

The Challenge of Corruption: Main Findings of the Corruption Surveys and the Corruption Assessment Report [Macedonia]

Emina Nuredinoska, MCIC

Improving Governance in SEE: a CSO Update and New Public-Private Partnership Solutions, Istanbul

20.6.2014



Introduction: Corruption Environment in the Country

	Category/Problems	%
1	Unemployment	69,2
2	Poverty	47,1
3	Low incomes	37,4
4	High prices	32,5
5	Corruption	27,9
6	Political instability	18,7

- CPI (TI):
 - 104 in 2005 with 2,7
 - 67 in 2013 with 44
- Legal and strategic framework in place
- Weak institutions

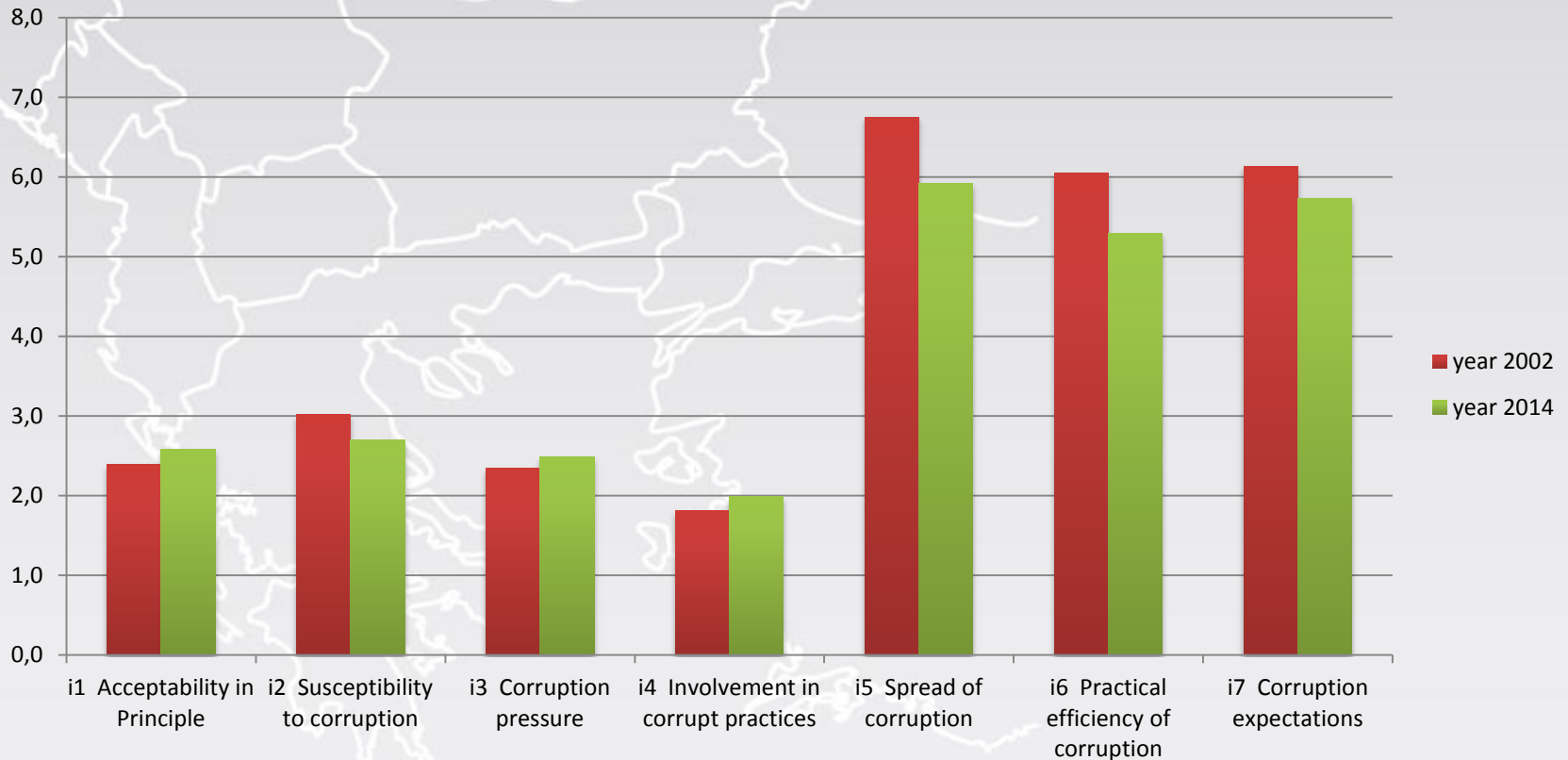
Corruption Levels and Survey Results (II)

Spread of Corruption				
	Institutions	%	Professions	%
1	Customs	34	Customs officers	36,3
2	Judiciary	32,8	Judges	31,5
3	Police	28,8	Ministers	31,0
4	Ministry of Health	28,4	Tax officials	29,0
5	Ministry of tran/commun.	26,3	Doctors	28,6

Factors influencing the spread of corruption:

1. Fast personal enrichment sought by those in power
2. The laws are not implemented in Macedonia
3. Lack of strict administrative control
4. Ineffectiveness of the judicial system
5. Moral crisis

Corruption Levels and Survey Results (II)



Anticorruption Policies and Regulatory Environment

- Basic Laws and strategies/policy:
 - Law on Prevention of Corruption (2002)
 - Law on Prevention of Conflict of Interests (2007)
 - Criminal Code (1996) (19 crimes, amendments for 5 new; 24 in total)
 - Law on Public Procurement (1998, 2007)
 - Law on Lobbying (2008)
 - Law on Financing Political Parties (2004)
 - State Programme for prevention and repression of corruption and conflict of interests (2011-2015)
- The legal framework is generally in place
- There is need for better whistleblower protection and establishment of integrity systems

Institutional Practice and Enforcement of the Law

- State Commission for Prevention of Corruption (SCPC):
 - Passive and selective; very much connected to the ruling parties
 - Under staffed and underfunded
 - Not present in the public (almost invisible), non-transparent
 - Citizen's trust in SCPC has significantly decreased throughout the years
 - Lack of communication and information sharing among the responsible institutions

In general: lack of will and performance of all responsible institutions to combat corruption

The Judiciary in Anticorruption

- The Judiciary is recognized as one of the most corrupt segments of the society
- Basic Court Skopje I: Specialized department for cases of organized crime and corruption
- Public Prosecutions Office: Prosecutor for organized crime and corruption
- Judiciary Council and SCPC dealing with corruption in the judiciary: until 2011 minister of justice in the JC
- Insufficient control of the court corruption
- Lack of publicly available data on disciplinary cases against judges accused for corruption: one case on 2011 – president of the Court of Appeal was removed (controversial proceeding related to corruption)

Corruption and the Economy (I)

- 6,5 % of the companies that had contact with public official, paid bribe more than once (UNODC)
- High percentage of hidden economy: 24 % - 30 % from GDP (EC PR); strategy and action plans are not sufficient
- Public Procurement:
 - From 611 application received by SCPS in 2012, 29 were concerning the possible corruption in pp. (around 5%)
 - In 2013 1/3 of the tenders contracted with the company, appeared as only bidder (no electronic competition, no e-auction for price reduction)
- Misuse of EU funds: case where the Director of Agency for Mobility and European Education was involved – assigned project to the organization leaded by the members of his family
 - Uncovered by the media
 - Director was removed and the Agency not active for some period
 - Still no legal resolution of the case

Corruption and the Economy (II)

- Insufficient transparency of the Budget preparation and execution processes
- Lack of easy for use data: published in *pdf
- Open Budget Initiative (OBI 2012): Macedonia in in the last group of countries that make only a minimum information available
- Social subsidies: 6,8% of annual budget: abused for election purposes (vote buying)

Civil Society in Anticorruption

- CSOs active in:
 - Monitoring good governance (transparency, accountability, conflict of interest, etc)
 - Monitoring of the judiciary
 - Monitoring of the public procurement
 - Providing free legal aid
- Difficult access to public information and lack of cooperation with the institutions
- Insufficient expertise of the CSOs
- Insufficient transparency of the CSOs
- Insufficient donor support
- Lack of networking and common action

International Cooperation

- Main international monitoring conclusion: The legal framework is in place, but the implementation of it is selective and insufficient (EC, GRECO, State Department)
- EC progress reports:
 - The relevant anticorruption bodies are faced with lack of administrative and financial capacities
 - Insufficient judicial capacity and lack of judicial independence for dealing with cases of corruption (especially high level corruption)
 - Non-transparent political party financing

Policy Recommendations

- Need of independent and pro-active SCPC and other national level bodies
- Increasing of sharing information among the state institutions dealing corruption
- Need for establishing of special anti-corruption body responsible for internal control
- Need for independent and transparent judiciary and especially prosecution: not in terms of legislation but in terms of human and financial independency
- Evaluation process of judges should be as widely transparent as possible
- Need for increasing the protection of leakers and whistleblowers

Policy Recommendations...

- Need for better institutional framework for public procurement
- Need for open data (especially related to the national and municipal budget)
- More (independent/foreign) financial support for civil society in order to combat corruption
- Improving of the expertise and capacities for researching and lobbying for anti-corruption among CSOs representatives
- Improving the integrity of the CSOs (their own transparency, accountability, internal democratic structure)