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ON THE WAY TO LOBBYING REGULATION:
examining the influence of international and domestic processes on the development and adoption of legislation on lobbying regulation in Ukraine

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Abstract

This thesis analyzes the attempts to develop and adopt legislation on lobbying regulation in Ukraine that took place in the country since its independence in 1991. The choice of Ukraine as a case study is driven by the fact that this country had seven attempts to develop and adopt legislation on lobbying regulation and none of them was successful, even though these processes were characterized by the active involvement of international community. Hence, Ukraine constitutes a strong subject for the research, as this case contradicts to the theoretical assumptions that suggest that country's high integration with the international system creates higher likelihood of the adoption of regulations promoted by international actors. Therefore, relying on elite and expert interviews and comprehensive examination of secondary data, this thesis analyzes international and domestic processes that influenced the attempts to develop and adopt lobbying legislation in Ukraine. As a result, the research identifies such forms of influence as policy enforcement, policy learning, technical assistance, conditional financial help and policy advice, that were used by international actors and were able to boost lobbying regulatory process in Ukraine. However, based on the findings of the thesis, it is possible to conclude that even in case of an internationally driven regulatory effort, domestic obstacles were still able to significantly hinder lobbying reform because of the influence of political confrontation, influential interest groups and reluctance of certain legislators, the presence of which was identified in Ukraine's case.

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Introduction

Lobbying is one of the most complicated issues in Ukrainian politics as it is already recognized as a highly latent and widespread phenomenon (Yevgenieva 2004). However, the main question is not about its existence, rather about the way it is performed. Social scientists mention that the word "lobbying" often has a criminal connotation in the Ukrainian society and is seen as special activity that is realized for the benefit of a narrow circle of individuals and to the detriment of the society as a whole (Rosenko 2010). Moreover, it is strongly associated with corruption, protectionism, bribery and vote buying (Chumakov 2011). Such negative perception of lobbying is explained by illegal practice that takes place in reality. Besides, lobbying is a relatively new phenomenon in Ukrainian politics that started to develop after country's independence in 1991 and does not have strong political traditions for its proper functioning. As a result, current situation regarding lobbying matters in Ukraine can be vividly described by the words of Pavlo Petrenko, the Minister of Justice of Ukraine, who characterized lobbying in Ukraine as "corruption and promotion of the interests of financial groups" (Ukrinform 2014).

International community has recognized the existing corruption problems of Ukraine, as well, as perception of corruption in the country continue to remain high through the time (CPI, Transparency International). Therefore, various international actors continuously promote anti-corruption measures in Ukraine in order to support Ukrainian government in corruption counteraction. Much attention is paid to the development and adoption of lobbying regulation in the country as it is seen as an efficient tool to increase transparency and accountability of public officials. Hence, the international community continues to insist that Ukraine needs special rules that are able to frame lobbying and set the principles of its performance.

Analysis of the legislative activity of the Parliament of Ukraine demonstrates that there have been seven attempts to develop a draft law on lobbying regulation and adopt it by the Parliament of Ukraine since 1991. Unfortunately, none of them was successful and each of the proposals was either withdrawn or rejected. However, at the same time, these continuing attempts to regulate lobbying in Ukraine have increased the interest of Ukrainian scholars to this issue. As a result,

the following aspects of lobbying were investigated in Ukraine: constitutional aspects of lobbying in Ukraine (Nesterovych 2008), genesis of lobbying in Ukraine (Golovko 2009; Diagilev 2010), role of lobbying in the Ukrainian society (Basylevych 2010, Rachynska 2013), perspectives of lobbying regulation in Ukraine (Nanivska 2007; Kyseliov 2010) etc. Moreover, numerous publications by Ukrainian civil society organizations' experts were devoted to the legislative analysis of the proposed draft laws (Legislative Initiatives' Laboratory, Professional Lobbying and Advocacy Institute). Nonetheless, any retrospective analysis of the process of the development and adoption of lobbying legislation in Ukraine and the role of international actors in it was hardly done.

Therefore, considering the mentioned facts, this research aims to analyze the attempts to develop and adopt lobbying regulations from the public policy perspective, specifically focusing on the influence of international and domestic factors on this process. Deep consideration of the mentioned attempts is able to provide an answer to the following research question of the thesis: why did the attempts to develop and adopt legislation on lobbying regulation in Ukraine fail even despite the active involvement of international actors in this process? The findings of the research will shed light on the roles performed by international and domestic actors and their contribution to the promotion or prevention of the adoption of legislation on lobbying regulation in Ukraine. This knowledge is highly relevant for Ukraine today, as June 2015 has marked a new period in the history of Ukrainian lobbying regulation, when the Parliamentary committee on corruption prevention and counteraction has created a working group on the development of a new draft law on lobbying.

The research is structured into 4 chapters. The first chapter describes relevant notions and sets theoretical framework of the research. The second chapter presents the research design and explains the methodology used in the thesis. The third chapter analyzes seven attempts to develop and adopt lobbying regulation in Ukraine and the fourth chapter summarizes the findings.

Chapter 1. Theoretical arguments around lobbying regulation

1.1. Understanding the notion of "lobbying"

Historically a word "lobby" refers to "an organized attempt by a group of people to influence legislators on a particular issue" (Oxford Dictionary 1995, 690). It has appeared as a result of a custom of those seeking to attract the attention of the legislators to gather in halls and wait for the moment to be able to discuss their specific areas of concern (Zetter 2008, 6-7). As a result, for many years lobbying was traditionally associated with a legislation process, where individuals, groups or their representatives were influencing the process of passing, amending or opposing certain legislation in a Parliament. Nowadays there is no universal approach to the definition of lobbying in the scientific literature. In the literature review on lobbying, which covers the research in the field of interest groups for the period over 50 years, Baumgartner and Leech mention that the "word 'lobbying' has seldom been used the same way twice by those studying the topic" (Baumgartner and Leech 1998, 33). However, the scholars are common in one thing. Today lobbying includes not only the sphere of legislation, but can take a form of the attempts "to oppose, adopt or amend a government policy, or to influence the awarding of a government contract, or the allocation of funding" (Griffith 2008, 1). For the purpose of this thesis, the approach of the Organization for Economic Cooperation and Development (OECD) to lobbying is used. It provides international legal and official definition, which was already taken as a basis for many existing lobbying regulatory regimes. Therefore, OECD (2010) defines lobbying as "the oral or written communication with a public official to influence legislation, policy or administrative decision". It is important to emphasize that in this definition, OECD has officially recognized that lobbying takes place in both: legislative and executive branches.

Lobbying is "the process by which the non-government sector — business, interest groups, representative organizations — seek to influence government" (Warhurst 2007). Recognition of the existence of lobbying in the executive branch has expanded the notion of the actors that are influenced by the lobbying. Therefore, legislators are not the only figures of lobbyists' interest anymore. As a result of the expansion, modern lobbying aims to influence "civil and public servants, employees

and holders of public office in the executive and legislative branches, whether elected or appointed" (OECD 2010). Those, who want to lobby, are mostly represented by non-government sector, which includes the actors that have economic, professional and civil society interests (Chari et al. 2011, 3). Economic interests are mostly pursued by corporations and business companies, trade unions try to promote their professional matters and human rights groups push further civil society concerns.

1.2. Literature review of lobbying regulation

Previous research in this field shows that "the regulations governing the activities of lobbyists and interest groups are more the exception that the rule" (Malone 2004, 3), pointing out that lobbying regulation is not a widespread phenomenon in the legislation of the countries of the world. However, in recent decades the governments of some countries of the world have decided to adopt lobbying legislation (Lithuania in 2001, Poland in 2005, Hungary in 2006, Taiwan and Australia in 2008), what has almost doubled the number of countries that possess special regulations on lobbying. Therefore, this issue was brought to the center of attention of many scholars and has resulted in a number of new scientific publications on lobbying regulation matters. Bertok (2008), Malone (2004) and Luneburg and Susman (2006) investigated general aspects of lobbying regulation. In their works, they were concentrated on solving the puzzle of construction of successful legislative framework that could effectively regulate lobbying. Many scholars have focused their research on examining the outcomes of the existing lobbying regulatory regimes in Australia (Warhurst 2008), Canada (Giorno 2006), Hungary (Pogatsa 2010), Poland (Jasiecki 2006; Galkowski 2008), Scotland (Dinan 2006), USA (Newmark 2005; Flavin 2015) etc. Additionally, the boost of the adoption of lobbying regulations has increased the interest towards this phenomenon among the scholars in such countries as Bulgaria (Mavrov 2011), Czech Republic (Spok, Weiss and Kriz 2011), Romania (Boroi 2013) and Ukraine (Nesterovych 2008; Golovko 2009). In their works, they considered the possibilities of the introduction of special regulations for lobbying and their effect on the improvement of transparency and accountability in the mentioned countries. A part of the scientific publications of

recent years was devoted to lobbying regulation in the European Union (EU) (Hauser 2011; Coen and Richardson 2013) and was focused on the main elements of the lobbying in the EU and the relations between the interest groups and EU institutions. Moreover, in 2010 Chari, Hogan and Murphy performed a global comparative research, examining the peculiarities of lobbying regulation in all the countries, which have adopted lobbying regulatory regime (Chari et al. 2010).

Having analyzed main publications devoted to lobbying regulation, it is possible to say that scientific approach to the definition of lobbying regulation is mostly homogenous. Therefore, it refers to the "rules which lobbyists must follow when trying to influence government officials and public policy outputs" (Chari et al. 2010, 4). These rules represent a set of norms that are more than just recommendations made for lobbyists that can be applied on a voluntary basis. On the contrary, they require compliance, which is ensured by the procedure of their adoption. Analysis of the literature on this issue has shown that countries ensure compliance with lobbying regulatory rules by putting them in a written law and adopting it by a Parliament (McGrath 2008, 21). Correspondingly, the mentioned procedure of adoption and a status of a law imply their enforcement by a state and penalization in case of non-compliance. This is the main feature that differs lobbying regulation from the codes of conduct, which usually define rules of behavior based on professional ethics and that are obligatory to follow only for members of a certain group (ORL 2012, 2). However, although they provide rules that determine lobbying, usually their adoption constitutes a part of the corporate social responsibility of a certain company, meaning that they are introduced in company's activity on a voluntary basis. Nonetheless, the existence of such mechanisms is also important as it helps to ensure that the activity of members of a company is performed in compliance with law, ethical standards and internal regulations. Consequently, such codes of conduct serve as a system of regulations for a limited amount of individuals based on their membership or affiliation and do not provide mandatory requirements for the whole industry. Considering mentioned above, such rules are able to perform a complimentary function and in any case cannot become an

alternative for legislative lobbying regulation due to the absence of the enforcement mechanism and limited sphere of influence.

A considerable amount of literature on lobbying regulation is focused on the rationale of its adoption. The scholars are homogenous in identifying lobbying regulation's ability "to protect the integrity of decisions and to safeguard the public interest by counterbalancing vocal vested interests" (Santos 2014, 111), which "affects elite behavior, citizen attitudes and the exercise of democratic control by the citizens of their elites" as a result (Naurin 2007, 2). Moreover, regulation of lobbying has a potential to ensure that "officials who make decisions on behalf of other people, whether or not they are electoral constituents, are accountable to those people" (Gutmann and Thompson 2004, 3). Therefore, the scholars emphasize that the development and adoption of legislation on lobbying regulation is able to provide a legal framework for making the activity of public officials more transparent and accountable.

1.3. Main theories of lobbying regulation

In order to define an appropriate theoretical framework for this research, it is important to reflect on the existing theories of regulation in general and interpret their influence on the explanation of lobbying regulation in particular.

In general, literature on regulation explains that regulatory processes come from three main sources: welfare economy, political theory and sociology. Therefore, they define three main theories that explain the phenomenon of regulation.

1.3.1. Public Interest Theory

Welfare economy related to regulation touches upon "the interventions a state applies to promote broader social welfare" by "affecting legal and social processes and outcomes" (Wagle 2013, 48). Therefore, one of the theories of regulation is centered on the concept of the "public interest", which traditionally "is rooted in welfare" (Horwitz 1989, 22). Therefore, public interest theory explains that the institutionalization or development of regulation is done "in pursuit of public interest related objectives", making the sphere that is subject to regulation, to

function in the interest of the public at large (Baldwin and Cave 1999, 19). Politicians are assumed to act as public agents pursuing public interest, rather than group, sector or individual self-interests. Therefore, by the adoption of regulation, they aim to achieve publicly desired results that otherwise would hardly or never be reached.

According to this theory, the process of the development and adoption of legislation on lobbying regulation is seen as a result of pubic demand for more transparency and accountability in policy making, which constitutes the public interest. However, usually it appears to be hard to identify the concept of the public interest within the regulatory practice. Public interest concerns the demand for the trustworthiness and disinterestedness that a policy regulator is supposed to possess and his/her public-spiritedness and efficiency the public can be confident in (Landis 1938). As a result, it is almost impossible to test the disinterestedness and trustworthiness of a politician in real life. Moreover, acting according to the public interest principle first, they may become a part of the corruptive schemes seeking for personal profit later, as the role of the vested interests and the degree of their influence continue to grow in the next stages of regulation's development. Therefore, the process may become biased by the pursuit of personal interests and the final set of adopted rules will serve the interests of individuals or groups rather than to the general public (Mitnick 1980, 94; Redford 1952, 251). Therefore, it seems that public interest theory may be applied to lobbying regulation in relation "to the earliest stages of the life cycle of regulatory affairs" (Bernstein 1955), but not to the stage of the development and adoption of legislative tools.

1.3.2. Private Interest Theory

Unlike welfare economy, political theory aims to explain regulation through the behavior of regulatory agencies. Therefore, the theory of regulation rooted in political theory refers to the concept of "private interest" (Horwitz 1989, 22). Public or group interests are not taken into consideration in this case, as private interest is the main objective that drives the regulatory development (Baldwin and Cave 1999, 21). As a result, the actors of regulatory process have narrow goals which are based on the "the same self-interested motivations that characterizes private sector" (Kuo-

Tsai Liou 2001, 143). Moreover, private interests of these actors "are not limited to financial or pecuniary interests, or those interests which generate a direct personal benefit" (OECD 2003). They can also be of non-material nature and be related to the interests of the family members or other associates.

Thus, in the light of private interest theory, lobbying regulation may be seen as a tool for already established powerful lobbyists in alliance with certain politicians to influence the possibility of others to access decision-making process. It may serve as a tool to control and limit the emergence of new lobbyists who are perceived as competitors. However, it also appears hard to analyze lobbying regulation through the framework of this theory, as political actors may not have some determinate preferences and views on certain issues (Hertog 2012, 61). Moreover, actors of the regulatory process may have not only their self-interested goals, but also help others to achieve their goals, which may range from the similarly narrow ones to broader societal goals (Levine and Forrence 1990, 169). Therefore, they may pursue some altruistic aims, but not only act in a rational way.

1.3.3. Institutionalism

Sociology theorists, supporting institutionalism, claim that institutional structure and arrangements are those phenomena that shape regulation significantly (March and Olsen 1984, 734). According to it, individuals are not driven by rational choice or public interest, but rather by principles, norms, organizational settings and institutional procedures that form the notion of "institution" (Baldwin and Cave 1999, 27). Therefore, regulation is framed by established rules that can be either formal or informal. Constitutions, laws, contracts and other institutional arrangements represent formal rules. They guide individual behavior and secure order in the political world (March and Olsen 1989, 5). As for the informal rules, they are mostly "socially derived and therefore not accessible through written documents or necessarily sanctioned through formal position" (Zenger et al. 2001, 1). Consequently, they include social norms, political processes and routines. However, both formal and informal rules have a direct influence on a regulatory process due to their ability to shape political outcomes (Baldwin and Cave 1999, 29).

It is important to mention that according to the institutionalism not only domestic institutional arrangements influence the regulatory process in a country. The theory states that international conventions, treaties, recommendations and other tools of influence of the international actors effect the regulatory process of both willing and resistance countries, as when ratified or included into the system of national legal acts, such tools frame domestic policy agenda and influence the adoption of legal decisions (Simmons 2009, 114). International rules ensure country's fulfillment of the requirements by the threat of sanctions that can be imposed in case of non-compliance, putting commitments on a state to behave or refrain from behaving in particular way. Therefore, it puts pressure on a country to develop and adopt relevant regulations. Additionally, besides being enforced by the international actors, some of institutional arrangements can be self-enforcing as well. Governments are eager to comply with the international agreements and recommendations, as they want to benefit from ongoing cooperation with international actors and based on the "reasons of reputation, as well as fear of retaliation and concern about the effects of precedents" (Keohane 1984, 106). Therefore, as long as the sides expect to cooperate long into the future, it can result in the adoption of the regulation promoted by the international actors. Moreover, such compliance may be stable over time as the cost of loss of future benefits counterbalances possible deviations from the terms of the agreements between a state and international institutions (Simmons 2009, 117).

Besides, formal and informal rules developed by powerful states are able to affect decision-making process of weaker states (Gruber, 2000). Although, they can be enforced based on bilateral agreements between the states, compliance can be also reached even without powerful state's intention to do it, based on country's policy leadership. It is related to the existence of "research infrastructure, the critical intellectual mass and well-developed connections between the policy world and various research nodes", which makes the experience of the powerful countries to be seen as highly competent and, thus, more likely to be replicated by weaker countries (Dobbin, Simmons and Garrett 2007, 456). One of the examples proposed by the literature is a widely practiced approximation of national legislation to the requirements of the EU accession by those states that do not have a candidate status

but are willing to do that (Schimmelfennig and Sedelmeier 2005). Having intent to join the EU, they have an ongoing interest in complying with such requirements even in the absence of the conditionality imposed by EU institutions. Such behavior is not enforced and is driven by a state itself, causing the development and adoption of state regulations in a line with EU standards. Hence, according to the institutionalism, the development and adoption of lobbying regulation is caused by institutional arrangements that are able to shape this process by influencing it at the domestic and international level. Moreover, the theory suggests that the more a state is integrated with the international system and is subject to the influence of international institutions, it is more likely to adopt regulations promoted by the international actors.

Therefore, taking into consideration the problematic aspects of the public interest theory and private interest theory of regulation, institutionalism is seen to be the most relevant theoretical concept, chosen for the examination of the development and adoption of legislation on lobbying regulation in Ukraine.

Chapter 2. Methodology and research design

The purpose of this thesis is to explicitly research and consider the obstacles that hindered the process of the development and adoption of legislation on lobbying regulation in Ukraine. Considering the chosen theoretical framework analyzed in the previous chapter, this research focuses on the following research question: why did the attempts to develop and adopt legislation on lobbying regulation in Ukraine fail even despite the active involvement of international actors in this process?

In order to provide an answer to this question, research is carried out in a form of a single case study and focuses on Ukraine. Ukraine's case constitutes a great interest as the country had several attempts to develop and adopt legislation on lobbying regulation, though none of them was successful even despite the active involvement of international institutions, which were supposed to positively influence this process. While deciding to conduct research in a form of a single case study, possible doubts regarding the external validity of the results were taken into consideration, as one example is not able to provide confidence that the conclusions drawn from this particular case apply elsewhere. However, the purpose of this research is not to generalize the findings to other cases, but rather focus on Ukraine's case and its peculiarities in order to create a framework for discussion of the development and adoption of legislation on lobbying regulation in this country.

Therefore, this thesis analyzes all the attempts to create legislative framework for lobbying regulation in Ukraine since country's independence in 1991. There were seven attempts to develop a draft law and the following table presents their short overview.

Year	Name	Author/s	No. (Parliamentary register)	Results
1992	–	Volodymyr Sumin (Head of the Council of Entrepreneurs of Ukraine at the Cabinet of Ministers of Ukraine) and the group of MPs.	–	Creation of a draft law was not completed.

April 1999	"On lobbying in Ukraine"	Igor Sharov (MP representing People's Democratic Party)	3188	Withdrawn from the Parliament in 2001.
November 1999	"On legal status of groups united by common interests (lobbying groups) in the Verkhovna Rada of Ukraine"	Yuriy Sakhno (MP representing People's Democratic Party)	3188-1	Left on the stage of review by the members of Parliament.
September 2003	"On regulation of lobbying activities in state government bodies"	Anatoliy Tkachuk (former MP, Director of Civil Society Institute)	–	Did not reach the stage of registration in the Parliament.
November 2003	"On activities of lobbyists in the Verkhovna Rada of Ukraine"	Igor Hryniv (MP representing the party "Our Ukraine") and experts from the public organization "Laboratory for Legislative Initiatives")	8429	Rejected by the Parliamentary committee after the procedure of the First Reading in 2005.
September 2009	"On lobbying" ("On the influence of the public on adoption of regulations")	Vladyslav Fedorenko (Director of the Department of the Constitutional and Administrative Law of the Ministry of Justice of Ukraine)	–	Rejected by the newly appointed government.

October 2010	"On regulation of lobbying activities in Ukraine"	Valeriy Konovaliuk (MP representing the "Party of Regions")	7269	Rejected by the Parliamentary committee in September 2012.

Table 1. A list of the attempts to develop and adopt a draft law on lobbying regulation in Ukraine.

As it is seen from the table, some of the attempts to develop and adopt lobbying regulations in Ukraine took place during the same year. Therefore, for further analysis, they will be grouped together based on their belonging to a particular year, as during this time period they were subject to similar international and domestic influence. As a result, four waves of the attempts are identified (the wave of 1992, 1999, 2003 and 2009-2010) and they are going to be analyzed in the chapter 3.

Both primary and secondary data was used in this research. Secondary data was extracted from the relevant scientific literature, legislative databases of the Parliament of Ukraine, organizations' documents, experts' reports and internet sources. Primary data was collected using the method of interview. The effectiveness and importance of the method of interview is highlighted by Tansey, who claims that interview facilitates the collection of data that is highly relevant and specific to the research objectives being pursued, as it allows the researchers to communicate with key players directly (Tansey 2007, 771). Therefore, in order to collect diverse data the following types of the method of interview were used: the method of elite interview and the method of expert interview. Under the notion of "elite" is usually understood "a group of individuals, who hold or have held, a privileged position in society, and are likely to have more influence on political outcomes than general members of the public" (Richards 1996, 199). As for the "experts", though the representatives of this group usually do not make high-level decisions, they are responsible for or have privilege access to the knowledge of specific groups of people or decision-making process (Littig 2009, 100). Interviews were conducted in a form of a semi-structured interview. This form of interview has facilitated two-way communication by giving freedom for the interviewed persons to express their

thoughts and opinions but at the same time was conducted according to the prepared plan. In summary, there were 4 interviews conducted: 2 expert interviews and 2 elite interviews. The interview answers were used to support the analysis of the attempts to develop and adopt legislation on lobbying regulation and explanation of their outcomes.

Chapter 3. Analysis of the attempts to develop and adopt lobbying regulation in Ukraine

As lobbying started to develop in Ukraine since country's independence in 1991, it does not have historically formed strong political traditions that are able to serve as guidelines and ensure its proper development. Previously, during the period of the Soviet Union, interest representation was a prerogative of the ruling communist party that believed it was the only body able to express and protect the interests of people (Rosenko 2010). Today lobbying is usually associated with illegal activity and therefore, is negatively perceived by the society. Such state of affairs can be explained by the fact that during the years of Ukraine's independence, lobbying has been formed as a political custom based on interpersonal relations and association with a certain group (Nediukha and Fedorin 2010, 13). This tendency has already resulted in a monopoly to access decision-making process that belongs to several influential interest groups only.

It is important to mention that Ukraine is not unique in its situation, as the country follows the world trend, where it has become more difficult for citizens to be heard by public officials as competitive advantage in lobbying belongs to the representatives of commercial companies (Reich 2008). One of the examples that vividly describe lobbying traditions of Ukraine regarding the mentioned fact is found in country's recent history. In the 2000s three Ukrainian finance and industry groups have become the most influential business figures in the country and the biggest purchasers of the state property given for privatization. Further, their success and favorable attitude of state officials to their activity, was explained by the successful "lobbying" of these groups, which was done by illegal financing of the presidential campaign of the elected President Victor Yanukovich (ICPS 2015). Regrettably, despite such public scandals, no lessons are carried out and the mechanism of interaction between the representatives of the interest groups and state power during decision-making process continues to remains chaotic, latent and corrupt. The channels of influence on state bodies still belong to rich and powerful interest groups, making is almost impossible for other potential lobbyists to reach state representatives.

Additionally, it is worth to mention another feature of lobbying in Ukraine. Although, legislative branch is traditionally considered to be the main sphere of influence affected by the lobbyists, lobbying in Ukraine is mostly done with an aim to influence the executive power (Nediukha and Fedorin 2010). Fundamental issues that constitute a sphere of interest of lobbying groups usually need specific or urgent decisions that are hardly provided by the legislative branch. Therefore, it is done trough the decrees of the Secretariat of President and the regulations of the Cabinet of Ministers that also have a direct effect as legislative acts. Moreover, using the means of the executive branch, lobbyists have found an effective way to avoid long parliamentary procedures and high level of publicity, which are the characteristic features of the legislative process in Ukraine.

Nonetheless, despite the political heritage and corruption traditions, the absence of clearly defined legal framework is recognized as the main reason of poor lobbying performance in Ukraine. The legislation of Ukraine does not contain any direct provision on lobbying activity. However, it is important to mention that lobbying does not stay outside the legal system of Ukraine, constituting an illegal action. Analyzing the text of the Constitution of Ukraine (1996) it is possible to identify articles that ensure a legal character of this activity. Among them: the right to exercise power directly and through bodies of state power (Art. 5), the right to freedom of speech and to the free expression of views (Art. 34), the right to freedom of association for the exercise and protection of the rights and freedoms and for the satisfaction of political, economic, social, cultural and other interests (Art. 36), the right to participate in the administration of state affairs (Art. 38) and the right to petition to bodies of state power (Art. 40). Mentioned provisions constitute a legal basis for the existence of lobbying in Ukraine. However, they touch only upon limited aspects of this activity. Together with unstable political system, high level of corruption and historically distorted understanding of lobbying in Ukraine the existence of this general provisions appears to be not enough for appropriate functioning of lobbying industry. Therefore, the country needs special regulations that are able to frame this activity and ensure its legal, transparent and inclusive character.

3.1. First wave of the attempts to develop and adopt legislation on lobbying regulation in Ukraine (1992)

First attempt, intended to set a legal framework for lobbying in Ukraine, took place at the beginning of the 1990s, when a group of the members of the Parliament (MPs) of Ukraine under the lead of the Head of the Council of Entrepreneurs of Ukraine[1] at the Cabinet of Ministers of Ukraine Volodymyr Sumin started the development of a relevant draft law. Unfortunately, this effort was never framed into a finished proposal and the results of the work were never presented for consideration either to the public or to the MPs (Golovko 2009, 131). Despite the mentioned fact, this attempt can be considered revolutionary, as the issue of lobbying regulation was included into the agenda of Ukrainian politicians for the first time. It shows that political elite of independent Ukraine aimed to rethink Soviet approach to the interpretation of a number of democratic phenomena that previously were considered "harmful" for the society (Gnatenko 2012, 171). Unfortunately, there were no influential and properly formed interest groups eager to support this initiative, as the state continued to be a dominant actor at that time. Therefore, an interest in lobbying regulation was more a demonstration of the changing attitude towards the democratic values, rather than a real necessity in legal norms to regulate lobbying in Ukraine.

3.2. Second wave of the attempts to develop and adopt legislation on lobbying regulation in Ukraine (1999)

In September 1998 the International Monetary Fund (IMF) approved a three-year financial help program offered to Ukraine in order to support country's government programs. The key objectives of this program were to "strengthen public finances and implement ambitious structural reforms to promote economic growth and improve the population's living standard" (IMF, Press Release No.98/38). The highest priority was given to the strengthening of the financial position of the government, which was necessary for enhancing the implementation capacity of other reforms. Moreover, the IMF insisted on "the improvement of the management

[1] Council of Entrepreneurs of Ukraine is a permanent advisory body of the Cabinet of Ministers of Ukraine, the main task of which is to ensure interaction of the government with business.

of public resources" in general (Op de Beke 2002, 3). Therefore, in order to be able to carry out deep reforms on establishing sound public finance system required by the IMF, the government of Ukraine had to adopt a number of measures as prior actions. Such measures aimed to tackle corruption and lobbying matters, known for being the biggest problems in the system of recourse allocation in Ukraine (Wolf and Gurgen 2000). Moreover, in January 1999 the Council of Europe adopted the Criminal Law Convention on Corruption, which was followed by the Civil Law Convention on Corruption later. The adoption of these conventions influenced the process of activation of corruption counteraction in Ukraine further, as the country, being a member state of the Council of Europe, was supposed to join and ratify them. Therefore, in 1999 the Parliament of Ukraine adopted the State Program of the Development of the Legislation of Ukraine, where one of the points (out of 233) was devoted particularly to the development and adoption of the Law "On lobbying" as a part of the anti-corruption strategy. It is important to mention that the recognition of the necessity to have this type of legislation was determined not only by international influence but also by social and economic realities of Ukraine's development during the first decade of its independence. During this period the share of state ownership was decreased by the boost of privatization. As a result, till the end of the 90s the country has obtained powerful economic groups, which were eager to influence the process of public policy formation according to their interests (Gnatenko 2012, 172).

Consequently, as a response the international demand and domestic situation, two draft laws on lobbying regulation were registered in the Parliament of Ukraine. Moreover, these drafts appeared to be the first official attempts to provide legislative tools for lobbying regulation in Ukraine.

One of the drafts titled «On lobbying in Ukraine» was presented by Igor Sharov, the MP representing People's Democratic Party[2]. By analyzing the text of his proposal, it is possible to say that his approach to lobbying regulation was quite wide: almost all bodies of the state power and local authorities (except judicial

[2] People's Democratic Party was a centrist party of Ukraine that promoted the ideas of humanistic ideology and recognition of the rights and freedoms of individuals. PDP had a status of a ruling party at that time.

branch and law-enforcement bodies) were recognized as the objects of lobbying (Art. 6). Besides, the draft law granted the right to form lobbying interest groups not only to Ukrainian, but also to foreign natural and legal persons and international formations (Art. 18). Moreover, the draft law foresaw a possibility to delegate lobbyist's functions to public officials, including MPs. Last provision seems to be extremely contradictory, as it could have created the grounds for corruption in case of its adoption. Therefore, it is possible to conclude that although this draft law can be seen as an attempt to create a set of rules able to regulate lobbying, it constitutes a political attempt to officially include MPs into the lobbying process and legalize the practice of illegal inner lobbying, which was and continue to remain the dominant trend in Ukrainian politics.

The second draft law was prepared by Yuriy Sakhno, another representative of the People's Democratic Party and the MP at that time. The title of his proposal «On legal status of groups united by common interests (lobbying groups) in the Verkhovna Rada of Ukraine» already indicates that this draft was intended to regulate lobbying as a much narrow phenomenon in comparison with a previous one. Sakhno proposed to regulate lobbying activity within the legislative branch only (Art. 2). Respectively, MPs were recognized as the only objects of influence (Art.3). As for the right to lobby, the list of interest groups that were supposed to lobby included public organizations, trade unions and business associations. Moreover, various groups of MPs were also granted this right. As a result, this draft can be seen as an attempt "to partially legalize the situation when MPs are de-facto engaged into the lobbying commercial interests" (Golovko 2009, 132).

Both of the drafts did not reach the stage of consideration by the Parliament: the first was withdrawn in 2011 and the second was left on the stage of MPs' review. It is important to mention that despite the increased interest to lobbying regulation that marked the 1999, no other attempt was taken in the nearest four years. This change in the policy agenda can be explained through the peculiarities of the activity of the second President of Ukraine Leonid Kuchma. The year of 1999 was the year of the Presidential elections in Ukraine and the beginning of Kuchma's second presidential term. The politics of this period in general and Ukrainian lobbying in

particular were recognized as fully depended and oriented on the President and his close environment (Tomenko 1996, 8). As a result, the existing financial and political groups started to promote their interests through the Administration of the President, which enjoyed a variety of functions and the ability to intervene into the work of other institutions. Therefore, the absence of the attempts to continue the work on lobbying regulation till almost the very end of Kuchma's period in office can be seen as a result of the activity of Ukrainian financial and industry groups, the majority of which have "rallied around the President Kuchma and divided the spheres of influence". They have formed a system of "oligarch lobbying" that did not require any official legalization as it was already "infiltrated in the power" (Teleshyn and Reiterovych 2008, 107).

Taking into consideration the mentioned facts it is possible to conclude that international actors were not able to effectively promote the adoption of lobbying regulation in Ukraine due to the domestic obstacles. There were no political will to adopt legislation on lobbying regulation in order to decrease the abuse of power, as the state bodies responsible for the adoption of such legislation were a part of the corruptive schemes. Therefore, the attempts to adopt draft laws during this period can be seen as an imitation to undertake effective measures to regulate lobbying and counteract corruption in order to maintain cooperation with international institutions, which were active in supporting Ukraine's development during this period, rather than a real intention to regulate lobbying.

3.3. Third wave of the attempts to develop and adopt legislation on lobbying regulation in Ukraine (2003)

In February 2003, taking into consideration OECD's concerns about a high level of corruption in Ukraine, which "was continuously inflicting serious damage to Ukraine's development and was undermining Ukraine's international prestige", the Administration of the President of Ukraine issued the Decree "On Urgent Additional Measures of Intensifying the Struggle Against Organized Crime and Corruption" (OECD 2005, 28). In pursuance of the mentioned Decree, the Cabinet of Ministers of Ukraine worked out several anti-corruption plans, emphasizing on urgent actions

that aimed to decrease illegal influence on political actors. Respectively, one of the points of the Plan approved by the Instruction of the Cabinet of Ministers N270 (May 15, 2003) demanded the adoption of the legislation in this sphere, highlighting the importance of consideration of the experience of developed states (p. 9 of the Plan). Following this demand in September-October 2003 two draft laws on lobbying were developed.

The first draft law was prepared by Anatoliy Tkachuk, a former MP and the Director of Civil Society Institute[3] in Ukraine. One of the main peculiarities of this draft law, which differed it from the previous ones, was a comprehensive list of demands to a person that was going to perform lobbying. Moreover, the provisions of this draft law were supposed to grant a right to lobby only to properly registered persons. Thus, it did not leave almost any chance to perform legal lobbying to those persons who would chose to lobby outside the proposed legal framework. However, Anatoliy Tkachuk, commenting on his draft law, has mentioned that "unfortunately, a change of lobbying form from the shadow to the transparent and open one was hardly necessary for anyone at that time" (interview). Therefore, this proposal did not find enough support and was not able to reach even the stage of the registration in the Parliament.

More successful draft law, regarding the number of stages it passed, was the draft law on lobbying regulation proposed by Igor Hryniv, the MP from the party "Our Ukraine"[4], and the group of experts from the public organization "Laboratory for Legislative Initiatives"[5]. In their proposal «On activities of lobbyists in the Verkhovna Rada of Ukraine» the proponents limited lobbying regulation only within the legislative branch. Moreover, the authors did not include the MPs to the list of actors that were granted a right to perform lobbying that was a common feature of several draft laws proposed previously. In November 2005 the draft law was

[3] Civil Society Institute is a non-profit organization created in 1997, which aims to establish and develop civil society in Ukraine through the involvement of citizens into decision-making process. Organization works on the improvement of legislation in the sphere of non-profit law.

[4] "Our Ukraine" was a center-right political party of Ukraine that supported the ideas of European and Euro-Atlantic integration of the country.

[5] Laboratory for Legislative Initiatives is an independent analytical center created in 2000 that promotes establishment of democratic values, formulation of effective state policy and implementation of reforms.

registered in the Parliament and was transferred for consideration to the parliamentary committee. However, the committee concluded that the text of the draft was oversupplied with a number of technical detailed which demanded additional financial resources and human capital (Conclusion N8429). As a result, it was rejected by the Parliament after the procedure of the First Reading.

It is important to mention that the process of consideration of the draft law by the Parliament was influenced by the increased competition of the major financial and industrial groups. They wanted to preserve their access to the process of distribution of the state property and resources, which could be negatively influenced in case of the adoption of lobbying regulation (Teleshyn and Reiterovych 2008, 106). Therefore, both of these draft laws appeared to be among other unsuccessful attempts to develop and adopt legislation on lobbying regulation in Ukraine, even despite the influence of the international actors.

3.4. Fourth wave of the attempts to develop and adopt legislation on lobbying regulation in Ukraine (2009-2010)

Fourth wave is characterized by the influence of the project "Support to good governance: Project against corruption in Ukraine" (UPAC), which was designed especially for Ukraine, jointly funded by the European Commission and the Council of Europe and implemented by such Divisions of the Council of Europe as Economic Crime Division and Directorate General of Human Rights and Legal Affairs. The project was launched in June 2006 and lasted until December 2010 aiming to assist Ukraine's anti-corruption efforts. Together with the improvement of the strategic and institutional framework against corruption and the enhancement of the capacities for its prevention, the strengthening of the anti-corruption legal framework was recognized as the main objective of the project. Moreover, the project expressed it interest to support Ukraine in the adoption of legislation on lobbying regulation through the assistance in "formulating recommendations with the purpose of reducing corruption risks in the legislative process" and "studying models for regulating lobbying" (European Commission, Council of Europe 2006, 4). The project highlighted the importance of urgent reforms for corruption counteraction and

stressed the importance of the adoption of lobbying regulations as an effective tool able to improve poor situation regarding corruption in Ukraine. Furthermore, project's recognition of the significant role of lobbying regulation in anti-corruption process has strengthened and developed the idea of the necessity of "elaborating rules for lobbying activity" in Ukraine expressed in the Monitoring report on Ukraine by OECD Anti-Corruption Network for Eastern Europe and Central Asia some months earlier. Therefore, aiming to build an efficient legal framework in the country, UPAC provided assistance in the promotion of international standards in Ukraine. Therefore, a number of project activities was devoted to the implementation of International and European standards of legislation, regulations and practices based on the existing commitments of Ukraine. Additionally, UPAC activities encouraged Ukraine's government to become a part of new international agreements related to anti-corruption matters and effectively fulfill the commitments of already signed ones. Being more precise, the issues related to the ratification and implementation of the UN Convention against corruption was included into the list of activities in the Summary of the project, as Ukraine was not able to ratify the signed document since 2003. Therefore, the efforts of the UPAC in this direction contributed to the beginning of the process of preparation to the ratification of the UN Convention by the Parliament of Ukraine, which has resumed the work on the development of legislation on lobbying regulation, in turn.

In October 2008 one of the project partners of the UPAC, the National Security and Defense Council of Ukraine, adopted the decision "On the corruption counteraction in Ukraine", which demanded to take urgent measures in this sphere. The document paid much attention to the development of new legislation in the sphere of corruption aiming to fulfill the commitments imposed by the signing of the UN Convention after its ratification. Moreover, the development of a draft law on lobbying regulation and its submission to the Parliament were recognized among the urgent measures to be carried out (P. 2 art.1).

Following these events, a working group aiming to develop a draft law was created at the beginning of 2009. It included the representatives of the Ministry of Justice of Ukraine, the Secretariat of the President of Ukraine, scientific institutions,

high educational establishments and public organizations (Fedorenko 2009, 49). The Cabinet of Ministers was the main body responsible for this draft as its development was conducted on the base and under the strict supervision of the Ministry of Justice of Ukraine, which was a project partner of UPAC responsible for technical support from the Ukrainian side. In one month first results of the work were presented for public discussion at the roundtable event devoted to lobbying in Ukraine and abroad, where experts and public representatives were able to present their opinions (Cherednychenko 2011). The head of the working group Vladyslav Fedorenko, who was the Director of the Department of the Constitutional and Administrative Law of the Ministry of Justice of Ukraine at that time, points out that public discussion of the draft law was highly supported by USAID's Parliamentary Development Project for Ukraine, civil society institutes and municipalities of different regions of Ukraine (interview). Moreover, later the draft law was placed on one of the Ukrainian discussion portals in the Internet, where the users were able to read the text of the document and leave their comments. A complete draft law under the name "On the influence of the public on adoption of regulations" was presented in April 2009 and was planned to be submitted to the Parliament by the end of the year.

It is important to mention, that along with the influence exerted by the international actors, the restoration of the work on lobbying regulation and the development of the draft law within a short period of time can be explained by the political reasons as well. The approximation of the Presidential elections and the beginning of the presidential campaign were the power factors that influenced the political will of the government to work on corruption counteraction. Anti-corruption initiatives, together with the work on lobbying regulation, were organized by the Cabinet of Ministers of Ukraine governed by Yulia Tymoshenko, who was preparing to start her presidential campaign for future Presidential elections of 2010. Therefore, the work of the government on lobbying regulation and other anti-corruption matters can be seen as a future investment into the presidential campaign as historically the issues of corruption have been "the primary concerns for Ukrainians irrespective of political leadership, foreign policy and security issues" (IFES 2014, 1). However, despite the efficient start, further work on the draft law and

its review by the Parliament was delayed. Later, as a result of Tymoshenko's defeat at the Presidential elections followed by the dissolution of her government, the draft law "On the influence of the public on adoption of regulations" was rejected by the newly appointed government.

Nonetheless, although the initiatives of the previous government were stopped, in 2010 a newly formed government decided to resume the work on lobbying regulation. Government's return to the work on this issue is explained by the attempts of the new President, who has traditionally included anti-corruption issues into the program of his electoral campaign, to fulfill his election promises. Moreover, the government's choice to work on lobbying regulation among a wide range of necessary anti-corruption reforms was influenced by the adoption of the Recommendation No. 1908 "Lobbying in a democratic society" (2010) by the Parliamentary Assembly of the Council of Europe. Despite its non-binding character, mentioned Recommendation was able to frame government's agenda as the Council of Europe was seen as "a standard-setting organization" (Kleinsorge 2010, 27) and its recommendations "served as guidelines for national governments" and "were used as legal reference material for drafting national legislation" (Cogen 2015, 138). As a result, in October 2010 a new draft law "On regulation of lobbying activities in Ukraine" was submitted to the Parliament. It was developed by the MP Valeriy Konovaliuk, a representative of the "Party of Regions" [6], which was lead by newly elected President Victor Yanukovich. According to this draft, "lobbying" was defined as "legal influence exerted by employed duly registered and accredited persons (lobbyists) upon public and local self-government authorities, their officers and employees in the course of the development and adoption (involvement in the adoption process) of normative legal acts" (Draft law No.7269). At the same time the document did not foresaw any legislative limitations and mechanisms of control of the activity of unregistered lobbyists. The draft was not able to provide either legal responsibility for the refusal to register as a lobbyist or concrete advantage of being a registered lobbyist that would incentivize individuals to operate openly. As a result,

[6] Party of Regions was a centrist pro-Russian party that claimed to defend the rights of ethnic Russians and Russian-speaking population.

it could appear to be repressive for registered lobbyists, but would not limit the sphere of influence of other actors, who did not perform lobbying activity formally, but were active lobbyists in reality. Therefore, according to the opinion of the expert commission of the Parliament, proposed legislation was not able to eradicate latent lobbying, which was seen by lobbyists as much more effective tool than legal lobbying proposed by the draft (Verkhovna Rada 2012). Additionally, although this draft was generally aiming to adopt lobbying regulation, its text provided the ways to avoid legal requirements. Thus, this draft can be seen as an attempt to legalize the existing manner to perform lobbying rather then to adopt effective legislation to regulate it. Vitaliy Zhugai, a journalist and expect on lobbying, relates this situation to the efforts of the MPs, former MPs, assistants and consultants of MPs and other persons who de-facto performed lobbying, to keep their status quo. He stresses that such persons were not interested in the legalization of lobbying activity, as it would undermine their exclusive role in this industry, and their profit as well. Therefore, being not able to stop the process of the development of lobbying regulations, such persons undertook measures to ensure the existence of the loopholes in the new legislation (interview).

Finally, there was one more factor that influenced the development of the lobbying regulation legislation in Ukraine during this period. Chari, Hogan and Murphy mention that the 2000s were characterized by "the increased zeal with which states throughout the world were regulating lobbying" (Chari et al. 2011, 71). Therefore, many countries of the world started to express more interest towards lobbying regulation and some of them have adopted them as a result. The adoption of legislation on lobbying regulation has started in Lithuania (2001) and was followed by Poland (2005), Hungary (2006), Taiwan (2008) and Australia (2008). It is important to admit, that the case of Poland became and remains the main point of interest for Ukraine among the mentioned countries as "Poland and Ukraine share many common features" in politics, history and culture (Burant 1993, 396). This similarity makes Polish experience highly relevant and applicable to Ukraine. The importance and relevance of Polish experience for Ukraine was highlighted by Denys Bazilevych, Director of Professional Lobbying and Advocacy Institute, who indicated

that its deep analysis is able to contribute to the development of the optimal pattern for lobbying regulation in Ukraine (interview). Therefore, the incentive to follow the example of Polish policy-makers in 2009-2010 can be explained by the fact that Poland being an EU member-state was seen by Ukraine to be among the "high-status countries that are considered to know best" (Meseguer 2005, 3). Thus, after the adoption of legislation on lobbying regulation, Poland became an example to follow and a source of inspiration for the development of legislation on the same issue in Ukraine. Furthermore, Poland was eager to share its experience. As a result, the country started to help Ukraine by providing technical and financial assistance within the national Polish Aid Program (Petrova 2014, 2). Unfortunately, neither these efforts, nor the efforts of the international organizations, were able to resist the domestic obstacles identified in this period.

Chapter 4. Summary and Findings

Having examined four waves of the attempts to develop and adopt legislation on lobbying regulation in Ukraine, it is possible to conclude that this process was driven by international actors that served as a source of advice, inspiration and funding for the lobbying regulation reform in the country. International conventions, agreements and recommendations shaped policy agenda of Ukraine, putting pressure on the government to follow the international standards. This research has identified the following forms of influence that were used by international actors to promote lobbying regulation reform in Ukraine.

- *Policy enforcement.* Ukraine, as a member of international organizations, was subject to the fulfillment of certain requirements, enshrined in the conventions, mutual agreements and other binding legal acts signed with international actors on country's behalf. After the ratification process, these legal tools were framing domestic policy agenda and defining the directions of the reforms. Moreover, further fulfillment of the requirement was constantly assessed by the international actors and forced by a threat of sanctions. Therefore, the fulfillment of the requirements regarding the development and adoption of the legislation on lobbying regulation in Ukraine was guided by the international acts and ensured by their ability to impose sanctions on the country in case of non-compliance.

- *Policy learning*. Successfully adopted and implemented policy on lobbying regulation in the neighboring countries (Hungary, Lithuania, Poland) has become an example to follow for Ukraine. Therefore, their practices served as an inspiration and incentive to adopt a similar policy. Besides, practical advice on the development of lobbying legislation, given by the experts from Poland, has found its reflections in the texts of some of the proposed draft laws.

- *Technical assistance.* International actors helped Ukraine to conduct lobbying reform by providing human and financial resources in order to help the country to formulate the principles of the reform and to develop effective tools for further implementation of the policy. Jointly created project of the Council of Europe and the EU has enriched this process by the involvement of foreign experts and provision of

sufficient funding. As a result, it has boost the process of corruption counteraction in general and the development of a draft law on lobbying regulation in particular.

- *Financial help (based on conditionality)*. The IMF was among those international actors that provided financial help to Ukraine based on conditionality. It used the requirement to promote the development and adoption of lobbying regulation, which constitutes a part of IMF's anti-corruption strategy, as a condition for money lending. Therefore, together with the provision of necessary financial help for Ukrainian economy, the IMF was trying to increase the level of transparency and accountability of the process of its distribution by the adoption and enforcement of special regulatory legislation.

- *Policy advice.* International actors have issued a number of declarations, reports, country assessment papers and other documentation to provide guidelines for effective policy formulation in the sphere of lobbying. Being non-binding in their nature, they appeared to have influence on the progress of lobbying reform in Ukraine. Some of the policy recommendations, provided by such international actors as the UN and OECD, were applied during the process of the development of the draft laws.

Considering mentioned above, it is possible to conclude that international actors were active in promoting the development and adoption of legislation on lobbying regulation in Ukraine. The variety of the forms of influence used by them aimed to incentivize this process from different perspectives. However, it appeared to be not enough, as all the attempts to adopt legislation on lobbying regulation in Ukraine have failed.

Furthermore, the conducted analysis of the attempts to develop and adopt legislation on lobbying regulation in Ukraine gives an answer to the research question by distinguishing the following domestic obstacles that hindered lobbying reform in Ukraine even despite the active involvement of international actors in this process:

- *Political confrontation*. The analysis of the attempts has clearly shown that the change of the attitude towards lobbying regulation, in general, and a draft law developed at a certain point of time, in particular, depended upon the results of the Presidential

elections. Therefore, new governments, appointed by the President, were able either to follow and promote the existing approach to lobbying regulation or hinder previously chosen political strategy completely, what largely depended on the relations between the political forces. The political reality of Ukraine has shown that throughout its modern history each newly elected President was a political rival of his predecessor. Therefore, the newly appointed governments were rejecting the initiatives of their predecessors based on the political confrontation, even without having opposite views on lobbying regulation policy. Moreover, the conducted analysis has shown, that after having rejected a draft law on lobbying regulation, new governments were initiating new policy campaigns on the same issue as they continued to be under the international pressure. Thus, as the development and adoption of legislation required time, 5-year Presidency term appeared to be not enough to complete planned actions of the initiated lobbying regulatory reform. Each time a draft law was developed, its further promotion was hindered by the newly elected political force. It stopped the initiative based on political reasons, first, and started the process over again, as the response to the international pressure, later.

- *Influence of powerful interest groups*. Industrial and economic groups were and remain the main lobbying powers formed in Ukraine. Having divided the spheres of influence, they have grouped around certain politicians that were continuously lobbying their interests. As a result, such groups were satisfied with the achieved results and did not want to loose their status quo. They were objecting the development and adoption of the legislation on lobbying regulation in Ukraine, as it aimed to define legal rules of lobbying and would open access to it for other actors. Mentioned groups were not powerful enough to stop the development of a draft law, as the process was driven by the international community. So, they were eager to influence the process of the development of a draft law by including favorable provisions in order to maintain the positions they possessed. Moreover, such groups had enough power to slow the process at the stage of consideration by the Parliamentary committees, using their close connections with political elite. Therefore, having no ability to eliminate the development and adoption of the

legislation on lobbying regulation, which was driven by international institutions, powerful interest groups were able to hinder this process.

- *Reluctance of legislators*. Empirical part of this research has shown that representatives of the legislative branch of power of Ukraine are found not only among the objects of lobbying, but also among active actors that perform this activity. Thus, such legislators were not interested in the development of a draft law and its adoption in the Parliament, as the provisions of a law were likely to define lobbying activity of MPs as illegal. As a result, it could undermine their exclusive role in this industry and the profit they got for their lobbying efforts. At the same time, being responsible for the ratification of international legal acts and for the development of national legislation based on them, the legislators were not able to ignore the development of the relevant draft laws. Therefore, being not able to stop the process of the development of lobbying regulations, such legislators were undertaking measures to ensure the existence of the loopholes in the proposed draft laws. In such a way, they were creating a visibility of the work on important issues promoted by international organizations in order to secure their positions and continue further cooperation with the representatives of the international community. However, in reality, reluctance of certain legislators was hindering important state processes, including lobbying legislation development.

Conclusions

At the beginning of the 90s the policy agenda of many international actors was focused on the issues of corruption as this phenomenon reached unbelievable scale, rising concerns about its undermining influence on the policy processes in many countries of the world. Ukraine was not an exception, as having gained its independence, the country faced problems in establishing new democratic institutions as it was still influenced by the Soviet legacy. Latent lobbying, which usually took illegal forms, became the main tool of the policy-making process of the country.

Taking an active role in the development of democratic values in newly formed countries, the international actors were actively involved in the process of shaping Ukraine's domestic policy. Much of their efforts were devoted to the promotion of the reform in the sphere of lobbying regulation, which resulted in seven attempts to develop and adopt legislation on lobbying regulation in Ukraine. However, none of them was successful. Thus, lobbying continues to remain an unregulated phenomenon in Ukraine.

Literature on lobbying regulation, analyzed in this research, emphasizes the positive influence of the international arrangements on the regulatory process. It suggests that the more a country is integrated with the international system, the more likely it is to adopt regulations promoted by the international actors. Hence, taking into consideration the mentioned facts this research was explicitly focused on the analysis of the attempts to develop and adopt legislation on lobbying regulation in Ukraine, aiming to identify the obstacles that hindered this process even despite the active involvement of international actors.

Therefore, the forms of influence of the international actors were analyzed first. The conducted research made it possible to conclude that international actors were active in promoting lobbying regulatory reform in Ukraine as they used a variety of tools in order to incentivize this process. It appeared to be possible to identify the following forms of influence that were used by international actors to promote the development and adoption of legislation on lobbying regulation in

Ukraine: policy enforcement, policy learning, technical assistance, conditional financial help and policy advice.

Moreover, deep analysis of the attempts to develop and adopt the legislation on lobbying regulation in Ukraine helped to reveal a number of significant domestic obstacles that were hindering this process even despite a variety of efforts that were undertaken by international actors. The first obstacle relates to the political confrontation that existed between political forces in Ukraine and influenced the relations between the governments in power and their predecessors. Therefore, new governments were likely to hinder the work on lobbying regulation started by the previous government based on political reasons, even without having opposite views on lobbying regulation policy. The second obstacle, identified by the research, relates to the influence of powerful interest groups. Having established strong connections with certain politicians, such groups objected the reform on lobbying regulation as it could limit their influence on the decision-making process and open access for other lobbyists who were seen as competitors. Hence, powerful interest groups were hindering the lobbying regulation reform by influencing the process of a draft law development, aiming to ensure the inclusion of favorable provisions in order to maintain their beneficial positions. Moreover, they were slowing the process of Parliamentary consideration of the drafts using their political connections. The third obstacle relates to the reluctance of legislators to carry out lobbying reform. Being active actors of the lobbying industry in Ukraine, legislators were not eager to loose their beneficiary roles by legally defining lobbying activity and establishing legal framework for its performance. They did not have enough competence to stop the reform completely, but were able to ensure the existence of the loopholes in a draft law they considered to adopt. Such actions were hindering the process of the development and adoption of legislation on lobbying regulation, as they created the visibility of the activity in this direction, rather than solved the existing problems. As a result, mentioned domestic obstacles appeared to be crucial for the failure of lobbying regulatory reform in Ukraine, even despite the active involvement of international actors in this process.

Finally, it is important to mention that this is an explanatory research, which by no means is comprehensive. It provides the grounds for discussion of lobbying regulation, focusing on a single case study of lobbying regulation attempts in Ukraine. Therefore, future research may focus on comparative studies between Ukraine and other countries that were not successful in their attempts to develop and adopt lobbying regulation.

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