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THE ROLE OF INSTITUTIONS IN COMBATING CORRUPTION IN THE REPUBLIC OF NORTH MACEDONIA

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ABSTRACT

Corruption as one of the continual worldwide issues keeps undermining political stability, financial advancement, and transparency. The predominance of corruption in all spheres of life, proceeds to prevent the transition to a completely functional and democratic system of the Republic of North Macedonia, This paper is based on analyzes of the regulation systems, which were established in order to combat corruption, emphasizing the key components such as the Open Prosecutor's Office, the Financial Police, and the State Commission for the Prevention of Corruption (SCPC), and the respectful society segment. Regarding the analysis of the national anti-corruption infrastructure, the study recommends the way the effectiveness of the institutions should be improved, in accordance with the international standards. It emphasizes the transparency, independence, and civil society involvement in advancing responsibility and diminishing corruption as well.

INTRODUCTION

Corruption has long been recognized as a significant impediment to economic growth, democratic governance, and social cohesion (Kaufmann & Vicente, 2022). In the context of transitional economies, such as the Republic of North Macedonia, corruption presents unique challenges, given the country's political fragility, weak institutional capacity, and protracted economic transition. Corruption impacts the entire social fabric, leading to inefficient public services, unequal wealth distribution, and eroded public trust in government institutions (Transparency International, 2021). This thesis points out the fight of the institutions in the Republic of North Macedonia against corruption, particularly the manner they address the systematic corruption. The international best practices, especially those set forward by organizations such as the Organization for Financial Co-operation and Advancement (OECD) and Transparency International, shall be the basis of the evaluation executed on the institutional responses to corruption in the country. Therefore, the thesis shall provide alignment with the global standards of the anti-corruption efforts and improvements throughout the creation of comprehensive system.

LITERATURE REVIEW

Topics such as the impacts of corruption on governance to the part of institutional reform in diminishing corruption can be found in the existing writings on corruption regarding transitional economies,

which is huge. Research suggests that corruption thrives in environments where institutions are weak, laws are poorly enforced, and political power is concentrated in the hands of a few elites (Treisman, 2021). According to Lambsdorff (2020), countries transitioning from authoritarian rule to democracy are particularly vulnerable to corruption due to the lack of institutional safeguards that prevent abuse of power. Following the break-up of Yugoslavia, particularly genuine within the case of North Macedonia wherein the financial and political instability created a governance vacuum that permitted corruption to become deep-rooted (Klitgaard, 2019). Researchers such as Rose-Ackerman and Palifka (2016) emphasize that anti-corruption endeavors must go past corrective measures and focus on systemic changes that increment transparency, responsibility, and civic engagement. The work of Mungiu-Pippidi (2021) focuses on establishing strong and independent anti-corruption commissions that are entitled to examine and prosecute corruption cases without any political obstructions. The basic part that civil society organizations (CSOs) and media play in holding government's accountability is pointed out within the recent literature. Regarding the anti-corruption measures within the Western Balkans, what Bauhr and Grimes (2022) claim is that the solution for the gap between formal institutional reforms and their implementation to be bridged is to build empowered civil society. Conversely, they point out that for CSOs to be sustainable, they have to function without government suppression and have free access to sources of funding. Strict anti-corruption measures are to be adopted by North Macedonia as a reflection of its accession requirements due to EU's emphasis on rule of law and good governance (European

Commission, 2022). All things considered, these measures depends generally on the political will of domestic leaders to execute them. In candidate countries of EU, the studies indicate that external factors such as European Union have impact on establishing anti-corruption policies. The thesis analyzes North Macedonia's institutions undertakings to combat corruption. By synthesizing these standpoints, the thesis supplies a nuanced understanding of both the success and challenges of anti-corruption activities in North Macedonia.

Institutional Framework for Combating Corruption in the Republic of North Macedonia

The Role of the Public Prosecutor's Office: The Public Prosecutor's Office plays a pivotal role in North Macedonia's anti-corruption efforts. Its mandate was significantly enhanced by the 2020 Law on Public Prosecution, which sought to increase the independence and capacity of the office to handle complex corruption cases (OECD, 2022). However, while the Public Prosecutor's Office is empowered to prosecute high-profile cases, recent evaluations suggest that its performance has been constrained by political interference and insufficient resources (European Commission, 2021). The Public Prosecutor's Office has a crucial part in North Macedonia's anti-corruption efforts. Its mandate was essentially improved by the 2020 Law on Public Prosecution, wherein the autonomy and capacity of the office to handle complex corruption cases (OECD, 2022) was improved. Nevertheless, recent assessments suggest that due to political interference and lack of assets, the Public Prosecutor's Office performance has been restricted, even though it is engaged to indict high-profile cases (European Commission, 2021). Studies also highlight the lack of specialized training for prosecutors dealing with financial crimes, which further limits the office's capacity to combat corruption effectively (Kaufmann & Vicente, 2022).

Ministry of Internal Affairs- the Police and Financial Enforcement: The Police and the Financial Police, are entitled to investigate and administering the legal decisions related to corruption. In accordance with the Criminal Procedure Code, these two organizations are entrusted with gathering prove, securing suspects, and supporting to the the Public Prosecutor's Office (Financial Action Task Force, 2021). In any case, a noteworthy challenge that these bodies face is the need of coordination between different enforcement organizations. The research show that having different areas of responsibility and unclear rules lead to ineffectiveness in taking legal actions against people who are involved in corruption. (Source: World Bank, 2020). In order financial crimes, such as money laundering and tax evasion, which are regularly connected to corrupt practices, to be prevented, there is a need for forceful inter-agency participation (Transparency International, 2021).

The State Commission for the Prevention of Corruption (SCPC): The SCPC has been very important in fighting corruption in North Macedonia since it was founded. Its responsibilities include checking public officials for conflicts of interest, looking into allegations of corruption, and creating anti-corruption policies (SCPC Annual Report, 2022). Since the legal reforms from 2019 the SCPC is now more independent, but it still copes with a lot of challenges regarding its efficiency. Being under political pressure and the lack of enforcement power remains a challenge for the SCPC to hold high-level officials accountable (Heywood & Rose, 2020). Due to the lack of financial autonomy, the SCPC has been limited into conducting thorough investigations, particularly when powerful politicians are involved (OECD, 2022). The latest studies pointed out that the SCPC needs to have the power to impose sanctions and enforce its recommendations. If the commission doesn't have these powers, their work is mostly symbolic (Klitgaard, 2019). In terms of having the SCPC strengthen its investigative powers and thus making its recommendations binding on all government institutions would greatly improve its role in the fight against corruption.

Civil Society and NGOs in Anti-Corruption Efforts: However, despite their critical role, CSOs in North Macedonia face significant challenges, including limited financial resources and occasional

government repression (USAID, 2021). For CSOs to contribute meaningfully to anti-corruption efforts, they must be granted greater access to government data and be included in policy-making processes. International donors and organizations, such as the EU, have a key role to play in supporting these organizations, both financially and through capacity-building initiatives (OECD, 2019). Civil society can't be underestimated in combating corruption. Civil society organizations (CSOs) and non-governmental organizations (NGOs) in North Macedonia have been involved in encouraging transparency and responsibility. These organizations regularly observe government activities and provide public discourse platform on corruption-related issues (Freedom House, 2022). Bauhr and Grimes (2022) claim that CSOs have been particularly effective in promoting public procurement processes and having the electoral integrity changed. Regardless of their basic part, CSOs in North Macedonia face significant challenges, including constrained money related assets and periodic government restraint (USAID, 2021). In order to help anti-corruption efforts, CSOs must be allowed to get government information and be included in policy-making forms. Organizations like the EU can help these organizations by providing them with money and training them. (OECD, 2019).

DISCUSSION

Even though the institutional mechanisms for tackling corruption in North Macedonia have progressed, the country still faces significant obstacles. Political interference, a lack of coordination among enforcement agencies, and insufficient resources can hamper the effectiveness of anti-corruption efforts. A shift in the political culture that facilitates corrupt practices is required to tackle corruption, in accordance with Kaufmann and Vicente (2022). Transparency is one of the most effective tools for combating corruption, according to international studies (Transparency International, 2022). In this respect, North Macedonia might benefit from enacting transparency measures, especially within the regions of public procurement, financial disclosure, and political campaign financing (OECD, 2022). Furthermore, enhancing the independence of key institutions, such as the SCPC and the Public Prosecutor's Office, is crucial for guaranteeing that anti-corruption regulations are applied consistently and impartially (Heywood & Rose, 2020). Furthermore, involving civil society in the fight against corruption is imperative for ensuring that reforms are not only implemented but also effectively implemented. According to Bauhr and Grimes (2022), CSOs play a crucial role in monitoring government actions and advocating for enhanced accountability. However, without stronger institutional support and protection, the capacity of these organizations to impact policy remains constrained.

CONCLUSION

While institutional reforms, particularly the strengthening of the Public Prosecutor's Office and the SCPC, have shown promise, political interference and limited resources continue to undermine the effectiveness of these efforts. To improve the effectiveness of these institutions, several key actions must be taken. Corruption in North Macedonia proceeds to posture a critical risk to democracy i.e. law based administration and financial improvement. While institutional reforms, especially the strengthening of the Public Prosecutor's Office and the SCPC, have shown promise, political interference and limited resources continue to make these efforts less effective. Several crucial actions are required to boost the efficiency of these institutions. The autonomy of anti-corruption organizations must be protected. This includes giving the SCPC financial autonomy and insulating the Public Prosecutor's Office from political pressures. Enhanced legal framework to give these bodies greater enforcement powers will ensure that their decisions are binding and that they can act decisively against corrupt officials, according to international recommendations. Second, greater emphasis must be placed on transparency and public accountability. This can be achieved by implementing stronger measures for transparency in public procurement, campaign financing, and political appointments. Public access to government

data and decision-making processes should also be expanded. Third, civil society organizations must be fully integrated into the national anti-corruption strategy. CSOs play a critical role in monitoring government actions and promoting public engagement in anti-corruption efforts. For these organizations to be effective, they must be empowered with the necessary resources, access to government data, and inclusion in the policy-making process. Third, civil society organizations must be part of the national anti-corruption plan. CSOs are important in monitoring government actions and getting the public involved in anti-corruption efforts. For these organizations to be successful, they must be enabled with the fundamental assets, access to government information, and participation in the policy-making process. Ultimately, it is imperative that North Macedonia's anti-corruption strategy is aligned with the broader EU accession procedure. As a candidate nation, it is imperative that North Macedonia continues to adhere to and implement EU guidelines and standards pertaining to transparency, good governance, and anti-corruption. This encompasses the adoption of international best practices and participation in regional initiatives aimed at combating corruption in the Western Balkans. To summarize, while North Macedonia has made notable progress in combating corruption, it is imperative to implement additional institutional reforms, enhance transparency, and expand the role of civil society in order to achieve long-term outcomes. If implemented, the recommendations outlined in this paper will significantly strengthen the countries fight against corruption and bring it closer to achieving the standards of governance required for EU accession.

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