

Buying Influence: Money and Politics in the Republic of Macedonia

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in the Republic of Macedonia**

Crinis Research Project
– “Shining a light on money in politics”

Transparency International Macedonia

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Foreword

Elections are major events in democratic states. Without free and fair elections there can be no democracy. Where democracy is nascent, elections can enhance political stability, and help strengthen democratic institutions. However, elections are only one part of the democratic process, and a fair and effective electoral system must be founded in an adequate democratic infrastructure. The democratic system as we know it always requires political responsibility from politicians. This is only one of the reasons why transparency in political funding and especially election campaign funding is important.

Additional reasons why political financing needs to be transparent are related to the trust of the people that have the right to know about money in politics. Citizens should be able to examine financial transactions of parties and be certain that politicians are working for their voters, not their benefactors. Transparency in political funding is needed because a lack of trust by people will destroy confidence in the system and will decrease citizen participation in democratic processes.

In the current context of economic crisis, citizens are demanding more transparency in public life. In particular, citizens are voicing their concerns on risks to the independence of political actors and public office holders as well as risks of conflicts of interest, even undue influence and corruption, related to money in the political sphere. In Europe, most citizens believe that their political parties are corrupt or extremely corrupt.¹ The lack of transparency in political

¹ *Transparency and Integrity in Political Finance*, OECD (2012)

finance is jeopardising the legitimacy and credibility of countries democratic actors and processes.²

Money in politics often represents the dark side of elections. Ensuring transparency in political party financing is very important, not only for the citizens who vote in elections, but also for achieving a well-functioning system and a strong democracy. In this regard, reporting to the state oversight agencies is also a very important characteristic of a democratic system. If institutions such as the State Audit Office (hereafter the SAO), the State Commission for Preventing Corruption (hereafter the SCPC) and the State Election Commission (hereafter the SEC) are doing their job thoroughly then it should be easier to detect misbehavior and unreported financial sources. Moreover, detailed disclosure of the donors who fund election campaigns is proven to be necessary to stop money from illicit sources circulating in politics.

Disclosure is a necessary component in any system of public control of political finance and a prerequisite for the enforcement of expenditure ceilings and contribution limits, and also for the allocation of public subsidies. Disclosure requirements are part of a broad set of regulations governing election law in general, but they have a particularly significant meaning when political finance is concerned.³ To be effective, disclosure needs enforcement agencies, administrative capabilities, sufficient budget and educated manpower. Political parties or individual candidates may be tempted to avoid transparency or report a distorted picture of their financial activity for a number of reasons. One reason for a lack of reporting or misreporting may be the receipt of larger donations in cash. In addition, experience in the so called new

² *Enhancing Transparency and Integrity in Political Financing: a Scoping Paper* OECD (2011)

³ The Hebrew University of Jerusalem, *Political parties and the Quality of Democracy* (International seminar in Mexico, 2008), p 6

democracies has shown that donors may be excessively concerned with preserving their privacy and require that non-reporting is a precondition for a contribution. In short, while disclosure is an important element of a fair electoral process, its significance is reduced in the absence of effective audit mechanisms.⁴ Disclosure of reliable reports on political party financing is the most important way to prevent irregularities. In order to have effective disclosure, it is necessary to ensure that the necessary administrative, budgetary and personnel resources are in place.

⁴ The Hebrew University of Jerusalem, *Political parties and the Quality of Democracy* (International seminar in Mexico, 2008), p 7

1. Executive Summary

After the breakup of Yugoslavia, and upon Macedonia gaining its independence in 1991, the political map of Macedonia over the past two decades has undergone significant changes. The newly introduced multiparty system has led to an inflation of new political parties with more than 70 registered and 33 parties operating in the current system. Since the adoption of the Constitution in 1991, seven parliamentary, six local and four presidential elections have been held.

The legal framework that regulates election campaign funding is considered to be well developed with shortcomings in the controlling mechanism. The main law regulating this issue is the Electoral Code⁵, adopted in 2006 and last amended in March 2013⁶. According to the Law, the organizers of the election campaign are obliged to submit three financial reports on their election campaigns in order to ensure that the principles of transparency and accountability are upheld. However, the law does not prescribe donors to submit reports on their financial contributions to political parties. This is considered to be a deficiency of the law; without reporting from donors, illicit money is not prevented from circulating in politics.

⁵ Official Gazette No. 40 from 31.03.2006

⁶ Law on amending the Electoral Code; Official Gazette No. 136 from 30.10.2008; Rectification on the law on amending the Electoral Code; Official Gazette No. 148 from 28.11.2008; Rectification on the law on amending the Electoral Code; Official Gazette No. 155 from 16.12.2008; Rectification on the law on amending the Electoral Code, Official Gazette No. 163 from 26.12.2008; Law on amending the Electoral Code; Official Gazette No. 44 from 05.04.2011; Law on amending the Electoral Code; Official Gazette No. 51 from 13.04.2011; Law on amending the Electoral Code; Official Gazette No. 142 from 13.11.2012; Law on amending the Electoral Code, Official Gazette No. 31 from 27.02.2013; Law on amending the Electoral Code, Official Gazette No. 34 from 02.03.2013; Law on financing political parties, Official Gazette No. 76 from 27.10.2004; Law on accounting of Non-profit Organizations, Official Gazette No. 24 from 04.04.2003.

In the Macedonian system of control for political financing there are several bodies⁷ whose role is to control the financing of political parties, with central control falling to the SAO. In spite of the requirements to submit interim financial reports that are to be published by the central controlling body, it is generally perceived that there are weaknesses with regard to the transparency and accountability of political parties in the Republic of Macedonia, both in their regular financing and in the financing of their electoral campaigns.⁸ Apart from not publishing list of donors, another serious problem relates to the overspending of parties during election campaigns, as they often spend amounts that exceed deposits on the specially opened bank accounts. There have been cases where political parties have declared overspending by several million Macedonian denars and the bills were not paid before closure of the special bank account.⁹

In order to finance an election campaign, political parties may only receive private funding in the form of the membership fees, individual donations up to the equivalent of 5,000 Euros in Macedonian denars, or up to 5 % of the total income of the previous year from legal entities.¹⁰ In addition, possible donations to the electoral campaign include the provision of free services to the organizer of the campaign; provisions of services to the campaign organizer paid by a third person; sale of goods and provisions of services to the election campaign at lower than market prices. The Electoral Code

⁷ State Audit Office, State Commission for Prevention of Corruption, State Election Commission.

⁸ Madenovska, P., *Money of Parties – Biggest Secret*. Radio Slobodna Evropa. February 16, 2013

⁹ Final Report of the Authorized State Auditor for the Election Campaign 2011; Announcement of the State Commission for Prevention of Corruption regarding the Parliamentary elections 2011. *State Commission for Prevention of Corruption* June, 2011; Interview with Slagjana Taseva, 18th June 2011. “Radio Slobodna Europa” ;http://www.kanal5.com.mk/vesti_detail.asp?ID=1594

¹⁰ Electoral Code, article 83, (2).

explicitly prohibits political parties which run in elections to finance their campaign with public funds. However, the organizers of the election campaigns receive reimbursement from the state budget after the elections if they obtain at least 1.5 % of the total number of votes. This reimbursement amounts to 15 Macedonian denars (1 Euro = 61 Macedonian denars) for each vote and the payment of these allowances is only made within three months after the elections are over.

The possibility to entrust donors to submit reports on assets donated to political parties would significantly improve the current situation of controlling money in politics, and would increase the reliability of information provided. In turn it would increase public trust in political parties and the political system and as such would leave less room for misappropriation of party funds by making parties more accountable to members, supporters and the general public. It would also leave less room for parties to provide inaccurate and fraudulent information. However, in order to achieve a higher level of transparency from donors, it is necessary to ensure that there will be no negative consequences for those who have supported opposition parties and coalitions.

The final conclusion arising from the empirical data and results of the research conducted within this project is that the function of state and public oversight of political campaign financing in the Republic of Macedonia is stronger in law than in practice. There is a large discrepancy between the *de jure* and *de facto* situation; control is not efficient and sanctions are not enforced in practice. There is much to be done in order to make political parties report their funds in a trustworthy and reliable way. The oversight authorities responsible for the application of the controlling mechanism need to strengthen their capacity and to act in a nonselective and non-biased manner that will increase the accountability and responsibility of all political actors and donors.

2. Introduction and Background to the study

The Republic of Macedonia is located in the central Balkan Peninsula in Southeast Europe. Bordered by Serbia to the north, Bulgaria to the east, Greece to the south and Albania to the west, Macedonia's population is 2,050,671 out of which 1,743,403 are potential voters. According to the last census in 2002, the population of the Republic of Macedonia is: 65.2% Macedonians, 24.2% Albanians, 3.9% Turks, 2.7% Roma and 4.0% others and unspecified. The Republic of Macedonia gained its independence in 1991, when it separated from the former Yugoslavia.

Although there is much public discourse about politics and political parties in the country there is hardly any public debate on the specific topic of political finance. This is due to the fact that citizens are not familiar with this part of democratic initiatives and at the same time political influence is widespread and controls a wide array of areas such as the economy, employment policies, legislature and media. As such citizens find it uncomfortable to engage in any debate of this kind. Therefore the findings of this study will be used for the purpose of advocacy for further reform of the legislative framework for facilitating and enforcing sound and transparent practices in political party financing.

Within this three-year project Transparency International Macedonia worked in collaboration with the SEC, the SAO, the Tax Revenue Office, the State Broadcasting Council, the SCPC, and political parties in order to make sufficient amendments to the current legislative framework on political party financing, to raise awareness and to initiate a wider public debate on political financing, both for elections and general funding. These project results, which are based on a

self-assessment of the political parties, state oversight agencies, civil society and academia, will provide a more accurate assessment of political campaign financing, and will enable further advocacy towards appropriate and more efficient transparency in this sphere of the policies.

3. General Context on Political Financing

The legislative framework regarding election campaign financing is relatively new. The Electoral Code from 2006 was the first legislation in this sphere and has already been amended several times mainly following the recommendations from international evaluation and monitoring reports.¹¹ As a result the legal framework regarding election campaign funding is considered to be well developed, but with serious shortcomings in its implementation. Provisions in the law related to campaign financing have also been amended several times mainly following recommendations from international evaluation and monitoring reports. Institutional framework for effective monitoring of the political campaign financing was created in 2012 by giving responsibility to the SAO to become the main controlling authority. However, there has not been a case of a political party or a campaign organizer being punished for not respecting the provisions of this law. The reports submitted to the state oversight agencies do not contain clear specification of the incomes and expenditures, and there is no real insight of their donations and donors. Therefore donations, which form a significant part of election campaign funding of parties, are not clearly presented in the reports.

Public Funding

Election campaigns cannot be financed with assets from public enterprises and public institutions and the law forbids financing from the state or local budget apart from remunerations in the case of acquired at least 1.5% of the total number of votes.

¹¹ GRECO report from the third round of evaluation adopted in March 2012; OSCE/ODIHR Reports 2012

Private Funding

The majority of donations to political parties that fund their election campaigns are from private sources.

Election campaigns cannot be financed by assets from citizen's associations; religious communities; religious groups and foundations; funds from foreign governments; international institutions and organizations of foreign countries and other foreign entities; assets of joint ventures where foreign capital is dominant; and funds from undefined sources.

Tax Incentives

There are no tax incentives for private donors to political parties for their election campaigns.¹² The law does not provide for fiscal incentives for parties and candidates to report information about the provenance of donations.

Bookkeeping

According to the law on accounting on non-profit organizations, accounting reports of political parties about their election campaign are signed by the legal representative of the party or by the person authorized by the legal representative.¹³ This signature is a confirmation that all information in the accounting reports is accurate and in accordance with the law. This signatory is responsible for the election campaign funding.

Reporting obligations

Political parties who run elections are obliged to submit three financial reports. All three reports are submitted by the

¹² Law on donations and sponsorships in the public domain No 47/06 and 86/06 Article 17

¹³ Law on non – profit organizations.

organizer of the election campaign to the SAO, the SEC and the SCPC. The SAO is obliged to publish the reports on the official web site.

Transparency

As mentioned above, the organizers of election campaigns are obliged to submit reports on their expenditures and revenues. These reports are submitted to the SAO, the SEC, the SCPC and the Assembly of Republic of Macedonia. These state agencies publish these reports on their websites.¹⁴ Although political parties need to publish these reports on their own websites, only a few of them have so far done this.

External supervision

There are several bodies with mandates to control the election campaign funding of political parties in the Republic of Macedonia. Those institutions are the following:

1. State Auditor's Office

Election campaign funding of the parties as well as their annual funding is subject to external supervision by the SAO.¹⁵ After it has received reports from political parties, the SAO is obliged to publish this information on its website. If the SAO finds irregularities in the financial report of the election campaign, which is contrary to the provisions of the Electoral Code, has the right to request the initiation of misdemeanor proceedings or charges by a competent public prosecutor within 30 days from the date of the determination of irregularities.¹⁶

¹⁴ Electoral Code article 85, (4)

¹⁵ Law On State Audit Article 1; LFPP Article 26; Electoral Code Article 85

¹⁶ Electoral Code article 85, (6)

2. State Commission for Prevention of Corruption (SCPC)

The SCPC is authorized to monitor both the election campaign funding of political parties and their annual funding activities in order to ensure that political parties are not using illegal sources for financing. If the SCPC notes irregularities based on the submitted financial reports, such as the use of public funds and assets of public enterprises and other legal entities managing state capital, a report shall be submitted to the Assembly within three months, detailing possible abuse of the above mentioned examples.¹⁷

Other bodies

Apart from the SAO and the SCPC, there are other bodies that have some duties regarding the control of election campaign funding. These institutions are the SEC and the Broadcasting Council. The SEC is responsible for organizing and monitoring elections. Another important characteristic of the SEC is the fact that this institution receives financial reports from political parties that run in elections and it has the obligation to publish them on its website. The Broadcasting Council has an obligation to monitor the advertising campaigns of political parties in the media during an election campaign.

Sanctions

The law establishes financial penalties to the candidates running for elections in different forms. These forms of financial penalties vary from loss of the reimbursement for the expenses for the election campaign¹⁸, fines for abuse of funds

¹⁷ Law on prevention of corruption article 12

¹⁸ Electoral Code, article 177 - a

from the budget, fines for misdemeanors of a political party or coalition if they fail to return funds in the prescribed period to the donors in case of non-submission of the lists of candidates.¹⁹

¹⁹ Electoral Code, article 188 - a

4. Methodology

The CRINIS methodology entails an assessment of two different types of political financing: non-electoral finances of political parties and election campaign funding for legislative, and where applicable, presidential elections. This report looks only at the assessment of funding of political parties' election campaigns in 2011 when the last parliamentary elections were held in the Republic of Macedonia.

The methodology includes examination of the regulatory framework on transparency of political financing, so as to compare it to internationally recognized principles. Through different research methods, it also examines what happens in practice. By providing a thorough diagnosis of the legal framework and actual practice, it provides strong empirical evidence to create a clear picture of areas in need of reform.

The information collected during the research was used to build an index on the transparency of political party funding. The level of transparency is quantified taking into consideration the following ten dimensions (Table 1):

Table 1: Ten Dimensions of Transparency in Political Finance

Dimensions	Generic questions for building indicators
1. Internal bookkeeping of parties	Is bookkeeping mandatory by law? How professional is staff in bookkeeping practice?
2. Reporting to state oversight agencies	By law, do parties, service providers, donors and media render accounts of their role in political finance? When and in what format?
3. Comprehensiveness or scope of reporting	Do reports include public and private sources? Do they cover income and expenses? Do they cover monetary contributions, in-kind contributions, rebates etc?
4. Depth of reporting	By law, do reports include information on individual donations? Do they clearly identify the donor of each donation?
5. Reliability of reporting	Do different actors disclose all resources in reports? How accurate are reports, to the knowledge of experts?
6. Disclosure to the public	Is it mandatory for state agencies/parties to disclose information on political finance? In practice, how accessible is such information to experts, journalists and ordinary citizens?
7. Preventive measures	Are donations channeled exclusively through official bank accounts? Are there any loopholes to allow for anonymous donations?

8. Sanctions	What are the existing sanctions - civil, criminal and political – according to the law? In practice, are the existing laws strictly enforced?
9. State oversight	Do experts evaluate institutions of state oversight as independent? Are they considered efficient? From the perspective of self-evaluations, do they lack human resources? Do they lack training?
10. Public oversight	Do civil society organizations monitoring political finance exist? In which areas of political finance do they develop activities? Do experts evaluate organizations of public oversight as independent?

Internal bookkeeping (dimension 1) ties in to the way in which political parties internally manage their financial resources. **Reporting to the state oversight agency** (dimension 2) evaluates the extent to which parties or candidates report to a government oversight body. Three dimensions – **comprehensiveness of reporting** (dimension 3), **depth of reporting** (dimension 4) and **reliability of reporting** (dimension 5) – center around the nature of data furnished in the financial reports and help to determine the quality of the information submitted to the oversight bodies. These evaluate crucial areas like all relevant finance activity, including cash, in-kind and other transactions, the identity of the donor, credibility of submitted data and the perception of credibility of reports by key actors. **Disclosure of information to the public** (dimension 6) takes a look at the public’s access to political finance information. A third group of dimensions encompassing **prevention** (dimension 7), **sanctions** (dimension 8) and **state oversight** (dimension 9) address monitoring compliance with established rules and regulations. This includes preventive measures to facilitate effective oversight, the

existence of sanctions that can be imposed and the institutions and actors in charge of performing oversight functions. Finally **public oversight** (dimension 10) addresses the monitoring and oversight role of the civil society and media irrespective of the formal state oversight body with regard to political financing issues.

The information collected through the involvement of a broad spectrum of sources and different research methods, brings together over 75 evaluation indicators (law and practice). Questions feeding into each indicator have a different range of answers, which translates into different weights for the final score for each indicator. The scale for each indicator ranges from 0 to 10, where 10 indicates that a country has met all criteria expected in terms of transparency and accountability and 0 indicates that none of these criteria has been met. Scores between 0 and 10 are grouped into three evaluation categories: *insufficient* (0 to 3.3), *average* (3.4 to 6.7) and *good* (6.8 to 10).

Table 2 Quantitative index of transparency in political party funding Dimensions, indicators and weighting of law and practice

Dimensions	Number of indicators	Weight Law/Practice
1 Internal bookkeeping	Total 5 3 Law 2 Practice	50% Law 50% Practice
2. Reporting to state oversight agency	Total 6 3 Law 3 Practice	50% Law 50% Practice
3. Scope of reporting	Total 4 2 Law 2 Practice	50% Law 50% Practice
4. Depth of reporting	Total 5 3 Law 2 Practice	50% Law 50% Practice
5. Reliability of reporting	Total 3	100% practice
6. Disclosure to the public	Total 14 6 Law 8 Practice	50% Law 50% Practice
7. Preventive measures	Total 10 5 Law 5 Practice	50% Law 50% Practice
8. Sanctions	Total 12 6 Law 6 Practice	50% Law 50% Practice
9. State oversight	Total 5 2 Law 3 Practice	50% Law 50% Practice
10. Public oversight	Total 5	100% practice

Data Sources

This study utilized both primary and secondary sources for collecting data. Relevant laws and regulations were examined for the assessment of the legislative framework. For analyzing the practices, the research team examined the reports from political parties and oversight bodies and interviewed various stakeholders to get insights into the operation of the party funding system and its oversight. Key actors surveyed included nine²⁰ political parties, selected based on the number of seats obtained in the last parliamentary election (see Appendix A), and their accountants/treasurers. Eleven members of Parliament from seven parties represented in the Parliament were also surveyed.²¹

The SAO, as the main state oversight body served as a primary source of information which also provided access to some of the secondary sources such as parties' financial reports submitted to the SAO for their election campaign.²²

Field tests were conducted to measure how easy it is for citizens to access information on funding of election campaigns of political parties and thereby evaluate rates of response from different institutions, including parties, state oversight agencies, media and donors. Access-to-information tests were conducted by a research team using a standardized procedure to contact various actors. The second tests were conducted by a group of volunteers of average citizens. The aim was to contrast the

²⁰ Received answers from 6 of 9 political parties. It is important to mention that the operations of two of the chosen political parties were questionable. The researchers were unable get in touch with them, as they could not locate their headquarters and their phone numbers were disabled.

²¹ Out of 20 elected Members of Parliament which were contacted on several occasions, only 11 answered the questions.

²² The State Auditor's Office, as a main body for control over party's campaign funding, did not answer the questions. The office sent a letter of explanation as to why they were not able to provide answers.

ability to access the same set of information by actors with different levels of knowledge and contacts.

Data Collection Methods

Stakeholders, including the SCPC²³, party accountants and donors which contributed money to the parties in order to finance their elections campaigns, were personally interviewed based on the survey questionnaires. Media companies, donors and parties were primarily contacted through letters, requesting income and expenditure reports and details of airtime given or sold to parties. In the citizen experiment mentioned above participants were given a list of specific information to be obtained regarding regular election campaign party funding, using different forms of communication including the internet, phone or official letters requesting information.

Table 3 Summarizes the type of information collected, the source of information and the data collection method used.

²³ The researchers managed to receive answers from only one of the two state oversight agencies. The State Auditor's Office sent a letter explaining the reasons why they could not participate in the activities related to the CRINIS Project.

Table 3: Type and Sources of Information

Type of Information	Source of Information	Data Collection Method
Legal Framework	Relevant laws and regulations	Legal review
Internal party practices on financial issues	Party reports, official records and public information	Team analysis, complemented by interviews of party accountants and experts
Disclosure of information	Political parties, oversight agencies, donors, media agencies	Research of publicly available information Testing availability of information from various stakeholders through written requests
Income and expenditure of political parties	Parties, oversight agencies, donors, watchdogs	Interviews
General Practice on political finance	Parties, MPs, SCPC, CSOs, experts	Interviews

Scope of the Study

This study analyzes data related to the election campaign financing of political parties which ran in the early legislative elections in 2011. In the first phase of the project regular funding of the parties has been examined. Election campaign funding was not covered within the first phase because originally it was envisaged that no elections were to be held before 2012, and the project aimed at conducting a separate survey for the collection of data for regular party finances. Furthermore, the first phase did not cover election campaign financing because the amendments of the Electoral Code related to financing of the political campaigns took place after the last parliamentary elections held in 2008. Therefore it would have been methodologically incorrect to analyze the situation on the basis of a law that is no longer in place.

The scores presented in this study are related to the transparency of financing of election campaigns of political parties.

Limitations of the Study

There are several limitations of this study, including challenges that the research team faced during the project. Political financing is considered to be the least transparent and the least controlled area of political scene in Republic of Macedonia. The recently developed regulatory framework has not been effectively implemented and there are not many official reports from the controlling bodies. In the parliamentary elections in 2006, Transparency International Macedonia conducted election campaign expenditure monitoring based on media reports and field monitors; there is no other preceding research on the financing of the political

campaign that goes beyond media reports and on field monitors. In addition, there is limited public awareness on the issue, and the research team was challenged with a limited number of secondary data sources and expertise available on the subject matter.

5. Research Findings

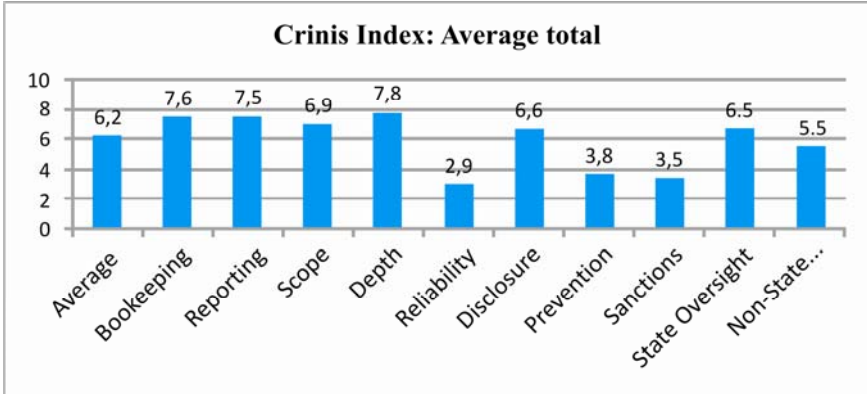


Table 1: Crisis Index - Graph showing overall survey findings with average total

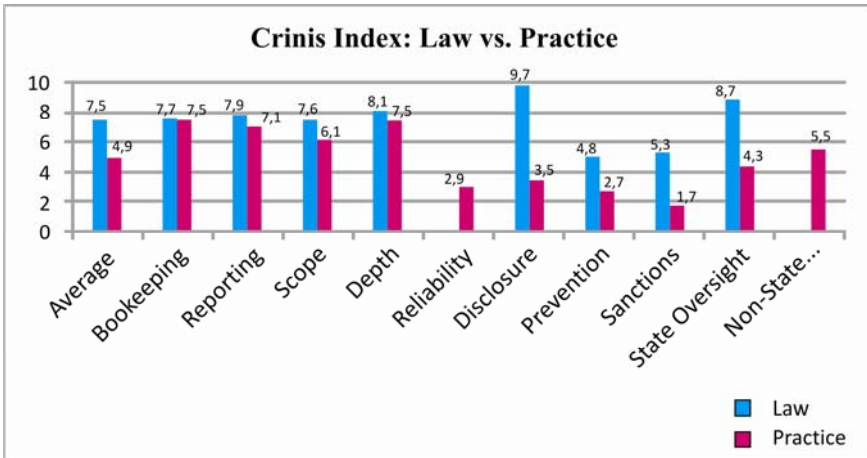


Table 2: Graph showing overall results in regard to the Legislature and Practice in the survey categories

Dimension 1: Internal bookkeeping

The first stage of reporting by parties is internal bookkeeping. Legal obligations in the area of bookkeeping and the political culture of the parties are factors that can influence this dimension. For parties to comply with legal regulations and uphold their own values and principles, it is essential for them to have a functioning administration, with the necessary capabilities.

In this study, the internal bookkeeping of parties was measured according to five general indicators. These include legal requirements for parties to keep books on income, expenditure and assets and their actual practice in this regard. Other indicators address questions of disclosure of this information to party members, the standard of accounting procedures followed, authorized individuals to sign financial accounting reports and whether financial records are kept for a prescribed length of time.

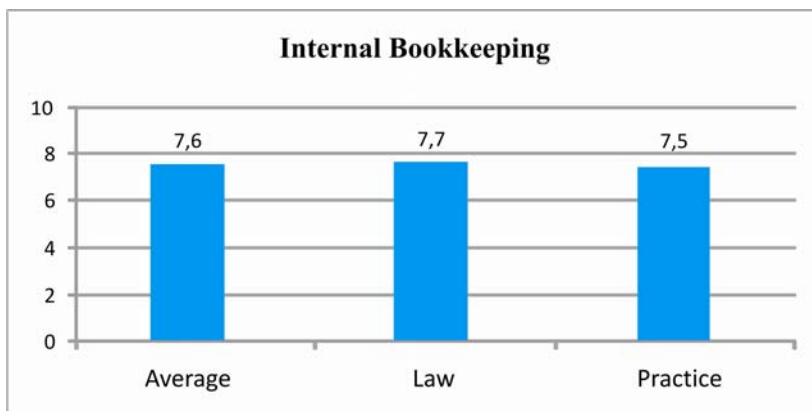


Table 3: Dimension 1 – Internal Bookkeeping

According to the Law on accounting of non-profit organizations, (paragraph 1), political parties are obliged to keep accounting books and a registry of their assets, as does any other legal entity in the Republic of Macedonia.

The organizer of the election campaign signs the campaign accounting report. In the legal framework regarding legislative elections funding, there is no legal obligation to sign the accounting campaign reports by a certified accountant or an external auditor. This report is signed only by the organizer of the election campaign. In addition, political parties are also subject to specific reporting obligations regarding private funding and they have to keep a register of donations received, with information about the name of each donor, the type and amount of the donation and the date it was received.²⁴ Regarding the professional level of administration of party finances, the parties which the research team had the opportunity to meet with, all had accountants in charge of their finances, and that has been the case for a long time. Political parties appear to have a professional system of financial administration in place.

²⁴ Law on Financing of Political Parties Article 17

Dimension 2: Reporting to the Oversight Agency

For this dimension the study focused on five indicators that cover both the legal framework and reporting to the designated government oversight agency. These indicators included questions regarding whether parties must render accounts to a state agency, whether donors, vendors and media companies are required to report, whether there is a specific standardized format for submitting information and how often reporting is required.

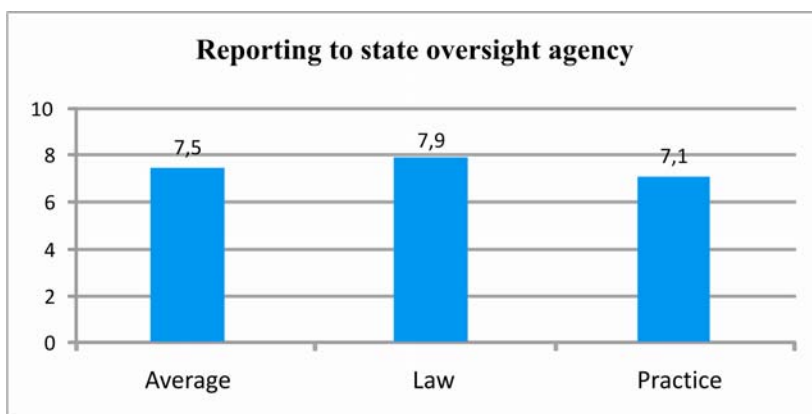


Table 4: Dimension 2 – Reporting to state oversight agency

According to the law, parties are required to render financial reports on their election campaign to the SAO, the SCPC, the SEC and the Assembly.²⁵ The Law does not require either donors or vendors to report their political donations. The organizer of the election campaign is obliged to submit three financial reports: the first report on revenues and expenditures needs to be submitted on the eleventh day after the start of the

²⁵ Electoral Code, Article 85

election campaign, the second report detailing revenues and expenditures for the second half of the campaign should be submitted one day after the campaign has finished. Finally, the third report which consists of information about the whole period of the election campaign is also submitted by the organizer, no later than 30 days after the completion of the electoral campaign, to the SEC, the SAO, the SCPC and the Assembly of the Republic of Macedonia. This third report is the final report of the legislative election campaign.

Otherwise, media companies submit reports within 15 days after the completion of the elections. These reports show information about the advertising space used by each of the organizers, as well as the amount of assets used for advertising. Their reports are submitted to the SEC, the SAO and the SCPC.²⁶ They also submit reports to the Broadcasting Committee. The research has shown that all participants on the elections met the terms for submission of the first report. But four of the parties that ran in the elections did not respect the deadline for submitting the second report. After the deadline for submission of the final report, the SCPC noted that four parties that participated in the elections did not submit their final reports.²⁷

²⁶ According to the Electoral Code article 85a, paragraph (1), (2) and (3)

²⁷ *Initial Information of the Analysis of the Reports of Political Parties about Their Election Campaign*. State Commission for Prevention of Corruption, 09 June, 2011.

Dimension 3: Scope of Reporting

Scope of reporting looks at two main indicators: what types of funding sources are included in the reports (e.g. donations and public funding) and what expenses are included in the reports (e.g. expenses from private donations and expenses from public subsidies).

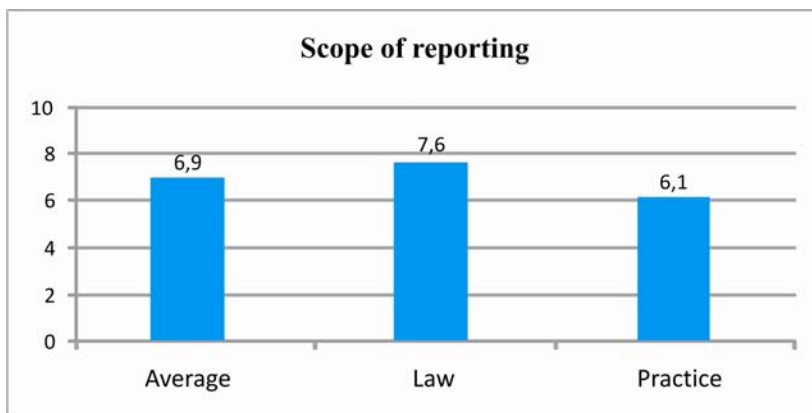


Table 5: Dimension 3 – Scope of reporting

Political parties that run in elections are subject to specific reporting obligations in order to justify the assets that they received for their election campaign. These reports need to be submitted to the SAO, the SEC, the SCPC and the Assembly of the Republic of Macedonia.²⁸

Election campaign financial reports of political parties must include data on the various assets and sources of income including: individual monetary donations; corporate monetary donations; private donations in kind; discounts on private goods and services; self – funding. Otherwise, in the expense

²⁸ Article 85 from the Electoral Code

accounting reports of the election campaign of political parties there is no information about date of each expense, the amount or the name of the vendor, there is just total amount of the performed expense. For example, communication services – the total amount, expenses for advertising – the total amount.

In the reports that political parties submit to the state oversight agencies, there is information about the name of each donor, the amount of each donation and the date of each donation.

According to the information provided in the reports of political parties the central source of funds for their election campaign were the funds from donations from individuals as well as from legal entities. All of the donations donated to the parties in order to finance their election campaigns were in accordance to the legal limit for donations to election campaigns - up to 5,000 Euros donation from an individual, and up to 5 % of the total income of the previous year from legal entities.²⁹

The SCPC noted that the organizers of three political parties and one coalition have spent more money than they actually had on their accounts provided with the donations.³⁰

²⁹ *Initial Information of the Analysis of the Reports of Political Parties about Their Election Campaign*. State Commission for Prevention of Corruption, 09 June, 2011.

³⁰ *Analysis of the Reports of Political Parties*, State Commission for Prevention of Corruption, 24 June, 2011.

Dimension 4: Depth of Reporting

The detail or depth of information provided is just as important as the comprehensiveness of the reporting. The usefulness of financial reports depends largely on the information included in them. Therefore, reports should identify each donor, the amount and the date of each donation, and similarly itemize expenditures. This depth of information allows oversight bodies, civil society groups and voters in general to examine the accuracy of information provided, identify parties who depend excessively on a few selected donors and monitor future representatives for any potential action that may benefit their donors at the expense of the public. This dimension was measured by aggregating multiple indicators such as how detailed income and expenditure reports are and whether there is a threshold for disclosure of income in financial reports.

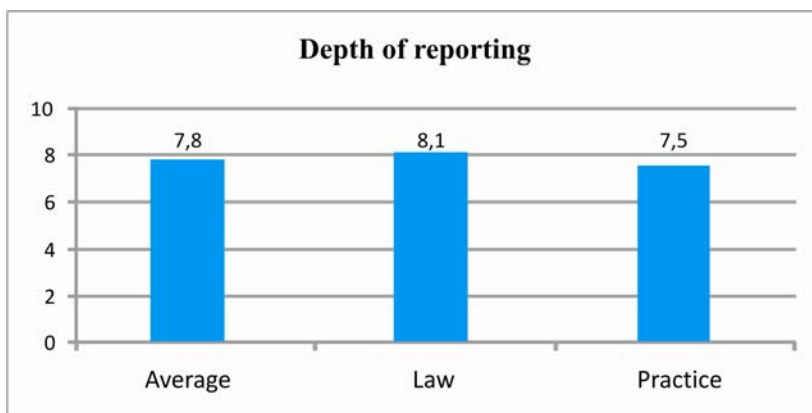


Table 6: Dimension 4 – Depth of Reporting

Political parties running for election are obliged to submit financial reports on revenues and expenditures that pass through the bank account of the election campaign. This is a

standardized report issued by the Ministry of Finance, and can be downloaded from the web page of the Ministry. This financial report consists of information about the date of each donor's donation, the amount of each donation and the name of each donor.

In addition, there is no threshold on disclosing the income of donations. All of the donations that political parties receive need to be disclosed regardless of the amount of the donation.

Dimension 5: Reliability of Reporting

One key element of reporting - due to its close ties with transparency - is its reliability, or the belief that the data contained in a report is accurate. This dimension, therefore, is perception based and there are no law indicators (see graph below). The reliability of a report is related to how accessible it is to the public and to what extent the public controls its veracity. If the reliability of the data is questionable, the public's interest in monitoring will naturally wane.

Measuring the reliability of data is difficult. The CRINIS methodology relies on data from surveys with key actors in this thematic area such as party accountants, officials of oversight agencies and members of civil society.

Multiple indicators processed the responses to questions such as: how accurate reports are (example, in terms of the percentage of donations likely to be reported) and whether it is possible to obtain an accurate idea of the financing of parties by looking at the official accounting statements.

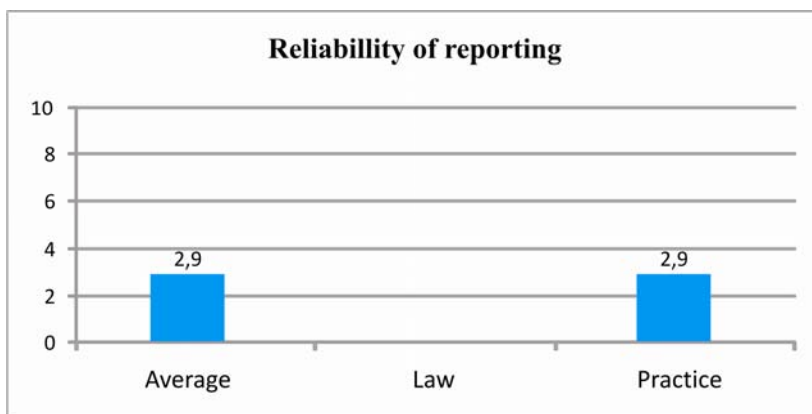


Table 7: Dimension 5 – Reliability of Reporting

When respondents to the survey were asked for their opinion on the reliability of political party's election campaign reports, the average total score resulted with an unsatisfactory score of 2.9 (see graph above).

Also the respondents have a strong perception that the government favors the ruling parties through abuse of administrative resources. There is almost a unanimous opinion that legally defined penalties are not enforced in practice.

From this dimension it can be concluded that it is not possible to obtain an accurate idea of the financing of parties by looking at the official accounting statements. When it comes to the reliability of disclosed information related to donations, respondents believe that donors do not want to disclose their donations, since their purpose can be to secure future favors, and donors fear finding themselves involved in political scandals.

Dimension 6: Public Disclosure

The disclosure of financial information is a key element to ensure that the media, civil society organizations, citizens and aspirants to public office can engage in the monitoring of party finances. This dimension is based on indicators, which describe the types of requirements to which the parties are subject: the disclosure of information on public subsidies; the disclosure of information on private financing received, the frequency of disclosure; and the channels through which the public is made aware of such information (visits to the party, the electoral management body, internet access etc).

Furthermore, additional indicators based on the findings of field tests were used to measure practices of disclosure. This included the citizen experiment, in which a group of citizens, journalists and students, requested information addressed to various stakeholders (such as political parties, donors, TV stations). These indicators are based on the following questions: what information was obtained by way of field tests conducted by volunteers? What was the rate of response achieved with requests for information submitted by local research teams? And whether parties voluntarily disclose financial information?

According to the Electoral Code, there is an obligation to publish the information from the financial reports on the legislative election campaign. The SEC, SAO and the SCPC are obliged to publicly disclose this information on their official websites.³¹

³¹ Electoral Code article 85 (3)

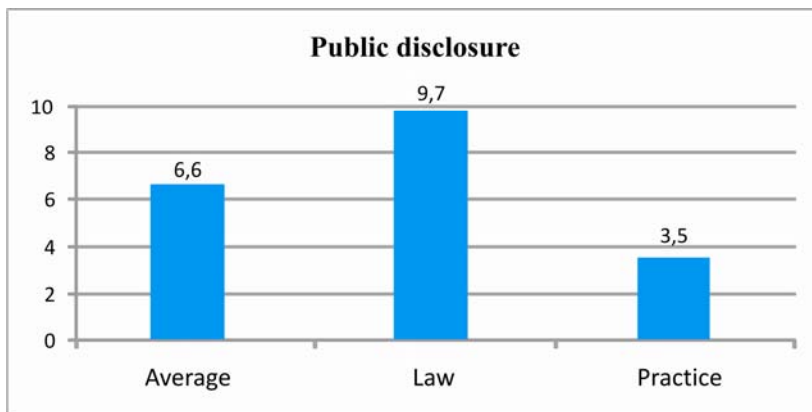


Table 8: Dimension 6 – Public disclosure

Regarding the question of disclosure of election campaign financing by the parties, it is important to mention that some of the parties disclosed this information on their websites, but the majority of them did not want to share anything connected to their financial reports on their election campaign. Only one political party responded to our request for information on their financial report for their election campaign.³² Furthermore the tests which were answered by citizens and students showed that in the Republic of Macedonia, younger people are not very familiar with the ways in which political parties finance their campaigns for elections.

The other groups, especially journalists who are familiar with the subject of election campaign financing, responded that access to information about the election campaign of political parties might be obtained only from the reports that are published on the webpage of the SAO and the SCPC. Unfortunately, in these reports there is only information about the smallest donors. Information about the largest donors

³² From 13 (thirteen) letters sent in order to request information from political parties on their election campaign reports, only one political party responded to the request on information, sending its report.

remained undisclosed – for example, private companies that donated large amounts of funds to the parties. This practice was confirmed by the gap of 3.5 million Euros, i.e. money which has been spent on the campaign but is not accounted for. In this way, the biggest donations to political parties during their election campaigns are not publicly disclosed.

Dimension 7: Preventive Measures

This study assesses the dimension of preventive mechanisms in political party funding using indicators that look at the existence of a centralized system of bank transactions (known as a “single account”) and a ban on cash deposits which could prevent identification of the origin of donations. Furthermore, this dimension looks into the existence of preventive measures against the abuse of government resources and whether fiscal incentives are present for the disclosure of donations. Another indicator focuses on whether there are media regulations on preventing potential abuse of political influence.

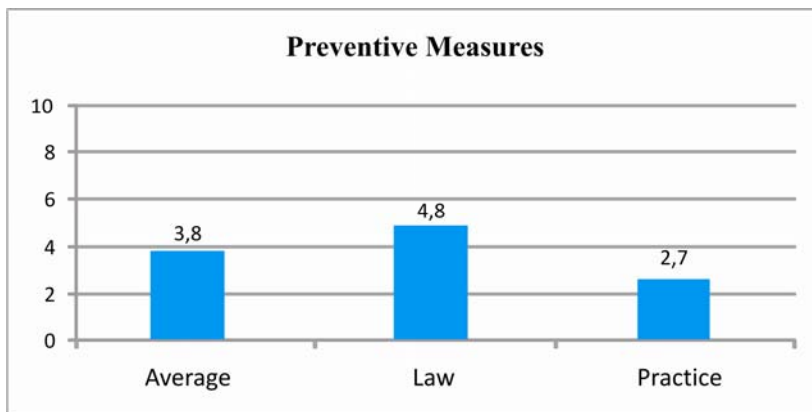


Table 9: Dimension 7 – Preventive measures

Regarding the question of the single bank account, the law requires all financial transactions of the accounting of legislative election campaigns be executed through bank transactions. In this way parties need to have a single bank account to receive and spend funds, and all funds have to be transferred through such a bank account. An exception of this

is the receipt of donations in cash. The law does not prohibit donations in cash. However, the organizer of the election campaign is obliged to deposit all assets received from legal entities or individuals into the bank account for financing of the election campaign.³³

Regarding the prevention of abuse of public resources, there are some legal measures in place but they are not far reaching. The amendment of the Electoral Code from November 13, 2012 after the last parliamentary elections in 2011 addresses this, greatly improving the code. For example, there is a fee between 500–1,500 Euros levied for a misdemeanor committed by the candidates or the parties during elections. A fine of 4,000 – 5,000 Euros will be imposed to a political party or coalition if they fail to return the donated assets within the prescribed period in case of non–submission of the list of candidates.³⁴

The law does not require donors to submit reports about their donations to the elections campaigns. Neither do fiscal incentives exist for donors to disclose information regarding their donations to elections campaigns. Reports on donations are submitted only by the political parties running legislative elections. However, it is possible that parties and candidates might be fined if they fail to submit financial reports. In other words, this might be an incentive for reporting.

The law guarantees the legislative candidates running for election the ability to purchase advertising space in the media. But in practice, the largest political parties can often afford to buy advertising space in the media without any problems, but the situation is often different for smaller parties who are less able to afford to buy this advertising space.

The law also guarantees price equality (to the parties and/or candidates) for advertising in the media during the

³³ Electoral Code article 71 (4)

³⁴ Law on amending the Electoral Code from 13.11.2012 article 26

legislative elections campaigns. According to the Electoral Code³⁵, price lists established by the media cannot be changed during the election campaign. According to the law, media companies need to publish unified prices for all political parties or candidates. But in practice, the situation is often different. Some parties have been given discounts on their election campaign advertisements.

³⁵ Electoral Code, article 75 - a

Dimension 8: Sanctions

As with most other dimensions, multiple indicators that focus on both the legal framework and practices were used to evaluate the dimension of sanctions. Questions included: are existing laws on the financing of election campaigns of political parties adhered to in practice? Is current legislation in this area adequate? Are sanctions for violation of established rules appropriate? In order to verify if sanctions are applied, media reports and court cases were reviewed.



Table 10: Dimension 8 – Sanctions

The law establishes financial penalties for the candidates running for elections in different forms. These forms of financial penalties vary from loss of the reimbursement for the expenses for the election campaign³⁶, fines for abuses of funds from the budget, fines for misdemeanors of a political party or coalition if they fail to return the funds in the prescribed period

³⁶ Electoral Code, article 177 - a

to the donors in case of non-submission of the lists of candidates.³⁷

Regarding the media, the law establishes penalties for media companies for non-compliance with the rules on advertising space in legislative campaigns in the range of 200,000 to 300,000 Macedonian denars (3,252 – 4,878 Euros). There are also seven-day bans on broadcasting commercials if the media do not cover the elections in a fair, balanced and impartial way, or if they do not allow equal access to parties.³⁸

The situation in practice is greatly different. In practice, it is very unlikely that the non-submission, partial submission or fraudulent submission of the accounting of the legislative election campaigns is penalized through fines. No political party has yet been punished for committing a misdemeanor.

Regarding the media in practice, there had been some application of fines for those media that did not adhere to the law during the election campaign. During the legislative election campaign for the parliamentary elections in 2011, Kanal 5 TV, Sitel TV, and BTR TV exceeded the legal threshold of broadcasting political advertising within an hour. They received fines from the Broadcasting Council.

However, the law does not place criminal or political responsibility on the offenders, only symbolic amounts of

³⁷ Based on the Electoral Code, a fine between 500 and 1,000 Euros will be imposed on members of the Government and on the deputy minister if they act against the provisions of article 8 – a from the Electoral Code. Article 8 – a refers to the activities of the Government, more precisely it forbids members of the Government to dispose funds from the budget for any purpose other than: the commencement of construction with funds from the Budget or from public funds or assets of public companies and other entities; the extraordinary payment of wages, pensions, social help or other payments from the Budget; According to the Electoral Code, a fine between 4,000 to 5,000 Euros will be imposed for a misdemeanor carried out by a person or body intending to run in an election – i.e. a political party, a coalition, or an independent candidate – if they do not return contributions to donors in a prescribed period in the case of a non-submission of the list of candidates and withdrawal from the elections.

³⁸ Law on Broadcasting, article 166

financial fines. The situation would be much better if some rigorous sanctions were applied. For example, those who do not respect the law during election campaigns could lose the right to run in the elections and criminal responsibility could be attributed to the parties, its leaders or the legislative candidates etc.

Dimension 9: State Oversight

State oversight is an indispensable element in strengthening the systems that regulate political financing. The independence and clear mandate of the oversight body is necessary for its effective functioning. It is also vital that the institution has sufficient resources and technical capacity to carry out its duties. The three indicators used in this study include questions on the legal mandate and institutional arrangement to evaluate whether the body has necessary legal powers to carry out independent oversight of political party funding. Other questions focus on examining actual practices, such as, how independent is the electoral management body, as evaluated by relevant actors in the field? What are its capacities and shortcomings in terms of its resources?

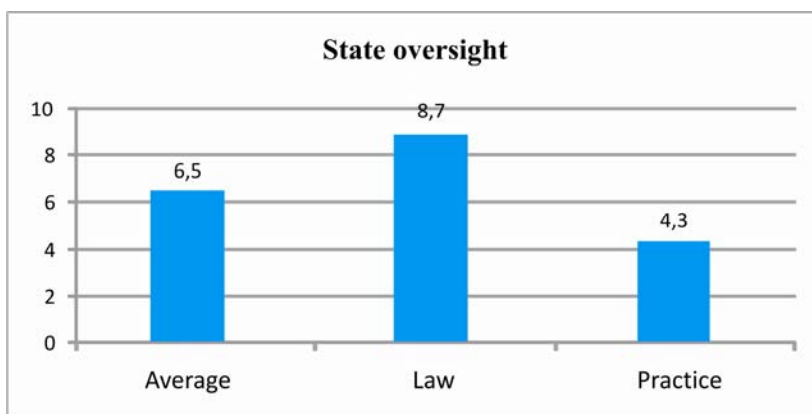


Table 11: Dimension 10 – State oversight

The powers of the SAO are not defined in the Constitution but they are regulated by the State Audit law. However, there are strong requirements, established by law, defining the professional qualification of the candidates heading the SAO. The State Auditor and his Deputy are elected

and dismissed by the Assembly of the Republic of Macedonia for a period of nine years, with no right for re-election. In order to be elected for State Auditor, there is a condition to have at least seven years' experience in the field of economics or law. The head of the SAO is protected by law against their removal from office due to political motives by the qualified majority of parliament. The election and dismissal of the State Auditor is in the hands of the Assembly of the Republic of Macedonia.³⁹

The SAO become the main oversight body for the political financing in 2011 as a result of the GRECO recommendations to identify the institution that will be a central oversight body followed by amendments to the Law on financing political parties. However the SAO is facing a lack of capacity for efficient performing of the authorities in this regard.

The reports published by the SAO on election financing are not in accordance with the laws and standards for audit. In its findings the State Auditor's Office failed to obtain their function of supervision and control. The auditors did not establish the appropriate procedures that would lead to pointing out accountability and punishing those that were responsible in the election campaign.⁴⁰

The SAO according to its given structure and mandate does not satisfy these requirements. Moreover, if the practice of acting is evaluated, then the SAO is not fully practicing its given responsibilities. Another weakness is the mechanism for implementation of the sanctions and the loss of the state funding for the political parties and the organizers of the election campaigns. On the contrary, the SAO tolerates illegal behavior of those who are responsible for organizing election campaigns, and subsequent interpretation of laws in a manner that justifies irregularities, instead of initiation of appropriate

³⁹ Law on State Audit article 4

⁴⁰ There is still no Sufficient Control for the Political Financing. Transparency International – Macedonia. June, 2012.

proceedings, the SAO comments on things for which it has a legal obligation to reach a conclusion.⁴¹

The powers of the SCPC are also not defined in the Constitution but they are regulated by the Law on Prevention of Corruption (LPC). There are strong requirements, established by law, defining the professional qualification of the candidates heading the SCPC.

According to the LPC, the members of the SCPC are elected by the Assembly of the Republic of Macedonia for a period of four years with the right of re-election. As written in the Law the members are to be chosen experts in law, finance and anti-corruption. The members of the SCPC perform this function professionally and they select one person to be president of the SCPC for one year without the right of reelection.

The law grants authority to the state oversight agencies (the SAO and the SCPC) to initiate independent accounting for the parties and candidates accounts, allowing these institutions also access to the records on donors and donations.

The law also grants authority to the SAO and the SCPC to review the banking transactions of the parties and candidates with previous authorization permitting the SCPC to check bank accounts of the political parties.

However both institutions are lacking in their capacity for performing the task related to control of the political financing.

The SCPC faces a lack of independence. A clear example is the question for fulfilment of formal criteria in selecting one of the SCPC members. Legally the member and former President of the SCPC does not fulfil the criteria to become a member of the SCPC. However, respond to this question is continuously avoided by the Parliament.⁴² Another example

⁴¹ Ibid

⁴² Transparency International - Macedonia submitted request for access to public information to the Assembly of the Republic of Macedonia about the professional

was the dismissal of one member of the SCPC because of alleged misuse of the office duties and authorisations.⁴³ This type of the ground for dismissal procedure is not perceived in the LPC.⁴⁴ This practice of appointing and dismissing members of the SCPC seriously affects its independence and provides ground for political influence in its work.

The SCPC may have a significant role in the election processes, but its real power depends on the perception of the public: “The blame for this is in the commission itself which undermines its authority. When it publishes recommendations during an election campaign, it publishes them quietly, without involving the public.”⁴⁵

The SCPC lacks independence, is not impartial and does not fulfill the obligations guaranteed by the law.⁴⁶ The SCPC is dependent on the government. In the existing anti-corruption system in Macedonia, there is no single institution that can be called a leading institution in the fight against corruption. Despite the overall view that this role belongs to the SCPC, this institution is unable to meet the expectations. Despite a proactive approach to suspicions of corruption in the first years of its foundation, and later in some incidental cases, the SCPC does not have the courage and leadership to serve as controller of the Government.⁴⁷ Its independence, impartiality, capacity and performance diminish from one election to the next.

qualifications of the actual President of the Commission. As stated above, the question of election and nominating body of the members of the State Commission for Prevention of Corruption is continuously avoided by the Parliament.

⁴³ Zafirovski dismissed from the State Commission for Prevention of Corruption. Dnevnik. January 21st 2013.

⁴⁴ Law on Prevention of Corruption Official Gazette of Republic of Macedonia No. 28/02 from 18.04.2012

⁴⁵ *If they Work as They Should, SCPC and SEC Could Conduct Fair Elections.* Interview of Dragan Malinovski, former president of the State Commission for Prevention of Corruption. Nova Makedonija. 17.01.2013.

⁴⁶ *Does the Anticorruption Model Show Results in Republic of Macedonia?* Research of the Institute for Democracy 29.01.2013

⁴⁷ *Does the Anticorruption Model Show Results in Republic of Macedonia?* Research of the Institute for Democracy 29.01.2013

Dimension 10: Public Oversight

In addition to the oversight functions performed by state bodies, other actors such as the media, academics, civil society organizations and citizens and at times, political parties themselves may engage in monitoring funding of political parties. Monitoring may include activities such as reporting irregularities to government bodies, analyzing finance reports to inform the public and pressuring authorities to ensure that their oversight is functioning and effective. This study addressed this dimension by focusing on the oversight activities performed mostly by civil society organizations and media. The specific questions included: whether there are organizations that oversee political financing, whether they are independent, active and influential in their activities. Another indicator also looks into the question of whether civil society, citizens or political parties report irregularities to the state oversight body.

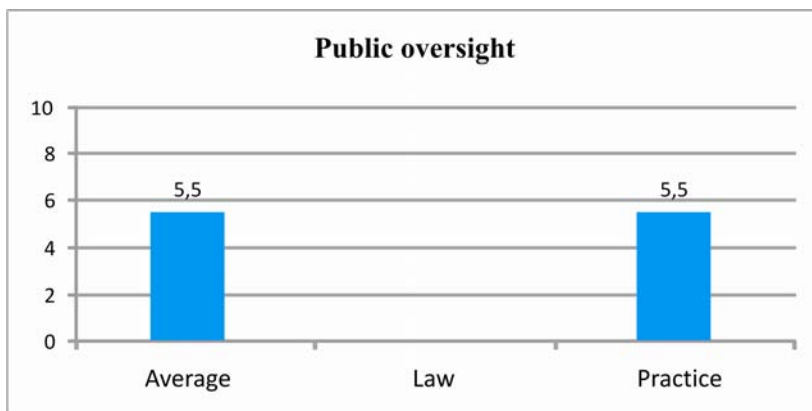


Table 12: Dimension 10 – Public oversight

There are several NGOs that monitor political financing in the Republic of Macedonia. One organization of this kind is Transparency International – Macedonia (TI-M). Other organizations that work on the issue to some extent are MOST and the Open Society Institute.

Only TI – M with the CRINIS project has been engaged in monitoring activities that have enabled greater transparency and advocacy activities as well as the possibility to inform citizens about the law and practice of political financing. TI – M also engages in activities such as media monitoring projects. TI – M carried out monitoring of the parliamentary elections in 2006.

TI – M also carried out monitoring of the advertising of political parties in the media for their election campaigns in the 2013 local elections, contributing to the understanding of transparent political financing and its importance in society through participation in debates on political financing reform, organizing conferences, debates, panel discussions etc.

When speaking about the effectiveness of political finance monitoring organizations, unfortunately this is limited to awareness-raising amongst the public on this issue. Monitoring organizations fail to obtain comprehensive information due to the lack of transparency of state institutions.

6. Conclusion

Financing of political parties continues to remain opaque, with a lack of transparency in the whole process. In general, the public is not aware about the importance of the issue of political financing and its impact on social life.

Financing of political parties and election campaigns is regulated with two different laws: the Law on Financing of Political Parties, and the Electoral Code. A legal framework regulating financing of election campaigns of political parties is in place, but further improvements are yet needed. In practice, however, legal provisions remain highly under-enforced.

Reports that have been published provide scarce information on the sources of income and expenditures of the parties and elections. The review of the available financial reports of the major political parties has shown that parties keep the information provided to the public and to the relevant oversight bodies to a minimum. The reports solely provide general numbers on items of income and expenses without further detail.

The reports on electoral campaigns funding have also shown failure to report donors, usually reporting just a few individuals (party members), and very rarely companies. This practice was confirmed by the gap of 3.5 million Euros i.e. money which was spent for the campaign but not justified. In this way, the biggest donations of the political parties on their election campaigns are not publicly disclosed.

Another problem relates to the overspending of parties during election campaign as they often spend amounts that exceed deposits of the specially opened bank accounts. There have been cases where political parties have declared

overspending to the tune of several million Macedonian denars, with bills not paid before closing the special bank account.

Additional concerns arise due to the in-kind donations for electoral campaigns from the media that are not presented in the financial reports and raise concerns over the future interconnection between the parties and media and the independence of the media.

Thus far, there has not been a single penalty issued either to a party or a candidate for concealing funding or failing to act in due course. No political party has been punished for committing a misdemeanor, and neither were inaccuracies and mistakes in the accounting of the legislative election campaigns penalized through the use of fines.

The effectiveness of the state oversight institutions can be considered to be weak due to lack of capacity and independency. In addition there is a lack of impartiality and thus the need for the state oversight agencies to treat all political parties equally and independently.

Public oversight is also missing and there is a need for stronger involvement of the CSO and media in this process as important factors contributing to a strong democracy. There is a need to raise awareness that people have the right to know about financing of political parties and have the right to all information related to the financing of political parties because ultimately the citizens are the people who give their trust to the parties, as well as the mandate of the government.

7. Recommendations

1. Improve the performance of the State oversight agencies.

One of the most important steps towards building an effective democratic system is the independent and non-biased monitoring of political financing. With the legal amendments from 2011 the main oversight agency has been mandated to evaluate reports and provide an efficient oversight. However, the State Auditor's Office as the main body for overseeing political funding, as well as the State Commission for the prevention of corruption, need to increase their capacity and to garner complete public trust in their non-biased performance in this area.

In order to start investigations, oversight agencies should not only focus on reports submitted by the political parties, but also on citizens' complaints and NGO monitoring and reporting. When state oversight agencies deal with irregularities, they only demand simple rectification and it is very unlikely that they detect possible mistakes, omissions and false statements in the accounting of the parties. In order to fulfill their obligations effectively, state oversight institutions should start to impose sanctions for transgressions of the law.

2. Apply the legal provisions more effectively

One of the most important steps towards change in the political system is through the improvement of the legislative framework. When the laws are adhered to, and strong sanctions are applied for transgression, the system will function successfully. For that reason we need to strive for an effective legislative framework. Only with the imposition of sanctions

and fines for those that do not respect the law, the legal framework regarding election funding will improve.

3. Disclosure of donors and their contributions to election campaigns of political parties.

This is one of the most important steps that need to be taken in order to improve the practice of political party funding. Only by disclosing the names of the donors as well as obliging them to submit reports on contributions to the state oversight agencies, can money from illicit sources be stopped from circulating in politics.

4. Enable the identification of donations in the form of media advertising during the election campaign.

This step is also important to assure transparency in election campaign funding, given the fact that advertising space in the media is often only accessible to the biggest parties, while small parties find themselves unable to buy advertising space.

5. Introduce tax incentives for private donations to political parties.

An important way to improve the legal framework regarding election campaign funding is by introducing tax incentives for private donors to political parties. This will encourage donors to report the assets that they donate.

8. Annexes

Annex 1: List of political parties participating in the project

- I. VMRO DPMNE
- II. Social Democratic Union of Macedonia (SDSM)
- III. Democratic Union for Integration (DUI)
- IV. Democratic Party of Albanians (DPA)
- V. National Democratic Renaissance (NDP)
- VI. VMRO People's Party (VMRO NP)
- VII. New Democracy (ND)
- VIII. Liberal Democratic Party (LDP)
- IX. United for Macedonia (OM)
- X. Liberal party of Macedonia (LPM)
- XI. New Social Democratic Party in the Republic of Macedonia (NSDP)
- XII. Socialist Party of Macedonia (SPM)
- XIII. The Democratic Union (DS)

Annex 2: List of institutions participating in the project

- I. State Commission for Prevention of Corruption (SCPC)
- II. State Audit Office (SAO)

Annex 3: List of other categories of participants in the project Crinis

- I. NGO
 - Transparency International Macedonia
 - Open Society Institute in Macedonia
- II. Members of the academic community
 - Five members with experience of this topic
- III. Residents
 - 10 students, 5 journalists, 20 citizens.
- IV. Donors
 - /
- V. Potential donors
 - Five potential donors
- VI. Journalists
 - Five journalists

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