

Skopje, 19 April, 2006

Report on the Investigation on Corruption in the Process of Providing Services by the
Public Administration bodies

**Corruption under the cover of bureaucratic sluggishness,
disharmonious procedures and arbitrary deciding**

The sluggishness of the administration on both state and local levels, the ambiguous criteria for the approval of permits and licences, the broad area for arbitrary deciding, as well as the non - transparent acts represent the key generators of corruption in the process of providing services to the citizens on the part of the municipal and state administrations. Although the sums of money that flow through individual corruption cases are generally small, this form of corruption has so widely spread and penetrated in the smallest pores of society that, considered overall, it has grown into a serious amount of money, which is illegally acquired.

This type of corruption, which is also known in our country under the common, though unreal, name of "one hundred grams of coffee", ranges from bribes of 500 and 1000 denars to sums of several hundred thousand denars. The height of the bribe depends on the type of service that the citizen requests, on the speed he wants to obtain it with, and on the material interest he has from the obtained service. The research has shown that the Macedonian citizens are prepared to pay bribe in order to "speed up" the procedures for obtaining even the most common licences, through obtaining a property certificate and licence for building an extension, adaptation and transformation of apartments and buildings, to being absolved from the duty of serving in the Army, as well as acquiring the right to disability pension.

In the course of the investigation, we have discovered that this form of corruption, although seriously present in the everyday life, is at the same time the most secretive and the least treated by the authorized institutions. The secrecy aspect lies in the fact that in this form of corruption, in most cases, there are only two parties involved; the citizen and the civil servant. Both of them emerge satisfied with the successfully completed "deal". The former gave bribe in order to obtain or to speed up the obtaining of the needed service, while the later made extra profit. In most of the cases, there is no third party involved, which, as a damaged one, would publicly speak out about the corruption.

Generators of this form of corruption

The investigation has shown that the administration on both state and local levels abuses the existing bureaucratic sluggishness and inefficiency, thus encouraging the citizens for corruption. In such cases the bribe is paid in return for the alleged extra effort that the civil servant makes to speed up the matters, which take longer in a regular procedure. One of the most criticised institutions for sluggishness is the Land Registry Office (Cadastre) and its regional units, a fact emphasized not only by the citizens and the representatives of the international organizations, but even by the representatives of the local government. If we take into consideration the fact that the greatest preconditions for corruption are created precisely by sluggishness, then it can be concluded that in this institution there is a broad terrain for abuses.

In other cases, concealing himself behind the complicated procedures and using the ignorance of the citizens, the civil servant keeps requesting completing the documentation, thus indirectly sending a message to the citizen that, in addition to the documents, he needs to add something else. There are also cases concerning the issuing of licences in the area of construction, in which a project made by an architect is requested, and in which the civil servant suggests to the citizen "a very good architect", who will finish the work for him faster. The architect then returns the favour to the civil servant for the obtained deal.

The situation in practice points out to the fact that this form of corruption also stems from the lack of transparent actions and procedures in the process of issuing licences, permits, transcripts, and certificates. Thus, the citizens, who are aware that they are not familiar with the matter and the legal procedures, themselves initiate or show readiness to pay the civil servants, who know the procedures, so that they speed up the obtaining of the service.

The broadly created opportunity for arbitrary decision - making in the process of issuing certain licences is also one of the common factors for suspecting that the decisions in these cases are made out of corrupt motives. Unlike the other cases of giving bribe, which are enveloped in silence, in cases in which for a certain right of the citizen commissions decide, there is a record of appeals filed by citizens to the authorized institutions. Thus representatives in the institution Ombudsman, on the basis of written submissions by citizens, directly state that there exists "sluggish, unobjective, and corrupt behaviour of the commissions for assessing the working ability."

The system does not favour the ones who desire or are forced to follow regular procedures. This can be seen in the tragic case of one woman from Veles, who requested disability pension, after she had suffered two strokes. In October 2005 the commission for assessment of the working ability rejected her request and she was assessed as capable of full - time employment. She then lodged an appeal to a higher degree commission and while expecting for the outcome, died in December 2005, less than two months after she had been declared capable of work, from the same cause that prompted her to request a pension. The deceased, two months after she had passed away, was declared capable of work by the higher degree commission as well, which thus rejected her appeal.

Risks and recommendations

Bearing in mind that a great part of the decisions, licenses, and certificates that are issued to the citizens, have been transferred from state to local level through the process of decentralisation, it is believed that there is a danger of further expansion of the ground for corruptive behaviour. In that respect, this research has identified two key weaknesses. The first is the insufficient preparation of the bodies and the

employees in the local government for an efficient implementation of the undertaken competences and the second is the disharmony of the policies and procedures, which accounts for the different interpretation of the laws in different municipalities. This condition further slows down the bureaucratic procedures and increases the number of stops that need to be passed in order to finish one work. It is precisely this kind of encounters of the citizens with more civil servants that are considered risky from a corruption point of view.

In order to have these risks eliminated, a staff enforcement of the municipal administration is essential, as well as introducing the system of so-called front and back offices. This means that the citizens should submit their requests at one centralized stop, i.e. to the civil servant in a so - called front office, whose task is only to receive the requests, but not to decide about them. The decisions are to be made by the civil servants in a so - called back office, with which the citizens would have no direct contact. In this way, the possibilities for corruption are eliminated, since the citizen would not know who decides regarding his request.

Even at present, in the Republic of Macedonia efforts are made to introduce this system, which has been accepted in a large number of member - states of the European Union, but this is done only upon the initiative of the international organizations and in only part of the municipalities. The research has shown that even in the municipalities encompassed by this reform there are obstructions either because of the indifference of the mayors or because of the resistance of the civil servants themselves.

Considering the seriousness of the condition on both state and local levels, and following the example of the developed countries, it is suggested:

- to bring down the number of licences issued by the administration to their bare minimum;
- to standardize the procedures on a state level and harmonize the municipalities;
- to standardize the documents in all municipalities;
- to clearly define the criteria for obtaining various licences;

- to ensure transparency of the essential contacts between the citizens and the civil servants;
- to introduce the system of front and rear offices in all places where licences are issued to the citizens, and
- to exert bigger control over the work of the commissions which make arbitrary decisions.

It is deemed that the implementation of all these recommendations requires not only a longer period, but also willingness and reaching a consensus among all the political representatives in the country, and certainly between the authorities on state and local levels, since these are not changes that only one government or one mayor should implement, but changes that require a wider, unified, and urgent action. It is precisely because of the present absence of such consensus and action that the changes in this area are carried mostly through the initiative and financial support of the international organizations. On the other hand, as long as this situation is tolerated, the citizens will continue to pay a high price for the "small" but widely spread corruption.