



MODERN TRENDS AND MEASURES IN COMBATING CORRUPTION: AN ECONOMIC ANALYSIS

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ANNOTATION

The article examines corruption as an economic problem that undermines public trust in the state, increases the cost of public services, and slows the pace of development. Drawing on the experiences of Estonia, the Republic of Korea, and Singapore, as well as the practice of Uzbekistan, it demonstrates how digital technologies, open data, and public oversight can reduce corruption risks. It is emphasized that combating corruption is a shared responsibility of both the state and society, including the academic community and students.

Keywords: corruption, economic costs, transparency, digitalization, e-government, open data, public oversight, reforms, Uzbekistan.

INTRODUCTION

Corruption is one of the most pressing socio-economic problems of the modern era, directly affecting state development and public welfare. It undermines the principles of fair resource allocation, erodes trust in state institutions, weakens the competitive environment, and slows economic growth. In the context of deepening globalization, digitalization, and the increasing openness of national economies, corruption risks have acquired a transnational character, thereby requiring a comprehensive and scientifically grounded approach.

Corruption is defined as a situation in which a person entrusted with authority or resources uses them not in accordance with legal requirements and official purposes, but for personal gain. This phenomenon occurs in state enterprises, private companies, non-governmental non-profit organizations, as well as in higher education institutions. Such an approach is reflected both in the studies of foreign scholars and in domestic publications devoted to combating corruption. On this basis, the article compares international experience with the practice of Uzbekistan and proposes practical measures that can be applied in higher education institutions.

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For Uzbekistan, combating corruption has become one of the key priorities of state policy, as the effectiveness of reforms, investment attractiveness, and the stability of the financial system largely depend on the level of transparency and integrity in economic relations. In recent years, the country has implemented large-scale institutional reforms aimed at ensuring openness in public administration, increasing the accountability of public officials, and involving society in monitoring and oversight processes. The Law “On Combating Corruption” and the National Strategy for 2021–2025 have been adopted, and comprehensive measures are being carried out to improve the economic and legal mechanisms of anti-corruption efforts. All these developments indicate that the fight against corruption is not viewed in isolation, but rather as an integral component of economic modernization and the strengthening of national competitiveness.

MAIN PART

From an economic perspective, corruption represents a form of inefficient resource allocation in which private interests are prioritized over public interests. It distorts the principles of market equilibrium, creates favorable conditions for informal transactions, and undermines fair competition. As a result, societal resources are redistributed not in favor of productive sectors but towards shadow structures, which in turn reduces both the growth rate and efficiency of investments.

The International Monetary Fund estimates that the economic losses caused by corruption amount to approximately 2–5% of global GDP annually, with even higher figures observed in certain countries. The main economic causes of corruption include excessive bureaucracy, weak oversight



institutions, insufficient transparency of financial flows, low levels of public sector wages, as well as inequality of economic opportunities. All these factors distort economic incentives and create an environment in which engaging in illegal activities becomes more beneficial than adhering to principles of integrity.

At the same time, each anti-corruption measure must be implemented in accordance with national conditions, taking into account existing legislation, governance practices, and the level of public participation. In Uzbekistan, corruption is recognized as one of the main obstacles to reform. On March 5, 2025, President Shavkat Mirziyoyev emphasized that corruption undermines public trust and sustainable development, stating: “The greatest obstacle and barrier to reforms is corruption. This is fully confirmed by global experience. The fact that the world economy loses 3 trillion dollars annually due to corruption indicates that it is a global threat. Corruption is such a destructive phenomenon that it erodes public trust in the state, the Constitution, and the law, and becomes a serious threat to sustainable development and security.”

According to the CPI-2024 index published by Transparency International, Uzbekistan scored 32 points out of 100 and ranked 121st out of 180 countries (a decrease of 1 point compared to 2023), indicating that protection of state institutions from corruption remains insufficient. According to data from law enforcement agencies, in 2024 a total of 3,293 corruption and economic crimes were identified in the country, with damages amounting to 239.6 billion UZS recovered, and 4,906 officials held accountable. The total damage caused by corruption to the state was estimated at 278.5 million USD. In the same year, according to the Anti-Corruption Agency and the Prosecutor General’s Office of Uzbekistan, 309 corruption-related violations involving assistant governors were recorded, and large-scale falsifications were identified in employment reports (approximately 764.7 thousand fictitious jobs), indicating the presence of systemic risks at the level of local governance and program implementation. Overall, these figures demonstrate that strengthening control, transparency, and accountability remains a highly relevant issue.

Based on the above, it is appropriate to examine global approaches to combating corruption in comparison with the practice of Uzbekistan.

In global practice, modern trends in combating corruption are characterized by the increasing role of digital technologies, analytical tools, and mechanisms of public oversight. Leading countries are transitioning to electronic governance (e-Government) by minimizing the human factor in the provision of public services.

For example, Estonia relies on a unified digital identification system and “paperless” public services. The use of e-ID and electronic signatures reduces time and bureaucratic procedures, enabling stable annual savings of approximately 2% of GDP. In the South Korea, the KONEPS unified electronic procurement system generates around 8 billion USD annually in administrative and transaction savings. The time required from application review to the selection of the winner has been reduced from more than 30 hours to less than 2 hours. In Singapore, the GeBIZ platform, together with open and non-discriminatory rules established by the Ministry of Finance, supports transparent competition among suppliers by ensuring online access to all tenders and requirements.

Taking into account its legislative framework, information technology infrastructure, and human resource capacity, Uzbekistan is adopting best international practices both in their original form and with adaptation. In the country, digital anti-corruption measures are being implemented through the Anti-Corruption Agency and open platforms such as OpenBudget, “Public Feedback” (Ijtimoiy sharh), and open data portals.

These examples demonstrate a general conclusion: digitalization and open data reduce corruption risks. Open data policies enable citizens and businesses to access information on public expenditures, procurement, and investment projects, thereby strengthening trust in government. Automated financial monitoring systems that ensure transaction transparency, along with electronic auditing and blockchain technologies, are being actively implemented. The economic effectiveness of these approaches lies in reducing transaction costs, enhancing discipline, and improving the efficiency of public budget utilization.



Taking into account its legislative framework, information technology infrastructure, and human resource capacity, Uzbekistan is adopting best practices both in their original form and in an adapted, improved manner. In the country, digital anti-corruption measures are being implemented through the Anti-Corruption Agency and open platforms such as OpenBudget, “Public Feedback” (Ijtimoiy sharh), and open data systems.

In 2024, within the framework of participatory budgeting alone, approximately 2,770 projects were supported across 2,254 local communities during the first phase; about 3.3 trillion UZS was allocated for their financing, and around 11.7 million citizens participated in the voting process. In the second phase of 2024, 1,772 projects with a total value exceeding 2.1 trillion UZS were selected as winners. These figures demonstrate that digital procedures and open voting mechanisms increase public engagement and enhance accountability in the allocation of funds.

At the same time, transparency is being strengthened through the operation of a unified public procurement website and a national open data portal that publishes information on contracts and expenditures. Regarding incentives in the public sector, starting from 2025, a unified and transparent remuneration system will be introduced, linking salaries to position levels and performance outcomes. Salaries will be paid exclusively from the state budget, while “off-budget” additional payments will be prohibited, and annual bonuses will be tied to performance indicators. The logic of these reforms is straightforward: clear rules for compensation and incentives reduce “grey” risks and strengthen motivation for law-abiding behavior.

To capture the dynamics, a brief comparative analysis of key indicators is presented below.

Comparative Analysis¹

Indicators	Bifore(2023)	After(2024)	Notes
CPI (Transparency International), score / ranking	33/121	32/121	-1 point, no change in ranking: risks in the public sector persist.
Number of public officials held criminally liable	3 575	4 906	+37.2% year-on-year (according to the Prosecutor General’s Office).
Criminal cases initiated against convicted public officials	3 412	3821	+12% year-on-year; law enforcement performance indicator.
Estimated damage caused to the state by corruption	-	\$278,5 млн	2024 estimate (Press Service of the Prosecutor General’s Office).
Participatory budgeting (OpenBudget): winning projects, Phase I	1 187	2 770	Increase in the number of winning projects and coverage of local communities.
Number of fictitious jobs identified in employment reports	-	764 700	Errors in employment reporting (fictitious job records).
Value of canceled illegal public procurements (in UZS)	-	263,9 mlrd so’m	Anti-Corruption Agency: 234 procedures were abolished.



CONCLUSION

Corruption is not merely a theoretical concept, but a real and tangible loss. It undermines the economy: public trust in the state declines, the cost of doing business increases, the principles of fair competition are violated, and resources are allocated inefficiently. As a result, productivity decreases, innovation slows down, and social inequality intensifies. Three key factors contribute to mitigating these risks: transparency, digitalization, and public oversight.

When services and procurement processes are conducted online, the influence of the human factor is reduced, and decisions become easier to verify. When data is open, citizens, mass media, and experts can monitor how public funds are spent, which enhances discipline within the system. In Uzbekistan, these elements are being actively implemented, contributing to the establishment of “fair” rules of the game that are not only ethically sound but also economically beneficial. Within such a comprehensive approach, the fight against corruption moves beyond slogans and becomes a real instrument of development: costs are reduced, trust is strengthened, and the efficiency of public expenditure improves.

Recommendations:

It is recommended to submit the following proposal to the Ministry of Higher Education: Introduce a “Missed Class Completion” module within the HEMIS system. Under this mechanism, in cases where classes are missed or zero scores are recorded, the instructor would be required to formalize an individual completion plan within the system, including assignments, deadlines, and assessment criteria. The student would upload evidence of completed work, while the progress status would remain visible to both the student and the dean’s office. The system would block the entry of a final grade until all requirements are fulfilled.

Why is this proposal being introduced?

- In some cases within HEMIS, final grades are assigned to students who did not attend classes or have no current assessment scores, which raises concerns among other students.
- The process of grade formation is not transparently documented, and informal arrangements between instructors and students leave no trace within the system.
- This situation undermines academic integrity and trust, while increasing the risk of corruption.

Objective of the proposal:

- To make the assessment process evidence-based, transparent, and governed by uniform rules;
- To formally record each step through the “completion plan” and prevent the assignment of final grades until all requirements are met.

The implementation of this measure would strengthen trust, reduce the subjective influence of the human factor, and significantly decrease the likelihood of corruption in the academic environment.

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