



Research by Members of the Platform of Civil Society Organizations in the Fight against Corruption

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1. Perceptions, Trust and Social Capital: How to Break the Cycle of Corruption

Authors: Misha Popovikj and Simona Mladenovska, Institute for Democracy "Societas Civilis"

Corruption is the key difficulty for the progress of the Republic of North Macedonia. The most common definition is that corruption is an abuse of position to serve a private interest. In this way, in many fields of social life, the private rather than the public interest takes precedence.

Thus, different actors in these fields have an unequal position. Consequently, in the economic sphere, some companies receive preferential status in public procurement, and lobby groups secure a better position for their businesses at the expense of competitiveness. Employers may buy the loyalty of the institutions which would turn a blind eye to violations of workers' rights. Party employments result in unequal positioning of candidates, at the expense of quality. Municipal councils and mayors may be influenced by the construction sector and enable unplanned urbanization at the cost of the environment and housing standards. The cumulative effect of such corruptive influences is weakened institutions which, in the cycle of such influences, find it continuously hard to resist them. Such a recurrence of the situation creates an environment in which citizens learn that corruption is the rule, and abiding by the laws is an exception. This results in a long-term perception of the prevalence of corruption. At the same time, convinced of the institutions' involvement in the issue, citizens lose trust.

The purpose of the analysis is to present several dimensions of the public opinion related to corruption. At the beginning, the text refers to the formulation of "shared expectations" about the rules that drive society. Then we discuss their source – whether they are derived from their values or experience. Then we analyze perceptions of corruption and trust in institutions. We conclude the analysis with a debate about the effect on social capital. Finally, we provide brief conclusions and guidance for key institutions on how to tackle corruption in the context of public opinion and social practice.

The findings show a pessimistic situation of interconnected systems. Citizens' experience is an experience of injustice created by corrupt institutions. This underpins the widespread perception of corruption and fosters mistrust in institutions. In such conditions, when overt rules are replaced by covert rules, citizens enter into unnecessary competition to be members of a certain status group in order to provide even for their basic needs. In this way, the centers of these status groups gain illegitimate power and incentive to maintain corruption. This perpetuates the cycle of such citizens' experience.

The actual decline of corruption at the outset will always be followed by a disproportionately slower decline in the perception of corruption and improved trust in institutions. Such dissatisfaction on the part of citizens should not discourage institutions which are in the front line in the fight against corruption, such as the State Commission for the Prevention of Corruption. At the heart of this process is years of experience and the ingrained impression of impunity, and such citizens' attitude is predictable and should be understood.

Therefore, the key intervention on the part of institutions should be aimed at clearly demonstrating that the "rules of the game" have changed. A mere declaration by the government does not suffice; instead,

it should be a tangible demonstration to the citizens through cases in which high-profile politicians will be held accountable. This is the only way of showing that the old governance has been replaced by a new one.

The entire analysis is available on the link below:

<http://antikorupcija.mk/mk/record.php?id=1163&mv=4>

2. Absence of Oversight as a Generator of Corruption in State-owned Enterprises

Author: Sabina Fakikj, Center for Civil Communications

The Organization for Economic Co-operation and Development, OECD, argues that “State-owned enterprises are particularly susceptible to corruption given their affiliation with the authorities and politicians, the proportion of the funds they manage and the crucialness of the services they provide”. The OECD’s research shows that at the global level, it is the employees of state-owned enterprises who mostly receive bribes.

Given the size of the capital available to these enterprises and the increased risk of corruption, there is a need for more thorough monitoring or oversight of their operations. This situation is especially pronounced in our country because state-owned enterprises, given the capital available to them and the number of employees, represent a source of great economic and political power for the ruling structures, i.e. the ruling parties. At the same time, this power can easily be abused amid weak and dysfunctional institutions of the system, which is the case in our country.

The purpose of this paper is to assess whether and to what extent the public and competent institutions monitor the work of state-owned enterprises in the country. The focus will be on two important aspects of oversight. The first is the public oversight through more active and reactive transparency of state-owned enterprises. The second aspect concerns the oversight by competent institutions such as the State Audit Office (SAO) and the State Commission for the Prevention of Corruption (SCPC). Regarding the SAO, the paper will present data on controls carried out by state auditors in the period 2004-2018. In terms of the SCPC, the paper will give an overview of the cases opened by this body in the past 10 years based on the analysis of the institution's annual reports.

The findings and data will be summarized to better clarify the situation in an area that has not been sufficiently analyzed so far. It will also provide clear recommendations for the founders of state-owned enterprises as well as for all relevant institutions and stakeholders.

The significance of this paper stems from the fact that the absence of oversight over the work of state-owned enterprises not only enables but also stimulates corruption, which state-owned enterprises are already susceptible to.

The entire analysis is available on the link below:

<http://antikorupcija.mk/mk/record.php?id=1160&mv=4>

3. Transparency in the Financing of Political Parties

Author: Darko Crvenkovski, OHRID Institute

This research is an attempt to identify the weaknesses of the legal systems of four Balkan states in terms of the financing of political parties. It involves mapping of the transparency of the political parties and the competent authorities, i.e. the public disclosure of documents related to the financing of the political parties in accordance with the law. The findings and conclusions drawn from the research are based on three components: 1) comparative analysis of the regulations of four Balkan countries, including the Republic of North Macedonia, the Republic of Serbia, the Republic of Croatia and the Republic of Bulgaria; 2) analysis of the public availability of documents on political party funding; and 3) data collected from a field and online survey of 105 respondents.

The research is divided into three parts. In the first part, the research focuses on the regulations governing the financing of political parties of four Balkan states with an emphasis on North Macedonia, mapping the similarities and shortcomings of the legal frameworks in these countries. The main purpose of the second part of this research is to make a detailed analysis of the transparency of political parties and state bodies by analyzing the public availability of documents on political party funding in North Macedonia. The third part of the research looks at the familiarity of the general public with the ways in which political parties are funded, as well as the legal provisions that regulate this matter, including citizens' rights under the Law on Financing Political Parties.

Several conclusions were drawn from the analysis that point to the following types of obstacles that reduce transparency in political party funding: 1) financial reports and donation registry data is not available to the public; 2) deficiencies in the legal framework for political party funding that enable corruption; 3) violation of the legal provisions of the Law on Financing Political Parties in terms of transparent and public disclosure of funding documents; and 4) public perception that political parties are corrupt. Based on the findings, the analysis also includes several recommendations for various relevant actors in the field of political party funding.

The entire analysis is available on the link below:

<http://antikorupcija.mk/mk/record.php?id=1161&mv=4>

4. Results of the Hidden Economy Monitoring in North Macedonia in 2018 with Emphasis on Corruption

Authors: Kristijan Aleksovski and Kristijan Trajkoski, Center for Research and Policy Making

Corruption is a social phenomenon that adversely affects the well-being of all citizens, and is also considered the most severe form of endangerment of democracy and the rule of law. Unlike general criminal activities and illegal activities, suppressing corruption through its detection, incrimination and

prosecution is a complex process, primarily due to the fact that it is difficult to build strong and sustainable mechanisms when those who are supposed to suppress corruption are, in fact, themselves corrupt. Because of its complexity, every citizen has a legal and moral obligation to fight corruption, which means that citizens should not practice corrupt actions, but also report corruption cases when they recognize them.

Recently, the focus of research has been on the link between corruption and the informal economy. Namely, the question that often arises is if there is large-scale corruption in society, will there be a higher prevalence of economic activities in the informal economy and vice versa. In this context, the Center for Research and Policy Making (CRPM) has carried out an analysis of the state of affairs in North Macedonia. Through monitoring the level of the informal economy and the trends in recent years, the goal is to provide recommendations which will contribute in the fight against this phenomenon, and indirectly in the fight against corruption.

CRPM's analysis shows that in North Macedonia, as a developing country where the effects of the economic and social transition are still felt, corruption and the grey economy are intertwined and complementary. Citizens believe that bribery is conduct tolerated by the State, and the grey economy is an inevitable part of their daily lives. The country has not made any significant progress in improving the fight against corruption, and in recent years, even after the change of government, abuse of power and authority is still being practiced. Corruption remains a major problem that undermines the trust in institutions, and consequently, citizens have less confidence in the entire system and often feel that they are not in the same position as those who are privileged to "buy" their advantage. This encourages them to circumvent legal norms in order to achieve greater personal material benefit from their economic activities, outside the records and control of public institutions.

Therefore, the system needs to step up efforts to eliminate informal economy and corruption through better coordination and cooperation between key ministries and competent institutions. The problem remains regardless of the change of government, so it is necessary to create long-term solutions, instead of populist measures. Civil society organizations and social partners can be important allies of state institutions in resolving the issues. They can work together to increase economic literacy, deliver trainings on the harmful effects of corruption and the informal economy, and familiarize citizens and business representatives with good and bad economic practices to raise awareness of their obligations in society.

The entire analysis is available on the link below:

<http://antikorupcija.mk/mk/record.php?id=1162&mv=4>

5. Using Extensive Databases as Tools to Fight Corruption

Author: German Filkov, Center for Civil Communications

As digital technology evolves and becomes an inextricable part of life and business, extensive databases available to countries (especially public administrations) are becoming a crucial public good for

enhancing anti-corruption efforts. On the one hand, this is related to the proactive publishing in an open format of timely, accurate and quality data, and on the other hand, the use, processing and analysis of that data to increase the integrity and accountability of the public sector. The analysis of extensive databases may enable the access to information which one simply can never have access to without using this tool.

As these high-speed and large-scale databases are filled, their anti-corruption capabilities will also increase. Challenges, too, will increase – primarily, database management, personal data protection, finding and retaining database and data analysis professionals, etc.

This public policy paper presents the concept of using extensive anti-corruption databases, the manner of application, the benefits and challenges, as well as the initial steps and recommendations for accelerating the use of this tool in the fight against corruption in the Republic of North Macedonia.

The ignorance of the potential and possible major role of extensive databases in anti-corruption efforts leads to limited investment in this area and disregard of its role in anti-corruption strategies. However, in order to use extensive databases for anti-corruption purposes, human capacity needs to be strengthened in the relevant institutions in terms of providing sufficient technical and information knowledge and equipment.

Although the full application of extensive database analysis for anti-corruption purposes is yet to come, all over the world, from Europe, through India, the United States and Korea, there are numerous successful examples of preventing corruption by enabling extensive digital databases to “read” what people cannot do with the ordinary equipment they work with daily.

In our case, however, there seems to be a need for more significant political will, especially on the threshold of the implementation of the new National Strategy for the Prevention of Corruption and Conflicts of Interest 2020-2024. In this regard, the process of digitizing the services, making them available to all mass databases and connecting them should also be accelerated. The public sector should find ways of staffing with adequate professionals to work with extensive databases and to analyze that data. Of course, this includes cooperation and interaction with the business sector as well.

The entire analysis is available on the link below:

<http://antikorupcija.mk/mk/record.php?id=1173&mv=4>

6. The Health Sector and Corruption

Author: Darko Crvenkovski, OHRID Institute

The main purpose of the research is to identify the level of corruption in the health sector in the Republic of North Macedonia. This research targets corruption in the health sector at the micro level, i.e. the corruption that occurs in the everyday communication between a patient and his or her family and the staff of public health facilities. The findings and conclusions drawn from the research are based on three components: 1) comparative analysis of healthcare laws in terms of corruption in four Balkan

countries, including the Republic of North Macedonia, the Republic of Serbia, the Republic of Croatia and the Republic of Bulgaria; 2) analysis of case studies of corruption in the health sector; and 3) data collected from an online survey of 207 respondents.

The research is divided into three parts. In the first part, the research focuses on analyzing the legal systems in relation to healthcare in four Balkan countries, mapping the weaknesses and strengths of these countries' legal frameworks in dealing with corruption in the health sector. The analysis places special emphasis on the development of legal frameworks on healthcare as well as on the different perceptions of corruption in different legal systems.

The second part of the research is an analysis of three case studies of corruption in the health sector in the Republic of North Macedonia. These are cases of low-level small-scale corruption, analyzing the perceptions of the citizens in the country about this type of corruption and its acceptance as a kind of social norm. They also analyze and identify the main reasons why this type of corruption occurs and why it is not reported to the competent authorities.

The third part of the research focuses on quantitative and qualitative data processing from an online survey, analyzing the experiences and perceptions of citizens about the level of corruption in the health sector, its prevalence and the acceptance of corruption in the health sector as a generally accepted social norm. The research focuses on citizens' familiarity with the legal provisions on corruption in the health sector and identifying the reasons for its existence.

The research points to several main conclusions: 1) the percentage of corruption in the Republic of North Macedonia is far above the percentage of corruption in European Union countries, but proportional to the percentage of most Balkan countries; 2) the index of citizens' perceptions of corruption in the health sector is much higher than the percentage of actual corruption in the health sector; 3) the countries that have become members of the European Union have made significant progress in combating corruption in the health sector; 4) offering rewards is a generally accepted social norm in the Republic of North Macedonia; and 5) corruption exists in private healthcare facilities too.

The entire analysis is available on the link below:

<http://antikorupcija.mk/mk/record.php?id=1174&mv=4>

7. Willingness to Fight Corruption through the Perspective of Meeting European Union (EU) requirements

Authors: Jasmina Ristovska and Natasha Ivanovska, Macedonian Center for International Cooperation

This public policy paper focuses on the key features and tendencies of the anti-corruption policies contained in Chapter 23 in the context of the EU policy of conditionality, as well as the state of affairs

and progress of North Macedonia in the EU accession path. In this regard, the paper analyzes the impact of the conditionality policy by evaluating anti-corruption policy reforms and the extent to which the country has fulfilled the recommendations and remarks. Furthermore, in order to give a more complete picture of the state of corruption and alignment with EU policy, a number of indices have been considered which measure corruption and efficiency of states in tackling it at the global level.

The public policy paper shows that although the aspiration to become part of the EU has been an important stimulus for reform, corruption continues to be a serious problem and is present in many areas. This situation is explained by the fact that there are institutions which are still weak and politicized by the level of democratic culture and tolerance of corruption by the citizens, as well as the lack of political will to change. Despite the sound legal and institutional framework, there are still no concrete results, and the political will for significant change is lacking as well.

There is no doubt that the EU has a potentially huge influence on North Macedonia, primarily due to the efforts and claims of every government to date that EU membership is the top foreign-policy priority. However, the paper points to the conclusion that the EU does not always use the available mechanisms effectively, both as a result of the internal factors/constraints of the EU and as a result of the country's resistance/refusal to accept the requirements to the necessary extent. If the EU wants political transformation, it needs to offer credible carrots and sticks, i.e. the EU should offer membership to North Macedonia in due course in order to promote democracy and effectiveness in the fight against corruption.

The recommendations provided by the authors are aimed at proactively implementing the new rules on preventing and combating corruption and reaffirming the political will to fight corruption by supporting all relevant institutions with the necessary autonomy and providing the necessary human and financial resources. Institutions should consolidate the records of final verdicts in high-level corruption cases, including the confiscation of illegally acquired property, and liability for illegally wiretapped conversations should certainly be ensured, regardless of the ongoing reforms within the prosecution system.

Long-term results require progress on the ground, as well as efforts at all levels and by all stakeholders (government, opposition, civil and business sectors) and, of course, commitment by the EU. In any case, we must bear in mind that we need to implement the reforms, primarily, for our own sake - to promote democracy and a better life, and not merely to receive a green light from the EU. The government and all stakeholders should continue to pursue reforms in line with state priorities.

The entire analysis is available on the link below:

<http://antikorupcija.mk/mk/record.php?id=1175&mv=4>

8. Responsible Policing: the Risks of Corruption in the Ministry of the Interior

Authors: Kire Babanoski, PhD and Liljana Pecova Ilieska, MA, Transparency Macedonia

The police is the state body responsible for law enforcement, the protection of human rights and freedoms, the protection and maintenance of public order and peace and the detection of crime and the prosecution of perpetrators. In the performance of such duties and responsibilities, police officers must not use official powers to gain certain benefits in society for private purposes.

The concept of “corruption in policing” means any breach of standard procedures, abuse of office or overstepping of police powers for the direct or indirect promised, offered, given, requested, accepted or expected material, immaterial benefit or other interest to the police officer, for themselves or someone else.

The purpose of this paper is to identify potential risks of the occurrence and existence of corrupt behaviors in the Police -under the Ministry of Interior (MoI) of the Republic of North Macedonia. Therefore, this paper presents the results, findings and conclusions of previous research in this field in a brief and concise way. It analyzes the types of responsibility in policing (criminal, misdemeanor, material and disciplinary) and elaborates on the need for responsible policing. For the purpose of more comprehensive analysis as well as observation of the perceptions of the scientific and expert public, several interviews with eight open-ended questions were conducted requiring elaborate answers.

The research found that the main challenge for the MoI in the fight against corruption has been the (un)timely detection and identification of corruption risks, as well as the (un)timely detection, clarification, documentation and substantiation of the corrupt behaviors involving police officers. Police officers must not use official powers to gain certain benefits in society for private purposes. They must always respect the standards of professional conduct, possess a high level of integrity, have a developed sense of resistance to bribery, integrity, awareness, self-criticism and self-regulation, and constantly upgrade their knowledge of human rights and the ethics of the police profession.

In order to reduce the number of cases of unprofessional conduct of police officers and keep it to a minimum, certain preventive measures should be taken in the recruitment phase of police officers. In this regard, the integrity of the individuals employed by the MoI should be taken into account through special checks during the selection stage. Their education, training in professional conduct, resilience and integrity must be conducted in accordance with national law. During their work, special additional trainings and seminars should be carried out for continuous professional development in police conduct. Lastly, every police officer must have sound knowledge of the Code of Police Ethics, must abide by its provisions, and take care of his or her personal dignity and professional conduct. The existence of functional control and oversight mechanisms which would monitor the work of police officers would result in a significantly better attitude of transparency and openness towards citizens and state institutions. At the same time, it would be desirable to establish an external mechanism or body that will follow the evaluation of the Code of Police Ethics, thus having the function of a self-regulatory body in the creation of and adherence to professional standards.

Equally important for an effective fight against police corruption are: the political will, normative decisions, institutional framework, effective law enforcement, institutional and personal capacity and integrity, the functionality of the Public Prosecutor's Office and the judiciary, as well as the cooperation between all relevant institutions at the national and international level.

The entire analysis is available on the link below:

<http://antikorupcija.mk/mk/record.php?id=1176&mv=4>

9. Confiscation of Property in Corruption-related Court Proceedings

Authors: Darko Avramovski and Natali Petrovska, Coalition "All for Fair Trials"

Confiscation of property is a special punitive measure that has been noted in theory and practice as an effective means of combating economically motivated crime and corruption, thus gaining great popularity and intense promotion and re-affirmation, especially at the end of the last century. The efficiency of property confiscation has also been recognized internationally, with many international bodies adopting documents that promote confiscation and motivate national legislations to commit to reviving and exploiting it in the fight against illegally acquired property and financially motivated crime. The purpose of this paper is to provide an overview of the legal setup of confiscation in the Republic of North Macedonia, its development in domestic legislation, and the state of affairs related to the practical application of property confiscation, especially in criminal proceedings related to high-profile corruption. This will identify the weaknesses in the legislation, determine the frequency of confiscation, identify the difficulties encountered by the institutions in the practical application of this measure, and provide recommendations for overcoming the identified problems, both in the laws and in their practical application.

There are a number of different terms used interchangeably referring to the confiscation of property, temporary seizure of items for the purpose of security, and seizure of items used in a criminal offence. In addition, there are differences in the terminology used in the various laws regulating the confiscation measure. For this reason, it is necessary to harmonize the terminology used, as well as to appropriately distinguish confiscation and seizure of items intended for the commission of a criminal offense or arising from a criminal offense.

The provisions of the Criminal Code concerning confiscation are very general and vague, especially in regard to the application of confiscation to third parties, or the application of extended confiscation, which necessitates a revision of these provisions.

The provisions on confiscation of property of the Law on Criminal Procedure are not in line with the new adversarial model of criminal procedure introduced by the LCP itself in 2010. In addition, these provisions are vague and leave a legal vacuum, particularly in regard to third party rights throughout the criminal procedure, the manners of realizing their rights, as well as solving the problem of the dual capacity of these persons as witnesses in the procedure.

The provisions on the confiscation procedure outside the criminal procedure (when it cannot be initiated due to legal or factual obstacles) are incomplete and it is necessary to elaborate them and to regulate them in detail during the procedure.

Confiscation of property is very rarely pronounced by the courts, and even in the limited number of cases, competent institutions collect extremely little data on the application of confiscation, and often the methodology for collecting and processing data varies from institution to institution, resulting in differences in data, but also obstacles to cross-referencing.

Continuous monitoring should be conducted of the application of confiscation, the measures of temporary seizure of items, and the quality of financial investigations, in particular in the areas of organized crime and corruption.

The entire analysis is available on the link below:

<http://antikorupcija.mk/mk/record.php?id=1178&mv=4>

10. Profiling Low-profile Corruption: is there a Particular Group which is most Vulnerable to Corruption?

Author: Misha Popovikj, Institute for Democracy "Societas Civilis"

Corruption in the Republic of North Macedonia is a widespread phenomenon. In addition to high-profile corruption, citizens are often exposed to corruption when receiving a certain public service. Thus, when trying to receive a particular service, citizens are asked for a gift, quid pro quo, or a bribe. This takes place in many public institutions such as municipalities, hospitals, ministries, police and other public sector areas.

In anti-corruption research and advocacy, however, we need to know if there is a certain group of citizens who are more exposed to corruption. First, we need to investigate whether citizens with certain value orientations are closer to being subject to corruption. It will help us see whether citizens are adapting their worldview based on their exposure to corruption.

The second dimension to consider is whether there is a certain socio-economic group which is more exposed to corruption. It enables us to see what is the relation between corruption pressure and the citizens' economic and social capital.

To this end, this brief analyzes the data of a public opinion poll with a nationally representative sample of 1000 respondents conducted in January 2019. The first method is multiple correspondence analysis, which provides simultaneous analysis of the relations of several qualitative variables. The second method is a hierarchical cluster analysis, which enables grouping of the respondents according to the answers they have given.

The data analysis shows that in North Macedonia it is difficult to profile respondents according to their exposure to corruption. The main reason for this is the widespread exposure to corruption (11% of all respondents), which means that different categories can be found in that population.

Despite these limitations, the research shows that having economic and social resources is associated with the exposure to corruption. In our society, income and acquaintances are also targets of corruptive influence, and hence the chance to easily transform them into corrupt transactions. First of all, we are talking about exploiting acquaintance networks through which favors are exchanged, which is the dominant mode of corrupt transactions in the country.

On the other hand, the combination of values, trust, and perceptions of corrupt behavior is associated with the exposure to corruption to a lesser extent. In that sense, we can only say that those who least think that corruption is widespread or fail to recognize it, have reported exposure to corruption to a lesser extent. Hence, exposure to corruption is not a distinct phenomenon typical of a particular value group.

The entire analysis is available on the link below:

<http://www.antikorupcija.mk/mk/record.php?id=1187&mv=4>