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THE ROLE OF ECONOMIC AND DIGITAL FACTORS IN COMBATING CORRUPTION¹

РОЛЬ ЕКОНОМІЧНИХ І ЦИФРОВИХ ЧИННИКІВ У БОРОТЬБІ З КОРУПЦІЄЮ

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This article is devoted to the investigation of the impact of economic and digital factors on anti-corruption policy. The paper considers the main causes of corruption, its negative impact on social processes and political stability, and ways to overcome it. It was emphasized that corruption weakens the economic growth of countries, reduces citizens' trust in the government. Bribery, its scale, dynamics and specification are a consequence of political, social and economic problems of countries, and the world has not yet come up with a single recipe for fighting corruption. Research revealed that digitization can significantly increase the openness, publicity and transparency of public administration, identify corrupt connections, schemes and relationships, optimize anti-corruption activities of law enforcement agencies and limit the opportunities for corrupt officials. In the period of a post-war recovery Ukraine will need significant reforms, especially in the anti-corruption sphere, so there is an objective scientific and practical demand for a comprehensive study of anti-corruption issues. During the writing of the article the methods of theoretical and practical research were used, including the method of the panel data analysis. The empirical results have proved that the promotion of digital economy can significantly minimize corruption. For example, the digital economy can help tackle corruption by enabling greater transparency, reducing opportunities for corrupt

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practices, and empowering citizens to participate in the fight against corruption. As technology continues to evolve, there will likely be even more opportunities to leverage the digital economy to combat corruption and promote transparency and accountability. Based on the obtained results, the recommendations for tackling corruption were suggested.

Keywords: corruption, fight against corruption, digitalization, digital technologies, information and communication technologies, anti-corruption policy.

Ця стаття присвячена дослідженню впливу економічних та цифрових чинників на антикорупційну політику. Розглянуто основні причини виникнення корупції, її негативний вплив на суспільні процеси та політичну стабільність, шляхи її подолання. Було наголошено, що корупція послаблює економічне зростання країн, знижує довіру громадян до влади. Хабарництво, його масштаби, динаміка та специфіка є наслідком політичних, соціальних та економічних проблем країн, а єдиного рецепту боротьби з корупцією у світі поки що не винайдено. Дослідження показали, що цифровізація може значно підвищити відкритість, публічність і прозорість державного управління, виявити корупційні зв'язки, схеми та взаємовідносини, оптимізувати антикорупційну діяльність правоохоронних органів та обмежити можливості корупціонерів. У період повоєнного відновлення Україна потребуватиме суттєвих реформ, особливо в антикорупційній сфері, тому існує об'єктивна науково-практична потреба у комплексному дослідженні антикорупційної проблематики. Під час написання статті використовувалися методи теоретичного та практичного дослідження, у тому числі метод панельного аналізу даних. Емпіричні результати довели, що просування цифрової економіки може значно мінімізувати корупцію. Наприклад, цифрова економіка може допомогти подолати корупцію, забезпечуючи більшу прозорість, зменшуючи можливості для корупційних дій і надаючи громадянам можливість брати участь у боротьбі з корупцією. Оскільки технології продовжують розвиватися, ймовірно, з'явиться ще більше можливостей для використання цифрової економіки для боротьби з корупцією та сприяння прозорості та підзвітності. На основі отриманих результатів запропоновано рекомендації щодо протидії корупції.

Ключові слова: корупція, боротьба з корупцією, цифровізація, цифрові технології, інформаційно-комунікаційні технології, антикорупційна політика.

Introduction. The universal desire for a high quality of life is hindered by a prevalent issue in our world, namely, corruption. The impediment of corruption towards the advancement of nations undergoing economic transformations is significant, as it steals vital resources from those striving to develop their societies. Therefore, combating corruption is imperative in the pursuit of a better standard of living.

According to the results of 2020, the Corruption Perceptions Index, calculated by the international organization Transparency International, showed that the least corrupt countries are: New Zealand and Denmark, which shared the first place. But the high level was occupied by: South Sudan and Somalia. Over the past eight years, only 22 countries have significantly improved their performance, including Greece, Guyana and Estonia. During the same period, 21 countries significantly reduced their estimates, including Canada, Australia and Nicaragua. In other 137 – the level of corruption practically does not change. Ukraine took 117th place, among 180 [1].

Literature review. First of all, it is important to understand what corruption is. In Table 1 there are some definitions of this phenomenon.

Corruption is a global challenge, which has many dimensions: social, economic, political, psychological. Most scientists agree that corruption is a complex phenomenon, and

its causes are multifaceted. Scholars have identified several factors that contribute to corruption, including weak institutions, lack of transparency and accountability, low salaries of public officials, monopolies, and discretionary powers. Additionally, cultural factors such as the perception of corruption as a norm and the lack of civic engagement can also contribute to its prevalence. Researches also emphasize that corruption has far-reaching consequences for societies and economies. It undermines the rule of law, erodes public trust, and distorts market mechanisms. Corruption can also impede economic growth, hinder poverty reduction efforts, and exacerbate income inequality. Moreover, it can have serious political and social consequences, including the breakdown of democratic institutions, the rise of authoritarianism, and the emergence of social unrest. However, it is possible to tackle corruption with the help of different instruments. Scholars have proposed various strategies to reduce corruption, including improving the rule of law, enhancing transparency and accountability, strengthening civil society, increasing public participation, and enhancing institutional capacity. Additionally, technological innovations such as e-governance and social media can also play a role in promoting transparency and accountability [6]. Our research will concentrate on economic and digital drivers of different anti-

Table 1

The definitions of corruption by different authors

№	Definition
1	The abuse of power or position for personal gain, often involving bribery, embezzlement, or fraud [2]
2	The inethical behavior of a person or group of people who use their authority or power for personal gain or to serve the interests of a particular group, rather than for the greater good [3]
3	A form of dishonest or illegal activity that undermines the integrity of individuals, organizations, or institutions, and has a negative impact on economic, social, and political development [4]
4	The misuse of entrusted power for private gain, leading to the erosion of public trust, loss of credibility, and weakening of public institutions [5]

corruption strategies. To provide the theoretical background to the research, it is possible to conduct a comprehensive literature review with the use of Scopus Toolkit and VOSViewer software. In the Scopus database, the appropriate publications were found with the use of keywords: corruption, economy, digitalization. The time frames include 2016–2022, whereas the field of studies are Economics, Business, Social Sciences. Then, using VOSViewer, the bibliographic map was created in order to visualize the keywords obtained.

There are many determinants of high level of corruption. They include: factors of economic

development, development of civil society, quality of public administration [7]. High levels of economic development are associated with lower levels of corruption. This theory has been confirmed by early empirical studies that have shown that increased economic development leads to lower levels of corruption. Later empirical research also confirms this hypothesis: there is a negative association between economic freedom and corruption [8].

It is believed that a higher level of globalization leads to a decrease in corruption. Empirical studies have shown that this relationship is true. Such studies were conducted by Sandholtz and

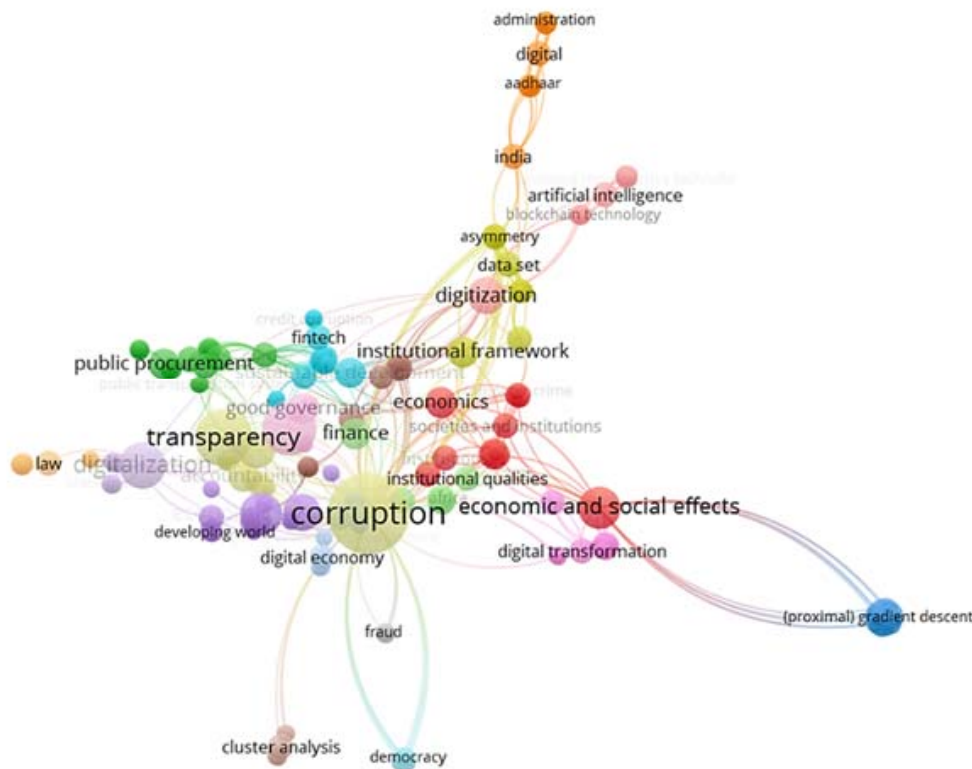


Figure 1. The bibliographic map of the keywords to the topic

Koetzle and found that the lower the degree of integration into the world economy, the higher the level of corruption [9].

There is a close link between corruption and inflation. Inflation causes uneven distribution of national income and a decrease in the level of real income of a large part of society. Thus, purchasing power is declining due to high inflation, and therefore people may be prone to illegal activities such as fraud, bribery, etc. to meet their needs and gain certain financial benefits [10].

The theory suggests that people with higher wages are less prone to corruption. Higher wages reduce the need for corruption out of necessity, but they are unlikely to be able to eliminate it completely, as people can still take bribes out of greed. This theory has received empirical support in a work that has recognized corruption as wage-negative in developing countries [11]. International trade often requires a form of publicly issued license or permit. In countries with a higher level of corruption, the costs of acquiring the necessary licenses and permits can be particularly high due to the need to pay bribes and so on. Thus, there is a theory that higher levels of corruption negatively affect the level of international trade. Levels of corruption in trade-related institutions often have an impact on the level of trade. This statement was supported by empirical research, which showed that there is a negative link between corruption and trade [12].

Higher education requires a reduction in corruption in the country. Higher education tends to lead to higher communication of international standards, and therefore, in theory, a person's tolerance for corruption should decrease. Initial empirical studies have shown that higher education correlates with lower levels of corruption. In a later empirical study that analyzes this relationship based on Nepal data, this hypothesis is further confirmed [13].

The emergence and increase in the use of the Internet has led to a reduction in corruption, as the Internet provides appropriate dissemination of information, taking into account corrupt practices. A more informed and informed population can better report actions and fight corruption. An empirical study in 2011 supported this theory and found that the increase in awareness of corruption through the Internet, measured by Internet searches related to corruption, correlates with a decrease in corruption in some countries. Similarly, a 2010 study found that increased use and availability of the Internet correlated with lower levels of corruption [14].

Corruption has been argued to increase income inequality and poverty by reducing growth, biased tax systems, poor social programs, educational inequality, and asset ownership bias [15]. Gupta's empirical study provides evidence that increased corruption leads to higher inequality and higher poverty rates. Jima-Brempung and de Camacho use panel data from 61 countries over a 20-year period to examine regional differences in the impact of corruption on income distribution. Their results suggest that corruption does generate income inequality, with the greatest effects in Latin America and Africa.

The voluntary tourism sector is special because corruption is widespread in many developing countries where volunteer activities are organized. Therefore, it is vital to establish that the responsibilities of the industry when creating projects in foreign countries, as well as for their sending volunteers and staff of various projects.

Freedom of the press plays a role in disseminating anti-corruption norms, as well as increasing the potential social costs of public shame for corrupt behavior. Previous empirical studies have confirmed this hypothesis, stating that the long-term impact of democracy has led to a reduction in corruption [16]. Subsequent studies have concluded using panel data covering 126 countries from 1980 to 2007 that both democratization and media freedom have a negative impact on corruption [17].

Tanzi notes that "the existence of regulations and powers gives a kind of monopoly power to officials who must allow or inspect activities." Thus, the more rules, the higher the frequency of interaction with members of the private sphere, and, consequently, the greater the likelihood that a member will become a participant in corrupt practices. Tanzi also notes that in an inefficient bureaucracy, regulations are less transparent and that the authority given to individuals is higher than corruption. Kaufman and Wei also found empirical evidence to support this in their 1999 paper [18].

Theoretically, decentralization should reduce corruption. This is because decentralized governments increase competition between regions, mitigate government-induced distortions, and allow people to change districts rather than engage in corrupt practices. Early empirical research has confirmed this theory, finding that decentralization of public spending is significantly associated with less corruption [19]. This was confirmed by a later study that found

a negative link between decentralization and the shadow economy and corruption [20]. Other studies have examined not only the relationship between crack decentralization and corruption to examine the effects of physical and political decentralization. The Arecent study notes that in countries with more government levels, the level of corruption. Openness of trade, an important indicator of the size of the country's trade relations with other countries. Krueger recalls that government restrictions (quantitative restrictions on imports) of international economic activity create rents (monopolistic income) in many market economies.

Initial empirical research has shown that corruption is lower in common law countries. However, an empirical study aimed at determining the impact of the common law on corruption did not reveal a significant relationship after monitoring by other factors [21]. However, a later study found that using data from 100 countries between 1995–1997, 1998–2000, and 2001–2003, common law actually correlated with lower levels of corruption [22].

Also, if we talk about Ukraine, economy, weakened by the war and the loss of economic potential of annexed Crimea and parts of Donetsk and Luhansk oblasts, is no exception—theeconomicandsocialconsequencesof COVID-19 and the recession it has caused are extremely negative.

Methods and data. To asses the impact of different economic and digital factors (GDP per capita, inflation, crime and education, taxes, the number of Internet users and the percentage of volunteers), the panel data regression analysis was used. We took data from 40 European countries for the period from 2016 to 2020. This choice can be explained by the availability of data and convergence of many European states in economic and political spheres.

Results of the research. Using STATA 16.0 software, we got the following results (Table 2).

According to the regression, we could say for sure that all variables affect the level of corruption. If GDP is increased by 100 USD, the level of corruption will decrease by 3.26. If we increase inflation by 10%, corruption will decrease by 0.605. If crime is reduced by 0.1 case per person, the level of corruption will be reduced by 0.005. If the level of education is raised by 1,000, corruption will decrease by 1.06. If imports increase by 100, then corruption will increase by 1.57. If you increase the level of taxes by 10%, then corruption will increase by 0.56. If you increase the number of Internet users by 1,000 people, then corruption will increase by 7.49. If you reduce the number of volunteers by 10, corruption will decrease by 0.01. That is, it tells us that research previously conducted by scientists is confirmed by research in STATA. Thus,

Table 2

The impact of economic and digital factors on combating corruption

Random-effects GLS regression	Number of obs	=	200
Group variable (i): id	Number of groups	=	40
R-sq: within = 0.0060	Obs per group: min =		5
between = 0.0243	avg =		5.0
overall = 0.0238	max =		5
Random effects u_i ~ Gaussian	Wald chi2(8)	=	1.83
corr(u_i, X) = 0 (assumed)	Prob > chi2	=	0.9858

corruption~x	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
gdppercapita	-.0326116	.045492	-2.32	0.047	-.1217743 -.056551
inflationr~e	-.0604795	.1663458	-2.75	0.036	-.3865114 -.265552
crime	-.0569553	.1189082	-4.90	0.009	-.2900111 -.176100
education	-.001055	.0331395	-1.96	0.051	.0660072 .0638972
imports	.0156624	.0563965	2.28	0.039	.0948728 .1261975
taxrate	.0560158	.097347	6.76	0.002	.2468125 .3347809
internetus~s	.0074882	.0395508	1.99	0.068	-.007003 .0850064
volunteerp~t	.0126856	.119724	1.97	0.065	-.2219692 .2473404
_cons	65.54895	7.748396	8.46	0.000	50.36237 80.73553

sigma_u	14.840162
sigma_e	2.6924527
rho	.9681321 (fraction of variance due to u_i)

to combat corruption, the government needs to pay more attention to these reasons.

Discussion. Based on the results, there are many ways to tackle corruption in Ukraine. First of all, it crucial to provide a rule of law. A businessman who lacks the courage to break the law will work transparently, in accordance with the law. But will his activities always lead to earnings for a normal existence? The practice of recent years shows that many small businesses have been forced to close. And this led to a reduction in jobs and, consequently, to a reduction in taxes that the state could receive. Increasing pressure on business in a crisis will further drive it into the shadows.

To avoid the manifestations of the shadow business, it is necessary to create such conditions that would promote honest and open business activities. Extremely difficult conditions for entrepreneurs have been created in Ukraine today. The interest rate on profit is one of the highest. When the tax deductions are lower (affordable) and the fine for not paying them is large, the businessman will not want to hide his employees and profits, because otherwise he will lose more.

In turn, increasing the number of jobs will replenish the budget. This is the path taken by countries such as Georgia and, for example, Macedonia, which in 2006 ranked 100th and 81st in the Doing Business ranking, respectively, and in 2020 are among the Top 11 countries in terms of ease of doing business. By the way, Ukraine has not made a "breakthrough" during all this time. From the positive practice of foreign countries, it is possible to introduce incentives for individuals to provide information on non-payment of taxes. But to enter this point only on condition of performance of the first point. In case of proving the crime, the informant will receive a percentage of the amount of the fine paid. Fear of punishment will prevail, and it will be more convenient for a businessman to pay taxes than to hide them. In this case, the taxpayer has the right to know where his payments go. When a person sees that medicine, education, production, etc. are evolving, he performs his duties more honestly, Reduction of interest on bank lending to businesses. With a lower interest rate, more entrepreneurs will be able to apply to the bank for a loan, so the business will grow and the state treasury will also be replenished. Introduce a bank payment system for large amounts of remittances. This will allow you to track the recalculation of large amounts (bribes) and reduce them to zero.

It is important to create favorable conditions for business development. Only a comprehensive approach to creating conditions for self-realization of citizens and business development, transparent formation of government institutions and providing quality services to the population by the state and a responsible society that understands why to pay taxes and how to control them will allow to face each other. Legalization of funds withdrawn from the shadows is another crucial step. That is, the funds that will be withdrawn from the shadows will need to be returned to the bank accounts of the State legally. The most acute social problem in Ukraine is the critically large gap between the high cost of living and the low cost of labor. The existence of this problem is due to the fact that in Ukraine since independence, the ruling "elite" professed the wrong policy of cheap labor and built a model of economy as a result of labor depreciation, declining professionalism, poverty and mass labor migration. Reform of the pension system is urgent. After all, the current pension system does not create incentives for de-shadowing the market – contributions to the pension fund are too high against the background of an unsatisfactory pension system.

To increase tax deductions, we propose to implement the following steps. First of all, it is important to create jobs at enterprises that are in a state of freezing. Creation of companies that could provide services to other countries at a competitive price can be another recommendation. Talented, smart, diligent and responsible young people are growing in our country. In the field of IT technologies, we have qualified specialists who go abroad because they have the opportunity to receive much more than in our country. When creating IT companies that would provide services to other countries, we would have an infusion of funds into our country.

Stimulating the development of small and medium-sized businesses on the basis of attracting local resources, which provides job creation, replenishment of regional markets, growth of economic income. The world has not yet come up with a single recipe for fighting corruption. But thanks to the constant progress of anti-corruption strategies, it is replenished with effective innovation mechanisms. The digitalization of public administration, education, economics, health care and other spheres of state and public life has become a global trend. The development of fundamentally new mechanisms of public administration allows developing previously unknown and completely unexpected

means of counteracting the traditional negative phenomena of public administration. It seems to many that we have already succeeded in achieving some success in this struggle. Unfortunately, the steps taken have only marked the goal, and the real fight against the corruption system is just beginning.

Digital technologies can increase the transparency of public authorities, minimize personal contacts with officials, strengthen control over revenues and expenditures. At the same time, the development of information and communication technologies can generate new corruption and bureaucratic schemes, which can lead to e-corruption. In this sense, the formation of anti-corruption legal policy using digital technologies requires serious scientific analysis.

Digital offices are open 24 hours a day, 7 days a week. They also remain open during the crisis – the COVID-19 pandemic. Digital interactions take less time for people and reduce the administrative burden on companies, which can help support business as the economy recovers from the effects of a pandemic. Moreover, automation of case processing significantly increases productivity, reducing backlogs and freeing up resources for other priorities. Public sector employees also benefit from digitization (fewer repetitive tasks).

Also, the main problem faced by law enforcement agencies in investigating corruption is the lack of witnesses and evidence. Therefore, life does not stand still, the technical industry is growing, various resources are being created for the convenience of users, including in the field of anti-corruption. Here are 10 tools that can help expose corruption. They can be used to check the relationship between companies, the legitimacy of their cooperation, to protect their business from raids and to control contractors, and even to leave suspicion to professional investigative journalists or help them find evidence.

This knowledge will also be needed to control civil servants – rules on conflicts of interest or renewal of wealth or won tenders for their family members [23]. Legal or natural persons, with the help of this system can receive administrative services for them or perform legal transactions. These include, for example, the registration of a private business. What are the advantages of this system? Lack of personal contact between an official and a citizen. You can remove the official himself, if you automate his functions, then bribery disappears, the influence of the human factor is minimized and the scheme remains transparent.

With this portal you can control government operations. In recent years, open access to information has become the main tool for anti-corruption activities. Moreover, the transparency of public institutions increases the level of public confidence in them. The existence of transparency portals can deter fraud. They pose a serious obstacle to the corrupt behavior of government officials, as the risk of exposure increases. Accordingly, it has become easier to find violations such as relationships with private companies, corruption schemes in tenders, cases of tax evasion, and so on [24].

The principles of operation of these crowdsourcing and crowdfunding sites are quite similar. The difference is that instead of money, users collect information. Citizens report cases of corruption and publicly share their experiences. At this site, users can indicate: the nature of the corruption, the location and its value, as well as cases where they refused to pay a bribe or interacted with honest officials [25].

Reminiscent of crowdsourcing platforms, but this system is designed for large cases of corruption, which can lead to litigation and prosecution. Mandatory features of such platforms are whistleblower protection and data reliability [26]. This is a project of Bihus.Info, a large-scale and easily accessible for analysis database of declarations of officials. The site has many filters for sorting, there is the possibility of automatic analysis, ratings, the dynamics of growth of bureaucratic wealth, as well as notification of new declarations by e-mail. In addition, there is a bot that searches for the right people and their declarations in messengers.

This is an automated system for finding electronic copies of court decisions. The Register shall include court decisions of all courts of Ukraine adopted in criminal, civil, commercial cases, cases of administrative jurisdiction or administrative offenses. The register provides an opportunity to conveniently search for cases by many parameters – by region, case number or decision, period of adoption, by specific court or name of the judge, etc. You can also search for cases on specific fragments from the text of the court decision. This tool will be needed to find patterns and precedents and to be able to further prove the violations in court.

Developers of Bihus.Info also created databases of assistants of people's deputies – «Posipaki» and local deputies – «Posipaki-2». The first database contains official information provided at the request of Slidstva.Info journalists regarding the assistants of people's deputies for

the last 5 convocations. The second is the same information about the assistants of deputies of local and regional councils, collected by the Bihus.Info team [27].

This is the only portal for the use of public data. On the site you can find atypical databases, such as "Information about vehicles and their owners." The portal also has information on the car number, whether it is possible to check the register of stolen or lost mobile phones. This program will help monitor the registration data of Ukrainian companies and the court register, which can be useful for protection against raids and control of counterparties. It is very easy to start working with the service – using the messenger in Telegram or Facebook. To search, simply enter any of the following information: company name or address, name, tax number of the individual, court number, car or technical passport number, passport number. It is believed that the biggest corruption area is public procurement. Statistics show that even in developed regions such as the United States, Western Europe, Japan and Asia, public procurement accounts for about 40 percent of all corruption [28].

Corruption in the public procurement system causes great losses in any country. Losses of the state and society can be divided into the following categories: financial, qualitative, quantitative, and political losses. Financial losses are the conclusion of agreements on financial terms unfavorable for the state and society. An example is overpricing. Qualitative losses are the conclusion of contracts in violation of technical conditions, such as: supply of goods, performance of works or provision of services of inadequate quality, insufficient requirements for quality control of work performed or services provided, etc. Quantitative losses are defined as the overstatement or understatement of the volume of supplies of materials or provision of services in comparison with the required quantity, purchase of goods and services for personal purposes of responsible officials, and not to meet government needs, and so on. Political losses lead to a deterioration of the investment climate in the country, the loss of public confidence in government agencies and the state as a whole, a weakening of the economic and financial systems of the country and violation of the principles of free competition.

Dozorro is a portal where anyone can assess the terms of a specific purchase and analyze the customer's purchases. DOZORRO confirms that violations can be found not only in paper tenders, but also in electronic auctions. The advantage

of the platform is the direct integration with the ProZorro [29] database – I would like to dwell on this program and suggest improvements. We believe that in order to fight corruption in the field of public procurement, countries need to fulfill the following tasks: analyze current laws; investigate the current problems of corruption in the field of public procurement, their subjects; perform analysis and draw up a plan to combat corruption. One of the main steps to combat corruption in Ukraine was the creation of a single electronic system called "PROZORRO". On August 1, 2016, the Law of Ukraine № 922-VIII "On Public Procurement" of December 25, 2015 came into force – this system has become mandatory for any procurement [30].

- The advantages of this law are:
- Any bidder engaged in this type of activity may participate in the bidding;
- Saving public money;
- Ukraine has access to government tenders abroad, so we are increasing exports of goods;
- Bidders have free access to bidding, so competition has increased.

Tenders often specify requirements for a specific supplier, as the preparation of documents and product characteristics are prepared by the person. I can give an example: a tender for the purchase of public transport in Kyiv. The President of Ukraine Volodymyr Zelenskyi arrived at the Pivdenmash enterprise, and an employee of the enterprise told him that the tender for the purchase of trams was written for a foreign manufacturer, so he could not participate. The customer can also write about the mandatory delivery certificate within two hours. This becomes impossible for participants who are in other cities. Conspiracy between participants cannot be ruled out. To eliminate such illegal actions by bidders in the legislation of developed western countries, precautionary measures are established. The most explicit prohibition of collusion between bidders is in Canadian law. Section 47 of the Competition Act of Canada [31] explicitly prohibits bidding fraud, which is defined as pre-arranged bidding or refusal of some potential bidders to bid. Fraud with applications is punishable by up to 5 years in prison or a fine. Similarly, the problem of collusion between bidders is solved in the legislation of the European Union.

Rejection of bids of bidders with a better price, if the bidder does not have the necessary errors. Undervalued price of one of the Participants. In this procedure, a participant may demand

interest from other participants so that the winner waives the victory. Also other options: delivery of low-quality goods at reduced prices; understatement of the price for one position with the highest price. Then, at the end of the contracts, there is a letter about the absence of goods on the market, or a significant increase in the price of this position, which leads to the termination of contracts; delayed deliveries, waiting for the time when they will be able to make a legal increase prices.

Ukraine has taken a big step towards overcoming corruption in public procurement, but it is not perfect. Therefore, the Law "On Amendments to the Law of Ukraine" On Public Procurement "and some other legislative acts of Ukraine on improving public procurement" of 29.08.2019 was adopted and entered into force on 19.04.2020. It contains cardinal positive changes: the customer must provide reports in the PROZORRO system on all purchases worth 1 hryvnia. the authorized person will be responsible for the organization and conduct of the procurement procedure.

- Electronic catalogs will be created in the system, which will work as an online store. (Prozorro-market);

- The threshold of tender procedures has been reduced by 4 times (purchases will be made through the transparent system from 50 thousand) This will help bring a large number of purchases out of the shadows;

- The winning bidder will have 24 hours to correct minor errors. Rejection of the bid of the bidder with an abnormally low price (which is more than 40% different from the average bid price);

- Introduction of a differentiated fee for complaints to the Antimonopoly Committee. This will stop the unfounded appeal of a large number of procurements, and hence their delay.

This news solves many problems. But the questions remain unresolved: writing conditions for a specific participant and the introduction of a clause on the rejection of participants with an abnormally low price does not solve the problem if the tender is submitted to two participants: one with a market price and the other with a dependent price. After all, the system determines the anomalous price, which is based on data criteria for consideration of proposals. To solve some of these problems we have the following suggestions:

1. In order to facilitate the Bidder's preparation for the tender, and the Customer to consider proposals, do the following: When

registering in the system, Bidders download all statutory documents (Statement, Charter, VAT certificate, information about the head, etc.), so as not to prepare this package for each tender. In case of changes, the Participant must update their data.

2. Introduce a system of blocking unscrupulous participants for a certain period established by law. If the bidder had a violation during the bidding, or did not fulfill the terms of delivery after signing the contract, the electronic system will block this bidder when participating in the next bidding. (The new version states that a Unified Register of Persons Who Have Committed Corruption or Corruption-Related Offenses will be created).

3. The problem of minor errors can be solved by entering a template for submitting documents to the PROZORRO system for any activity. Responding to this template, the participant will not be able to submit their proposal, because not all fields in the system will be filled (as in online stores), reducing the time required to determine the winner of the tender. After all, buying vital drugs for 24 years is a long time. I can state the following: in 2014, the Ministry of Health did not purchase drugs for vital programs: oncology, hemophilia, cystic fibrosis, viral hepatitis, tuberculosis, HIV / AIDS and others. People with hundreds of children's pairs of shoes came to the Cabinet of Ministers demanding immediate tenders for the purchase of drugs for government programs. They came to show that tomorrow, young people and adults can die without receiving state-guaranteed drugs for budget treatment programs.

If we talk about more developed countries, the United States and the EU use electronic bidding and electronic reporting on public procurement. For example, in the United States, all federal agencies must send procurement information worth more than \$ 25,000 to the central federal procurement information system. This information has been made publicly available for the last five financial years, which promotes transparency in the bidding process, simplifies the detection of abuses and provides an opportunity to challenge the results of the bidding. In the EU today, two models of e-procurement are used: 1) Centralized procurement – carried out by a single public procurement body to meet general needs, i.e. customers entrust public procurement on their behalf to a centralized body; 2) Decentralized procurement – provides for independent procurement by customers, i.e.

allows each customer to purchase goods and services.

The authorities use various mechanisms to ensure the efficiency and organization of the public procurement system in different countries. In international practice, in order to avoid corruption risks in public procurement, various approaches are used: psychological methods, technical methods, regulation of processes, repressive means. Thus, it can be argued that the digitalization of the economy and various life processes, which can, if not defeat corruption, then seriously shake its position. But digital technologies should not be seen as the main means, means and mechanisms of fighting corruption.

Conclusions. In conclusion, the impact of economic and digital factors on combating corruption cannot be overstated. Economic factors can make it harder for corrupt actors to operate, while digital tools such as blockchain and data analytics can enhance transparency and accountability by providing real-time access to financial information. Improved access to information, strengthened law enforcement, and economic growth are also important factors in reducing corruption. By leveraging economic and digital factors, we can work towards a more transparent and accountable society, where corruption is not tolerated, and citizens can benefit from a more prosperous and just society.

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