

UDCC 330.1:340.111.5

## LAW QUASI-CONSULTING AS A THREAT TO A LEGAL ECONOMY

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Law quasi-consulting is the activity of entities in a legal services market, which formally is the practical legal activity, but really aims at meeting demand of customers for services related to furtherance in the process of the solution of problems with the use of methods contradicting professional and ethical norms of providing legal services or, in some cases, legal norms. Quasi-consulting law firms use intellectual potential of a staff containing professionals in law, the activity of which does not conform to the content and directions of law consulting.

Nowadays, law quasi-consulting is presented in Ukraine by the following set of firms. The first group is firms rendering services of low-quality and using methods of price damping, which enables to attract customers owing to understated prices. Such damping does considerable moral and financial injuries to those entities in the legal services market rendering a high-quality service. At the moment of conclusion of an agreement, customer's evaluation of quality of an absolutely intangible legal service is grounded on particular criteria (mainly, a price) formed by a consultant in the process of promotion of the service in the market rather than thorough comprehension of its sense. Proposing a low price, quasi-consulting forms an illusion of selection of a consultant due to a price criterion. Simultaneously, a relationship «quality-price» develops. Moreover, this process creates a customer opinion concerning a possibility of obtaining a qualitative cheap service. In addition, the customers think that professionals, who set high prices, overstate prices rather than render more qualitative services. Formation of distrust to jurists and their services in general is a negative consequence of development of such a quasi-consulting activity. The second group consists of a peculiar segment of legal quasi-consulting — law firms providing services, which formally are legal ones, but really are intermediary or grey market services. A purpose of resort to such firms is not taking a legal advice. Actually, it is concerned with the following reasons: furtherance to the positive solution of their problems at various government agencies with the use of different means; intermediation in relations with a staff of public-funded institutions; growth of expanses owing to inclusion of payments for legal services, which were not provided, and, as a result, the decrease of profit; development of

various optimizing schemes, including «underground» ones; gaining confidential information on rivals, partners, dissemination inadequate information, et al. Such a quasi-consulting activity ruins reputations of lawyers and legal firms, forms doubts regarding their morality, competencies, and ethicality of legal consulting.

Formation of the legal economy significantly restricts an area of law quasi-consulting. Firstly, it creates an effective legal environment for the practical law activity. Secondly, it furthers the decline of demand of business entities for quasi-consulting law services owing to formation of conditions for development of a socially responsible business. Nevertheless, nowadays, the law quasi-consulting is increasingly popular in Ukraine. It is a real threat to the legal economy, which is stipulated by activation of the grey market and criminalization in the national economy and failures of the government concerned with its regulation. Corruption is the most threatening phenomena of the national level. It is worth mentioning that activities of professional unions of lawyers to some extent not only impede overcoming law quasi-consulting, but also assume quasi-consulting features due to their closeness, elitism, bureaucratization, and formalization of operations.

The author suggests dividing the threats of the law quasi-consulting to the legal economy into several groups.

1. Deprofessionalization of the practical law activity. The quasi-consulting firms, which provide low-quality legal services, do not need professionals in the law field, since their income depends on the large-scale and a low price rather than on quality. The quasi-consulting firms, which are not factually concerned with providing law services, do not also need professionals in law. They form demand for well-connected employees, who have experience regarding the solution of problems being beyond the legal environment. Consequently, development of the law quasi-consulting results in the inability of graduates of higher law educational institutions, who gained honors diplomas and participated in conferences, to find a job related to their profession. There is a tradition to blame educational institutions for this tendency. However, this fact is stipulated by not only an insufficient level of education at some institutions, but also by absence of demand for law professionals on the part of employers. It is a considerable reason of unemployment or employment of graduates of law higher education institutions in other fields. This fact should be taken into account in the process of analyzing the labor market of lawyers as well as the law services market. A low professional level and further deprofessionalization of the practical law activity in providing legal advices are consequences of the quasi-consulting. These consequences are threats to the legal economy.

2. The activation of the grey market and criminalization in the field of law services and in the national economy on the whole. The law quasi-consulting is

a sector of the grey market. It is a factor of the following tendencies: further activation of the grey market and criminalization of the national economy; expansion of corruption, since a bribe and nepotism are the main instruments of solution of problems of its customers; coalescence of government officials and the underworld. A law consultant of a particular official, who provides some quasi-consulting law services, factually is a link that connects potential subjects of corruption actions.

3. Expansion of unlawful acts of business entities. If a business is more and more supported by the law quasi-consulting, its activity falls outside the scope of law and assumes underground and criminal characteristics. We should not expect a real contribution to overcoming the current social and economic crisis in Ukraine from such a business.

4. The increase of legal nihilism and the loss of legal culture. Experience of the unlawful solution of problems frustrates respect for the law, forms negative attitude to its creators and protectors, i.e., government and law enforcement agencies, jurists and law services firms, and forms sub-culture of unlawful behavior.

UDCC 368:339.13

## **PECULIARITIES AND DIRECTIONS OF THE UKRAINIAN INSURANCE MARKET TOWARD DEVELOPMENT OF THE LEGAL ECONOMY**

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Unlike western countries, Ukraine and other post-soviet countries accomplish formation of the legal economy in a particular manner, which consists in inverse nature of economic transformation. The peculiarities of the insurance market formation as a system of multi-level financial relations are also stipulated by the inverse nature of transformational changes. In contrast to a classical type of an insurance market, these changes are characterized by disturbance of internal logics of development and the change of sequence of economic transformations (from prevalence of a public form of ownership to a variety of ownership forms in the insurance industry; from the governmental monopoly to development of competitive relations in the insurance market; from directive and planned pricing to free pricing for insurance services). Under conditions of a classical type of insurance market formation, the mentioned transformations are carried out in the reverse order.