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MAK

Monthly Anticorruption Magazine



- Corruption and business – what's the cost?
- BIRN probe uncovers holes in Kosovo health service
- The municipalities may promote the dissemination of information and the participation of citizens, companies and non-governmental organizations
- Anticorruption campaigns

About the monthly edition



The Center for Civil Communications was established in April 2005 as a nongovernmental, nonparty, and nonprofit association of citizens. In the past five years we have been working every day on narrowing the room for corruption in Macedonia and promoting the principles of “good governance”, both on central and local level. We are focused on implementing two types of mutually related activities: monitoring and revealing corruption practices, and, on the basis of this, recommending measures and policies for narrowing the room for corruption and enhancing the ability of the journalists and the special role of the media in the fight against corruption in the country.

In the course of our everyday work, we and the experts we cooperate with arrive at numerous information regarding corruption and anticorruption practices in our country, as well as the countries in the region and the world. By publishing this monthly newsletter on anticorruption and “good governance” we want to share this information with the wider public, primarily with the representatives of the public administration, whom we consider the most responsible for the fight against corruption and establishing and respecting the principles of “good governance”.

At the same time, we offer expert analyses, which can serve as sources of ideas and examples for improving the current state with the corruption in Macedonia.

We are open for suggestions and we want you to send us your opinions, ideas, and attitudes on anticorruption topics as well as practices of “good governance”, as well as point to us corruptive practices and generally the existence of a room for corruption. This will serve us as a basis for further articulation of those practices and problems, as well as help in conducting our future anticorruption activities.

Corruption is one of the greatest evils in Macedonia, which degrades the development and the progress of the economy, society, and the people who live in it, disrupts the competition and the free operation of the firms on the market, disables the governance of the true values in life and in the work, forces the young, educated people to leave the country and enables illegal benefits and enrichment of state officials at the expense of impoverishing the other people and destroying and abusing the public goods.

Therefore, by pointing the corruption practices and offering ideas, good examples, and solutions from the country and abroad, we feel that this monthly newsletter will ultimately contribute to decreasing the corruption in the country and enhancing the “good governance”.

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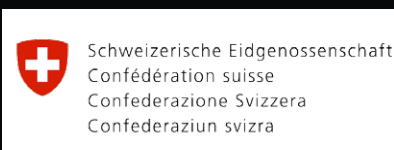
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IN THIS ISSUE

Corruption is a problem in the countries in our immediate surroundings. This issue provides a deeper insight in the situation in Kosovo. The anti-corruption agency in Kosovo has filed charges against 159 officers on suspicion of corruption. However, the international analysts assess that the corruption in Kosovo is still highly dominant and the fight against corruption has still not yielded any visible results.

We also provide a comprehensive analysis conducted by the Balkan Investigative Reporting Network, investigating the loopholes in the health institutions in Kosovo. A US researcher identifies the relation between the level of corruption in one country with the trust of the people in the institutions and other people. In China, however, due to the limited number of scientific and research work that can be published in the course of one year, a million dollar worth illegal business with these works has been discovered.

Anti-corruption expert Vanja Mihajlova is analyzing the cost and consequences of corruption on the economy. In addition, you have the exclusive opportunity to read the findings from the research, exploring the satisfaction of citizens, businessmen and representatives of the civil society organizations from the work of municipalities in Eastern Macedonia. Furthermore, the survey measures the degree of involvement of local community in the process of decision making in the municipalities. The findings will serve as a basis for developing recommendations on undertaking measures for overcoming the established weaknesses and promoting the work of local authorities. At the end, we offer an interesting medley of billboards used in the anti-corruption campaigns throughout the world. We hope that our offer will help each of us, in the domain of our work, to be able to apply the principles of good governance.



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INCREASE IN CORRUPTION BY 34.6%

PRISHTINA, 11 March (Tanjug) – The Kosovo Anti – Corruption Agency (KAA) has filed charges against 159 officials (employed in the Kosovo institutions) suspected of corruption, said today the Director of the agency, Hassan Preteni. According to a report presented in Prishtina, the corruption in Kosovo grew by 34.61% compared to 2008. „While in 2008 there was a total of 130 reported cases of corruption, during 2009 the agency received 175 cases, which is 34.61% more, „said Preteni during a news conference. Preteni said that out of 175 charges, 53 relate to corruption in the judiciary system... Based on the submitted items, five people were arrested. Investigative procedures have been initiated with 60 of the cases, five cases are under investigation and there is no feedback from the prosecution at the moment concerning the remaining 62.

KOSOVO: CORRUPTION IN THE HIGHEST LEVELS OF THE GOVERNMENT?

February 27 (DEUTSCHE WELLE) - According to estimates of international organizations, Kosovo belongs to the list of countries with high levels of corruption. Therefore, the Kosovo authorities have been asked to deal with it more efficiently, but so far no considerable results were achieved. Representatives of the EU mission in Kosovo announced in November last year, the arrest of senior officials implicated in illegal work. Kosovo media then reported, citing sources from the EU Mission and the Kosovo prosecution that certain ministers, political party leaders and about 50 judges and prosecutors, are under investigation.

Mentor Borovitsa, director of investigation at the KAA says that the agency has sent over 160 cases to the prosecution and that there were several charges, yet no senior officials have been convicted. „In Kosovo there were some convicted of involvement in corruption in the past ten years but their level of responsibility and weight were not consistent with the suspicion that corruption is widespread among the highest levels of government“ ...

Ramadan Iljazi, executive director of the NGO for freedom of speech „Levizja Fol“, says that the fight against corruption would have been much more efficient if EULEX would have completed their part of the job. „In Kosovo, issues like racket against establishments, continued threats to journalists, free movement of gangs, still remain. “We have not seen a single criminal arrested or looked for, though EULEX has a clear mandate on the matter „....

GOV'T CORRUPTION = LESS TRUST IN PEOPLE

ATLANTA, March 11 (UPI) -- People who live in states with more convictions for government corruption tend to trust people less, U.S. researchers suggest.

Sean Richey, an assistant professor of political science at Georgia State University, studied arrests of government officials in 50 states, combined with 2002 through 2004 survey data of the American National Election Studies panel, which produces data on voting, public opinion and political participation.

„I find that increases in corruption in the period before the survey was taken leads to decreases in belief that government officials and ordinary citizens are trustworthy,“ Richey says in a statement. „It was the first empirical test of this concept.“

The study also shows that people in the middle-aged generation and people who volunteer are associated with an increase in trust, while having conservative ideology and media usage correlate with decreased levels of trust.

„There is further research needed, but this study may begin to help explain how institutional action influences trust. It suggests that people attribute the untrustworthy behavior of politicians to people generally,“ Richey says.

The study is published in the March issue of the journal American Politics Research.



CORRUPTION IN ACADEMICS

((China Daily) Albert Einstein, if he were still alive and living in China, would have been unable to be a professor nor would he have been given the highest academic title of an academican at the Chinese Academy of Sciences if it came to the number of dissertations he has published.

If he yearned for the honor, he would have to buy dissertations and pay for their publication.

The turnover from the business of dissertation sales and publication was estimated at 1 billion yuan (\$146 million), according to research conducted by a Wuhan University

group. In their three-year study, the group headed by a professor found that the total number of academic journals and magazines fall far short of the number of research papers that need to be published.

All academic publications can only publish 2.84 million papers a year while 11.8 million people want to have papers published. They are graduates, professors and research fellows. Only one out of five papers can only be published on these publications.

For those who are required to have papers published to attain diplomas, degree certificates, promotions and salary raises, paying money to have papers written and published has become a last resort when they have no other choice.

This explains why the sale and publication of papers has turned into a booming business.

This business will in turn push more within the industry to seek help while an increasing number of master's or doctorate students will act as ghost writers for the firms. When more people benefit from the business, it will bite deep into the ethics of academics.

The academic field could falter because scholars and researchers are losing the incentive of burying themselves in their studies to come up with great ideas, discoveries or inventions when they can just buy papers to get what they want.

If an increasing number of graduates, professors or research fellows pay their way, it will only depreciate the value of everything in the circle of academics. Those who stubbornly bury themselves in books and stick to their principles will soon become laughing stocks.

If no measures are taken to crack down on the dirty business, the scenario of buying honors and acclaim will for sure become a reality in the near future. Look at the increasing number of professors who have been caught cheating in papers, look at those who have even been caught in papers published in international journals. Some in the circle of academics have lost the sense of shame.

Among other things, the practice of imposing quotas of papers on students, professors and even some other professionals must be abolished. This is both the laziest and easiest way to assess what students have learned and how professors have conducted research. Most of the time, they're unnecessary. Students can be made to write papers but it is unnecessary for them to have papers published. Professors will write papers if they find it necessary, and there is no need to push them in such a stupid manner.

Without demand for papers, the dirty business will surely die out. This should be the first step to crack down on corruption in academics.



CORRUPTION AND BUSINESS – WHAT’S THE COST?

There is a consensus among the international experts that as the world moves towards the era of globalization, the corruption seriously threatens to jeopardize the economic growth and stability of global trade and financial system as a whole. Apart from undermining the democracy, the corruption also negatively affects the development of the business sector and attraction of foreign investments. The countries with widespread corruption cannot expect influx of “clean capital”, which is invested in the countries where the law rules and is consistently applied.

Although the reasons for corruption in the business sector are multifold, generally they can be located in the weak functioning of the institutions. The most frequent reasons are the following:

- *Unclear and complicated laws and frequent amendments to the laws*

When the laws are contradictory or difficult for interpretation, more discretion rights are given to the officials making decisions on certain requests, thus increasing the risk of being arbiters in interpreting the regulations. The frequent amendments to the laws put the businessmen into situation of being ignorant of their rights and responsibilities, so they are unable to fully or consistently apply them and the final outcome would be sanctions imposed by the inspection. This situation generates legal uncertainty both from the aspect of proper implementation of the laws and the development of the business plans. In these cases, corruption becomes powerful tool for inefficiency in performing the business and for arbitrary actions of the officials.

- *Inadequate and inconsistent laws and their selective implementation*

The adoption of laws that prevents or eradicates corruption is not a sufficient guarantee for efficient countering of corruption, if the practical implementation of these laws is missing. The inefficient judicial system, inappropriate sanctions and selective application of laws make the regulations ineffective. In addition, the simple copy-

ing of regulations from the other countries, without being harmonized with the national legislation, creates legal uncertainty, sense of discrimination among businessmen and cautiousness in the investment process.

- *Lack of transparency and responsibility*

When the contracts are concluded behind closed doors, it is simply impossible to have access to the criteria based on which these decisions are made, to assess whether they are legally grounded and whether the subjectivity and close relations among the stakeholders were crucial criterion for making the decision. The lack of transparency allows the decision makers to avoid responsibility and accountability for their work.

- *Lack of competition*

The companies with monopoly on the market have highest chances of winning the tenders of the state institutions, particularly when they are favorites of the government, which has provided them with this monopolist status. Under such circumstances, inefficiency is created and the competition, as one of the basic principles of market economy, is decreased. The lack of competition also eliminates the responsibility of the companies, particularly those having monopoly, for respecting the laws and principles.

- *Underpaid civil servants*

Although there are different opinions and experiences considering this issue, the general assessment is that when the salary of the civil servants is not sufficient for meeting their needs, they turn to corruption to supplement their income. In some countries the salaries of the civil servants were increased as a measure for preventing the bribe, but the results did not prove positive. The simple increase of the salaries of public servants will not contribute for reducing the corruption, as long as there are other weaknesses in the system and possibilities for abuse.

What are the consequences of the corruption on the business?

The negative implications of corruption are multifold, with damages inflicted not only to the business sector, but also to the society as a whole. However, the key consequences are the following:

- **Dislocation of resources**

Significant resources of the companies, instead of being used for increasing the productivity and stimulating new employments, are directed towards bribing the civil servants. Instead of dedicating their times to running the business, the companies waste time and money for establishing connections with the civil servants and giving bribe, which only increases the costs and eventually the price of the products and services.

- **Smaller investments**

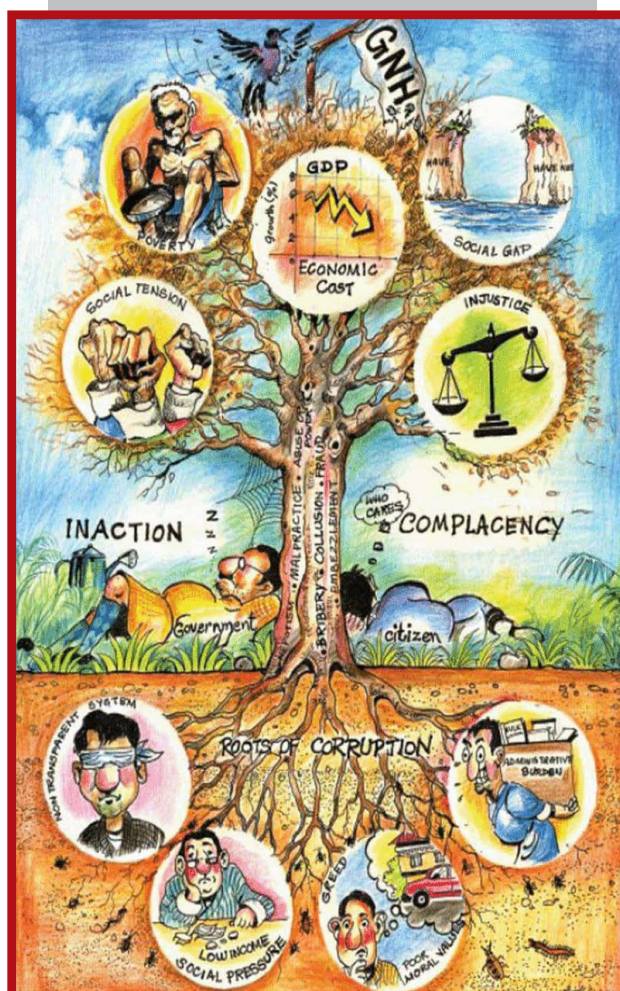
The high level of corruption, legal uncertainty, unforeseen costs for bribe and the inefficient bureaucracy send serious signal to the potential investors of the missing rule of law in the country and of the deficiencies in the protection of property rights, as one of the crucial rights affecting the decision for making the investment. This unfavorable business environment makes the investment risky. Fewer investments mean lower economic growth for the country in general.

- **Reduced competition, efficiency and innovations**

The established close relations between the companies and the government result in favoring certain companies, so they have no competition on the market. On the other hand, the newly established companies that have not yet formed or were prevented from forming these “business relations” face huge barriers when entering the market. Under such conditions, instead of focusing on development and investment in innovations, these companies only care how to survive and avoid bankruptcy. At the end, the cost of the corruption is paid by the end users through the higher prices for products and services and the limited offer.

- **Inefficient administration and irresponsible policies**

The inefficient and non-transparent administration is pointed out as one of the major obstacles for efficient functioning of the business sector. The employees in the state institutions that decide on certain requests use their



discretion authorizations and help certain favored companies, instead of taking care of the interest of all citizens. On the other hand, these officers do not feel responsible for fulfilling their legal obligations. In practice, this is manifested through never-ending delays in providing the services (giving approvals, licenses, different certificates, etc.), where the end goal is to receive bribe or another favor.

- **Lower rate of employment**

Objectively prevented in developing and expanding their business, the companies are also prevented from hiring more people. This especially affects the smaller companies, which are not that competitive on the market, because it is much easier for the large companies to establish relations with the government by finding out “common interest” and they can easily endure the consequences of the so-called “petty” corruption, when the lower governmental officers should be bribed.

- *Increased poverty*

The international experience shows that the high level of corruption directly increases the number of poor people, mainly because the resources are used for private or partisan purposes, which are otherwise intended for meeting the needs of all citizens: health care, quality and widespread infrastructure, social protection, etc. The corruption reduces the potential income, particularly of poor people, because they have fewer chances for performing certain activity.

What are the mechanisms for limiting the corruption in the business?

The corruption should be seen as any other economic transaction on the market where the principle of demand and supply is applied. Among these two categories, it is the common interest of those that give (businessmen) and those that receive bribe (civil servants). The businessmen give bribe for various reasons. Faced with the slow and inefficient bureaucracy, they give bribe to speed up the procedure for obtaining different licenses, approvals and other documents necessary for performing their activity. In this way, the businessmen have double role – both as participants and victims of corruption.

But, can the businessmen, particularly the smaller entrepreneurs, fight against corruption so they can perform their activity properly? Institutionally speaking, there are solutions promoting loyal market competition and which in a state where the law rules should provide fair competition to the companies under clear and equal conditions. The participation of the private sector in the fight against corruption is of key importance.

The most efficient anti-corruption programs adopted in some countries involve the business sector in the institutional reforms, promoting competitive markets and “good conduct”. The business community may and must take positive steps both on the public stage – by stimulating the transparency, legal and regulatory reforms and by improving the corporate management. Better dissemination of information and voluntary standards. Some of the measures that proved successful in this respect are the open discussion on corruption and detrimental consequences on the business, identification of the roots of corruption, the hot spots of corruption and the mechanisms stimulating its emergence.

In the efforts for coping with corruption, the business sector should be guided by the following principles:

- Banning the bribe in any form, direct or indirect;
- Commitment that anti-corruption programs and strategies will be implemented;



- Adoption of programs on good business practices and risk management strategies in order to fight against corruption.

In order to respect these principles, apart from helping the business community, it is necessary to mobilize all factors and develop a wider anti-corruption coalition, as well as to promote dialogue between the business sector and the government and to ensure that the designed policies for fighting against corruption will take into account the needs of the business community.

In addition, an action plan should be developed including specific anti-corruption policies that would be focused on areas, most vulnerable to corruption. Anti-corruption policies should be implemented in the business sector that will have the leading role in promoting transparent relations with the state institutions and adoption of internal control over the transactions.

Certain activities should be undertaken in the legislation, in order to eliminate or amend the unclear and contradictory legal solutions. Special attention should be paid to the adoption of anti-corruption codes of conduct in order to provide transparency and integrity in the public contracts and loyal competition. The civil sector should have a special role in monitoring this plan.

Furthermore, one of the measures is the integration of the informal sector by providing certain benefits for the small businesses. Informal economy results from the inappropriate implementation of regulations due to the barriers or complex criteria for doing business. Simplification of tax laws may reduce the corruption in two ways: by limiting the discretion rights of civil servants during the implementation of tax laws or by lowering the taxes that could be beneficial for the business sector and would limit the possibilities for bribe. In this respect it is necessary carefully to establish the authorizations of the inspection supervision in order to limit the possibility for abuse and arbitrary conduct.

Special attention should be paid to promoting clear rules on preventing the conflict of interest in the public sector, including the exemption of civil servants when making decisions about companies in case of conflict of interest. In addition, it is necessary to limit the transfer of public servants on positions in companies that have business relations with the state institution in which they are employed.

The involvement of the civic sector (through different forms – think-tanks, business associations and other civil society organizations) in the process of reforms is of key importance for reducing the corruption. These associations should be key players in promoting the responsibility in the public and private sector.

The improved access to information on the existing regulation and the planned amendments as well as education for entrepreneurs on their rights and responsibilities, should encourage the businessmen to respect the laws and to

say “no” to the illegal requests of the official persons. The promotion of independent media is of utmost importance for reduction of corruption as an obstacle for doing business. This includes training for journalists covering the business sector on how to analyze the situation and discover abuse and corruption in this sector. The free access to information should largely help the media in performing their role as “watchdog” of the society.

Current situation in Macedonia

The latest Progress Report of the European Commission for the country points out the “widely spread corruption, which remains a serious problem in many areas”, and there is a need “for ensuring independent and unbiased judiciary” (which according to the OSCE survey is heavily influenced by the executive power), cumbersome, slow and partisan administration with insufficient capacities, legal uncertainty due to the frequent changes to the legislation.

All this negatively affects the business sector and the economic growth of the country. Hence there is the question on whether the business sector can be developed and the foreign investments can be attracted under such circumstances. This questions is even more concerning having in mind the small volume of foreign investments last year (109.86 million EUR for the first nine months of 2009) and the intensive and expensive campaigns, the benefits offered to the investors and the overpaid “hunters” of foreign investments (economic promoters). The global crisis should not be used as justification, because in the same period the foreign investments in the wider region have amounted to billion euros. Regarding the criteria for establishing positive business climate as a precondition for attracting foreign direct investments, Macedonia received the lowest grades on the legal insecurity and corruption. It turns out that these are more important factors for the decision on making an investment in a certain country, and not the lower taxes and low salaries, which are not decisive factor if there are weaknesses in the functioning of the legal state, which includes equal treatment of all investors, legal certainty and efficient protection of the capital.

As one of the measures for improving the situation, it is up to the business sector, particularly the smaller entrepreneurs, through their associations to organize themselves and to undertake measures against the corruption as well as to create better working conditions.

BIRN PROBE UNCOVERS HOLES IN KOSOVO HEALTH SERVICE



The collected data showed many doctors and nurses regularly begin work late and leave early. The most serious case was observed in the emergency centre in Peja on May 13, 2008. None of the 24 staff was present there, except for the cleaner, for the whole day.

By Petrit Collaku

Investigation sheds light on corrupt practice of doctors referring patients to their own private clinics for treatment, emergency centres left unstaffed, broken equipment and unequal deployment of specialists.

Medical staff in Kosovo's state hospitals are directing patients to their own private clinics for treatment even when the services they need are available free of charge in public institutions, an investigation by the Balkan Investigative Reporting Network, BIRN, has revealed.

This is just one of many problems that the probe uncovered during 20 months spent monitoring the state of Kosovo's health service.

According to the report by BIRN, Raport i Monitorimit të Shëndetësisë, which was published on December 25 and will be published in English in the near future, equipment is often out of order, medical staff regularly moonlight in their private clinics to top up their wages and some hospitals lack specialist doctors.

More than 400 interviewees took part in the investigation, which lasted from March 2008 to November 2009 and involved monitoring health institutions across the country, including the University Clinical Center of Kosovo, UCCK, regional hospitals and family medical centres.

The BIRN report says delays in treatment often occur because doctors' work commitments conflict with their appointments in their private clinics.

Many interviewed patients said that when they first went for a consultation in public health institutions, doctors or other staff referred them to private clinics that they or their colleagues or acquaintances owned. This happened even when the services they needed were available for free in the public institutions.

According to the report, Raport i Monitorimit të Shëndetësisë: "Many patients claimed that they had been queuing for medical services because the doctors were late, or their breaks were longer than allowed, or because the doctors were working at their private clinic during regular working hours.

"Many patients and their relatives said they had been advised by doctors in public health institutions to visit their private clinics."

One doctor at UCCK, speaking to BIRN on condition of anonymity, admitted receiving between 20 and 50 euro each time he referred a patient for a CT scan. Another doctor at the same hospital admitted referring patients following their first visit to his own clinic.

A BIRN researcher in Ferizaj saw doctors leaving the hospital during working hours, still in uniform, and going to their private clinics located a few metres away from the hospital.

One doctor was filmed defending this practice. “The salary I receive is not sufficient to provide for my family,” he said. “With the 240 euro I get [from the government] my family would have ended up on social assistance”.

Speaking on BIRN’s weekly TV show, *Life in Kosovo*, the newly appointed director of Pristina hospital, Ali Sadriu, said he could not change such behaviour overnight but his management would not tolerate it.

“The law is the law,” he said. “There is no excuse for anyone not respecting working hours.” Sadriu added that he was lobbying the government for more funds to improve the health system in general.

The BIRN investigation recommends that the Ministry of Health regulate the employment of doctors both in the public and private sector and raise doctors’ salaries to encourage them to stay in the state sector.

Faik Hoti, spokesman for the Ministry of Health, said that the poor service apparently uncovered by the probe reflected only a perception on the part of the BIRN researchers.

“The ministry considers that all this data on the poor services of medical staff are the perceptions of BIRN monitors and of part of the public,” he said. “Such an assessment can be made only by those with a deep knowledge about services ... by those with more knowledge about the quality of these services.”

The investigation uncovered that UCCK staff referred patients for CT scans that were usually unnecessary.

Concern over the number of patients being referred for scans was raised in an official letter that the Health Inspectorate sent in August 2009 to the Minister of Health, Alush Gashi, to the former director of the UCCK, Jusuf Ulaj, and to Halit Ymeri, director of the radiology centre.

Based on an inspection made in the radiology clinic, the letter, which BIRN has seen, notes that 80 per cent of CT scans did not uncover any medical problems. According to the Health Inspectorate, over-frequent use of scans incurred unnecessary expenses, and unnecessarily exposed patients and staff to radiation.

In August 2009, a patient at Peja hospital told the investigation he had paid 100 euro for a CT in a privately owned clinic after a nurse told him the hospital equipment was not working. However, the chief nurse in the surgery unit, Shpresa Rexhbogaj, told the same monitor that the CT equipment had been brought a month before and was fully functional.

Broken equipment was, however, a serious problem – as our team of researchers discovered. In the gynecology clinic in Peja, we found the ultrasound machine had been out of order for more than a year, forcing patients to seek private health care.

At the emergency centre in Peja, both ambulances were out of order. In an interview in May 2008, the director of the centre, Sadri Dervishaj, said the ambulances were out of order because they were too old. It also emerged that there was no functioning phone in the centre.

In response to BIRN’s questions, The Health Ministry said it had spent 4 million euro on new equipment in 2009 and that at the UCCK more than 700,000 euro had been used to buy a CT and magnetic resonance equipment.

Another problem in the health service that the investigation highlighted concerned unequal deployment of specialist doctors. In interviews with hospital staff, BIRN found that many hospitals had few or no specialist doctors, while UCCK appeared to be overstaffed with specialists.

Jusuf Ulaj, a former doctor at UCCK, said that 12 gynecologists had been selected for work there, even though the clinic did not need so many. He claimed the ministry had not ascertained the real needs of the hospital.

Tefik Bektashi, a cardiologist, said that because of the excess number of surgeons employed at the UCCK, one surgeon carried out only about 40 surgical operations a year, which was a low workload.

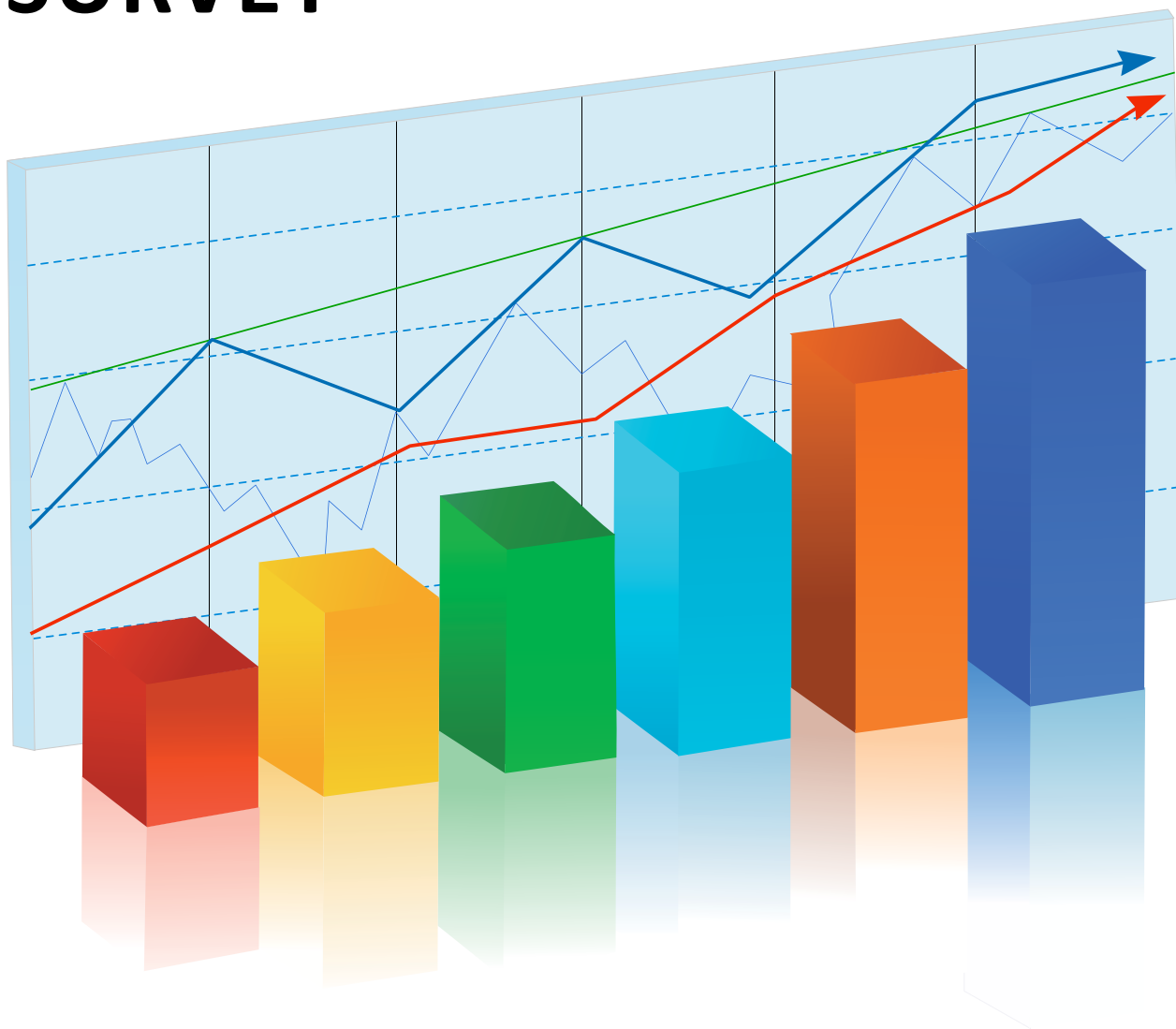
The Health Ministry rejected this criticism, however, saying that recruitment policy was “based on the requirements of the hospitals, clinics and different units.

“Nobody sends staff to clinics or hospitals if those clinics do not require it,” the ministry said.

“There are more doctors and other medical staff at UCCK because it is the only tertiary centre [in Kosovo], so it is normal that it should provide most medical services.”



SURVEY



The municipalities may promote the dissemination of information and the participation of citizens, companies and non-governmental organizations

The Center for Civic Communications, in partnership with the NGO Info Center and EHO from Stip, has conducted an extensive survey of the public opinion on the current practices of municipalities in Eastern Macedonia as part of the USAID project on transparent work.

The purpose of the survey was to provide relevant data on the satisfaction of citizens, civil society organizations and business community with the services provided by the municipality and generally with its work as well as to detect the possible weaknesses in the work of the municipalities in order to promote more transparent, efficient and accountable work. The satisfaction was assessed through how much they are informed on the work of the municipality, participation in the decision making process, the opportunity for pointing out the weaknesses, the information they receive on the municipal work as well as the built-in mechanisms in the municipality for identifying the illegal work.

Separate questionnaires were used for the municipalities, citizens, civil society organizations and the companies in four selected municipalities in Eastern Macedonia: Stip, Strumica, Vinica and Sveti Nikole.

The separate questionnaires made it possible to have relevant findings for each target group, to identify the special features of the different relations between these target groups and the municipality, to obtain a comprehensive

picture of the situation in the municipality and to reduce the risk of one-sided assessment of the municipal work.

Total of 959 citizens who had contact with the municipality during the survey (every working day from December 10 to 25, 2009) were surveyed, 80 active civil society organizations in the four municipalities (twenty in each municipality), as well as 85 companies, randomly selected from the trade registries in the municipal offices for Local Economic Development (LED).

The results from the survey will serve as a basis for developing recommendations for undertaking measures in order to overcome the identified weaknesses and to promote the work of local authorities.

Starting from March 2010 in each of these municipalities, civic centers will be launched for promoting the local government, where the citizens, representatives of the business community and civil society organizations will be able to file their complaints, ideas and suggestions for the municipal work. The centers will be active within the four civil society organizations (one in each municipality). The received complaints, proposals and ideas will be regularly submitted to the municipal administration and their further processing will be monitored.

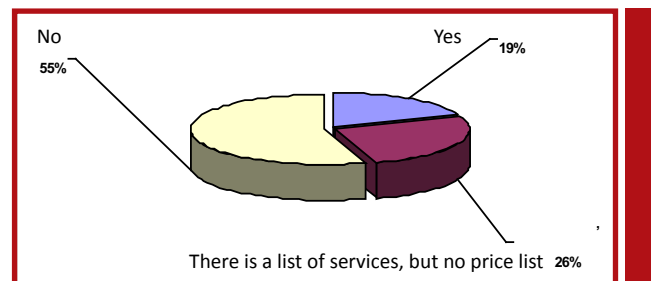
The lessons learned from these four municipalities will be applied in the other municipalities in Western Macedonia and in Skopje.

Starting from the fact that one of the best ways to fight against corruption is increased transparency, responsibility and accountability, the project will contribute for revitalizing the mechanisms for more transparent, more responsible and more accountable work of the local authorities, for strengthening the participation of citizens and business community in the decision making process on local level as well as exchange of good practices among the local governments in the country.

differences in the responses of the municipality on one hand and the citizens and businessmen on the other.

- Based on the research findings on the current situation, there is room for improvement in all aspects of the work in the surveyed municipalities.
- The survey results show lack of information of the citizens and representatives of the business community on the municipal work, the provided services as well as the manners in which the interested entities may be involved in the decision making process, but also to complain about the work of the municipal administration.
- The municipalities have not listed publicly all services they provide, together with the necessary documents to be submitted in order to obtain these services as well as the amount due for the services. This could limit the space for abuse and manipulation of the local administration. While dominant part of municipalities (75%) says that there are publicly available lists with the services they provide, including the price for each service, less than half of citizens (45%) say that such lists exist in the municipalities.

Has the municipality publicly displayed a list of offered services, including a price list?



SUMMARIZED RESEARCH FINDINGS

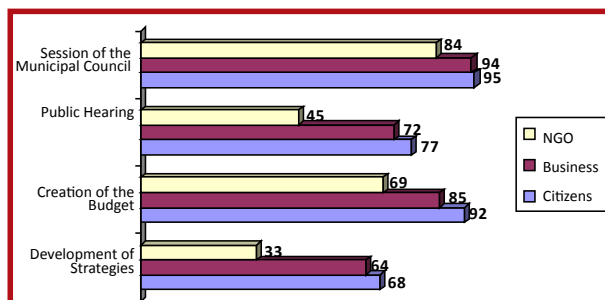
- Citizens and businessmen are almost equally unsatisfied with the work of the municipality, its transparency, the participation in the adoption of the budget and other important documents (strategies, plans, etc.), the availability of municipal administration, etc. Unlike the citizens and businessmen, the representatives of the civil society organizations are more satisfied and more informed on the municipal work, the availability of information and documents as well as participation in municipal work. However, the satisfaction of civil society organizations from the municipal work is lesser in the municipalities where the cooperation is lower.
- The cross tabulations show that there are

- There is a room for manipulation in the frequently used practice of getting information on the procedures and necessary documents for the services from the municipal officers. Most of the citizens (56%) and businessmen (60%) say that they receive the information on the procedures and necessary documents for the services of the municipality from the employees, while only about one third of municipalities (37%) admit that their officers are source of information.
- The survey shows lack of transparency in the creation and adoption of the municipal budget. As much as 92% of the citizens and 85% of the businessmen say they are not involved in creating the municipal budget, contrary to the responses of the municipality, in which 100% of the municipalities say they involve the citizens and other interested stakeholders in creation of

the municipal budget.

- Besides the budget, 68% of the citizens and 64% of the businessmen say the municipality fails to consult them during the development of other significant documents, such as strategies, plans, etc. contrary to the municipalities which claim that 100% of them apply various mechanisms for consultation with the stakeholders during the development of these documents.

Did not attend or did not participate at:

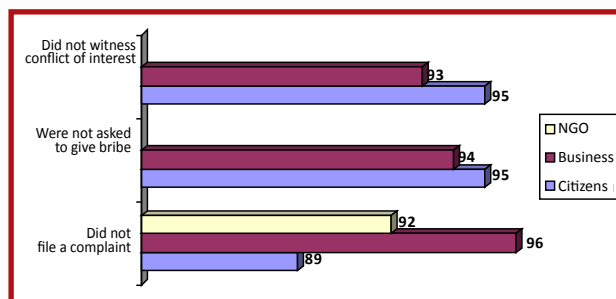


- High percentage of 95% of the citizens and 94% of businessmen believe that there is no possibility for them to attend the session of the municipal council, while 100% of municipalities claim that their sessions are open to the public. The conclusion is that municipalities do not undertake measures for obtaining the presence of interested stakeholders (citizens, companies, etc.) at the sessions of municipal council and neither citizens nor businessmen are involved in the decision making process that affects the life of citizens and work of companies.
- As much as 64% of the citizens believe that the municipality does not undertake measures for active functioning of urban communities, while 100% of the municipalities say that such measures exist.
- Almost two thirds of the citizens (64%) and one third of the businessmen (34%) believe that they have no opportunity of voicing their problems to the mayor and giving suggestions for promoting the life and the work of the municipality, while 100% of the municipalities say that their mayor has regular meetings with the citizens. The conclusion is that municipalities do not undertake measures for more active participation of citizens and business community at the regular meetings between the mayor and the interested stakeholders.
- The municipalities have not developed mechanisms for receiving and processing the reports of the citizens and business community on corruptive and unethical work of the municipal administration. 75% of the

municipalities say that they have no written procedure on dealing with such complaints of the citizens. 93% of the citizens and 95% of businessmen never filed a complaint for abuse of official duty or corruption against the municipal officers.

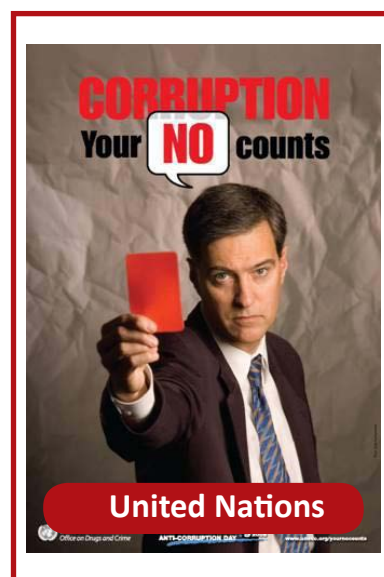
- 5% of citizens and 6% of businessmen say they were asked to give a bribe to the municipal officer, while 7% of citizens and 5% of companies have reported corruptive conduct. 8% of citizens and 4% of companies have witnessed a situation in which a municipal officer had a conflict of interest but was silent about it. 17% of civil society organizations learned of an abuse of official duty i.e. corruptive conduct of the municipal officers, while 11% witnessed a situation in which a municipal officer had a conflict of interest but was silent about it.
- The survey showed that the municipalities do not have equal treatment towards all citizens and companies, i.e. provide equal treatment only to some citizens and companies. So, 58% of the citizens and 50% of the companies believe that the municipal officers do not have equal treatment towards them, while 56% of the companies say that the municipality favors some company during the collection of taxes and fees.

Professionalism of administration



- The survey results show lack of accountability of municipalities. 56% of citizens say the municipality does not provide information on the municipal work, while 61% of the businessmen are not aware that the data on concluded contracts on public procurement are publicly available. On the other hand, 52% of the companies believe that there is corruption behind the public procurement process in their municipality.

ANTICORRUPTION CAMPAIGNS



About the Center for Civil Communications

The Center for Civil Communications is a non-governmental, non-profit and non-partisan association of citizens, with a mission to improve and develop the communication among all factors in the society of the Republic of Macedonia about the processes of wider societal importance as well as to monitor, analyze and promote the social-political and economic processes in the country, mostly in the field of anti-corruption, local government and economic development.

The Center for Civil Communications fulfills its mission through organization and implementation of surveys, analyses, monitoring, training, seminars, roundtables as well as publishing of reports, publications and manuals.

In the past five years, the Center for Civil Communications has focused its work on two sets of interrelated activities: monitoring and discovering the corruption practices and based on this providing recommendations on the measures and policies for reducing the corruption and capacity building of journalists and media for fulfilling their special role in the fight against corruption in the country.

The most significant activities that have been implemented include the following:

Project on Transparent Local Governance (2009-2012)

The project develops mechanisms for increasing the transparency, accountability and responsibility of local governments in Macedonia, encouraging the participation of citizens and local business community in the decision making process in the local government and sharing the best practices and experiences among the municipalities in the country and the region. The project activities will contribute for reducing the level of corruption in the local community and increasing the trust of the citizens and business representatives in the local authorities. The project is implemented in partnership with the non-governmental organizations: EHO from Stip and NGO Info Center from Skopje and is funded by the USAID Macedonia.

Monitoring of Public Procurement on Central and Local Level (2008-2010)

The project analyses the implementation of public procurement procedures and system in the country in light of the new Law on Public Procurement, from the aspect of transparency, competitiveness, equal treatment of economic operators, non-discrimination, legal, economic, efficient, effective and rational use of budget funds, getting the best offer under the most favorable conditions and accountability for the funds spent during the public procurement process. Total of 160 randomly selected public procurement procedures are monitored and analyzed on annual level, through direct monitoring of opening the offers, in-depth interviews with the bidders and the institutions that open the tenders, gathering information from the Public Procurement Bureau and other involved institutions. The results of the monitoring include recommendations for promoting the public procurement process. The project is funded by FOSIM.

Enhancing the Role of Media in Fight against Corruption (2008-2009)

The project promotes the journalistic standards on researching and reporting corruption and builds the capacity of media on fulfilling their role in the fight against corruption. The starting point is an in-depth analysis of the way in which the Macedonian media report on corruption and identifying the main weaknesses in this reporting. Based on this, recommendations are developed for promoting the journalistic standards. The implementation is through training of 12 investigative reporters from leading media in the country. These activities will contribute for overcoming one of the main problems detected in the National Strategy on Reducing Corruption – inappropriate media coverage of corruption. The project is funded by USAID Macedonia.

Measures for Reducing Corruption in Macedonia (2007-2008)

After the first phase of the project identified the most vulnerable areas of corruption in Macedonia, this project has developed and recommended total of 156 specific measures that should be undertaken in order to narrow the space for corruption. The project included comparison of the best practices in the other countries, series of workshops where experts and representatives of the stakeholders discussed and proposed ways to narrow the room for corruption, prioritize the measures and sending them to the competent institutions and media for monitoring their implementation. Most of the measures were implemented, particularly those for granting higher independence to the second instance National Commission for Complaints on Public Procurement, which was transferred from the auspices of the government to the Parliament, the independent legal status of the Public Procurement Bureau, which is no longer under the Ministry of Finance, etc. The project was funded by the Balkan Trust for Democracy.

Reduction of Corruption: Exchange of Experience and Good Practices in Investigative Reporting between the Journalists from Macedonia and Romania (2008-2009)

In partnership with the Romanian Center for Investigative Reporting, 10 investigative researchers from Macedonia were trained from the leading Romanian trainers in investigative reporting about the advanced techniques of investigating journalism. After the training, the journalists had an opportunity to be in the Romanian media where together with their colleagues from Romania worked on investigative stories, which were published in the Macedonian media. As a result of the project, a network of investigative reporters was established within the Center for Civil Communications. The project was funded by the East-East program.

Series of trainings for journalists from local media on investigative reporting and reporting on the local government (2008)

The Center delivered 4 regional trainings for 30 journalists from the local media on strengthening their capacities and abilities for researching and reporting on the work of the local government in light of the increased competences of the local authorities, which also increased the role of local media in reporting on the issues of the interest of local citizens. The project resulted in developing a Manual on Journalist Reporting for the representatives of the local media in Macedonia. The project was funded by the USAID Macedonia local government activity.

In addition, the Center for Civil Communications in the past period has published a series of Corruption Reports in Macedonia (2005 and 2006), supported by the Balkan Trust for Democracy, trained the members of entire newsrooms from 16 local TV stations from throughout the country on reporting the issues of local interest, through the support of the US Embassy to Macedonia, participated in the expert team that developed the three-year National Strategy on Combating Corruption, and was a member of the Committee that granted the good governance award in Macedonia, etc.