



**Criticism and bibliography**

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**MODERN MONOGRAPH  
IN THE SPHERE OF ECONOMIC SHADOWING  
AND ANTI-CORRUPTION**

Taking into consideration a significant interdependence of the economic security level of the social and economic system, business activity, social and economic development, the feasibility of the theoretical and methodological guidelines, methodological principles and applied recommendations concerning determination of the strategic priorities and means of state national security strengthening is an urgent precondition for creation a strategy of social and economic development of Ukraine. The development of mechanisms of economic legalization and anti-corruption as a main danger for economic security in conditions of instability of global economic relations requires a special topicality. The improvement of normative and methodological support, scientific feasibility of the state policy, development and realization of the effective measures, aimed at economic unshadowing, anti-corruption and strengthening of functional elements of economic security is able to improve the dynamics of social and economic indicators (their qualitative features) and also become a consolidated factor of national security. That's exactly why the M. I. Fleichuk's monographic research «Economy legalization and anti-corruption in the system of economic security: theoretical basis and strategic priorities in conditions of globalization»<sup>\*</sup>, were the complex analysis of preconditions and results of the economic global shadowing

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<sup>\*</sup>Fleichuk M.I. Economy legalization and anti-corruption in the system of economic security: theoretical basis and strategic priorities in conditions of globalization : Monograph/ M. I. Fleichuk. – Lviv : Akhill, 2008. – 660 p.

is conducted the influence of those destructive phenomena on the state economic security is timely and important.

The mentioned monograph is especially ponderable in the context of raising the level of shadowing and corruption activity not only in the developing countries and countries with transition economies but also in the countries-leaders. Taking into consideration the intensity and scales the mentioned phenomena extension in our country likewise the insufficient consideration of their dynamics while defining the strategic priorities of the socio-economic development model of Ukraine, the M. I. Fleichuk's monograph became meaningful

Subject topicality is both of theoretical (the contribution of the theoretical generalization and methodological approaches in the area of shadow economic sector investigation and economic characteristic of corruption) and practical character (for native economy conditions, taking into account the necessity of the system legalization of economy and anti-corruption in conditions of influence of globalized negative effects.

Thus, Fleichuk's monograph is finished scientific research, where: the system generalization of the theoretical and applied approaches of the shadow economy theories was conducted; the main features of the economic security in the global and national dimensions were defined; the theoretical, methodological basis of analysis of dependence of economic security in consequence of shadowing and corruption growth were systematized; the main dangers for the national economic security in process of global integration are defined; the comparative analysis of the dynamics and structure of the corruption and economic shadowing global extension is performed; the econometric analysis of corruption, shadowing, safety and economic growth interdependence is conducted; the methodological basements of the institutional designing and modeling of Ukrainian economic growth and institutional dangers for the economic safety of Ukraine was realized; the methodological approaches for the formation of the interrelation model of legalization and well-balanced economic development and strategic priorities and means of the system economic legalization and anti-corruption in conditions of raising the level of Ukrainian economy openness are defined.

The advantages of the monograph are the author's wide application of economic and mathematic methods, particularly multifactor regression analysis, least square method, cluster analysis, data envelopment analysis, which enabled to form the specific mechanisms and instruments of the economic legalization and anti-corruption in process of extension of globalized processes.

In the first chapter of the monograph «Theoretical and methodological investigation principles of the globalization influence on the economic security», a conceptual and categorical range, theoretical and methodological base of investigation is formed. The author admits that in modern conditions a new system of the world order is formed, considering the dangers of not only the local or international but also global character. On the base of profound evidential material, the author examines the conceptions of the development process of

S. Khantington, Z. Bzhezinskyy, I. Valerstein and summarizing their theoretical approaches concerning the construction of the geopolitical vectors of world interaction, proves the danger of the extension of the global economic shadowing influence as well as corruption extension for the development of the world economic relations and national economics security. Adhering to the mentioned investigation line, M. Fleischuk draws attention to the necessity of the more detailed analysis of the global and international security components, particularly their economic component, which especially felt dangers at the beginning of the XXI century in the form of: raising of level of illegitimate economic «privatization» of the countries of world periphery; structural disproportions and deformations, connected with the shadow activity of transnational corporations and other entities of the world economic relations, corruption actions, which threaten the sovereignty of the separate countries.

The excessive emphasis on the structure of the countries' provision with the main factors of production is not completely efficient, although the more detailed analysis of the separate components of the economic security and sovereignty promotes the more profound and complex consideration of the interrelations of these system-formed factors, which become the precondition for the application of illegitimate strategies of economic expansion from the side of globalization subjects, particularly using the instruments of corruption activity and economic shadowing in the competitive fight for the accession to the potential of «ecologically surplus» territories.

The improved methodological aspects of the economic security analysis are of scientific and applied significance, specifically in the system of the concept «economic security» its global component is defined, which on the author's opinion considers the activity of transnational crime families, volumes of illegitimate migration flows, aggravating of problems of ecological delinquency and infringement of intellectual property objects in the global dimension.

Economic shadowing as a global problem, economic models of the component structure of the corruption activity and econometric evaluation of the causal interrelations among shadowing, corruption and economic growth is the basis of the second chapter investigation – «The theoretical principles of the economic shadowing and extension of corruption in the global environment». The methodological approaches to the analysis of illegal economic activity with the accentuation of the accounting and statistical, formal and legal, criminological and complex approaches are considered. The offered modified model of saving-investments balance (M. Fleischuk) with the improvement of the negative influence of the shadow sector of economy on the GDP dynamics, current balance as well as amounts of savings and investments.

We cannot but agree with the author's statements that corruption courses such negative consequences for the development of the social and economic system as: ineffective distribution of the time, intellectual and material resources; degeneration of human capital quality; deformation and disproportion of social and economic development; growth retardation; reduction of business and in-

vestment activity; inappropriate using of the resources of the international economic assistance programs; decline in efficiency of the state bodies of power activity; activization of the transnational organized criminality; «privatization» of country; political illegitimacy of the bodies of power; decline in the level of the public morality; intensification of the social apathy and decline of the confidence in relation to the country.

But, we suppose that the author's statement that the phenomenon of corruption is essential in the interrelations between shadow economy and corruption, inasmuch as this category can be considered both as a precondition and consequence of the economic shadowing.

The third chapter «Institutional and integration threats for the economic security of Ukraine on the post-transformation stage of development» is devoted to a number of vital problems: preconditions and peculiarities of the formation of institutional basis of transition economies, connected with the ineffectiveness of the institutions' import process without their corresponding adaptation to the conditions of native economy, that often courses the opposite result than it is expected, particularly to the intensification of the process of shadowing of social and economic relations.

The author's motivation of transformations in post-soviet and post-socialistic countries is very important both from theoretical and practical point of view. The supplements of the effective theoretical and methodological principles and methodological approaches to the planning of institutional reconstruction by means of multifactor regression analysis and data envelopment method enabled to show the leading role of property rights loyalty and institutional basis efficiency under the conditions of corruption and economic shadowing minimization and macroeconomic indicators maximization.

As the author admits, in conditions of native economy the important negative consequence of ineffective transformation of social and economic system was the intensification of threats and risks for the economic security, in particular: the essential slowdown in the growth rate of GDP amounts and industrial production; environmental impairment; growth of the external debt; growth of the inflation rates; laundering of money; intensification of legal and illegal migration of labour resources etc. Whereas the given chapter goes beyond the subject of investigation, the feasible results of the research enable to understand the nature of raising of shadowing and corruption levels in transition economies on the post-transformation stage of development, which becomes a precondition for the intensification of threats for the state economic security.

In the last, fourth chapter «System legalization of the economy of Ukraine and anti-corruption in conditions of globalization» the author defines the conceptual approaches to the system legalization of economy and anti-corruption as a key priority direction of the economic security consolidation in the process of realization of the macromodel. As indicators of criteria limitations of the offered macromodel (M.Fleichuk) the system of social and demographic, ecological, institutional, information and technological, economic indicators is considered.

We should admit the novelty, deepness and feasibility of the author's recommendations concerning stages of introduction of the multicenter model of system economic legalization and anti-corruption in the interrelation with economic security provision and balanced social and economic development. Although among the branches, which are characterized by the essential level of illegalization, except money-and-credit and retail trade spheres, the author omitted such important productive branches as metallurgic complex, oil and gas and wood industry, where the fundamental amounts of shadow incomes are concentrated and the different schemes of money laundering are used.

Most of the contradicted situations in the mentioned monograph are controversial and do not influence on the implicit value of the given research. Giving a general evaluation of the monograph, we should say that it is integral original and creative research, which is based on the modern evidential base. Statements and conclusions of the monograph are completely feasible and evidential and thanks to the integral vision of the problematics and distinctly defined aspects of the anti-shadowing and corruption strategy can be used both in the theoretical researches and in the elaboration of the social and economic development model. Making a conclusion, we should admit the innovation of the research tasks and factual undertaking of the complex researches of the anti-shadowing and anti-corruption basis in the system of the balanced social and economic development model and system of economic security strengthening.

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