

Imagine If You Were a Low Paid Clerk

The Challenges with Using Corruption Reporting Mechanisms in Controlling Corruption in Macedonia

A policy brief by Misha Popovikj

Skopje, October 2015

Introduction

Corruption reporting mechanisms are established ways for victims to report cases of corruption to the authorities. Along with whistleblowing, they allow *unseen* or *obscure* practice to be revealed. These mechanisms, in theory, enable all victims of corruption to involve themselves in the struggle against corruption, and to file complaints against individual clerks or entire departments. When many people report their own individual cases, the effect is cumulative, and hence the sum total of their actions may contribute to controlling corruption. Hence this mechanism can have an impact like crowdsourcing.

However, these corruption reporting mechanisms rest on the assumption that potential victims are inherently equipped with the necessary knowledge and individual capacity to get involved. Regardless of their actual efficacy, they are used by the government to 'tick boxes' in action plans about combating corruption. It should be asked about how effective these mechanisms really are in recording corruption cases. Furthermore, it is necessary to analyse what factors might limit their

effectiveness, and what institutions can do to make them more effective.

These questions are important for evaluating the implementation of anti-corruption policies. Since Macedonia is marred by corruption scandals, and since it is far below the EU average in corruption perception and in actual corruption levels, it is crucial to understand what works and what does not. Reducing corruption is an important milestone in Macedonia's EU accession process, as progress in the area of *rule of law* is a prerequisite just for starting negotiations. This brief will first provide an outline about the status of corruption reporting mechanisms that are established in Macedonia. It will then analyse the challenges that the broader social environment poses towards the (un)successfulness of the corruption reporting mechanisms. Finally, it will offer an analysis of how perceptions, attitudes and experience with corruption relate to the efficacy of such mechanisms.

The life cycle of a corruption reporting mechanism

State institutions in Macedonia use two basic ways of reporting corruption. Many important institutions in risk sectors such as healthcare and inspectorates have telephone hotlines for reporting

corruption anonymously. These institutions include the Ministry of Interior, the University in Skopje, the Ministry of Education and Science, the Ministry of Health Care, the Tax Office, the Customs Office and so on. Many other institutions have developed web-based reporting, where Internet users can report corruption by filling out a web form. The institutions are supposed to process these complaints and ultimately tackle corruption which is exposed by forwarding them to the Public Prosecutor. Similar web-based reporting mechanisms have been set up in several municipalities.

The most technologically advanced reporting mechanism is used in the non-governmental sector, in the local branch of Transparency International in Skopje. This organisation collects complaints through web-based forms as well as a specialised online service 'Prijavikorupcija.org' where people with smartphones can use an app to report bribery or corrupt malpractice. This service uses optional geolocation to locate a complaint geographically.

There is a marked pattern in numbers of complaints reported after the establishment of a reporting mechanism. Usually, when the mechanism is first set up, there is a high frequency of reports – in the thousands. However, the authorities report that most of the complaints are not about corruption, but rather are to do with dissatisfaction with the performance of clerks and officials.

In the last five years, the number of complaints has significantly decreased. The Customs office had a 50% decrease in the number of complaints from 2010-2014, from 142 to 71 reports. The situation is very similar in other institutions, where these hotlines rarely receive any complaints, in some cases none at all. For instance, for a 2010 investigative story, the Ministry of Interior refused to disclose the number of received complaints so as 'not to discourage the citizens' in reporting corruption to the institutions.¹

¹ 'Hotlines for Reporting Bribery and Corruption Are "Dead". (Telefonskite Linii Za Prijavuvanje Mito I Korupcija Se "Mrtvi").', *MKD.mk*

The most notable example is the State Commission for Prevention of Corruption (SCPC). It was established as a central body that should work mainly in the areas of corruption prevention. Since it was set up, it has seen a decrease in the number of complaints that the institution receives. In 2003, it received a 603 while in 2013 it received only 201.²

In addition, no aggregated information about how many complaints the public institutions receive each year is publicly available. The registering of complaints is the responsibility of each institution, and there is no centralised or coordinated system. Many of the institutions do not publish the number of received complaints at all, so estimates are very hard to assess. The Public Prosecution Service notes that in 2013 there were 1414 reports against abuse of power and only 13 for bribery,³ but it is not clear how many of these reports were received via reporting mechanisms, nor how many proceedings regarding abuse of power were related to corruption.

The authorities usually attribute the decrease in the number of complaints to the anti-corruption activities that the institutions undertake – which apparently reduced corruption. However, this is questionable, and in fact the evidence suggests that this is not the case. A 2014 Corruption Assessment Report published by the Macedonian Centre for International Cooperation (MCIC) presented a comparative analysis of involvement in corruption in two surveys carried out in 2002 and 2014.⁴ The results show that petty corruption remains the same or even slightly increased. Because the estimated number of corrupt

<<http://www.mkd.mk/makedonija/politika/telefon-skite-linii-za-prijavuvanje-mito-i-korupcija-se-mrtvi>> [accessed 14 June 2015].

² *Yearly Report 2013* (Skopje: State Commission for Prevention of Corruption, 2014); *Yearly Report 2003* (Skopje: State Commission for Prevention of Corruption, 2004).

³ *Yearly Report about the Work of the Public Prosecutors in Republic of Macedonia for 2013* (Public Prosecutor of the Republic of Macedonia, 2015) <<http://jorm.gov.mk/?p=1261>>.

⁴ Emina Nuredinovska, Marija Sazdevski and Borjan Gjuzelov, *Corruption Assessment Report on Macedonia* (Skopje: MCIC, 2014), p. 105 <<http://goo.gl/g28rhc>>.

transactions (bribery or favours) is the same, the complaints sent through these corruption reporting mechanisms should be fairly similar.

One explanation for the decreasing frequency of complaints could be the life cycle of these mechanisms. The increased intensity of the reports is notable at the beginning of the implementation and it correlates with resources available for promotion activities. The implementation usually starts with a marketing campaign that increases the public profile of the initiative. As this is publicised, victims attempt to use the mechanism. Once this public profile disappears, the complaints start to decrease.

This interpretation might be supported by the example of the life cycle of Transparency International's 'Prijavikorupcija.org', although it comes from the non-governmental sector. When first implemented in 2012-3, the service had much more complaints than it had during 2014 and the first half of 2015.⁵ Although the web service is still active, the promotional activities have decreased and fewer victims are now using this mechanism.

The environment of corruption

Another explanation for the decrease in the number of corruption reports is a disempowering environment, which is not conducive to the success of these mechanisms. Scholarship has identified several key factors that contribute to the success of anticorruption activities: media freedom, the number of organisations in the civil society, and trust in people (social capital).⁶ Although all of these are important to understand the degree of corruption in Macedonia, this brief will focus on the last one, as it directly impacts on people's motivation in making complaints.

Research shows that people's trust in strangers is low. Only one in ten citizens in Macedonia say they believe that in general one can trust strangers.⁷ This is an important factor in establishing networks of solidarity within civil society that can act against corruption. Furthermore, it sets the stage for a general *culture* of mistrust in institutions. This suspicion contributes to a situation where people feel discouraged to interact with the institutions, and to complain as victims.

A 2013 study in the trust in institutions confirms this. More than half of the population did not trust the judiciary and about 42% did not trust the non-governmental institutions.⁸ This mistrust in institutions underlies the inefficacy of institutions' corruption reporting mechanisms. This is additionally confirmed by a corruption study in the business sector, where 42% of the companies said they felt they would not accomplish anything if they reported corruption, while 38% felt there would be negative consequences if they did so.⁹

This mistrust in people and institutions limits the scope for social action against corruption, and prevents the development of a sense of agency among citizens who interact with institutions and are potentially victims of corruption. The public perception that institutions do not work for the public interest alienates citizens, who do not feel that they can be protected by them.

While all this indicates the general disposition of citizens towards institutions in Macedonia, the debilitating environment for corruption reporting is further exacerbated by the overall situation in the country. Earlier this year, the main political opposition party has revealed telephone conversations between high ranking public officials which demonstrate *state capture*. The material shows a high level corruption in the public sector, and complete control of the political party over the main branches of government

⁵ Between 2012 and 2013 the website received 145 reports. Between 2014 and October 2015 it has received 23 reports.

⁶ Alina Mungiu-Pippidi, 'Controlling Corruption Through Collective Action', *Journal of Democracy*, 24 (2013), 101-15.

⁷ Nenad Markovic et al., *Political Culture in Macedonia* (Skopje: Fridrich Ebert Stiftung, 2012).

⁸ Aleksandar Krzalovski, *Trust in the People and the Institutions 2013* (Skopje: MCIC, 2013).

⁹ Nuredinovska, Sazdevski and Gjuzelov, p. 82.

(including the judiciary) as well as the economy. There is evidence of public procurement fraud, election rigging and embezzlement. So far, there has been very little action by the authorities to demonstrate commitment to start investigating allegations of corruption.

This scandal has demonstrated the unwillingness and inefficacy of the relevant institutions, and shows the public that corrupt practice can pass unpunished. Furthermore, it creates a sentiment that there is no point in complaining about petty corruption when higher levels of authority are also corrupt. It marks the pinnacle of the longstanding perception that corruption is pervasive. More seriously, it *teaches* the public that state action against corruption, is futile. The perceived futility of these actions is therefore another factor that discourages corruption reporting. This can be seen when analysing the data from MCIC's Corruption Assessment Report and the different dimensions of how corruption affects the public.¹⁰ The results demonstrate that the broader environment has established complacent dispositions towards corruption as the next part of the brief suggests.

Dimensions of corruption

Measuring the various dimensions of corruption allows us to better understand how it affects the public. As well as measuring the perception of the spread of corruption and bribery, it is important to explore how far people tolerate corruption or find it acceptable. Furthermore, it is necessary to analyse the differences between various groups in these respects. This can further enhance our understanding of the impact corruption has on society.

Put together, these different dimensions offer an insight into the environment within which anti-corruption activities operate.

1. Will corruption be recognized by its victims?

The likelihood that people will report corruption depends in part on their ability to recognize it as it happens. If a certain interaction with representatives from public institutions or a certain action by those representatives is not recognized as corruption, then it is highly unlikely that the citizens will feel themselves to be victims and thus file a complaint.

Research shows that the ability to recognize corruption is low in Macedonia. An estimated 174,000 citizens of Macedonia (11% from the survey) have low level of ability to recognize corruption, while 442,000 (28%) have moderate ability.¹¹ The research examined a sample of citizens, offering them eleven examples of corruption and asking them to decide whether these situations involved corruption. About a third of the adult population in Macedonia can recognize no more than seven scenarios (out of the eleven offered) where corruption happens. In theory, this would mean that a corruption reporting mechanism has an inherent efficiency of no more than 64% from the very start because almost one in every three types of low-level corruption transactions (bribery, quid-pro-quo, gifts etc.) is not recognized as malpractice. These results demonstrate the first obstacle to corruption reporting mechanisms.

The research shows that the ability to recognize corruption is associated with education and income level. Those who are less educated or have lower income are usually less able to recognize corruption.

On the other hand, other demographic criteria are not associated with the ability to recognize corruption. The most interesting part of this research is that those who manage or own companies, who are generally higher up the social

¹⁰ All the results that follow are derived from a surveyed national representative sample of 1210 respondents. The survey is based on the Corruption Monitoring System developed by the Center for the Study of Democracy from Sofia.

¹¹ These and the following numbers are a projection from percentages of survey data (1200 respondents) to the State Statistical Office's estimates of total adult population. For 2013 this office estimated that the size of the adult population is 1,579,609 citizens.

scale, are no better equipped to recognize corruption than other groups.

Therefore, unless there are public information campaigns, even in the time of setting up the mechanisms the efficacy is limited.

2. A tolerance is being developed towards corruption

The success of corruption reporting mechanisms is also dependent on the level of tolerance towards corruption. Members of a population which is largely intolerant towards corruption are more likely to send a complaint when faced with corruption.

When the respondents of the survey were asked to assess how acceptable it was for members of Parliament or public clerks to engage in several different corrupt acts, 45% of them found at least one of these engagements acceptable. Although a small majority is intolerant, the results reveal that a worryingly large proportion of the adult population has developed a certain degree of tolerance towards corruption.

The in-depth analysis shows that those between the ages of 40 and 49 show the greatest degree of tolerance towards corruption. Furthermore, those with middle range incomes (201-400 and 401-700 EUR per month) are more tolerant towards corrupt practices, compared to those with lower and higher incomes.

Such mechanisms rely on the assumption that a person afflicted by corruption is not tolerant, since tolerance creates a sense of acceptance of the corrupt practice such that a complaint will not be produced. If a large proportion of potential victims of corruption tolerate it, then the reporting corruption mechanism is not effective in combatting corruption.

3. When one imagines oneself as a low paid clerk...

The next dimension associated with the success of corruption reporting is the susceptibility

to corruption. This is a measure of the degree to which citizens would act in a corrupt way should they be in a position of a low paid clerk or have a problem that needs to be resolved. The higher the degree of susceptibility, the less likely it is for corruption to be reported, as the transaction is (again) understood as *normal*. The difference between susceptibility and tolerance is that the former is a way of adopting corrupt practice as an acceptable life strategy should they be put in such position.

The proportion of citizens susceptible to corruption is large, according to the survey. If the results are projected on the whole population, about 521,000 citizens (33% from the survey) would be corrupt if they were in the position of a clerk, or someone in need of a problem to be resolved. Around the same number (33%) would show mixed behaviour (they would be corrupt in one of the given scenarios). This leaves 426,000 citizens (27%) that are not susceptible to corruption.

The in-depth analysis reveals that men are more susceptible to corruption than women; younger generations seem to be more susceptible as well, and susceptibility falls with age.

The results show that more than a million adult citizens of Macedonia (entire adult population estimated to be around 1.6 million) are susceptible to corruption. These citizens would prefer to adapt to a given corrupt situation than to report it, which leaves less than a third of the adult population of the country likely to file a complaint.

4. Under pressure of corruption

The dimensions listed so far relate to the prerequisites for the successful implementation of corruption reporting mechanisms. They can explain why a victim of corruption may or may not file a complaint against a clerk or an institution. However, there are dimensions that extend beyond this and describe the spread of corruption. These dimensions are useful for assessing the efficacy of corruption reporting mechanisms, given that one can gauge the number of complaints against the estimated actual spread of corruption. The first such dimension is corruption pressure. It describes

the proportion of transactions between institutions and citizens where a clerk has indicated (implicitly or explicitly) that a bribe or *quid pro quo* service is expected.

The research demonstrates that bribery is largely expected, and that the expectation is met in practice. More than a quarter of the citizens of Macedonia, about 410,000, (26%) are exposed to corruption pressure. From those that have actual interaction with public institutions, this is more than half. Therefore, theoretically, in 2013 there should have been at least 410,000 complaints about pressure for petty corruption in Macedonia.

In-depth analysis does not show any particular association because corruption is so pervasive so statistical analysis based on a 1210 sampled respondents cannot reveal specific meaningful differences between smaller groups. However, if only the sampled data is described, without attempting to offer generalisations, there is some variation in how corruption pressures affect different social groups. For instance, the police are more inclined to pressure males than females, and municipal or judicial administration pressures business owners or managers. Analysing pressure from the perspective of income, teachers put more pressure on lower and higher income citizens than those with mid-range incomes.

5. *Victims of corruption*

The last dimension is actual involvement in corruption. It shows the volume of petty corruption by identifying corrupt interactions between citizens and public institutions. These results help assess the number of such transactions and, beyond perceptions and expectations, demonstrates its actual practice.

The estimates show that almost every other citizen that interacted with public institutions had to pay some form of bribe, be it a gift, cash or return a favour. Out of the total adult population, that is every fifth person, which amounts to more than 331,000 citizens (22% from the survey). This is the minimum possible number of corrupt transactions that happened in 2013, if one projects the research results to the total amount of adult population.

The sheer pervasiveness of involvement in corruption again precludes significant conclusions about association between victims and any specific social group. Within those projected 351,000 there is no statistically significantly disproportionate involvement of a certain group. If only the sampled respondents are described, without generalising, it seems that lower income respondents are involved more in corruption – i.e. are victims of corruption. At the same time, these lower income respondents were less able to resist corruption.

Conclusions & Recommendations

According to anti-corruption scholarship, *state capture* is a mode of governance where both the winning and the losing side accept it as a way of getting things done.¹² This could be extended when talking about petty corruption as well. Therefore, the ability to employ corruption reporting mechanisms, and the success of these mechanisms, are dependent on tackling a widespread sentiment that nothing can be done.

There is a growing necessity for public institutions to show the political will to tackle high level corruption and state capture. This would create the possibility for public institutions to regain citizens' trust. This might encourage a trickledown effect and affirm individual agency in reporting petty corruption.

Corruption reporting mechanisms should provide a safety-net against petty corruption. By being the crowdsourcing mechanism in the fight against corruption, they have the potential to provide public institutions with a constant feed of information, and to ease their burden in investigating corruption. Therefore, they must be constantly nurtured and adapted in order to be equally accessible to different social groups.

Yet in Macedonia they seem to be rather ineffective. The inability of potential victims to

¹² Alina Mungiu-Pippidi, *Chasing Moby Dick Across Every Sea and Ocean: Contextual Choices in Fighting Corruption* (Belin: Hertie School of Governance, 2011).

recognize corruption limits their effectiveness from the start. Additionally, while there are an estimated 410,000 interactions where corruption pressure is present, and at least 331,000 are estimated to have been involved in some sort of bribery, public institutions receive complaints that are counted in only hundreds. If one considers the cases started by of the Public Prosecutor, and compares the number to the estimated number of petty corruption, then only about 0.4% of the transactions where bribery is involved end up prosecuted.

The current corruption reporting mechanisms within public institutions must be revisited. Electronic complaint filing has to be revised and **instead of every institution having its own system, it should be centralised in order for easy aggregation and monitoring.** In order for the citizens to assess the effort state actors actually put into dealing with such complaints, **statistics about the number of complaints and the response by State Commission on Prevention of Corruption and the Public Prosecutor need to be made public.**

Educational material and information about filing a complaint should be readily available in public offices. This should be a continuous way of conducting business rather than a matter for a one-off public campaign. Since the research demonstrates that awareness about corruption is low and tolerance is high, these obstacles have to be mitigated by on-the-spot education with simple accessible examples, as well as clear directions how and where to report corruption.

Additionally, the gap between practised and reported corruption has to be monitored proactively. **Public institutions should conduct continuous surveys of their clients in order to detect whether the service they received was tainted with corruption.** This can help institutions overcome the tolerance citizens have acquired towards corruption which renders reporting mechanisms ineffective. However, this will only be effective if successful cases of prosecuting corrupt officials are publicised. Otherwise, the challenge of motivating victims remains high.

Finally, civil society organisations should conduct micro-studies of the effects corruption has on specific social groups. The survey approach to research amidst such rampant corruption cannot offer nuanced analysis which could indicate particularly vulnerable groups. So far, research tentatively suggests associations between education, age and income on the one hand, and, on the other, exposure to or acceptance of corruption. These have to be explored further, with comprehensive methodologies. The nuances acquired from such studies will offer insights and could result in in-depth recommendations and proposals for public institutions that work with specific groups. **What is clear is that since younger generations are more tolerant towards corruption, anti-corruption education has to be implemented in school curricula.**

The Institute for Democracy ‚Societas Civilis‘ Skopje is a think tank dealing with issues of good governance and European integration. Its mission is supporting democratic processes by promoting evidence based policy making which is inclusive to all stakeholders.

You can find more information about our work on:

idscs.org.mk facebook.com/IDSCS twitter.com/idscs_skopje



This policy brief has been prepared in the framework of the TRAIN Programme 2015 (Think Tanks Providing Research and Advice through Interaction and Networking), which is supported by the German Federal Foreign Office (Stability Pact for South East Europe) and implemented by the German Council on Foreign Relations (DGAP).