

Macedonia: Government Reluctant to Tackle Fraud

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Many see government concern over alarming levels of corruption as disingenuous.

As Macedonia gears up for elections this September, the issue of corruption is dominating the political agenda - to the disquiet of the government, which is widely perceived as a major part of the problem. The opposition, NGOs and international organisations have long railed against fraud, which is endemic in Macedonia. Now, government ministers feel obliged to join in.

"We must blame our failure (to eliminate the problem) in our own government," President Boris Trajkovski told a recent international conference in Skopje, to the obvious irritation of his prime minister, Ljubco Georgievski, who was sitting in the audience.

Georgievski felt obliged to issue a statement applauding Trajkovski's speech, but a few days later he hit back, announcing the formation of a government commission to review what had happened to large amounts of aid, which Macedonia received during the 1999 refugee crisis. The team that coordinated aid distribution was headed by Trajkovski, then deputy foreign minister. Georgievski also announced that an anti-corruption law, promised for seven years, will finally be passed in six months, but most observers believe this to be merely window dressing.

This sudden outbreak of concern was prompted in part by a hard-hitting report by the International Crisis Group. Entitled "Finance peace in Macedonia, not corruption", the report was published a few days before the March EU donors conference in Brussels.

"Corruption in Macedonia threatens the viability of the state. Even Albanian minority participation in the government is based on gain - to take a one third cut of the profit amassed by the Macedonian government," it says, before going on to recommend that the European Commission send in special anti-corruption inspectors to "encourage" the authorities to develop an effective strategy against the scourge.

At first, Georgievski attempted to undermine the report by questioning the ICG's political motives. "The ICG plays a dirty game in the Balkans. This is the group which promoted the idea of an independent Montenegro and conditional independence for Kosovo," he commented on March 14, a few days after the report was published. But recent surveys show that voters take the issue of graft very seriously indeed.

Worryingly for Georgievski, a recent poll by the NGO Transparency International - Macedonia found that 88.6 per cent of respondents believe government to be at the centre of fraud. Another survey by the Swedish Institute for Democracy, IDEA, identified corruption as Macedonia's third most pressing problem, with respondents rating it as even more destructive than the inter-ethnic tensions which triggered last summer's armed conflict - only unemployment and poverty rated higher.

The ICG report also unleashed a feeding frenzy in the media, with a sudden flurry of stories about the alleged activities of senior state figures. On March 19, the Skopje daily Vest ran a story, supported by documentary evidence, that Prime Minister Georgievski is building a 1000 square metre luxury villa in the exclusive Skopje suburb of Vodno. Estimated to be worth over three million euros, it is registered in his sister-in-law's name.

Georgievski's wife issued a carefully-worded statement, claiming her family was not connected with the Vodno villa but not denying the charge that it is being built in her sister's name. Georgievski followed with a press release, announcing he would press charges against Vest for defamation.

Undeterred by Georgievski's threat, other papers followed with a litany of stories about his family's burgeoning financial empire. A serial in Dnevnik entitled "The many tentacles of Sneska and Ljupco" claimed that the prime minister and his wife own over ten companies across Macedonia, including a chicken farm, a shopping centre and an agriculture plant.

All of these interests have been acquired since Georgievski became prime minister, it alleged. The newspaper published documents revealing an elaborate system in which scores of companies were registered and re-registered, in order to hide investments and the privatisation of state property by the prime minister's wife and business partners.

On March 21, Utrinski vesnik revealed that the hard line minister of interior Ljube Boskovski has opened a boutique for luxury leather items at the Trade Centre, Skopje's most fashionable shopping mall. The Trade Centre's management company refuted this claim.

There were also numerous claims that ethnic Albanian politicians, especially ministers, have also dipped into state money. Fraud appears to be one of the few areas of life in Macedonia which is truly multi-cultural. "Corruption and organised crime are dogging our society and form a serious obstacle to our future development - we must address these issues," leader of the former National Liberation Army, NLA, Ali Ahmeti told Reuters on March 1.

Now, attention is turning to the anti-corruption law which Georgievski has promised for April. The legislation is expected to establish a special anti-corruption commission. "Finally, the rules of the game will be set. These bodies will have to account for themselves when they are asked what they are doing in the fight against corruption," said Nikola Tupancevski, coordinator of the Group of States against Corruption, GRECO, to IWPR.

Others are less optimistic, fearing that if commission members are appointed by the government, they will be vulnerable to intimidation and bribes when it comes to investigating allegations against government members.

"This law should be implemented immediately, not in six months' time. We also believe that the president and the opposition should have a say in appointing members of the commission, otherwise we are unlikely to see any worthwhile results," Zoran Jacev, president of Transparency International-Macedonia and spokesman of a non-governmental coalition against corruption, told IWPR.

Certainly, the Macedonian government's previous efforts to combat graft have been patchy, to say the least. The ministry of interior has filed about 200 criminal charges of corruption and abuse of official office in last three years, but no official has yet been imprisoned as a result.

The police complain that the constitution prevents them from bugging and covert filming, tactics they say they need to employ to gather evidence against powerful figures in political and financial circles. Only one senior figure is currently on trial, former minister of defence Ljuben Paunovski, who stands accused of assisting the embezzlement of several million euros during his tenure in office, which ended in early 2001.

But while corruption may prove an uncomfortable election issue for the government, it appears not to worry international funders. As the issue dominated the domestic media in the days following the publication of the ICG report, Prime Minister Georgievski travelled to Brussels for the EU Donors conference.

He returned to Macedonia with even more money than he had asked for. Instead of the requested 250

million euros, the Macedonian government received a record 307 million euros, plus a pledge of 278 million euros worth of investment in the public sector. None of the aid was made conditional on taking steps against corruption.

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