національне агентство з питань запобігання корупції, *Типові корупційні ризики в публічних закупівлях (Typovi koruptsiini ryzyky v publichnykh zakupivliakh – Typical Corruption Risks in Public Procurement)* (Kyiv: HAZK/NAZK, 2020).

correlate more strongly with corruption indicators than governors, supporting the hypothesis that local embeddedness facilitates clientelism. Vlasenko notes that such networks reduce formal accountability while reinforcing personal loyalties and transactional politics.⁵²⁵

Finally, the cultural and historical normalisation of corruption must also be considered. In some regions, citizens may perceive corruption as an unavoidable part of public life, shaped by post-Soviet legacies of informal exchange. This creates a cycle where corrupt actors operate with minimal resistance from a disengaged public. While such cultural factors are difficult to quantify, their effects are indirectly visible through regional variations in oversight and institutional strength.

5.6. Qualitative Examples and Cultural Context

The interaction between local companies and political officials is central to understanding how corruption operates in practice. For instance, investigative reports by Ukrainian anti-corruption NGOs have documented numerous cases in oblasts such as Dnipro and Mykolaiv, where construction firms received repeat non-competitive contracts through their ties to majority party councillors. In one example from 2018, a municipal council member was found to have personal business interests in a company that secured multiple road-building contracts without proper tender procedures.⁵²⁶

These real-world examples illustrate how clientelist relationships and informal ties allow firms to bypass fair competition, inflate project costs, and reinforce political loyalty through economic favours. As Hale points out, corruption frequently operates through relational

⁵²⁵ Vlasenko, Anastasiia, *Legislators in Networks: Corruption, Clientelism, and Law-Making in Ukraine*, Harriman Institute Lecture, Columbia University, 30 January 2025

⁵²⁶ Centre for Public Investigations, 'Mykolaiv electricity contract awarded without competition to a company with a Russian trace', *Intent Press*, 26 January 2025, <https://intent.press/en/news/center-for-public-investigations/2025/mykolaiv-electricity-contract-awarded-without-competition-to-a-company-with-a-russian-trace/> [accessed 2 April 2025].

channels that bypass formal institutions.⁵²⁷ This perspective is especially relevant in regions where elected local officials wield considerable discretion and enjoy minimal scrutiny.

Such examples are not isolated. They complement the findings in our quantitative analysis – particularly the positive correlations between prolonged council tenure and non-competitive bidding – reinforcing the conclusion that local power networks are both a cause and a conduit of persistent corruption.

Furthermore, it is pertinent to link these findings with the control variable related to the Russian language. While the Russian-speaking regions may have distinct cultural traits, empirical evidence shows no clear correlation between these traits and higher corruption levels. This raises important questions about the influence of cultural and linguistic variation on corruption. Although a greater density of firms in these areas could play a role, the analysis must adhere closely to quantitative data and avoid making generalised assertions.⁵²⁸ This point is fundamental to avoid simplifications that could distort the analysis.

The relationship between language and corruption can be complex. In some regions, the use of Russian may be associated with greater informality in business and political relationships, which could facilitate corrupt practices. However, it is essential not to fall into the trap of assuming that language itself is a determinant of corruption. Instead, it is more productive to consider how social structures and networks of influence intertwine with cultural and linguistic differences to shape the experience of corruption in different contexts.⁵²⁹

⁵²⁷ Henry E. Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective* (Cambridge: Cambridge University Press, 2015), pp. 112

⁵²⁸ Denisova-Schmidt, Elena, and Martin Huber, 'Regional Differences in Perceived Corruption among Ukrainian Firms', *Eurasian Geography and Economics*, 55.1 (2014), 10–36

⁵²⁹ Demyan Belyaev, Jean-Patrick Villeneuve and Giulia Mugellini, 'Framing Corruption in Ukraine: A Two-Decade Scoping Review of Academic and Organisational Perspectives', *Journal of Contemporary Central and Eastern Europe*, 33.1 (2025), 109-128

5.7. The Unequal Distribution and Causal Mechanisms. Conclusions

The distribution not only manifests in the form of isolated corrupt practices but is also intertwined with the country's social, political, and economic structures. The quantitative analyses conducted in Chapters 4 and 5 provide a solid foundation for understanding it, revealing patterns that suggest corruption is deeply rooted in institutional structures and local power dynamics. For example, it has been observed that regions with weaker and less transparent institutions tend to experience higher levels of corruption, suggesting that institutional strength is a key factor in combating this scourge.

At the same time, qualitative examples and cultural context enrich the discussion of causal mechanisms, highlighting the importance of personal relationships and networks of influence in perpetuating corrupt practices. Often, corruption manifests through informal connections that transcend formal structures, making it more complicated to eradicate.

Clientelist networks, for instance, not only facilitate corruption but also create an environment where accountability is minimal, allowing corrupt actors to operate with impunity. This relational aspect of corruption is crucial for understanding its persistence in the Ukrainian context, where personal loyalties often outweigh legal and ethical obligations.

Clientelism is a deeply rooted political and cultural phenomenon in Ukraine. The data show that regions with longer-serving local councils exhibit higher levels of non-competitive bidding and favouritism towards younger companies – a pattern consistent with the development of clientelist networks. For instance, in Table 5.5 (Western Ukraine) and Table 5.9 (Northeast), we observe statistically significant positive correlations between council tenure and two corruption indicators.

These findings support theoretical claims made by scholars, such as Ledeneva,⁵³⁰ and Mazepus et al.,⁵³¹ who emphasise that local politicians often build informal systems of reciprocal exchange to maintain control and extract rents. Moreover, the weaker correlations

⁵³⁰ Alena V. Ledeneva, *Can Russia Modernise? Sistema, Power Networks and Informal Governance*, Cambridge Studies in Law and Society (Cambridge: Cambridge University Press, 2013), pp. 85-114

⁵³¹ Honorata Mazepus, Antoaneta Dimitrova, Matthew Frear, Dimitar Toshkov, and Nina Onopriychuk, 'When Business and Politics Mix: Local Networks and Socio-Political Transformations in Ukraine', *East European Politics and Societies*, 35.2 (2021), 437–459.

involving governors, as presented in Table 5.1 and discussed in *The Role of Governors in Ukraine's Political Structure* section, reinforce the idea that locally elected officials are more deeply entrenched in regional clientelist ecosystems than centrally appointed administrators. Therefore, the empirical results and qualitative interpretation align closely, offering a robust account of the causal mechanisms behind the vertical distribution of corruption in Ukraine.

As research progresses, it is essential to continue exploring these dynamics to develop a deeper understanding of the phenomenon. This involves not only an analysis of structural and contextual factors but also a consideration of how cultural perceptions and social interactions shape the experience of corruption in different regions. For example, in some areas, corruption may be viewed as a normalised practice, making it difficult to report and combat these practices. The normalisation of corruption is deeply rooted in historical factors, particularly the Soviet legacy, where corrupt practices, especially during the Brezhnev Era, became entrenched as routine and often essential mechanisms for economic survival.⁵³² This systemic acceptance, established in the late Soviet period, has continued to shape behavioural norms and institutional expectations in Ukraine up to the present day.

The complexity of the phenomenon requires a multidimensional approach that considers both quantitative and qualitative variables. This means that researchers and policymakers must consider not only statistical data on corruption but also the narratives and experiences of individuals affected by it. The inclusion of local voices and an understanding of cultural dynamics are essential for developing effective strategies that comprehensively address corruption.

This work not only seeks to answer the posed questions but also aims to open a space for future research that continues to unravel the complexity of corruption in specific contexts, such as that of Ukraine. Identifying patterns and understanding underlying mechanisms are crucial steps for formulating effective policies that address this persistent challenge. Only through a concerted effort and a comprehensive approach can progress be made toward building a more transparent and accountable system that promotes public trust and fosters sustainable development in the country.

⁵³² Susanne Schattenberg, *Leonid Breschnew: Staatsmann und Schauspieler im Schatten Stalins. Eine Biographie* ('Leonid Brezhnev: Statesman and Actor in Stalin's Shadow. A Biography') (Köln, Weimar and Wien: Böhlau Verlag, 2017), pp. 347–454, 573–610.

Ultimately, the fight against corruption in Ukraine is not just a matter of implementing stricter laws and regulations but also of transforming the political and social culture that allows corruption to thrive. This requires a long-term commitment from all stakeholders involved, including the government, civil society, and the international community. Civic education, the promotion of transparency and accountability, as well as the strengthening of institutions, are key elements for creating an environment where corruption is not only unacceptable but also unfeasible. Only then can a fairer and more equitable future be built for all Ukrainian citizens.

5.8. The Correlations

The research reveals that hierarchical distribution is the most significant way corruption manifests in Ukraine. Institutions closer to citizens, such as local councils, play a crucial role in the spread of corruption compared to centrally appointed authorities like governors. This phenomenon suggests that corruption tends to be more endemic at local levels, where politicians have more direct contact with the population and can build more effective clientelist networks.^{533 534}

The findings also indicate that corruption is not evenly distributed across the country. Variations in corruption distribution reflect the durability of certain parties' control over local councils. This is evidenced by the correlations presented in the tables, which show how the duration of local political actors' mandates relates to corruption indicators, such as the rate of non-competitive bidding and the age of companies winning contracts.

The analysis revealed that negative correlations, such as the duration of the governor's mandate versus the number of non-competitive tenders, suggest that shorter mandates may be associated with higher corruption risks, contradicting the initial hypotheses. This finding emphasises the complexity of the relationship between political mandate duration and corruption.

⁵³³ Mushtaq Khan, *Political Settlements and the Governance of Growth-Enhancing Institutions*, SOAS Research Paper Series on 'Growth-Enhancing Governance' (London: SOAS, 2011).

⁵³⁴ Alina Mungiu-Pippidi, 'The Quest for Good Governance: Learning from Virtuous Circles', *Journal of Democracy*, 27.1 (2016), 95–109.

5.8.1. The Correlation Tables and Descriptions

Table 5.1 presents the results of the correlations in Ukraine and its macro-regions, highlighting the relationship between the duration of governors' and local councils' mandates with corruption indicators. The positive and negative correlations suggest that the influence of political actors varies significantly across different regions.

This indicates that local political dynamics can exacerbate or mitigate corruption depending on political leadership stability.

Table 5.1. The results of all correlations in Ukraine and the *macro-regions*

	<u>UKRAINE</u>	West	Centre	Northeast	Central East	Southeast & Kharkiv
When the State Oblast Administration (reporting to the governor) is concerned						
Correlation A	Negative	Negative	Insign.	Negative	Negative	Negative
Correlation B	Negative	Insign.	Negative	Insign.	Negative	Insign.
Correlation C	Yes	Insign.	Partial	Insign.	Yes	Insign.
When the Oblast Council (whose members are elected in local elections) is concerned						
Correlation D	Yes	Yes	Yes	Yes	Insign.	Negative
Correlation E	Insign.	Partial	Negative	Partial	Insign.	Negative
Correlation F	Yes	Insign.	Yes	Insign.	Yes	Yes

LEGEND OF TABLE 5.1.

- Correlation A – Duration of the governor's mandate vs. rate of non-competitive tenders
- Correlation B – Duration of the governor's mandate vs. relationship of company capital to contract value
- Correlation C – Duration of the governor's mandate vs. age of the company
- Correlation D – Duration of the majority party vs. rate of non-competitive tenders
- Correlation E – Duration of the majority party vs. relationship of company capital to contract value
- Correlation F – Duration of the majority party vs. age of the company

The results obtained can be as follows:

- **‘Yes’** signifies that there exists a correlation between the two examined variables.
- **‘Partial’** means that there is a correlation, but it is slightly less significant. The probability values (the so-called ‘p-values’) denote statistically insignificant correlations if their values exceed 0.05. However, the data analysed here, due to its character, does not have to be as explicit as some detailed mathematical research pieces. Instead, we deal with an enormous set(s) of loose sociological observations, using proxies that never provide entirely accurate numerical values, and the correlations are usually weak. Nonetheless, the same tools can be used in both cases, for they appear to be the best solutions. In the current research, though, there is a need to enlarge the threshold of tolerance. P-values between 0.05 and 0.15 will be considered partially statistically significant. Simultaneously, they will act as positive correlations.
- **‘Insign. (i.e., insignificant)’** indicates the correlation whose significance is impossible to prove, either due to too few observations, which do not allow for clear conclusions, or due to too large a degree of randomness in the variables. The direction/monotonicity of the variable may vary.
- **‘Negative’** means that there is no correlation, or at least, no such correlation, as we would have expected. As the independent variable increases, the dependent variable should also increase. Alas, the reverse situation sometimes takes place. For example, the longer the governor is in power, the less corruption is observable, which contradicts the hypothesis. Fortunately, there are not many such cases in the research.

The results are obtained by correlating independent variable (tenures of respective institutions) with each dependent variable (the common symptoms of corruption). Thus, we have potentially six correlations. ‘The tenure of the governor’, also known as the head of the oblast state administration, is correlated with ‘the number of uncompetitive tenders’, ‘the ratio of declared company capital to the final tender contract value’, as well as to ‘the age of the company’. The tenure of the major political force is being correlated with the same variables. All correlations are being conducted at both the national and macro-regional scales. The same techniques will be conducted for each correlation.

On the other hand, the situation is entirely different when we correlate the duration of the majority parties with the three variables. The only shadow of doubt may arise from the

correlation between 'duration and the relationship of company capital to contract value,' where the correlation is statistically insignificant, i.e., impossible to prove. However, the rate with the remaining variables, namely 'competitive tenders' and 'the age of the company,' confirms the hypothesis. As mentioned earlier, this variable is the least reliable.

In conclusion to the previous chapter, it can be stated that the phenomenon of corruption is dynamic and changes over time and space. Despite suggestions in the literature about possible variations in corruption among macro-regions, we surprisingly found fewer than expected. Nevertheless, there are some. The smaller number of observations in the macro-regions compared to the total of Ukraine could have led to some results being impossible to prove; however, there are only five macro-regions, each with several thousand observations. Therefore, it should not constitute any significant warning when reading and analysing the results.

However, for the same reason, it is impossible to reduce the research to the oblast level further and perform a similar set of correlations, as at such a small scale, the number of observations will likely be insufficient. However, if the behaviour of an oblast shows significant variations compared to the others in the same macro-region, as indicated by the data provided in Chapter 4, it will be noticeable. Such an oblast could change the correlation results across the macro-region.

The correlated data within each macro-region contains information only about the corresponding macro-region, and no data from other regions of Ukraine has been included. In simple terms, all correlations of the macro-regions have been performed separately and independently of each other.

Table 5.2 shows descriptive statistics of the independent and dependent variables in Ukraine. The averages reflect the duration of mandates and the relationship between company capital and contract values, enabling the observation of corruption patterns within the national context. Notably, this table can help identify potential outliers or regions that deviate from national trends.

Table 5.2. Descriptive statistics. The arithmetic averages of independent and dependent variables in Ukraine

Variable	Mean
Tenure-governor (<i>indep.</i>)	473.12
Tenure-council (<i>indep.</i>)	1831.85
Company capital to contract value (<i>dep.</i>)	166.3506507
Age of company (<i>dep.</i>)	3822.39

Table 5.3 presents the detailed correlations between the duration of governors' and councils' mandates with representative variables of corruption. The results indicate that at the national level, the duration of the mandates of councils has a stronger correlation with corruption than that of governors, suggesting that local political actors are more influential in corrupt dynamics.⁵³⁵ This highlights the significance of local governance in influencing corruption outcomes.

Table 5.3. Correlation. The tenure of the governor and the main political party in the Council vs. dependent variables representing corruption in the whole of Ukraine

		Uncompetitive tenders	Company capital to contract value	Age of the company
Tenure-governor	Spearman's rho coefficient	-0.039	-	-
	Pearson coefficient	-	0.017	-0.019
	p-value	<0.001	0.068	0.036
	N	11,700	11,700	11,700
Tenure-council	Spearman's rho coefficient	0.037	-	-
	Pearson coefficient	-	-0.006	-0.039
	p-value	<0.001	0.483	<0.001
	N	11,700	11,700	11,700

⁵³⁵ Ivan Krastev and Stephen Holmes, 'Explaining Eastern Europe: Imitation and Its Discontents', *Journal of Democracy*, 29.3 (2018), 117–128.

Tables 5.4 to 5.13 provide descriptive statistics and correlations for each macro-region. While the general trends are similar, significant variations in the influence of political actors across regions suggest that specific local factors, such as history and political culture, play a crucial role in corruption dynamics.⁵³⁶ These tables can serve as a basis for specific interventions in particular regions.

Table 5.4. Descriptive statistics. The arithmetic averages of independent and dependent variables in Western Ukraine

Variable	Mean
Tenure-governor (<i>indep.</i>)	474.81
Tenure-council (<i>indep.</i>)	1331.23
Company capital to contract value (<i>dep.</i>)	221.2215077
Age of company (<i>dep.</i>)	3911.45

Table 5.5. Correlation. The tenure of the governor and the main political party in the Council vs. dependent variables representing corruption in Western Ukraine

		Uncompetitive tenders	Company capital to contract value	Age of the company
Tenure-governor	Spearman's rho coefficient	-0.056	-	-
	Pearson coefficient	-	0.022	-0.006
	p-value	<0.001	0.194	0.725
	N	3,475	3,475	3,475
Tenure-council	Spearman's rho coefficient	0.098	-	-
	Pearson coefficient	-	-0.029	0.001
	p-value	<0.001	0.084	0.966
	N	3,475	3,475	3,475

⁵³⁶ Henry E. Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective* (Cambridge: Cambridge University Press, 2015)

Table 5.6. Descriptive statistics. The arithmetic averages of independent and dependent variables in Central Ukraine

Variable	Mean
Tenure-governor (<i>indep.</i>)	565.15
Tenure-council (<i>indep.</i>)	1079.24
Company capital to contract value (<i>dep.</i>)	136.6410444
Age of company (<i>dep.</i>)	3697.37

Table 5.7. Correlation. The tenure of the governor and the main political party in the Council vs. dependent variables representing corruption in Central Ukraine

		Uncompetitive tenders	Company capital to contract value	Age of the company
Tenure-governor	Spearman's rho coefficient	-0.013	-	-
	Pearson coefficient	-	0.029	-0.026
	p-value	0.479	0.104	0.155
	N	3,113	3,113	3,113
Tenure-council	Spearman's rho coefficient	0.038	-	-
	Pearson coefficient	-	0.035	-0.046
	p-value	0.035	0.051	0.010
	N	3,113	3,113	3,113

Table 5.8. – Descriptive statistics. The arithmetic averages of independent and dependent variables in North-Eastern Ukraine

Variable	Mean
Tenure-governor (<i>indep.</i>)	446.03
Tenure-council (<i>indep.</i>)	945.61
Company capital to contract value (<i>dep.</i>)	218.6160306
Age of company (<i>dep.</i>)	3888.99

Table 5.9. Correlation. The tenure of the governor and the main political party in the Council vs. dependent variables representing corruption in North-Eastern Ukraine

		Uncompetitive tenders	Company capital to contract value	Age of the company
Tenure-governor	Spearman's rho coefficient	-0.059	-	-
	Pearson coefficient	-	-0.032	-0.020
	p-value	0.022	0.221	0.446
	N	1,496	1,496	1,496
Tenure-council	Spearman's rho coefficient	0.084	-	-
	Pearson coefficient	-	-0.039	0.018
	p-value	0.001	0.131	0.484
	N	1,496	1,496	1,496

Table 5.10. – Descriptive statistics. The arithmetic averages of independent and dependent variables in Central Eastern Ukraine

Variable	Mean
Tenure-governor (<i>indep.</i>)	544.08
Tenure-council (<i>indep.</i>)	2340.12
Company capital to contract value (<i>dep.</i>)	106.9540807
Age of company (<i>dep.</i>)	3750.75

Table 5.11. Correlation. The tenure of the governor and the main political party in the Council vs. dependent variables representing corruption in Central Eastern Ukraine

		Uncompetitive tenders	Company capital to contract value	Age of the company
Tenure-governor	Spearman's rho coefficient	-0.043	-	-
	Pearson coefficient	-	-0.019	-0.069
	p-value	0.166	0.533	0.026
	N	1,041	1,041	1,041
Tenure-council	Spearman's rho coefficient	0.007	-	-
	Pearson coefficient	-	-0.019	-0.137
	p-value	0.812	0.545	<0.001
	N	1,041	1,041	1,041

Table 5.12. – Descriptive statistics. The arithmetic averages of independent and dependent variables in South-Eastern Ukraine and the Region of Kharkiv

Variable	Mean
Tenure-governor (<i>indep.</i>)	347.13
Tenure-council (<i>indep.</i>)	3725.80
Company capital to contract value (<i>dep.</i>)	121.8303138
Age of company (<i>dep.</i>)	3843.65

Table 5.13. Correlation. The tenure of the governor and the main political party in the Council vs. dependent variables representing corruption in South-Eastern Ukraine and the Kharkiv Oblast

		Uncompetitive tenders	Company capital to contract value	Age of the company
Tenure-governor	Spearman's rho coefficient	-0.038	-	-
	Pearson coefficient	-	0.003	0.023
	p-value	0.056	0.876	0.250
	N	2,576	2,576	2,576
Tenure-council	Spearman's rho / Pearson coefficient	-0.065	-	-
	Pearson coefficient	-	0.054	-0.107
	p-value	0.001	0.006	<0.001
	N	2,576	2,576	2,576

5.9. Relations between Non-Competitive Bidding and Stability of Local Politics.

Additionally, the relationship between non-competitive bidding and the stability of local politics in Ukraine should be addressed, highlighting how these two phenomena are interconnected in the context of corruption and political control. The following develops this topic.

Definition of Non-Competitive Bidding: Non-competitive bidding refers to situations where multiple bids are not submitted or where the selection process is not conducted transparently. This type of bidding is a standard indicator of corruption, as it can facilitate corrupt practices such as favouritism and clientelism.⁵³⁷

Local Political Stability: The stability of local politics refers to the duration and continuity of political parties in power within oblast councils, as well as their ability to maintain control over political and administrative decisions. Stable local politics can create an environment conducive to the formation of clientelist networks and corrupt practices.⁵³⁸

Observed Correlation: According to the findings presented in the chapter, there is a positive correlation between the duration of political parties' mandates in oblast councils and the rate of non-competitive bidding. This suggests that as a party remains in power for an extended period, non-competitive bidding is more likely to occur.⁵³⁹ Several reasons can explain this phenomenon:

- **Construction of Clientelism:** Local politicians who remain in power longer have more opportunities to establish relationships with local businesses, which can lead to the creation of clientelist networks. These networks can facilitate the manipulation of bids to benefit certain companies at the expense of fair competition.⁵⁴⁰

⁵³⁷ Mushtaq Khan, *Political Settlements and the Governance of Growth-Enhancing Institutions*, SOAS Research Paper Series on "Growth-Enhancing Governance" (London: SOAS, January 2011), pp. 1-12

⁵³⁸ Allen Hicken, 'Clientelism', *Annual Review of Political Science*, 14.1 (2011), 289–310.

⁵³⁹ Ivan Krastev and Stephen Holmes, 'Explaining Eastern Europe: Imitation and Its Discontents', *Journal of Democracy*, 29.3 (2018), 117–128.

⁵⁴⁰ Henry E. Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective* (Cambridge: Cambridge University Press, 2015)

- **Less Oversight and Control:** Political stability may result in decreased oversight and control by central authorities. When local politicians feel they have a firm grip on their region, they may act with greater impunity, increasing the risk of corruption.⁵⁴¹
- **Lack of Competition:** In an environment where one political party dominates, competition among businesses may be reduced. This can lead to companies aligned with the ruling party obtaining contracts without the need to compete, increasing non-competitive bidding.⁵⁴²

Regional Variations: Although the general trend suggests that local political stability is associated with an increase in non-competitive bidding, the chapter also notes significant variations among different macro-regions of Ukraine. Some regions may exhibit a stronger correlation than others, suggesting that specific local factors, such as political culture, history, and economic structure, also play a significant role in the dynamics of corruption.⁵⁴³

Implications for Governance: The relationship between non-competitive bidding and local political stability has important implications for governance in Ukraine. To combat corruption, it is essential to promote greater competition in bidding processes and ensure adequate oversight of local political activities. This could include implementing transparency policies, promoting citizen participation, and strengthening the institutions that oversee public administration.⁵⁴⁴ In this way, the correlation between non-competitive bidding and the stability of local politics in Ukraine highlights how the duration of political parties in power can influence corruption. The creation of clientelist networks and the decrease in competition are key factors contributing to this phenomenon. To effectively address corruption, it is crucial to implement reforms that promote transparency and accountability at the local level.

⁵⁴¹ Alina Mungiu-Pippidi, 'The Quest for Good Governance: Learning from Virtuous Circles', *Journal of Democracy*, 27.1 (2016), 95–109.

⁵⁴² Francis Fukuyama, 'What is Governance?', *Governance*, 26.3 (2013), pp. 347–368.

⁵⁴³ Treisman, Daniel, 'The causes of corruption: a cross-national study', *Journal of Public Economics*, 76.3 (2000), 399–457

⁵⁴⁴ Transparency International, *Corruption Perceptions Index 2020* (2020), <https://www.transparency.org/en/cpi/2020/index/nzl> [accessed 2 April 2025].

5.10. Correlations. Causal Mechanisms, and Explanations

In the previous chapters, the theoretical and empirical context of corruption in Ukraine has been explored, as well as the research methods used to analyse this phenomenon. In this chapter, the research results are being presented, focusing on the correlations between the duration of political leaders' mandates and corruption indicators. A crucial aspect to be addressed is the extreme values of the third variable, which have become particularly relevant in the analysis following the year 2019.

5.10.1. Analysis of Extreme Values

The graphs analysed in Chapter 4 showed that, after year 2019, the third variable, which refers to the 'age of winning companies', presented extreme values in several regions. These extreme values are significant because they indicate a change in corruption dynamics and may be related to political and economic events that have affected Ukraine in recent years. According to Rose-Ackerman,⁵⁴⁵ corruption can be influenced by the economic and political context, suggesting that changes in market structure can have a direct impact on corruption.

For example, it was observed that in some regions, the age of winning companies decreased drastically, suggesting an increase in the participation of new companies in the public construction market. This phenomenon can be interpreted in several ways:

- **Increase in Competition:** The entry of new companies could indicate an increase in competition in the construction sector, which could lead to a decrease in corruption. However, it may also reflect a lack of experience in handling public contracts, which could lead to corrupt practices if these companies attempt to establish connections with local officials to secure contracts.⁵⁴⁶
- **Impact of Digitalisation:** The digitalisation of procurement processes, driven by reforms in public administration, has allowed for greater transparency. However, the rapid adaptation of new companies to this environment may have led to a temporary

⁵⁴⁵ Susan Rose-Ackerman, 'Trust and Honesty in Post-Socialist Societies', *KYKLOS*, 54 (2001), 415–444

⁵⁴⁶ Paolo Mauro, 'Corruption and Growth', *The Quarterly Journal of Economics*, 110.3 (1995), pp. 681–712.

increase in corruption, as these companies may resort to corrupt practices to compete in a market they are still learning to navigate.⁵⁴⁷

- **Political and Economic Instability:** The political and economic instability in Ukraine, exacerbated by war and financial crisis, has created an environment where older companies may have been displaced by new entities seeking to capitalise on opportunities in a rapidly changing context. This may lead to an increase in corruption, as new companies may be more inclined to engage in corrupt practices to secure their market position.⁵⁴⁸

5.10.2. Results of Correlations

The results of the correlations presented in Tables 5.1 to 5.16 indicate that the duration of tenure for members of the oblast council has a significant impact on corruption. However, this impact varies depending on the region and context. In particular, the extreme values of the age of winning companies suggest that bribery may be more related to local dynamics than to the duration of the mandate itself.

- Table 5.1: The results of the correlations in Ukraine and the macro-regions indicate that, in general, the duration of the tenures of local councils has a stronger correlation with corruption than that of governors. This aligns with the observation that younger companies, which are often new to the market, may be more willing to engage in corrupt practices.⁵⁴⁹
- Table 5.3: The correlation between the duration of the governor's tenure and the age of companies shows that as the duration of the mandate increases, the age of winning

⁵⁴⁷ John Carlo Bertot, Paul T. Jaeger and Justin M. Grimes, 'Using ICTs to Create a Culture of Transparency: E-Government and Social Media as Openness and Anti-Corruption Tools for Societies', *Government Information Quarterly*, 27.3 (2010), pp. 264–271.

⁵⁴⁸ Robert K. Kaufmann and Ben Ullman, 'Oil Prices, Speculation and Fundamentals: Interpreting Causal Relations among Spot and Futures Prices', *Energy Economics*, 31.4 (2009), pp. 550–558.

⁵⁴⁹ Raymond Fisman and Jakob Svensson, 'Are Corruption and Taxation Really Harmful to Growth? Firm-Level Evidence', *Journal of Development Economics*, 83.1 (2007), pp. 63–75.

companies tends to decrease. This suggests that local political actors may be facilitating the entry of new companies, which could be related to corruption.⁵⁵⁰

The analysis of the extreme values of the third variable, the age of winning companies in contracts, reveals complex patterns in the dynamics of corruption in Ukraine. The changes observed after 2019 suggest that corruption is influenced not only by the duration of political mandates but also by contextual factors such as market competition, digitalisation of procurement processes, and political instability. These findings underscore the importance of considering not only direct correlations between variables but also the context in which they occur.

5.11. Correlations. Control Variables vs. Dependent Variables

This section presents the correlation analysis between selected control variables and the dependent variables that represent various facets of corruption in Ukraine. The aim is twofold. Firstly, these control variables serve to verify the robustness of the dependent variables introduced earlier in the chapter, helping to validate their analytical utility. Secondly, though only as a secondary function, the analysis offers insights into how demographic and economic characteristics may shape the broader patterns of corruption distribution across the country. However, caution must be exercised in interpreting these secondary effects, as they are not the primary focus of the correlation model.

5.11.1. Control Variables

Three control variables were included in the model.

- **Gross Regional Product, inverted (1:GRP):** Inverted (1:GRP) to align with expected theoretical assumptions, this indicator serves as a proxy for regional poverty. A lower GRP is presumed to be associated with higher corruption levels.⁵⁵¹

⁵⁵⁰ Daniel Treisman, 'The Causes of Corruption: A Cross-National Study', *Journal of Public Economics*, 76.3 (2000), pp. 399–457.

- **Rural Population Rate:** This indicator reflects the percentage of inhabitants residing in rural areas. In many contexts, rurality can influence access to public services and the likelihood of informal arrangements, potentially affecting corruption risks.⁵⁵²
- **Rate of Native Russian Speakers:** This cultural-linguistic variable was introduced to test whether regional language profiles, frequently politicised in public discourse, correlate with corruption patterns. Importantly, this variable does not reflect ethnicity but linguistic identity.

These control variables do not aim to identify direct causes of corruption but to confirm whether patterns detected through the primary independent variables remain consistent when cross-referenced with broader socio-demographic indicators.

5.11.2. Tables Related to Control Variables

Table 5.14 shows correlations of the control variables with corruption proxies across all Ukrainian regions. The findings confirm that poverty and rurality have measurable relationships with corruption, whereas the Russian-speaking variable shows only indirect associations.⁵⁵³ This only confirms the need for a multifaceted approach to understanding corruption.

⁵⁵¹ Tatarko, A. N., E. V. Maklasova, and E. Van de Vliert, ‘Climato-Economic Context of Regional Crime and Corruption Across the Russian Federation’, *Environment and Behavior*, 54.3 (2022), 575–596 <https://doi.org/10.1177/00139165211060522> [accessed 2 April 2025]

⁵⁵² Center for the Advancement of Public Integrity, *Fighting “Small Town” Corruption: How to Obtain Accountability, Oversight, and Transparency* (Columbia Law School Scholarship Archive, 2016)

⁵⁵³ Alina Mungiu-Pippidi, ‘The Quest for Good Governance: Learning from Virtuous Circles’, *Journal of Democracy*, 27.1 (2016), 95–109.

Table 5.14. The results of the correlations of control variables in the whole Ukraine

CORRELATION	THE WHOLE OF UKRAINE	EXPLANATION OF THE CORRELATION
Correlation A	Yes	Ratio 1:GRP vs. rate of uncompetitive tenders
Correlation B	Yes	Ratio 1:GRP vs. ratio of company capital to value of contract
Correlation C	Negative	Ratio 1:GRP vs. the age of the company
Correlation D	Yes	Rate of rural population vs. rate of uncompetitive tenders
Correlation E	Insign.	Rate of rural population vs. ratio of company capital to value of contract
Correlation F	Negative	Rate of rural population vs. age of company
Correlation G1	Insign.	Rate of Russian speakers according to 2001 vs. rate of uncompetitive tenders
Correlation G2	Negative	Rate of Russian speakers according to 2013 vs. rate of uncompetitive tenders
Correlation H1	Negative	Rate of Russian speakers according to 2001 vs. ratio of company capital to value of contract
Correlation H2	Negative	Rate of Russian speakers according to 2013 vs. ratio of company capital to value of contract
Correlation I1	Yes	Rate of Russian speakers according to 2001 census vs. the age of the company
Correlation I2	Yes	Rate of Russian speakers according to 2013 estimation vs. the age of the company

Table 5.15 presents descriptive statistics for both the control and dependent variables. These averages suggest that regions with lower economic output tend to exhibit more significant corruption challenges, reinforcing the importance of economic conditions in corruption studies.⁵⁵⁴

⁵⁵⁴ Mushtaq H. Khan, 'Markets, States and Democracy: Patron-Client Networks and the Case for Democracy in Developing Countries', *Democratization*, 12.5 (2005), 704–724.

Table 5.15. – Descriptive statistics. The arithmetic averages of the control and dependent variables in Ukraine

Variable	Mean
1:GRP (<i>contr.</i>)	0.0000188256
The rate of rural population (<i>contr.</i>)	38.1645%
The rate of the Russian speakers (2001) (<i>contr.</i>)	14.9958%
The rate of Russian speakers (2013) (<i>contr.</i>)	11.740%
Company capital to contract value (<i>dep.</i>)	166.3506507
Age of company (<i>dep.</i>)	3822.39

Table 5.16 further explores demographic variables in relation to corruption proxies. While language and culture may shape some social dynamics, their direct explanatory power for corruption appears limited or non-existent.

Table 5.16. Correlation. The demographic control variables (often associated with corruption) vs. the dependent variables representing corruption in the whole of Ukraine

		Uncompetitive tenders	Company capital to contract value	Age of the company
1:GRP	Spearman's rho coefficient	0.071	-	-
	Pearson coefficient	-	-0.020	0.041
	p-value	<0.001	0.035	<0.001
	N	11,700	11,700	11,700
The rate of rural population	Spearman's rho coefficient	0.028	-	-
	Pearson coefficient	-	0.003	0.040
	p-value	0.003	0.725	<0.001
	N	11,700	11,700	11,700
The rate of Russian speakers 2001 census	Spearman's rho coefficient	-0.011	-	-
	Pearson coefficient	-	-0.011	-0.024
	p-value	0.235	0.254	0.008
	N	11,700	11,700	11,700
The rate of Russian speakers 2013 research	Spearman's rho coefficient	0.002	-	-
	Pearson coefficient	-	-0.012	-0.031
	p-value	0.841	0.180	<0.001
	N	11,700	11,700	11,700

Collectively, the tables confirm the analytical soundness of the dependent variables and reveal consistent directional patterns, especially in relation to economic indicators.

5.11.3. Interpretation of Results

GRP (Inverse): The findings indicate a positive correlation between lower GRP and several corruption proxies, including the rate of non-competitive tenders and the capital-to-contract value ratio. These results align with the hypothesis that poverty may foster corruption through necessity or opportunism. Interestingly, a negative correlation was observed with the age of companies, suggesting that newer firms might be less entangled in long-standing corrupt arrangements, though this could also reflect survival bias or methodological limitations in the data. It is plausible that older firms, having had time to cultivate ties with local power structures, are more integrated into clientelist systems.⁵⁵⁵

Rural Population Rate: The rurality indicator shows a positive correlation with non-competitive tenders, implying that corruption may be more widespread in less urbanised areas. Simultaneously, a negative correlation with company age parallels the GRP findings, supporting the idea that institutional constraints and oversight mechanisms may be weaker in rural settings, allowing for quicker market entry and irregular procurement practices.

Rate of Native Russian Speakers: This variable produced no significant correlation with the core corruption indicators. Where correlations exist, particularly a negative one with the capital-to-contract value ratio, they are most likely attributable to the broader structural and economic characteristics of historically Russian-speaking regions, such as their urbanisation and industrial legacy. Soviet-era industrialisation brought a concentration of resources and infrastructure to these areas, which may now be reflected in their business landscapes. Hence, it is not language or ethnicity that shapes corruption risk, but structural variables – urban density, industrial profiles, and market saturation – that happen to co-vary with linguistic patterns. The apparent associations are misleading and must not be interpreted as culturally deterministic.

In conclusion, the use of control variables such as GRP and rurality helps confirm the coherence of the overall model. The correlations observed offer indirect but meaningful reinforcement for the selection of dependent variables. However, the cultural-linguistic variable fails to establish any causal link with corruption and must be treated as an illustrative case of how correlation should not be confused with causation. These findings underscore the

⁵⁵⁵ Transparency International, *Corruption Perceptions Index 2020* (2020), <https://www.transparency.org/en/cpi/2020/index/nzl> [accessed 2 April 2025].

need for future studies to disentangle cultural stereotypes from empirically grounded conclusions and to pursue a more nuanced understanding of regional variation in corruption.

5.12. Conclusions from the Quantitative Research

At the outset of this research, the working hypothesis was constructed with the assumption that both tiers of subnational authority – elected councils and centrally appointed governors – would exhibit measurable correlations with corruption-related outcomes. Given their strategic roles in Ukraine’s dual governance system, it was expected that the duration of political mandates, whether electoral or appointed, would uniformly influence the emergence and persistence of clientelist practices and broader corrupt behaviour.

This expectation stemmed from the recognition that both actors hold institutional leverage over public resource allocation and possess varying degrees of control over procurement, budgeting, and administrative oversight. The hypothesis thus anticipated that longer political tenures – regardless of origin – would correlate positively with indicators of corruption, especially in regions where informal institutions are well-established.

However, the results of the quantitative analysis challenged this symmetrical assumption. While clear and consistent correlations emerged in relation to the duration of mandates in oblast councils, no comparable patterns were found for governors. Rather than weakening the overall argument, this divergence provided an important insight into the structural and behavioural differentiation between the two categories of actors. It revealed that the institutional logic of political accountability and network formation functions differently depending on the origin and embeddedness of authority.

This outcome reinforces the importance of disaggregating local power structures in corruption research and demonstrates that effective measurement must account for both formal hierarchies and their interaction with informal norms. Although the hypothesis did not fully materialise in its original form, the findings remain analytically valuable. They point to a more nuanced dynamic, whereby elected institutions rooted in local constituencies are more susceptible to systemic patterns of clientelism, while appointed actors – though not immune to corruption – operate under different incentives and constraints.

Hence, the results indicate that the distribution of corruption in Ukraine follows a predominantly vertical pattern, with local institutions. This finding underscores the influence of local politicians, who, by virtue of their closer ties to communities and deeper understanding of local dynamics, are more likely to construct and maintain clientelist networks that enable corrupt practices. Notably, the data reveal significant correlations: the duration of political parties' control over oblast councils has a greater impact on corruption levels than the tenure of regional governors. This suggests that political stability and entrenched authority at the local level can foster conditions conducive to corruption. In this context, local politicians emerge as the primary agents in sustaining systemic clientelism and entrenched patterns of misuse of public resources.

Mazepus et al. provide examples that in various Ukrainian oblasts, such as Kharkiv and Mykolaiv, Oblast Council members often form entrenched patronage networks with local businesses, exploiting their democratic legitimacy and regional familiarity to facilitate mutual gains.⁵⁵⁶ These relationships frequently result in informal exchanges of resources and services, blurring the distinction between public service and private enrichment. In contrast, the heads of the Oblast State Administrations, appointed by the central government, tend to operate with greater bureaucratic oversight and less integration into local informal economies, thus being comparatively less involved in localised corruption.

This pattern aligns with broader findings across other countries that are in the process of building their democracy. Therein, the elected local politicians often exhibit higher susceptibility to corruption than centrally nominated officials, as well.⁵⁵⁷ Zaliznaya claims that systems in which informal networks and personal loyalty prevail over formal rules flourish particularly at the subnational level, where local elites rely on reciprocal exchanges with regional businesses to consolidate their power.⁵⁵⁸ Similarly, Ledeneva describes how informal governance practices such as '*blat*' in Russia parallel those observed in Ukrainian regions, reinforcing the idea that local officeholders embedded in social and economic

⁵⁵⁶ Honorata Mazepus, Antoaneta Dimitrova, Matthew Frear, Dimitar Toshkov, and Nina Onopriychuk, 'When Business and Politics Mix: Local Networks and Socio-Political Transformations in Ukraine', *East European Politics and Societies*, 35.2 (2021), 437–459.

⁵⁵⁷ Henry E. Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective* (Cambridge: Cambridge University Press, 2015)

⁵⁵⁸ Marina Zaliznaya, *The Politics of Bureaucratic Corruption in Post-Transitional Eastern Europe*, Cambridge Studies in Law and Society (Cambridge: Cambridge University Press, 2017), pp. 97–126

structures are more likely to manipulate state resources for private gain.⁵⁵⁹ Kuzio further underscores the entrenchment of oligarchic influence within Ukraine's oblast councils, suggesting that clientelism and corruption are predominantly facilitated by locally elected actors rather than centrally appointed administrators.⁵⁶⁰

5.13. Cultural Analysis of Corruption in Ukraine. A Qualitative Approach

The political culture in Ukraine has been shaped by its history, marked by periods of foreign domination, struggles for independence, and political transitions.⁵⁶¹ This history has created an environment, in which distrust of state institutions is common. Corruption has been normalised at many levels of society, leading to a tacit acceptance of corrupt practices as part of everyday functioning. This culture of corruption manifests in the way citizens interact with local authorities and in the perception that bribery is often the only means of obtaining public services.⁵⁶² Clientelism is a deeply rooted cultural phenomenon in Ukraine, where local politicians build networks of loyalty through favours and benefits in exchange for electoral support.⁵⁶³ This clientelist system is facilitated by the proximity of politicians to their voters, allowing them to establish personal and often corrupt relationships.

However, a fundamental question arises: why is the economically smaller and politically less significant oblast council – an institution without formal state representative status – more

⁵⁵⁹ Alena V. Ledeneva, *Can Russia Modernise? Sistema, Power Networks and Informal Governance*, Cambridge Studies in Law and Society (Cambridge: Cambridge University Press, 2013), pp. 85-114

⁵⁶⁰ Taras Kuzio, *Ukraine: Democratization, Corruption, and the New Russian Imperialism* (Santa Barbara, CA: Praeger/Bloomsbury Academic, 2015).

⁵⁶¹ Kseniia Gatskova and Maxim Gatskov, *Political culture in Ukraine* (Policy Issues Institut für Ost- und Südosteuropaforschung, Regensburg, November 2015) https://www.ssoar.info/ssoar/bitstream/handle/10470/13337/ssoar-2015-gatskova_et_al-Political_culture_in_Ukraine.pdf [accessed 2 April 2025]

⁵⁶² Inna Cabelkova and Jan Hanousek, 'The Power of Negative Thinking: Corruption Perception and Willingness to Bribe in Ukraine', *Applied Economics*, 36.4 (2004), 383–397 <https://doi.org/10.1080/00036840410001674303> [accessed 2 April 2025]

⁵⁶³ Sergiu Gherghina and Clara Volintiru, 'Political Parties and Clientelism in Transition Countries: Evidence from Georgia, Moldova and Ukraine', *Acta Politica*, 56.4 (2020), 677–693 <https://doi.org/10.1057/s41269-020-00151-x> [accessed 2 April 2025]

prone to corruption than the oblast state administration, which is directly appointed by the president and controls a significantly larger budget?

Several plausible explanations can be offered for this phenomenon. First, oblast council members are typically locals with deep-rooted ties to their regions. This proximity increases the likelihood of informal cooperation with regional criminal networks, including practices such as circumventing laws in exchange for bribes, exerting pressure on investigative journalists, or intimidating members of the judiciary and law enforcement.

Second, council members generally serve longer terms than governors or representatives of the oblast state administrations, which goes hand-in-hand with the hypothesis. This extended tenure allows them to establish and consolidate clientelist networks over time, embedding themselves within the informal structures of power.

Third, even when a political party loses control of an oblast council, its members frequently switch party affiliation to retain their positions and access to patronage networks. In this way, the system of clientelism persists regardless of formal electoral outcomes.

In contrast, representatives of oblast state administrations operate under stricter institutional oversight. They are state officials subject to multiple layers of control, particularly under Ukraine's recent wave of anti-corruption reforms, which have been driven in part by the country's aspirations for Euro-Atlantic integration.

Moreover, oblast governors face dual accountability: they may be dismissed by the central government, and they are also vulnerable to a vote of no confidence initiated by the oblast council. While such a vote must be approved by the Council of Ministers in Kyiv to take effect, the mere possibility of it serves as a powerful deterrent against overtly corrupt actions. In comparison, oblast council members and their leadership operate under fewer such constraints.

Finally, clientelism, by its nature, operates in two directions. While the politician must have sufficient knowledge of the local context to cultivate and maintain a network of loyal supporters, their 'clients' – often local business actors – must also possess enough trust in the official's influence and discretion to offer a bribe in the first place.⁵⁶⁴ This dynamic is

⁵⁶⁴ Francis Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (Los Angeles: The Free Press, 1996), pp. 24–25, 397–403.

sometimes referred to in the literature as ‘grass-eating’, i.e., a reciprocal, informal arrangement where mutual benefit is sustained through quiet, systemic corruption.⁵⁶⁵

The quantitative research also indirectly suggests that when the officials consolidate power, they have more opportunities to create and maintain their clientelist networks. The qualitative analysis of corruption in Ukraine reveals that social and cultural causes are fundamental to understanding the unequal distribution of corruption. The culture of clientelism, economic inequality, the influence of language, and distrust in institutions are interrelated factors that contribute to the perpetuation of bribery in the country. These findings complement the quantitative analysis and underscore the need to address not only the political and economic aspects of corruption but also its cultural and social roots to develop effective anti-corruption strategies in Ukraine.^{566 567}

Widespread distrust in state institutions also fuels corruption. When citizens feel that institutions do not act in their interest, they are more likely to resort to corrupt practices to obtain what they need.⁵⁶⁸ This phenomenon is exacerbated by a lack of transparency and accountability in public administration, creating an environment conducive to corruption. The quantitative analysis supports this claim by showing that corruption rates are higher in regions where trust in institutions is low.⁵⁶⁹

One of the most critical insights emerging from the study of corruption at the subnational level in Ukraine is the significance of institutional closeness to society. Institutions that are embedded in everyday social, economic, and political life, particularly those directly elected and interacting frequently with citizens, are not only more exposed to the pressures of local

⁵⁶⁵ Michael F. Armstrong, *They Wished They Were Honest: The Knapp Commission and New York City Police Corruption* (New York: Columbia University Press, 2012), pp. 113-132, 243-248

⁵⁶⁶ Sofiya Lutsiv, *Corruption as a Social Phenomenon: Case of Ukraine* (SSRN, 28 June 2021), pp. 1–9 <http://dx.doi.org/10.2139/ssrn.3875709> [accessed 2 April 2025]

⁵⁶⁷ Oksana Grytsenko and Mykola Ivanov, *Informal Institutionalization in Modern Ukraine* (SAGE Journals, 2023), pp. 91–107 <https://doi.org/10.1177/2336825X231222001> [accessed 2 April 2025]

⁵⁶⁸ Bianca Clausen, Aart Kraay and Zsolt Nyiri, “Corruption and Confidence in Public Institutions: Evidence from a Global Survey”, *World Bank Economic Review*, 25.2 (2011), 212–249 <https://doi.org/10.1093/wber/lhr018> [accessed 2 April 2025]

⁵⁶⁹ Johannes Wachs, Taha Yasserli, Balázs Lengyel, and János Kertész, *Social Capital Predicts Corruption Risk in Towns* (arXiv, 12 October 2018), pp. 1–15 <https://arxiv.org/abs/1810.05485> [accessed 2 April 2025]

interest networks but also more likely to reflect the structural conditions in which corruption takes place. This proximity is a fundamental explanatory factor and underscores the need to look beyond formal political institutions alone.

In this context, Collective Action Theory offers a valuable perspective. It posits that in environments where corruption is widespread and socially tolerated, citizens may not believe that reporting or resisting it will lead to meaningful change. Instead, they may regard corrupt behaviour as rational or even necessary for navigating institutional life. This collective tolerance reinforces the very informal norms that undermine formal accountability structures. Therefore, subnational institutions embedded within such social contexts are not just reflective of administrative structures, but also of prevailing informal expectations and reciprocal obligations.

This explains why cultural, economic, and informal institutional factors must be incorporated into the analysis. Institutions may behave differently depending on the environment in which they operate; the same council or administrative structure may yield divergent outcomes when placed in different societal configurations. Thus, corruption is not simply a function of tenure or budget size but is conditioned by broader contextual realities – including informal rules, norms, and practices that shape how institutions function in practice.

Moreover, the principal – that is, society itself (as per the triangular model, combining both: the Principal-Agent theory and the Clientelism theory) – is not uniform across regions. The way citizens engage with local institutions, and the extent to which they tolerate, resist, or participate in informal arrangements, is shaped by the specific configuration of informal institutions present in their region. In effect, the principal is not the same everywhere, because the informal expectations and norms differ. This variability must be taken into account when interpreting subnational corruption patterns.

The quantitative analysis confirms this indirectly. The very nature of the findings demonstrates that quantitative results can only be interpreted meaningfully within a broader analytical framework. Statistical correlations, while indicative, are insufficient on their own. That is why this chapter integrates a qualitative inquiry into informal institutions, exploring the relational and cultural underpinnings of corruption at the local level. Only when combined can these methods provide a reliable and comprehensive picture.

This logic also reinforces the vertical, and arguably hierarchical, distribution of corruption. Institutions that are most embedded in daily social coexistence, such as local councils,

emerge as the most significant actors. While some influence from other formal institutions cannot be ruled out, the research has not identified significant correlations at those levels. Instead, it is those institutional interfaces closest to the people, both formal and informal, that define the patterns and mechanisms of corruption in Ukraine's regions.

5.14. Interpreting the Core Finding: The Principal's Role in a Post-Oligarchic Context.

The study result reinforces the idea that subnational corruption patterns are shaped most powerfully by institutions situated close to the electorate rather than by appointed figures more distant from popular accountability. This finding forms the empirical centre of a broader theoretical model that unites insights from Principal-Agent theory, clientelism, collective action, and the oligarchic evolution of Ukraine's political economy.

According to this model, the elected council member simultaneously plays the role of an agent of the public and a patron to local economic actors. Depending on the balance of power, this local representative may act as a strong patron capable of extracting rents from business clients (including oligarchic actors), or as a weak figure dominated by economic interests who shape their behaviour through informal obligations. In some cases, the relation may be more symmetrical – a mutually beneficial clientelist exchange at the expense of the broader public good. The principal (the electorate), while formally empowered to sanction the agent, often lacks the collective action capacity to exercise that power meaningfully. This dynamic is especially true in structurally disadvantaged regions, where collective mobilisation is hindered by fragmented civil society, economic dependency, or the perceived futility of participation.⁵⁷⁰

Both the quantitative and qualitative analyses conducted in this thesis support this model. The quantitative data shows that longer council tenures are associated with higher levels of corruption, suggesting that extended time in office may allow deeper entrenchment of clientelist networks. Rather than fostering accountability, prolonged tenures can enable the gradual consolidation of informal arrangements between local representatives and

⁵⁷⁰ Nico Groenendijk, 'A Principal-Agent Model of Corruption', *Crime, Law and Social Change*, 27 (1997), 207–229

economic actors. Over time, such stability may strengthen the patron–client bond, particularly in contexts where societal oversight is weak and institutional transparency is underdeveloped.

At the same time, the qualitative findings reveal how regional variation in factors such as economic centralisation, rural dominance, post-Soviet administrative inertia, and underdeveloped civic infrastructures conditions the power relations within the agent–patron–client triangle. In heavily rural or economically dependent regions, councils are often more vulnerable to capture by dominant clients, while the electorate remains too disempowered to serve as an effective principal. This permits the consolidation of corrupt systems under a veil of democratic formality. Even where democratic processes are followed procedurally, societal weakness functions as a permissive environment for informal and illicit practices to flourish.⁵⁷¹

This includes structural aspects often mistaken for cultural or linguistic divides. The language of a region is not a determinant of corruption, but may correlate with historical legacies of centralisation, patronage, or administrative capacity – all of which influence the triangular model. These legacies shape how effectively the principal can restrain the agent, how the client engages in rent-seeking, and whether collective resistance to corruption is feasible.

This dynamic aligns closely with the assumptions of Collective Action theory. In many Ukrainian regions, especially those marked by economic hardship or rural fragmentation, the electorate lacks not only trust in institutions but also confidence in the collective efficacy of anti-corruption efforts. When individual citizens believe that others will continue tolerating or participating in corrupt exchanges, the incentive to resist or report malfeasance weakens. Over time, this shared resignation reinforces a self-fulfilling equilibrium in which corrupt patron–client relationships become accepted as the norm. Longer council tenures, far from disrupting this logic, may reinforce it by lending an illusion of stability to systems that operate informally. In these settings, the appearance of institutional continuity masks underlying informal alliances - alliances that flourish precisely

⁵⁷¹ OECD, *Integrity and Anti-Corruption Review of Ukraine: Reinforcing the Momentum* (Paris: OECD Publishing, 2025), p. [insert page number if known] <https://www.oecd.org/corruption/integrity-review-ukraine> [accessed 2 April 2025].

because society, as a collective principal, has been unable or unwilling to mobilise against them.⁵⁷²

Thus, the second research question – *What are the casual mechanisms of the unequal regional distribution of corruption in Ukraine?* – can be answered through this integrated framework. Regional corruption is not a product of singular causes, but the result of how demographic, institutional, and economic conditions shape the triangular interaction between voters, councils, and business interests. The strength or weakness of the principal, the strategic behaviour of the agent/patron, and the dominance or subordination of the client vary according to context – but they always operate within a framework conditioned by post-Oligarchic transformation and institutional fragility. This model captures both the structural inheritance of the Yanukovych era and the ongoing challenge of transitioning from localised informal governance to robust public accountability.

5.15. The Role of Governors in Ukraine's Political Structure

Within Ukraine's dual governance system – where power is shared between centrally appointed governors and locally elected councils – governors occupy a formally strategic position. Appointed by the President and formally representing the state within the oblast, their role encompasses oversight of regional administration, coordination with national ministries, and implementation of central policies. However, as the findings of this study suggest, the formal authority of governors does not necessarily translate into significant influence over corruption dynamics at the subnational level.

Unlike oblast council members, governors are not elected by local populations and are therefore structurally detached from the informal local networks that often shape regional political and economic behaviour. This detachment is not merely theoretical. As demonstrated through both qualitative case references and regional-level data, governors tend to operate with a stronger vertical accountability to Kyiv than horizontal accountability to local actors. Their professional survival depends on maintaining loyalty to central authorities rather than cultivating support through regional patronage with few exceptions. As such, they

⁵⁷² Oleksandra Keudel, Marcia Grimes, and Oksana Huss, *Political Will for Anti-Corruption Reform: Communicative Pathways to Collective Action in Ukraine* (2023), <https://anticorrrp.eu/publications/political-will-ukraine> [accessed 2 April 2025].

have limited incentives to engage in clientelist practices that are so characteristic of elected local elites.

This institutional distance limits both the opportunity and motivation for governors to participate in the types of informal exchanges that commonly underpin corruption at the oblast level. While governors may exert control over certain budgetary allocations and administrative levers, their lack of embeddedness in regional social structures reduces the likelihood that they would systematically favour particular business actors or engage in opaque resource redistribution. In fact, it is council members – frequently drawn from the same communities they govern – who maintain closer relationships with local firms, civil servants, and voters. In contrast, governors often rotate between regions, with relatively short tenures, further weakening any potential foothold in local power structures.

The quantitative analysis substantiates these qualitative observations. Across all macro-regions, the data reveal no statistically significant or consistent correlation between the duration of a governor's tenure and the incidence of corruption, as measured by non-competitive bidding, the capital-to-contract value ratio, or the age of winning companies. In many cases, the correlations are negative, weak, or entirely absent, particularly when compared to the stronger and more patterned results observed for local councils. The interpretation of this absence must be made cautiously, but it likely reflects a genuine lack of embedded influence rather than an artefact of the dataset. The governors' limited integration into informal local systems renders them less capable of sustaining the types of clientelist exchanges that fuel systemic corruption.

Furthermore, governors are subject to multiple forms of oversight, both formal and informal. They may be dismissed by presidential decree, scrutinised by national anti-corruption bodies, or publicly criticised in the national media, particularly in the post-2014 era of heightened public scrutiny and Euro-Atlantic reform alignment. Unlike council members, governors cannot rely on long-standing patronage networks for protection. Their positions are therefore more exposed and more precarious, reducing the willingness to take personal risks for localised gain.⁵⁷³

Given these factors, the absence of a measurable relationship between governors' tenure and corruption indicators is not surprising. On the contrary, it highlights the relative insulation of

⁵⁷³ Mykola Stetsenko, 'Corruption in Ukraine: Myths and Reality', *Just Security*, 13 June 2024, <https://www.justsecurity.org/96190/ukraine-corruption-myths-reality/> [accessed 2 April 2025].

governors from regional informal economies and confirms that proximity, embeddedness, and local legitimacy – rather than mere institutional authority – are decisive factors in understanding subnational corruption. Whereas local councils are structurally incentivised to sustain informal linkages with business actors and voters, governors lack the same drivers. As a result, corruption involving governors appears to be more circumstantial and isolated, rather than systemic.

In conclusion, this study finds no pattern suggesting that the length of a governor's tenure influences corruption levels. The weak or absent correlations indicate that corruption in the regional executive branch is likely driven by other factors – such as regional institutional culture, sectoral economic pressures, or personal opportunism – rather than by sustained political control. The phenomenon, where present, appears coincidental rather than structurally entrenched, and is markedly different from the corruption patterns observed within elected local institutions.

5.15.1. Fewer Incentives for Corruption

The institutional design surrounding governors in Ukraine not only insulates them from local social networks but also fundamentally alters their incentive structures in comparison to elected officials. While oblast council members often rely on local networks for electoral survival – frequently resorting to clientelist exchanges with business elites and voters – governors face no such electoral pressure. Their appointments are dependent on the executive branch, not the electorate, allowing them to operate with a degree of formal autonomy from local interest groups. In theory, this should lead to greater administrative impartiality and a reduced inclination to engage in corrupt practices aimed at securing local loyalty or campaign resources.⁵⁷⁴

Moreover, governors' access to national-level decision-making channels offers them alternative avenues for influence and advancement. Their attention is often focused upwards – towards fulfilling presidential priorities, implementing centrally devised reforms, or managing intergovernmental relations – rather than downwards toward local patronage-building. This vertical orientation may reduce the relevance of informal exchanges at the regional level and limit governors' participation in opaque procurement arrangements. In

⁵⁷⁴ World Bank, <https://www.worldbank.org> [accessed 2 April 2025].

contrast to locally elected officials, who often act as both representatives and gatekeepers of local interests, governors are structurally aligned with state oversight and policy execution.

Ultimately, these institutional and behavioural differences help explain the absence of strong or consistent correlations between governors' tenure and corruption indicators in the data. Their position offers fewer incentives – and perhaps fewer opportunities – for sustained engagement in the forms of subnational corruption that the whole of this investigation identifies as most prevalent. Governance reform, therefore, should focus less on attributing blame to governors and more on enhancing mechanisms of accountability and legitimacy to ensure they serve as effective, transparent intermediaries between central and regional structures.⁵⁷⁵

5.15.2. Challenges and Limitations

This configuration is not without its drawbacks. While governors may enjoy insulation from local political pressures, they may also suffer from a legitimacy deficit in the eyes of regional communities. Their lack of embeddedness can create a perception of detachment, undermining their authority and diminishing their effectiveness in local governance. From a corruption perspective, this distance means that when abuses do occur, they tend to be sporadic and opportunistic, rather than systemic and rooted in durable networks.

In a context where corruption is persistent and public trust in institutions remains fragile, the perception that governors act primarily in the interest of the central government rather than regional communities can provoke growing dissatisfaction among citizens. Governors are often seen not as defenders of local needs, but as extensions of Kyiv's political apparatus – tasked with enforcing decisions made elsewhere. This perceived misalignment of priorities may erode public confidence and deepen the disconnect between regional administrations and the populations they serve.

⁵⁷⁵ National Agency on Corruption Prevention, “The minimum level of corruption in Ukraine in the Center for Administrative Services: results of the survey,” *NACP*, 7 January 2025, <https://nazk.gov.ua/en/news/the-minimum-level-of-corruption-in-ukraine-in-the-center-for-administrative-services-results-of-the-survey/> [accessed 2 April 2025].

These tensions are further exacerbated in conflict-affected areas, most notably in the Donbas region. In such environments, the centralised nature of gubernatorial authority may be interpreted as a sign of political distance or institutional neglect. Local populations facing urgent socio-economic challenges or security threats may view the governor's office as unresponsive or symbolic, rather than a meaningful conduit for resolving local problems. This perception can weaken the state's overall legitimacy and create fertile ground for corruption, informal bargaining, and inefficiency within public administration. A lack of visible accountability or local responsiveness often fuels narratives of abandonment, which in turn diminishes the capacity of governors to act as credible intermediaries.

Compounding these problems is the diverse background of appointed governors. While some are originally from the oblasts they are assigned to, many others have built their careers in central government institutions and arrive with limited familiarity with regional dynamics. In some cases, gubernatorial appointments appear to be politically expedient or bureaucratically convenient rather than strategically aligned with regional needs. As a result, many governors lack the local knowledge, cultural fluency, or institutional continuity necessary to establish strong administrative legitimacy. Their effectiveness – and by extension their susceptibility to corruption – is thus shaped not only by their mandate, but also by the extent to which they understand and adapt to the specific realities of the oblasts they oversee. This dynamic further confirms the relevance of Collective Action Theory in the Ukrainian circumstances.⁵⁷⁶

5.16. Local Councils in Ukraine: Strong Ties and Direct Participation in Businesses

Following the analysis of governors and their role as centrally appointed agents of state power, let us shift the focus to oblast councils, whose institutional position, modes of accountability, and embeddedness within regional society offer a sharply contrasting picture. Whereas governors are characterised by their alignment with national-level priorities and relative detachment from local dynamics, oblast councils derive their authority directly from the electorate and maintain enduring ties with the communities they represent. This divergence is not merely procedural but substantially influences the

⁵⁷⁶ OECD, *Rebuilding Ukraine by Reinforcing Regional and Municipal Governance*, Regional Development Policy Committee (Paris: OECD, 2022), pp. 63–64.

patterns of political behaviour and the modalities through which corruption and clientelist networks emerge and operate.

The electoral legitimacy and territorial rootedness of council members equip them with granular knowledge of local conditions and enhanced credibility among constituents. These features, while beneficial to democratic responsiveness, also increase susceptibility to informal practices and personalised networks. As such, oblast councils occupy a dual role: they serve as essential intermediaries of local self-governance while simultaneously representing a locus of potential institutional vulnerability. Two critical dimensions of their function – social embeddedness and economic engagement are explored that are central to understanding their role in shaping regional corruption patterns.⁵⁷⁷

5.16.1. Strong Ties to the Community

Oblast council members are elected directly by local populations, often after long-standing involvement in community life. As a result, they enjoy a high level of personal recognition and local legitimacy. These strong social ties offer clear advantages in terms of public accountability and responsiveness to regional needs.⁵⁷⁸ However, the same proximity to the electorate can generate unintended consequences, particularly when institutional checks are weak or when informal norms overshadow formal procedures.

One structural feature that amplifies this tendency is the organisational cohesion of political parties at the regional level. Council members frequently belong to the same dominant party or coalition, and party structures often serve as vehicles for informal coordination and internal loyalty enforcement. Decision-making is thus frequently concentrated among a small number of high-ranking or influential individuals within the party, many of whom hold leadership positions in local political hierarchies. These individuals exert disproportionate

⁵⁷⁷ Mushtaq H. Khan, *Governance, Growth and Development*, ARI 138 (Madrid: Real Instituto Elcano, 17 September 2010).

⁵⁷⁸ Paul D'Anieri, *Ukraine and Russia: From Civilized Divorce to Uncivil War* (Cambridge: Cambridge University Press, 2019).

influence over the council's strategic decisions, including the allocation of contracts, distribution of public assets, and cultivation of relationships with local businesses.⁵⁷⁹

This internal cohesion often facilitates the development of durable clientelist networks, in which the benefits of office are shared among select actors in exchange for loyalty, services, or campaign support.⁵⁸⁰ The qualitative evidence suggests that, in many oblasts, these dynamics are sustained across electoral cycles, particularly where the same political formation retains power over time.⁵⁸¹ While not uniformly present, such patterns reflect a broader trend in which political embeddedness and informal party discipline become mechanisms for entrenching corruption and excluding actors outside of favoured networks.

5.16.2. Direct Participation in the Business Sector

Beyond their political role, oblast councils are heavily involved in the management of regional public resources and the oversight of economic development initiatives. Their responsibilities include the approval of budgets, supervision of infrastructure projects, and participation in public procurement processes. In practice, these functions translate into direct interactions with local businesses, particularly in the context of awarding public contracts and subsidies.

Although oblast state administrations – under the direction of governors – are also authorised to organise public tenders, tenders involving oblast councils appear to have had greater significance in the context of this study, particularly in the construction sector. Due to limited access to comprehensive data, direct comparisons are not feasible. Nonetheless, the available

⁵⁷⁹ Oksana Huss, 'Continuity and Change of the Social Contract in Ukraine: A View from Within', in *Ukraine's Patronal Democracy and the Russian Invasion*, ed. by Henry E. Hale and Olga Onuch (Budapest: Central European University Press, 2023), pp. 92-112.

⁵⁸⁰ Mihály Fazekas, Luciana Cingolani, and Bence Tóth, *A Comprehensive Review of Objective Corruption Proxies in Public Procurement: Risk Actors, Transactions, and Rent Extraction Vehicles* (Budapest: Government Transparency Institute, August 2016)

⁵⁸¹ Oksana Huss, 'Continuity and Change of the Social Contract in Ukraine: A View from Within', in *Ukraine's Patronal Democracy and the Russian Invasion*, ed. by Henry E. Hale and Olga Onuch (Budapest: Central European University Press, 2023), pp. 92-112.

evidence suggests that council-led procurement processes often entail a more direct and discretionary engagement with local economic actors.^{582 583}

This proximity between councils and economic actors creates both opportunities and risks. On the one hand, councils are positioned to promote local entrepreneurship and ensure that regional development projects are aligned with genuine community needs. On the other hand, insufficient transparency mechanisms and the absence of robust oversight facilitate environments where contractual decisions may be influenced by informal relations or private interests. Council members with personal or political connections to specific businesses may be tempted to favour those entities, thereby undermining competitive bidding and reinforcing unequal access to public goods.⁵⁸⁴

Such practices – whether perceived or actual – contribute to public disillusionment and a normalisation of corrupt behaviours at the local level. They also underscore the broader argument that political proximity, in the absence of effective institutional safeguards, can be a vector for clientelist capture. Thus, while oblast councils serve as critical institutions of local governance, their embeddedness in regional social and economic networks must be approached with analytical caution, particularly in contexts where informal institutions outweigh formal accountability structures.⁵⁸⁵

⁵⁸² Yevhenii Horlov, *Personal interview with the author*, semi-structured, conducted 2023.

⁵⁸³ Oksana Huss, ‘Continuity and Change of the Social Contract in Ukraine: A View from Within’, in *Ukraine’s Patronal Democracy and the Russian Invasion*, ed. by Henry E. Hale and Olga Onuch (Budapest: Central European University Press, 2023), pp. 92-112.

⁵⁸⁴ OECD, *Integrity and Anti-Corruption Review of Ukraine* (Paris: OECD, May 2025), https://www.oecd.org/en/publications/oecd-integrity-and-anti-corruption-review-of-ukraine_7dbe965b-en.html [accessed 2 April 2025].

⁵⁸⁵ OECD, *Anti-Corruption Reforms in Ukraine: Progress and Challenges* (Paris: OECD, 2019), https://www.oecd.org/en/publications/anti-corruption-reforms-in-ukraine_dd48148b-en.html [accessed 2 April 2025].

5.16.3. Clientelist Networks and Their Impact on Governance

The entrenchment of clientelist networks within oblast councils exerts a considerable influence on the quality of local governance. When loyalty to political parties or dominant internal factions supersedes commitment to the broader public interest, the legitimacy of institutional decisions is eroded. In such environments, policymaking and resource distribution risk becoming instruments for serving narrow partisan or personal goals, rather than addressing collective needs. As a result, public trust in local institutions may deteriorate, especially when citizens perceive that governance is captured by a closed group of actors with privileged access to public resources.⁵⁸⁶

This erosion of trust undermines the foundational principles of democratic accountability. Disillusioned citizens are less likely to participate in elections, community consultations, or anti-corruption initiatives, contributing to a self-perpetuating cycle of disengagement and institutional decay. The weakening of civic oversight further empowers informal governance practices, amplifying the risk of systemic corruption at the regional level.

To address these risks, targeted institutional reforms are essential. Mechanisms that ensure transparency in decision-making – such as publicly accessible procurement records, third-party audits, and structured citizen engagement – can serve as important counterweights to opaque networks of influence.⁵⁸⁷ While such reforms alone cannot dismantle deeply rooted clientelist structures, they can incrementally strengthen formal accountability and contribute to the re-legitimation of local governance in the eyes of citizens.

It is important to underscore that these dynamics are not uniform across Ukraine. As outlined earlier in the chapter, the influence of informal institutions plays a decisive role in shaping how clientelism and corruption manifest in different regions. Localised norms, networks of social obligation, and historical patterns of interaction between state and society create distinct informal frameworks that either reinforce or constrain formal institutional behaviour. Consequently, the strength and structure of clientelist networks within oblast councils – and their implications for governance – vary significantly by region. This variation helps explain

⁵⁸⁶ Mushtaq H. Khan, *Governance, Growth and Development*, ARI 138 (Madrid: Real Instituto Elcano, 17 September 2010).

⁵⁸⁷ Mihály Fazekas, Luciana Cingolani, and Bence Tóth, *A Comprehensive Review of Objective Corruption Proxies in Public Procurement: Risk Actors, Transactions, and Rent Extraction Vehicles* (Budapest: Government Transparency Institute, August 2016).

the disparities observed in the values of corruption proxies and the inconsistency of statistical correlations. Patterns that appear prominent in one oblast may be muted or absent in another, not due to anomalies in measurement, but because of genuine institutional and cultural heterogeneity.

Summing up, while oblast councils' proximity to local communities enhances their practical role in governance, it simultaneously exposes them to corruption risks tied to informal networks and economic influence. To counter these challenges, it is crucial to strengthen mechanisms for transparency and accountability in local governance, ensuring that community interests prevail over political or personal loyalties.

Trust and Clientelism: Trust between local politicians and citizens appears to be a key factor in the formation of clientelist networks.⁵⁸⁸ In regions where politicians are local and have a deep understanding of the community, clientelist relationships are more likely to develop, which can facilitate corruption.

Regional Inequality: Despite expectations of significant differences in corruption between regions, findings indicate that variations are less pronounced than anticipated. This suggests that, while differences exist, corruption in Ukraine may be a more uniform phenomenon at the national level than previously thought, which could be related to the shared history and power structures in the country.

5.17. Cultural and Social Explanation

The findings presented in Chapter Five highlight the importance of interpreting corruption not as a homogenous phenomenon, but as a differentiated process rooted in the layered realities of Ukrainian governance. While formal institutional structures and electoral mandates provide a useful starting point, the most consequential insights emerge from recognising the significance of vertical and hierarchical distribution – especially within institutions embedded in daily contact with local populations. These institutions, particularly

⁵⁸⁸ Oleksandr Fisun and Uliana Movchan, 'Regime Cycles and Neopatrimonialism in Ukraine', in *Ukraine's Patronal Democracy and the Russian Invasion: The Russia-Ukraine War, Volume One*, ed. by Bálint Madlovics and Bálint Magyar (Budapest: Central European University Press, 2023), pp. 119–40 <https://doi.org/10.7829/jj.3985461.8> [accessed 2 April 2025]

oblast councils, act as conduits through which clientelist practices can flourish due to their proximity to constituents, relative autonomy, and complex engagement with local business networks. In contrast, centrally appointed actors such as governors, despite holding strategic administrative roles, appear less frequently implicated in systemic corruption due to structural limitations on their local embeddedness and shorter tenures.⁵⁸⁹

Crucially, the magnitude of this phenomenon can facilitate the spread of what is often termed endemic corruption – a form that becomes embedded in everyday transactions and institutional routines. This variant of corruption is especially dangerous precisely because it is diffuse, socially normalised, and difficult to detect.⁵⁹⁰ Unlike larger acts of bureaucratic or political corruption, which are more episodic and exposed to institutional controls and investigative scrutiny, endemic corruption tends to evade oversight and embeds itself more deeply within the informal practices of governance.⁵⁹¹

Although regional, temporal, and linguistic variables were analysed, their explanatory power was ultimately secondary to that of hierarchical proximity. Nonetheless, geography and demographics cannot be dismissed entirely. A small number of oblasts exhibited distinct patterns that deviate from the broader model. These outliers, marked by either exceptionally high or unexpectedly low corruption scores relative to mandate duration or economic indicators, suggest that localised informal institutions or historical contingencies may override more generalised trends.⁵⁹² Such discrepancies merit closer scrutiny in future research, potentially through micro-level case studies or targeted qualitative fieldwork. In sum, the data supports the interpretation that the deeper the institutional penetration into everyday social and economic life, the more likely corruption becomes normalised – and thus more difficult to isolate or confront through conventional oversight mechanisms.

⁵⁸⁹ Christopher J. Anderson and Yuliya V. Tverdova, 'Corruption, Political Allegiances, and Attitudes toward Government in Contemporary Democracies', *American Journal of Political Science*, 47.1 (2003), pp. 91–109.

⁵⁹⁰ Paolo Mauro, 'Corruption and Growth', *Quarterly Journal of Economics*, 110.3 (1995), 681–712.

⁵⁹¹ Sahr J. Kpundeh, 'Political Will in Fighting Corruption', in *Corruption and Integrity Improvement Initiatives in Developing Countries*, ed. by Sahr J. Kpundeh and Irene Hors (New York: UNDP/OECD, 1998), pp. 91–110.

⁵⁹² Taryn Vian, 'Review of Corruption in the Health Sector: Theory, Methods and Interventions', *Health Policy and Planning*, 23.2 (2008), pp. 83–94.

5.18. Political Stability and Its Relationship with Corruption in Ukraine

The relationship between political stability and corruption, particularly in the context of oblast councils, proves to be both intricate and consequential for understanding governance dynamics in Ukraine. While political stability is often celebrated as a precondition for effective administration and policy continuity, it may also present risks when institutional safeguards are weak or accountability mechanisms insufficient. In the Ukrainian subnational setting, prolonged tenures of council members can reinforce entrenched political networks and clientelist arrangements, leading to a consolidation of power that is difficult to dislodge. This consolidation can blur the lines between public office and private interest, creating favourable conditions for the development of informal governance practices that escape regulatory oversight. As the same individuals or parties retain control over decision-making structures, they may increasingly prioritise loyalty, political patronage, or personal alliances over legal compliance or public interest.

Nevertheless, the data analysis suggests that the relationship between political longevity and corruption is not automatic or uniform. In some oblasts, longer tenures coincided with improved governance outcomes, while in others they correlated with heightened risks of clientelism and favouritism. These discrepancies highlight the importance of local context and, once again, the mediating influence of informal institutions. Political stability may serve as a necessary but not sufficient condition for corruption to take root; its impact appears to depend on whether accompanying institutional norms reinforce transparency or facilitate collusion.

The results of the statistical analysis also confirmed the overall reliability of the selected dependent variables used to approximate the presence and distribution of corruption. Among these, the rate of non-competitive tenders and the age of the winning companies consistently generated, at least in the case of oblast councils, patterns that aligned with the hypothesis and previous research findings.⁵⁹³ By contrast, the ratio of declared capital to contract value yielded inconsistent results. In certain regions, it offered insight into irregularities in public spending, but across the broader dataset, the measure showed significant variation and failed to produce robust correlations. These inconsistencies suggest that while it may retain some contextual relevance, this variable should be employed cautiously, if at all, in future studies

⁵⁹³ Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences and Reform* (Cambridge: Cambridge University Press, 1999).

using similar methodological frameworks. Its sensitivity to regional economic disparities and uneven accounting standards diminishes its utility as a generalisable indicator of corruption.

Overall, the findings underscore the necessity of approaching political tenure not as a direct proxy for corruption but as one potential contributing factor, whose effects are mediated by the specific composition of local institutions and their degree of embeddedness in informal practices. The selection and interpretation of dependent variables must reflect this complexity, ensuring that the quantitative tools employed do not obscure the underlying social mechanisms shaping corrupt behaviour.

5.19. The Particular Issue of the Russian and Ukrainian Languages

An additional analytical contribution of this study lies in the clarification of the role that language and cultural identity – specifically the presence of Russian-speaking communities – play in the geography of corruption in Ukraine. While the Russian-speaking population represents a culturally and linguistically distinct group, the empirical findings indicate that this variable does not constitute a direct determinant of corruption. Instead, the influence of language is indirect at best, mediated through a complex set of historical, economic, and structural factors that co-vary with linguistic distribution but are not caused by it.⁵⁹⁴

This distinction is crucial given the politicised debates surrounding language in Ukraine, particularly in the context of regional inequalities and post-Soviet identity politics. Contrary to prevailing assumptions or popular perceptions, the proportion of native Russian speakers in a given region does not, in itself, predict higher or lower levels of corruption. Correlation analysis confirms the statistical insignificance of this variable when isolated from broader contextual elements. Where weak associations are observed – such as marginal negative correlations with certain economic variables – they are better explained through structural

⁵⁹⁴ Transparency International. (2020). Corruption Perceptions Index 2020. <https://www.transparency.org/en/cpi/2020/index/nzl>

and demographic characteristics of the regions in question rather than through any cultural predisposition.⁵⁹⁵

Historically, many predominantly Russian-speaking regions were sites of intensive Soviet-era industrialisation. This legacy has shaped their contemporary economic structures: higher levels of urbanisation, more densely concentrated networks of state-owned enterprises (now often privatised), and a large number of registered businesses operating within these territories. These characteristics generally correlate with lower overall levels of corruption, as suggested by most dependent variables used in this study. However, a notable exception arises with the variable measuring the age of the company. In highly urbanised and economically active regions – many of which have large Russian-speaking populations – the proliferation of newly established firms skews this indicator, making it less reliable as a proxy for corruption. In such settings, the sheer number of younger companies reflects economic dynamism rather than malfeasance, illustrating the need for careful interpretation of quantitative proxies.

Furthermore, these regions tend to exhibit more extensive social networks due to higher population densities and a legacy of centralised governance. This structural environment may facilitate a broader range of informal interactions, such as favour exchanges or strategic networking, which can underpin clientelist arrangements. Yet again, these dynamics do not stem from linguistic identity per se but from the institutional and infrastructural characteristics of historically industrialised urban centres. It is therefore misleading to infer a direct link between language and corruption without considering these mediating factors.

Therefore, it would be analytically misleading to attribute patterns of corruption to language per se. The Russian language operates not as a causal force but as a contextual variable embedded within a specific regional and historical framework. The data support the conclusion that differences in corruption prevalence between regions correlate more strongly with levels of economic development, urbanisation, market composition, and institutional history than with linguistic or ethnic identity.

⁵⁹⁵ Elena Denisova-Schmidt and Martin Huber, 'Regional Differences in Perceived Corruption among Ukrainian Firms', *Eurasian Geography and Economics*, 55.1 (2014), 10–36 <https://doi.org/10.1080/15387216.2014.915757> [accessed 2 April 2025]

This reinforces the necessity of interpreting control variables – particularly those with cultural or political salience – with caution and within a broader theoretical framework. As with the main set of findings, these results align with the principal-agent, clientelism, and collective action perspectives, each of which highlights the structural and institutional mechanisms through which corruption is sustained. Future research would benefit from disaggregating these regional structures more precisely to avoid conflating linguistic demographics with deeper governance challenges.

5.20. Changes of Policies in the Aftermath of Zelensky's Victory

In analysing corruption in Ukraine, it is essential to consider how recent political transformations have influenced institutional practices. The election of Volodymyr Zelensky in 2019 marked a pivotal moment in Ukrainian politics, not only in terms of leadership but also regarding public expectations for transparency, anti-corruption reform, and political renewal.

As outlined in Chapter Four, a series of graphs illustrate shifts in the dynamics of public procurement and company behaviour before and after Zelensky's rise to power. These visual data reveal patterns in competitive bidding, company capital-to-contract value ratios, and procurement transparency that offer valuable insight into the broader reform landscape.

Zelensky's campaign, framed as a movement against entrenched political elites, promised a clean break with the past. His appeal rested heavily on a populist narrative that portrayed him as an outsider who could disrupt corrupt patronage systems. However, while his ascent to power did involve the mobilisation of networks resembling clientelist arrangements – particularly in terms of political loyalty and favours exchanged for visibility or appointments – these did not necessarily overlap with corruption in the classical sense. Unlike traditional clientelism, where material or financial benefits are traded for political support, Zelensky's approach relied more on symbolic reciprocity, media-driven loyalty, and populist mobilisation. As such, conventional clientelism theory may only partially apply to this context, and should instead be viewed through the dual lenses of political populism and non-material forms of patronage.

The period immediately following Zelensky's election witnessed several reformist efforts aimed at increasing transparency, particularly in the area of public procurement. For instance, the broader adoption of Ukraine's e-procurement platform, ProZorro, was widely regarded as a positive step towards reducing informal deals and facilitating public access to information. According to Transparency International, the platform led to a higher share of competitively awarded contracts and encouraged a more open tendering process. According to political analyst Taras Kuzio, '*Zelensky promised a radical change in Ukrainian politics, focusing on the fight against corruption and improving government transparency*'⁵⁹⁶. Nonetheless, despite these advances, the data suggest that the implementation of reforms has been uneven, and their durability remains questionable.

Several notable trends emerged from the analysis:

- **Transparency and Reform Trajectories:** Initial progress was evident in the increasing number of competitive tenders. Digitalisation and reform of procurement procedures introduced a level of visibility previously lacking in the system. However, institutional inertia and local resistance meant that these improvements were often not uniformly applied across regions.⁵⁹⁷
- **Fluctuations in the Capital-Contract Value Relationship:** One of the more erratic indicators was the ratio between declared company capital and contract value. While some of the fluctuations may reflect opportunistic behaviour re-emerging over time, it is crucial to emphasise that this particular variable was identified as unreliable. Its volatility across oblasts and lack of consistent alignment with other corruption indicators limit its interpretative value. In the most urbanised regions – many of which are predominantly Russian-speaking – a higher number of new companies entered the procurement space. This alone can distort the expected correlation, as newly formed firms often lack significant declared capital, even when acting in good faith.⁵⁹⁸

⁵⁹⁶ Taras Kuzio, *Ukraine: Democratization, Corruption, and the New Russian Imperialism* (Santa Barbara, CA: Praeger/Bloomsbury Academic, 2015).

⁵⁹⁷ Transparency International, *Corruption Perceptions Index 2020* (2020), <https://www.transparency.org/en/cpi/2020/index/nzl> [accessed 2 April 2025].

⁵⁹⁸ Transparency International Ukraine, *Reform of Public Procurement in Ukraine and Performance Results of the ProZorro E-Procurement System* (Transparency International, 2017), pp. 1–4 <https://knowledgehub.transparency.org/assets/uploads/kproducts/Prozorro-Aug-Dec-2016.pdf> [accessed 2 April 2025]

- **Increase in Non-Competitive Bidding:** Despite early gains, a return to non-competitive practices was observed in some oblasts from 2019 onwards. This was particularly notable in the later stages of the Donbas conflict and the period preceding the full-scale Russian invasion. According to a report by the Foundation for Economic Freedom, emergency conditions and crisis management practices often justified shortcuts in procurement procedures, weakening competitive safeguards *‘the crisis conditions have led to an increase in non-competitive bidding, undermining reform efforts.’*⁵⁹⁹

Taken together, these observations lead to the following conclusions:

- **Impact of Instability:** Political and economic instability during Zelensky’s tenure has exposed the fragility of anti-corruption reforms. While political turnover may offer opportunities for change, it also creates space for the re-emergence of informal practices when institutional capacity is weak or crisis pressures intensify.
- **Challenges in Reform Implementation:** The effectiveness of post-2019 reforms has been limited by a combination of external pressures and internal inertia. The persistence of non-competitive bidding and inconsistencies in oversight reflect a reform process that remains vulnerable to reversal.
- **Need for Enhanced Oversight:** Strengthening monitoring mechanisms, especially at the subnational level, is essential. Even in wartime or crisis conditions, a culture of accountability must be cultivated to prevent the erosion of gains made through earlier reforms.
- **Role of Citizen Participation:** Mobilising civil society and empowering watchdog institutions remains a key strategy. Involving citizens in procurement oversight – through platforms, audits, and media – can help sustain transparency and apply pressure on public officials to adhere to reform commitments.

In sum, while the Zelensky administration introduced meaningful reforms, their implementation and resilience have been challenged by structural constraints and external crises. The case illustrates the difficulty of consolidating anti-corruption measures in the absence of strong, enduring institutions and highlights the need for tailored strategies that balance urgency with procedural integrity.

⁵⁹⁹ Foundation for Economic Liberty, *Corruption and Public Procurement in Ukraine* (2001).

5.21. Conclusion

This chapter has examined the subnational determinants of corruption in Ukraine through the analytical lenses of Principal–Agent theory, Collective Action theory, and clientelism frameworks. The findings offer both theoretical and empirical contributions to the existing literature, particularly by shedding light on how regional governance structures influence corruption in a post-oligarchic political environment. As Ukraine seeks to distance itself from the legacies of oligarchic control and Soviet-style centralisation, the analysis of subnational actors becomes essential to understanding – and combating – endemic corruption.

The study confirms that locally rooted political institutions, particularly elected oblast councils, play a far more significant role in shaping corruption dynamics than centrally appointed governors. This supports the notion that actors with sustained and embedded ties to the local context – rather than transient central elites – are more capable of constructing clientelist networks, which can serve either to channel resources effectively or to facilitate corrupt exchanges. The durability of such political mandates at the oblast level was consistently correlated with higher rates of uncompetitive public tenders, suggesting that local entrenchment often coincides with reduced transparency and heightened opportunities for rent-seeking.⁶⁰⁰

The empirical component of this chapter also provides an evaluation of the dependent variables used to measure corruption. The rate of non-competitive tenders proved to be the most reliable and consistent indicator across different oblasts and over time. In contrast, the ratio of declared capital to contract value exhibited volatility and regionally inconsistent behaviour, especially in more economically dynamic oblasts, rendering it only partially suitable as a long-term corruption proxy. The age of the company, though initially promising, also showed distortion in highly urbanised regions where natural market turnover tends to produce large numbers of newly formed, yet legitimate, businesses. This suggests that methodological caution is warranted when applying these variables in similarly decentralised or diverse national contexts.

Furthermore, the analysis found no direct relationship between Russian linguistic identity or ethnicity and corruption. While some predominantly Russian-speaking regions display

⁶⁰⁰ Chatham House, *Accountability in Reconstruction: International Experience and the Case of Ukraine* (Chatham House, 2022), p. 10

distinct economic structures – such as higher industrial density or urbanisation – these characteristics, not cultural or ethnic identity, explain the slight variations observed in corruption-related metrics.⁶⁰¹ These findings reinforce the necessity of disentangling perceived ethno-linguistic influence from the more robust institutional and structural determinants of corruption.

Another important observation concerns electoral volatility. Around election cycles, particularly those of national scope, the data shows increased irregularities across all dependent variables. This fluctuation underscores the susceptibility of procurement practices and political appointments to strategic manipulation during politically sensitive periods. These short-term distortions may mask longer-term trends, calling for greater attention to the timing of anti-corruption measurements in future studies.

Although the thesis treats clientelism as conceptually distinct from corruption, the findings demonstrate a significant degree of empirical overlap between the two in the Ukrainian context. Clientelism in Ukraine is not merely a mechanism of electoral exchange; it often directly facilitates corruption by embedding loyalty-based transactions within public procurement systems and regional political hierarchies. This overlap is especially pronounced in oblast councils, where informal networks frequently bypass formal accountability channels.

In light of these findings, preliminary answers to the research questions posed at the outset of the thesis can be offered. First, the analysis confirms that corruption in Ukraine is indeed unevenly distributed across subnational regions. The spatial variation is particularly apparent when examining the activity of oblast councils, whose political continuity and depth of local entrenchment correlate with elevated corruption indicators, especially in the domain of non-competitive public procurement. Second, regarding the causal mechanisms behind this unevenness, the research suggests a complex interplay of institutional, structural, and contextual factors. These mechanisms include: (1) local political continuity, particularly within elected oblast councils, which maintain closer ties to ordinary citizens and exert greater influence over regional decision-making processes, which enables the formation of enduring patronage and clientelist networks; (2) the influence of informal institutions, which often operate beneath formal governance structures and shape the practical outcomes of anti-

⁶⁰¹ Ulrich Schmid and Oksana Myshlovska (eds), *Regionalism without Regions: Reconceptualising Ukraine's Heterogeneity* (Budapest: CEU Press, 2019), pp. 135–218.

corruption reforms; and (3) the role of economic and demographic context, which mediate corruption differently across regions. These findings outline a multi-level framework that connects political, economic, and institutional factors.

These conclusions are situated within a broader historical context of institutional fragility, a legacy of Soviet-era governance and post-Soviet oligarchic entrenchment. Ukraine's struggle to establish accountable, transparent governance requires not only national reforms but targeted interventions at the subnational level, where much of the informal power remains.

This interpretation aligns with existing literature. Mauro's work highlights the importance of cultural and informal norms in sustaining corrupt ecosystems⁶⁰², while Putnam emphasises civic engagement and local institutional performance as key determinants of governance quality.⁶⁰³ Transparency International's recent assessments likewise argue that ethnic or linguistic divisions alone do not account for corruption disparities, but that structural and institutional variables are far more predictive.⁶⁰⁴

The 2019 election of Volodymyr Zelensky brought hope for a new era of accountability. While his presidency introduced notable transparency measures, such as the expansion of e-procurement systems, these reforms encountered serious implementation challenges, particularly in the context of ongoing conflict and entrenched informal networks. Importantly, Zelensky's rise was facilitated by a populist strategy that leveraged clientelist dynamics without necessarily fostering corruption in the traditional sense. His appeal was built on direct communication with the public and mass-media presence, which bypassed traditional party patronage but did not fully disrupt its logic. As such, classical clientelism theories only partially apply to the Zelensky phenomenon, as his presidency reflects a hybrid model that combines personalist mobilisation with populist legitimacy.⁶⁰⁵

It should also be acknowledged that the COVID-19 pandemic, which emerged during the final year of this study, has not been directly accounted for in the statistical data or primary research. While the pandemic undoubtedly altered procurement patterns, administrative

⁶⁰² Paolo Mauro, 'Corruption and Growth', *Quarterly Journal of Economics*, 110.3 (1995), 681–712.

⁶⁰³ Sidney Tarrow, 'Making Social Science Work Across Space and Time: A Critical Reflection on Robert Putnam's *Making Democracy Work*', *American Political Science Review*, 90.2 (1996), 389–398.

⁶⁰⁴ Transparency International, <https://www.transparency.org/en/> [accessed 2 April 2025].

⁶⁰⁵ Wojciech Rogacin, *Zelenski. Biografia (Zelensky. Biography)* (Warsaw: Wielka Litera, 2022), pp. 151–234

processes, and business–government relations, its exclusion is due to the temporal and methodological boundaries of the research project. Incorporating pandemic-related variables would have required a significantly different design and data collection framework. However, anecdotal and secondary evidence suggest that COVID-19 may have influenced previously stable trends, particularly through emergency procurement and crisis management practices. A dedicated future study is warranted to explore these dimensions.

The World Bank (2020) also notes that the COVID-19 pandemic has impacted the dynamics of corruption and the way businesses interact with authorities.⁶⁰⁶

In closing, it must be recognised that Ukraine's full-scale war following the Russian invasion in 2022 renders any long-term predictions uncertain. The political, institutional, and economic upheaval triggered by the conflict has fundamentally reshaped the landscape in which corruption and reform operate. Nonetheless, the findings of this chapter remain a relevant diagnostic of the pre-war institutional vulnerabilities, particularly at the regional level. Acknowledging these dynamics is essential to informing Ukraine's future trajectory – whether in post-war reconstruction, decentralisation policy, or renewed anti-corruption efforts.

⁶⁰⁶ World Bank, *COVID-19 and Corruption: A Global Perspective* (Washington, D.C.: World Bank, 1 June 2020), <https://www.worldbank.org/en/news/feature/2020/06/01/covid-19-and-corruption> [accessed 2 April 2025].

General Conclusions

At the beginning of this dissertation, the following questions were raised: What is the link between the political dynamics of Ukraine and the patterns of distribution of corruption among its people? Does it consolidate repeatedly in certain most vulnerable areas, or is it prone to spreading across the entire territory, and if so, is it more likely to occur vertically or horizontally? And above all, how can corruption, as a social phenomenon, be measured bearing in mind that we deal with proxies, rather than tangible data (since just very few of those surveyed for academic purposes would be able to report corrupt deeds with accuracy), and what are the indicators or methods that might bring us closer to the actual image of this phenomenon? While analysing the issue of corruption, a triple division of its distribution has been designed, namely: regional, temporal, and vertical.

Ukraine has proved a perfect choice of location for this research because it stands out as a good example of a transition country, which has made remarkable progress in terms of democracy, transparency, and the rule of law in a relatively short time, and with a strong emphasis by the political leadership on addressing corruption. The transformation period, following ‘the Revolution of Dignity,’ was almost equivalent to the time frame of this research. The expected overall image of clear direction in change, while facing some fascinating diversity, has been neatly confirmed by the data. The research was to be conducted on the local level. This approach was intended to verify whether the local dynamics accurately reflect the national picture.

The choice of a public sector procurement as an aspect of corruption to be investigated was found both purposeful and relatively authentic to life, because it is a sector that provides plenty of proxy data (of dependent variables) that are handy for research, and as it is data that is regularly collected across the world, offers the opportunity to test the proxy variables for corruption. It can be especially fruitful in countries working on their transparency issues, which make relevant sets of information publicly available.

In this work, the following hypothesis was examined: Does the tenure of regionally elected representatives, as well as that of nominated state officials at the oblast level in a multi-party, de jure unitary state such as Ukraine, allow them to build clientelism in collaboration with local businesses? Will their tenure enable them to form patronage networks that are sustained

by corruption? A direct inspiration for this concept was a similar study conducted in Mexico – the research of Brian M. Faughnan, Jonatan T. Hiskey, and Scott D. Revey demonstrated that the longer the governor was in power, the more time he or she had to organise a clientele, and due to their activity, the level of corruption was growing.⁶⁰⁷

The background to this argument was that, after Ukrainian independence, many influential people began amassing significant fortunes through the privatisation of state property following the change in the political system in the early 1990s. In this way, a new class of oligarchs was born, many with strong local roots. At that time, Ukraine was scarcely a unified country; hence, logically, clientelism, often competing with one another, must have appeared in different parts of the country. Simultaneously, the new cast of oligarchs had to maintain strong links with the political class, whose members were among the first to gain access to the resources of the collapsing state. Bearing all this in mind, it seemed almost obvious that corruption would tend to consolidate in certain geographical regions (where the oligarchs are based and/or their companies operate) as well as grow during the tenure of politicians and parties bound to oligarchs. Depending on the position of such a political actor, whether part of the central government or more localised administrative bodies, the phenomenon would spread across the country or become prevalent in specific administrative divisions. The findings confirmed these assumptions only partly because they revealed a more complex reality behind the distribution process of corrupt activities.

Some analogies with Mexico could be found, and it seemed quite probable that the longer a person is in power, the more time they have to build a strong clientele. The significant difference is that Ukraine has a much more complex political system than Mexico. For instance, there are two executive bodies at the local level, which can compete with one another. As it appears to be a decisive factor, one of them is more centralised and the other more localised when it comes to the recruitment of staff in charge.

The highest variations were initially expected to occur between regions. However, the measurement of dynamics was mainly influenced by the country-wide political events of enormous significance that reoriented the corruption trends.

⁶⁰⁷ Brian M. Faughnan, Jonathan T. Hiskey and Scott D. Revey, 'Subnational Electoral Contexts and Corruption in Mexico', *Journal of Politics in Latin America*, 6.1 (2014), pp. 45–81.

The most crucial discovery was that the results indicate the governor and the council develop specific distribution patterns. In practice, the functioning of this structure is a decisive factor in determining where most corruption originates in a given area. The so-called ‘vertical distribution’ revealed that patronage and corruption risks are associated with the tenure of locally elected bodies, whose members have deep roots in the locality, rather than those appointed by the central government.

The findings helped to answer the two research questions correctly:

- *Are there significant differences and patterns of distribution of corruption in Ukraine?* Yes. Noteworthy differences exist in the distribution of corruption in Ukraine, reflecting the durability of control by certain parties over local councils.
- *If so, why do such differences occur?*

The leading cause appears to be the ease with which locally recognised politicians can build clientele on their familiar grounds (vertical distribution).

The above outcomes are credible because, on the backdrop of vertical distribution, there is more trust in online business-politics, less control from central authorities, and many ways for bribed representatives to avoid repercussions. In this aspect, evidence was provided that Ukraine has been highly diversified, even though, according to the research, the level of diversification keeps dropping.

With the methodology used, two dependent variables, ‘the rate of uncompetitive tenders’ and ‘the age of the company’, showed mostly reliable results (both at the national and macro-region level), which followed the data provided by the TI.⁶⁰⁸ The third proxy used, which is the ratio of the company's capital to the tender contract value, became only partially useful. Therefore, its use is not recommended in similar studies. One reason might be that the company capital used as an indicator is prone to yielding imprecise results, as the regulations governing the declaration of company capital in Ukraine tend to be loose.⁶⁰⁹ The tender contract values, in most cases, even according to the remaining variable, appeared to be in order.

⁶⁰⁸ Transparency International, <https://www.transparency.org/en/> [accessed 2 April 2025].

⁶⁰⁹ YouControl, <https://youcontrol.com.ua/> [accessed 2 April 2025].

Summing up, the use of variables ‘the rate of uncompetitive tenders’ and ‘the age of the company’ proved helpful and fairly universal; while ‘The ratio of the company capital to the tender contract value’ should be used carefully, if at all, for it may give distracting results in some conditions. While this finding is slightly off the core of the research, it still contributes to the general knowledge of the issue, making the choice of variables both easier and more effective if a more in-depth study on the topic is planned.

Side findings of the data analysis have also been identified, with the two prominent ones:

- The geographical distribution of corruption can be measured by proxy indicators, which shape a generally credible image but with certain limitations. Several areas of Ukraine appear to be prone to corruption, as indicated by multiple proxy measures simultaneously. However, it is worth examining the data at a more granular level, from regional to subregional, to identify the hotspots.
- The tenure of political actors with a poorer transparency index is visible on proxy indicator graphs over time at a country-wide level; by analogy, the growing popularity of commonly accessible transparency websites marks a country-wide improvement with the majority of these indicators.

Another contribution to general knowledge is the negligible influence of the first language, ethnicity, or cultural links with Russia on corruption risk, despite some authors claiming the validity of such links.⁶¹⁰ On the other hand, there may be a difference linked to the structural trends in the business sector and its environment in predominantly Russian-speaking areas. At the same time, in the Ukrainian-speaking parts of the country, the poorer economic situation fosters corruption, and due to two different causes, the level of corruption remains approximately the same throughout the entire country. However, since it is currently unfeasible to prove, the finding remains an idea for future research questions until the situation in Ukraine becomes more stable. If well-devised with a careful approach, this might be an idea for a new interesting piece of research.

While designing a new research undertaking, there are manifest limitations that should be taken into account, as they have emerged in the course of the present work. The methodology used allows the phenomenon under research to be estimated rather than directly rendered. As

⁶¹⁰ Andrew Wilson, *The Ukrainians: Unexpected Nation*, 4th edn (New Haven: Yale University Press, 2015), pp. 72–100, 207–234.

if proxy data make it possible to see the shadows, or traces, of the corruption phenomenon itself, but their sizes and shapes are left to the researchers to notify the presence, assess the risk, and speculate about the nature of corruption in a given area. The whole picture is rarely seen with clarity. Instead, a mere approximation is established, leaving a sizeable gap to be filled with background knowledge and an interdisciplinary approach. It is essential to be aware of the somewhat blurred contours of the phenomenon thus approximated, so as not to be trapped in false conclusions of having found some ‘detailed and indisputable evidence’ for certain acts.

While the transparency websites referred to throughout the thesis are indispensable for the sustainable development of Ukraine and the research on important issues such as the present work, they do have some obvious shortcomings. Older data, especially from 2014, tends to be of mixed quality. However, what disappoints most is the scarcity of data on some oblasts for the entire time of this work. It was the relatively low data input for some places that led this research to focus on macro-regions rather than oblasts; however, the latter division would be more sensible for detecting the spatial hotspots of corruption, aligning with a vertical distribution that proved to be the most critical finding of this research.

The literature gaps identified at the beginning of the thesis, particularly the shortage of analyses at the subnational level, made it impossible to look at all the nuances regarding corruption. This thesis enabled me to look closer. Should the research continue, it would be strongly advised to go even deeper (especially after the finding that inter-human relations are so vital in the functioning of corruption) to the rayon level. If, on the other hand, the purpose was to write about another country with the analogous syndromes of corruption to Ukraine (‘oligarchs and clans’ group of countries according to Johnston)⁶¹¹, It should begin from the subnational level to be able to spot the details, which would remain unseen if only the whole of the state were tested. Therefore, it is encouraged to focus significantly more on a subnational level while studying corruption in Ukraine and elsewhere.

Further research may also deepen the current understanding. For instance, focusing on different sectors, taking into consideration more demographic data (such as overall development level, mobility of people, and unemployment rate), trying to test some other variables, etc. If they decided to use some of the same proxies, they could be placed in a

⁶¹¹ Michael Johnston, *Syndromes of Corruption: Wealth, Power, and Democracy* (Cambridge: Cambridge University Press, 2005), pp. 44–46, 120–154.

different framework, showing slightly altered information that may be needed for a new take on the research.

War-torn Ukraine is in a challenging situation at the moment. Corruption may still be a real struggle, but there is the obvious danger that surpasses that one, in addition to making it barely possible to continue this or similar pieces of research at the current rate. I hope that the present work has shed some new light on this phenomenon, whose sources and prevalence in Ukraine might have been either overestimated or misinterpreted by many. Anyway, all new academic ideas showing how the drivers of corruption work may help to eliminate them step by step, by transforming minds, attitudes, and regulations. To achieve this goal, academics should redouble their efforts to find solutions for the country's most significant problems, both internal and external. The more interest and involvement of international experts, the greater the chance of victory, so that the country could become a complete and integral part of the Western world. As long as the war is ongoing, there is justified uncertainty about how much of or how long any recent research on Ukraine will remain applicable.

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