



INTERNET, DEVELOPMENT AND GOOD GOVERNANCE CENTER - SKOPJE

ANTI-CORRUPTION POLICIES AND RISKS DURING AN EMERGENCY

**ANALYSIS OF GOVERNMENT DECREE BY LEGAL FORCE
ADOPTED DURING AN EMERGENCY
- POTENTIAL RISKS OF CORRUPTION AT NATIONAL AND LOCAL LEVEL**

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1. Defining the problem and the need for research

Corruption is a social phenomenon that abuses its official position and authority by officials employed in state institutions for the purpose of gaining illegal property. Corruption destroys national economies, undermines social stability, and erodes public confidence. It reduces tax revenues, increases public utility costs and distorts the allocation of resources to the private sector. Corruption humiliates the ordinary citizen and weakens the economic growth of the country. Its existence in a society has a negative impact on many social spheres, and undermines the functioning of the state and its institutions. Citizens, on the other hand, are losing trust in the state government and its administrative apparatus. In corrupt societies it is impossible to achieve good governance, responsibility, accountability and economic growth and development.

In North Macedonia, due to the crisis with the coron pandemic, as well as due to the dysfunction of the Parliament (because it dissolved itself), and due to more efficient dealing with the challenges and problems that arose from the crisis, the President made five decisions to declare a state of emergency.

The five emergency decisions were made on March 18, April 16, May 16, May 30 and 15 June. These are two decisions for a state of emergency lasting 30 days each, two of 14 days each and one decision for a state of emergency lasting 8 days consecutively.

The decisions were made by the President of the country, Mr. Stevo Pendarovski, because in that period the Assembly was dissolved due to the holding of early parliamentary elections that were initially scheduled for April 12, and then due to the pandemic were rescheduled and held on July 15. During the state of emergency, the Government took over the function of the Assembly and adopted several decrees with legal force, to regulate certain areas directly affected by the pandemic. Such decrees were adopted relatively quickly, with a very short period for their compilation, planning and adoption, voted without prior consultation with stakeholders or with public debates, public involvement and the expert community, etc. This situation contributes to the emergence and development of potential risks of corrupt activities and actions, ie possible misuse of state resources for personal purposes. That is why it is especially important to follow the development of government measures that were adopted and started to be implemented from the very beginning of declaring a state of emergency, but, of course, the process in which they were adopted is also important. Thereby, it is necessary to research and analyze the process itself, the type and type of measures, the justification, as well as to detect the risks in relation to the sectors in which they were adopted. Analyzes at national and local level, on the other hand, should show what kind of anti-corruption policies and practices have been undertaken by national and local authorities in order to prevent various types of corrupt practices that may occur in such situations.

In the period since the beginning of the state of emergency, the public was very little aware of the manner of making decisions and the measures envisaged by them. Although she was constantly informed about them, at some point there was confusion and the possibility of manipulation and misinformation about the instructions given by the national authorities, not only in terms of decrees and measures, but also in terms of recommendations. The number, amounts and procedure for the current public procurements were constantly subject to dilemma, and the type of economic measures that were adopted, and especially the subsidies, were insufficiently

transparent, ie there was no specific analysis of their justification. In the interest of accountability, the public needs explanations as to why certain measures were taken. Especially since some of them were withdrawn, changed and re-presented many times . To detect all weaknesses and risks, it is necessary to make a comprehensive analysis, by sectors, to see where and how exactly the national authorities directed the measures, subsidies, assistance and how much and how it is justified and transparently made as a decision. .

This analysis contributes to the research of such aspects, but the focus will be on the economic measures and policies and the potential presumed corruption risks arising from them.

Also, in order to see how it was acted at the local level, it is necessary to make a comparative analysis of the degree of transparency and access to information that citizens had at the local level during the state of emergency. In that way, the local government will be taken into account by presenting certain functional aspects and risks related to their actions during the analyzed period.

2. Purpose

The general purpose of the analysis is to determine, check and assess the situation with the introduced government measures through the decrees with legal force for the duration of the state of emergency in North Macedonia. By monitoring and assessing the degree of transparency in the adoption of measures and decrees by national and local authorities, contributions should be made to the detection of corruption risks in their implementation. Thus, through the identified conditions, the conclusions drawn, recommendations and proposals should be influenced towards greater transparency at national and local level.

The practical purpose of the analysis is to encourage further consideration and monitoring of the situation by introducing measures to overcome the economic consequences of the coronary crisis.

3. Methodology

The main method in this project activity is a general analysis of the government decrees that were adopted from the very beginning on March 18, 2020, until the end of the state of emergency on June 22, 2020, by sectors / areas, problem areas / measures, types of measures and legal competencies. which will attempt to link the justification of the measures according to several indicators (economic development, poverty level, affected sectors, unemployment rate, etc.).

Reports and announcements of state institutions, other institutional documents relevant for the analysis of certain measures, as well as various analytical materials / products from several non-governmental organizations for comparative monitoring will be used for indicators needed for comparison in certain parts of the analysis.

In addition to collecting and monitoring statutory decrees, the analysis will include a methodological approach to collecting relevant data and information, reports, press releases, consulting relevant laws and bylaws.

4. Expected results

- Analysis of situations, risks and practices at national and local level, which will contribute to lessons learned and media representation.
- The analysis should show how and in what way good governance and resource management is implemented during a declared state of emergency, as well as whether the inclusion of anti-corruption policies has been taken into account.
- To define the risks of corruption by areas, which will further contribute to the implementation of the National Anti-Corruption Strategy. Defining risks is assessed there as a starting point for the fight against corruption.
- Changes are expected in the internal work of state bodies and institutions in organizational, institutional and administrative terms.

5. Analysis of certain areas that are regulated by government decrees with legal force to prevent the spread of COVID-19

Within this part, certain aspects important for the anti-corruption policies from the adopted government decrees with legal force during the state of emergency will be processed and analyzed in order to prevent the spread of COVID-19 ¹.

The Macedonian Young Lawyers Association (MYLA) has prepared a systematic review of the Decrees with legal force adopted by the Government of the Republic of North Macedonia during the state of emergency (18.03-22.06.2020) ². The document lists the chronologically enacted ordinances enacted during the state of emergency, and provides an overview of the areas they regulate. It stipulates that a total of 250 such decrees have been adopted, which by type are: 107 decrees with legal force for amending existing decrees, 101 decrees with legal force for application of laws, 41 is the original decree, and only one is adopted to terminate an existing decree by legal force. Most of the decrees with legal force were adopted in April 2020 (97 decrees), unlike the other months where their number ranges from 43 to 58. **According to the field of regulation, most of the decrees with legal force refer to finance (54), health care (22), education (19), traffic and communications (16), and labor relations (14).**

The IMPETUS research team singled out government economic measures, tourism vouchers and social security measures as the three most important areas to explore.

5.1. Government economic measures to deal with the COVID-19 crisis

The public health crisis caused by COVID-19 all over the world, even in North Macedonia, caused an economic crisis. Economic experts and analysts have described it as the biggest economic crisis since World War II. Countries have faced enormous challenges in dealing with these two crises. The measures taken to prevent the pandemic (curfew, movement restrictions, restrictions on the operation of industrial facilities, economic operators, etc.) greatly affected the economic trends in the country. Many questions were asked, and dilemmas were corrected:

¹ <https://vlada.mk/uredbi-covid19>

² <https://myla.org.mk/wp-content/uploads/2020/07/Sistematiziran-pregled-Uredbi-so-zakonska-sila.pdf>

whether to introduce restrictions to combat the pandemic that will weaken the economy and suffer the consequences for all citizens, but also the state in the long run. Due to the surprise of the overall situation, it was felt that in the process of creating and adopting government measures, no wider consultations were made with stakeholders and other social entities, so the public always found out about them after their adoption at a government session. Exactly the remarks from the expert public came about the non-transparent consultative process for creating the measures and spending the budget funds.

Since the beginning of the COVID-19 crisis, the Government has adopted four packages of economic measures to deal with the crisis in order to preserve as many jobs as possible for the citizens and to help the economy. It is about a total of 57 economic measures adopted to deal with this crisis ³. As pointed out by the Government in announcing each package, the economic measures were designed after extensive consultation and substantive debate with the members of the Economic Council, established for this purpose, as well as through the talks they had with the business community through the chambers of commerce. and through separate conversations with their top economic experts in the academic field and with reputable and successful real-time businessmen.

Table 1. Overview of the Government's economic measures for dealing with the COVID-19 crisis by areas

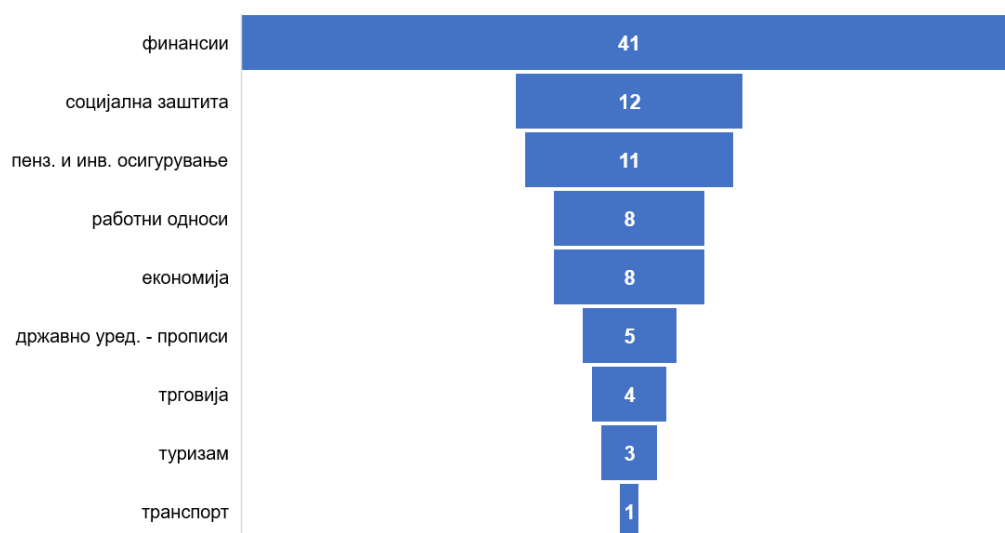
AREA	NO.
finance	41
social protection	12
pension and disability insurance	11
Labour	8
economy	8
state regulation - regulations	5
trade	4
tourism	3
transport	1

Table 1 provides an overview of government measures by area. These are a few areas in which the Impetus team classifies the measures according to their content. Thereby, based on the issues they address and for which they are intended, some measures were systematized in more than one area (and some even in 3 or more). Thus, all 57 adopted government economic

³ <https://vlada.mk/ekonomski-merki-covid19>

measures, according to the Impetus team are distributed in 9 areas, with most of them, and as many as 41 measures refer to finances that include various types of direct financial assistance to various categories of citizens, exemptions from taxes and duties, recognition of expenses, freezing or reduction of payments and installments, etc.

Chart 1. Overview of the Government's economic measures for dealing with the COVID-19 crisis by areas



Economic analysts and experts ⁴point out that economic measures to save the country's economy have been delayed. Thus, the main package of economic measures was adopted only on March 31, 20 days after the closure of schools, kindergartens, restaurants and malls. The measures themselves were aimed primarily at large companies - the largest state aid was given to large companies ⁵that already make profits of millions of euros, as well as private hospitals, casinos, bookmakers or foreign companies from tax-free zones. Small businesses were neglected. The Ministry of Finance pointed out that the purpose of the measure was to protect jobs and liquidity and it applied to all companies. According to their statements - The measure envisaged the large companies that will make a profit this year to return the support next year, unlike small companies for which if they meet certain conditions, the assistance can be non-refundable.

Furthermore, there was only one special measure for micro, small and medium enterprises - interest-free loans totaling 14 million euros, which were immediately used.

Analyzes and views on the poor design of economic measures also appeared in the public, so that part of the money that was supposed to end up with the workers, ended up with the owners of the companies. There have also been suspected cases of corruption, in which state-owned

⁴ Jovanovi, B., The worse the health, the worse the economy, 28.09.2020, <https://respublica.edu.mk/mk/prikazni-od-regionot/2020-09-28-08-13-33?fbclid=IwAR2Ok09RhKCRWWAXToRzf0Y09Z05>

⁵ Filipovska, A. , Angjushev does not comment on the government assistance for payment of salaries in "Brako" - from "Sistina" they say they have met the conditions, 25.05.2020, <https://arhiva.telma.com.mk/angushev-ne-comment-on-government-help-for-payment-on-payment-in-brako-from-sistina-velat-gi-ispolnile-uslovite/>

companies have received state aid, as has the case with the state-sponsored grants provided to companies by the former Deputy Prime Minister and the former Minister of Finance.

Citizens were almost completely exempt from the measures. The measures that applied to them (payment cards ⁶) were adopted even with the third package of measures, in mid-June, and were quite modest. The purpose of this measure was to encourage the consumption of domestic products and services to revitalize the Macedonian economy in times of crisis.

The total announced amount of funds was 28 million euros, which is only 0.25% of GDP and only 1/6 of the total funds spent by the state to deal with the Covid-19 crisis, which is estimated as too little to mitigate the harmful effects of the crisis for the citizens and for "restarting" the economy.

5.2. Tourist vouchers

The measure for tourist vouchers ⁷ envisaged all employed citizens who have incomes lower than 15 thousand denars per month, ie who did not earn more than 60 thousand denars from the beginning of 2020 to the end of April, to receive a voucher of 6000 denars, which can be used in all categorized catering and tourist facilities in the country from July 15 to December 15. Those who will go on vacation and will activate the voucher, will also receive a pocket money of 3000 denars, ie a payment card with which they will be able to pay in bars and cafes. The citizens did not have to apply for a voucher, but to all those who meet the conditions, the PRO sent it to the e-mail address they submitted to them. 115 thousand citizens were expected to receive such vouchers in the Ministry of Economy.

Although many hoteliers and tourism workers have suggested that the measure could be abused, authorities have said the chances are slim and there are many safeguards and inspection services on the ground. The Ministry of Economy also created the platforms www.domasiedoma.gov.mk and www.pushimenevend.gov.mk for information on this measure, on which the offers of all categorized tourist and catering facilities across the country were published, and the citizens could choose where will spend the summer.

The government has announced another measure to help hoteliers overcome the coronary crisis: co-financing seminars, trainings and conferences. The non-governmental organizations, associations, companies and institutions that organize such events will be covered 50% of the costs, but not more than 30 thousand denars per event. Co-financing of 500 such events was planned and 250 thousand euros were provided for the measure.

The tourist vouchers were part of a third set of measures to help the economy affected by the coronavirus pandemic. Total government assistance to the economy was projected to be over 550m euros.

After the vouchers were awarded, the statistics were released on an ethnic basis ⁸. Thus, part of the database appeared on social networks, according to which two thirds of the winners of

⁶ <https://www.kupuvamdomasno.gov.mk/mk/info>

⁷ Stojancov, S., Tourist vouchers - Opportunity for rest or conspiracy, 09.06.2020, <https://www.slobodnaevropa.mk/a/turistic-vouchers/30660488.html>

⁸ Popova, T., the Government did not discriminate, Bekteshi claims that everyone who will receive vouchers met the conditions, https://alfa.mk/vladata-ne-diskriminirala-bekteshi-tvr-di-deka-site-shto-kje-dobijat-vaucheri_-gi-

tourism vouchers are Albanians. Only 16% were Macedonians, 11% Roma, 7% Turks and 1% Bosniaks. Assistance was not provided to many Vlachs and Serbs. The public questioned whether the government wanted to influence Albanian voters in this way before the election. Economy Minister Kreshnik Bekteshi assured that the government does not discriminate on ethnic grounds. Bekteshi said the people on the lists meet the prescribed criteria to receive 100-euro tourism vouchers and 50-euro payment cards. The data was the responsibility of the Public Revenue Office.

Apart from 115 thousand vouchers for tourism that were used from July 15 and 325 thousand payment cards of 9 000 thousand and 3 000 thousand denars, with 250 000 thousand euros the Ministry of Economy covered half of the costs for organizing trainings, seminars and conferences in catering facilities and hotels. **For the latter there was no available data on how the money was spent and what the result was.**

The last statement of the Minister of Economy in December was that "by mid-November, the Minister of Economy Kreshnik Bekteshi stated that 43 thousand vouchers out of the issued 100,336 were used, and until yesterday morning about 20 thousand were spent, which used a total of 61,648 vouchers. As the newspaper VEČER reported this fall, the vouchers of 6,000 denars were sold for 4,000 denars in cash. The newspaper checked and in some accommodation facilities the identity of the owner is not checked , only a photocopy of the ID card of the person to whom the voucher was given is required, as a cover before the inspection services. These days on social networks you can read that instead of staying in hotels, apartments, boarding houses, rooms, vouchers are intensively used for rich lunches in restaurants.⁹

5.3. Social security measures

During the state of emergency, the Government ¹⁰implemented another social measure for the citizens who lost their jobs in the period from March 11 to April 30, 2020. A Decree was adopted that expands the scope of persons who may receive monetary compensation. According to the Decree, all those who lost their jobs in the period from March 11 to April 30, regardless of whether they signed a termination agreement or a personal statement, or received a dismissal from the employer, will be able to receive cash benefits for two months. The deadline for submitting applications for the use of this measure was June 26. The Decree stipulates that the monetary compensation be paid in the amount of 50% of the monthly net salary of the employee

[ispolnuvale-uslovite /? fbclid = IwAR3EYqgSPHgDoV7XcFHLd6orijl2k3dcl0DU22r0F7pBCq2LUbpFug4-Gy8](https://www.vecer.press/?fbclid=IwAR3EYqgSPHgDoV7XcFHLd6orijl2k3dcl0DU22r0F7pBCq2LUbpFug4-Gy8)

⁹ Social networks are boiling: vouchers are being resold and spent on rich tables in restaurants , published 14.12.2020

<https://www.vecer.press/%D1%81%D0%BE%D1%86%D0%B8%D1%98%D0%B0%D0%BB%D0%BD%D0%B8%D1%82% % D0% B5-% D0% BC% D1% 80% D0% B 5 % D0% B6% D0% B8-% D0% B2% D1% 80% D0% B8% D1% 98% D0% B0% D1% 82-% D0% B2% D0% B0% D1% 83% D1% 87% D0% B5% D1% 80% D0% B8% D1% 82% D0% B5-% D1% 81 />

¹⁰ Skrijelj: All those who lost their jobs from March 11 to April 30, to apply for financial compensation at the Employment Agency, 16.06.2020 <https://vlada.mk/node/21773>

paid for the last month, but not more than 80% of the average monthly net salary per employee in the Republic of North Macedonia, published for the last month.

In addition, the Government and the Ministry of Labor and Social Policy provided quick access to material security for the group of unemployed who previously worked on a fixed-term contract and which expired by law, and do not have the required minimum of 9 months of uninterrupted service or 12 months of service with interruption, in order to exercise the right to monetary compensation. All families left without income can enter the social protection system and receive guaranteed minimum assistance. This means that if previously the Ministry monitored the income of a household in the last three months to check whether they should enter the system, already with this measure the income from the previous month was monitored only.

The measure also applied during the state of emergency¹¹ with which chronically ill persons, parents of a child up to 10 years of age or active fourth grade, pregnant women, single parents, parents of children with disabilities who use the day care center, persons who go to work with an escort - completely blind persons, persons who are wheelchair users and people with moderate to severe intellectual disabilities, are exempt from work or, if possible, work from home.

It is interesting that the analysis of these decrees and measures did not find any doubts or potential risks of their use for other purposes, nor reasoned reactions from other entities and institutions, which is a praise for the Ministry of Labor and Social Policy due to the inclusiveness in the process of creating and making decisions and of course the transparency that has been taken care of in recent years.

GOVERNMENT HELP FOR OVER 280,000 CITIZENS

PAYMENT OF 6,000 MKD FOR VULNERABLE CATEGORIES IS WAITED

Over 280,000 citizens in the next two weeks should receive 6,000 denars on their account, assistance from the state. The payment will start because the Law on Financial Support of the Vulnerable Categories was adopted in the Parliament this weekend.

Former bankrupts, single parents, pension beneficiaries up to 15,000 denars, passive job seekers are part of the citizens who in the first half of December this year should receive money. There will be financial support for artists and other persons with activity in culture engaged by a legal entity registered for activity in the field of culture, filmmakers who for the last five years have worked on at least three films supported by the Film Agency of the Republic of North Macedonia, pop artists members of the Association of Pop Artists of Macedonia.

The measure also covers the beneficiaries of social security for the elderly, ie citizens over 65 years of age who use the right to social security and are registered in the centers for social work. Young people from 16 to 29 years old active participants in formal secondary education, as well as higher education. Children without parents and parental care, ie children under the care of a competent center for social work.

¹¹ https://mtsp.gov.mk/covid-19-ns_article-mtsp-merkata-za-osloboduvanje-od-rabota-na-hronicno-bolnite-lica-bremenite-zeni-samohranite-roditeli.nspX

Citizens do not apply for this measure. Lists of users are made by the Public Revenue Office, the Ministry of Labor and Social Policy, the Ministry of Education and Science, in coordination with other competent institutions. The General Secretariat of the Government will compile the lists of citizens, will distribute the users by banks and will publish the list of providers of Macedonian products and services.

The names of those who will receive money will be published on www.kupuvamdomasno.gov.mk

The funds will be paid to the user's transaction account. A transaction account will be open to those who do not have one. Those citizens who meet the conditions and are not on the list, within three days from the announcement can submit a complaint to kupuvamdomasno.gov.mk . They should write the unique ID number, name and surname, address of residence, municipality, e-mail.

The citizens who will receive 6,000 denars, should use the money to buy domestic products and services from legal entities and individuals engaged in economic activity that will be part of the list. The companies where they will be able to buy Macedonian products and services will be obliged to display them on the shelves or on the website. The financial assistance is intended exclusively for the purchase of Macedonian products and services. The whole process will be followed by reports from the Banks, following a previously submitted list of economic operators.

For this purpose, in the fourth package of measures, about 27.5 million euros are provided.

MALINOVSKI, FORMER MEMBER OF ANTI-CORRUPTION COMMISSION: IT MUST BE MONITORED WHO WILL RECEIVE THE MONEY AND HOW IT WILL BE SPENT

"The aid as such is not in dispute. Money needs to be injected into the economy. " The dilemma is how the citizens will be monitored how they spend their money , " said Dragan Malinovski , a lawyer and former member of the State Commission for Prevention of Corruption.

According to him, the Law on Financial Support of Vulnerable Categories , which is in the Parliament, has many ambiguities. He believes that attention should be paid here, to prevent money from going aimlessly.

" Because the whole thing is not only helping the citizens , but it is a priority but the goal is to help the domestic economy, to protect the economy . If so, technical mechanisms should be provided to monitor the spending of that money. To ensure the real purpose of those funds , and not for someone to receive them and use them for inappropriate purposes " , Malinovski is decisive .

This government measure will cover over 280,000 citizens . Bankrupts, socially vulnerable, singers , actors, film artists . He emphasized that the purpose of the Law is not to provide social transfers.

" Initially, the purpose of the Law is to provide protection to those segments of the economy that are endangered by the situation. And the way that support will be transferred or secured is through the socially vulnerable categories , because it is considered that they will not keep them under the pillow , but will spend them immediately . The primary goal is not a social package, but economic support to the economy. A real combination, a mix of social package and economic

package " , explains Malinovski . He says he does not fully understand how this will work. The concept is to identify those who will be beneficiaries of aid, traders, producers of domestic products and to make a register with them. Their products, when found in the retail chain, will have the privilege of being purchased.

"The question of technique is how it will be realized, how it will be monitored how the money will be spent. I think this should be the focus, so that there is no abuse. But the first question is whether the real citizens, who are the target group, will receive the money . "And secondly , will the money be spent on domestic products and services once the money reaches them, in order to feel the effect of the measure , " said lawyer Malinovski.

IN THE THIRD PACKAGE, THERE WERE 12 MILLION EUROS MORE ABOUT THE SOCIALLY VULNERABLE CATEGORIES

39.7m euros were allocated for the third package of government measures. The socially vulnerable categories received direct financial support through the third set of measures. Tourist vouchers were awarded to low-income citizens, covered by former bankruptcy workers, single parents, pension beneficiaries up to 15,000 denars, passive job seekers, students, independent artists and cultural workers. The award with 20% higher salary was given to the doctors and medical staff of the infectious diseases clinics and departments, the University Clinic for Infectious Diseases and Febrile Conditions, the Institute of Public Health and the Centers for Public Health, as well as all members of the emergency medical teams.

6. Validity of government decrees

With the end of the state of emergency, a series of dilemmas and debates opened. One of them was the dilemma: "Does the end of the state of emergency stop the importance of government decrees with legal force?" State institutions and the expert public were at odds on this issue. ¹²The situation remains complicated due to the non-functionality of the Assembly and the continuation of the preparations for the conduct of the early parliamentary elections.

According to the Ministry of Justice, except for the decrees that restrict human rights, everything is valid, regardless of the fact that there is no more state of emergency. Part of the expert public, on the other hand, referring to the Constitution, pointed out that "the cessation of the state of emergency means the end of the decrees with legal force" , because they were adopted only during the state of emergency, that is, with a certain intention and purpose. In addition, the Constitutional Court has already ruled on the duration of the decrees with legal force, so they will be valid. The Constitutional Court rightly accepted that it is not unconstitutional for the decrees to be able to regulate with legal force actions that would be taken within deadlines and after the end of the state of emergency. The extended duration of the legal effect of the decrees with legal force and after the end of the state of emergency is in cases when those acts regulate a matter that is closely related to the reason that caused the state of emergency, if the measure is appropriate and if the decree with legal force does not "Closes" a legal relationship that arose

¹² Trajkovska, Stavrov, S., After the state of emergency, legal dilemmas regarding the validity of government decrees , 14.06.2020, <https://kanal5.com.mk/po-vonrednata-sostojba-pravni-dilemi-okolu-vazhenjeto-na-vladinite-uredbi/a426317>

before the declaration of the state of emergency. This position is in the same direction and justifies the need for their practical functioning after the state of emergency, given that apply, would cause additional functional problems and stagnation of certain important activities and aspects of social life.

7. Transparency

Due to the state of emergency caused by the global pandemic covid-19, the Government of the Republic of North Macedonia boasted that it saw the need to increase financial transparency, which arose from the increased number of intervention and urgent public procurement, establishment of funds for legal donations and individuals from the country and abroad and the use of funds from international sources to deal with the consequences of the crisis with covid-19. For that purpose, the Minister of Communications, Accountability and Transparency initiated, and the Government decided to upgrade the existing website www.koronavirus.gov.mk with data on financial transparency related to the crisis.

how the website www.finansiskatransparentnost.koronavirus.gov.mk was created , the purpose of which is to provide the public with information on the funds that flow and are spent from the state budget, as well as a record of all non-financial donations received as assistance, which are intended to deal with the Covid-19 crisis.

The following information is published on the website:

- public procurement made by central level institutions related to crisis management 19;
- data on non-financial donations of all institutions;
- data on financial donations made to the designated donation accounts of the General Secretariat of the Government of the Republic of North Macedonia and the Ministry of Health;
- data on all payments from the Budget of the Republic of North Macedonia that have been made within the budget program "P1 - Measures to deal with covid-19 crisis", which amounts to 11,662,000,000 denars, in accordance with the Decree with legal force amending The budget of the Republic of North Macedonia for 2020 during the state of emergency ¹³.

Of course, this website contributes to increasing the fiscal transparency of the spending of budget funds, through full insight into them, but also insight into the donations to this account. Researchers, analysts, journalists, in this way will more easily and quickly access data related to budget expenditures related to dealing with the corona crisis. Furthermore, deeper research of this data is needed to detect possible disputed situations.

It is also positive that the Government has created special websites for certain measures, such as the measures "I buy at home" and "I am at home", which contain basic information about the measures, target group, method of use, and the specific government decrees introducing these measures are also in place.

¹³ https://finance.gov.mk/files/Uredba_za_dopolnuvanje_na_budget2020.pdf

In August last year, the government formed another body called the Anti-Corruption Operational Team ¹⁴, headed by former Prime Minister and Interior Minister Oliver Spasovski. During the formation, the Government stated that with the decision to establish such a body, the government shows that the fight against crime and corruption remains their strategic commitment and that this body is fully prepared to be made available to the Public Prosecutor's Office and the courts in fulfilling their legal obligations. and competencies. However, so far the public has not been informed about specific activities and results of this operational team, especially since this body does not have a special segment on the government website to inform the public about the implemented activities or decisions. This is especially important in relation to the question of whether and how this body was involved in the decision-making process, decrees and measures during the state of emergency, in order to prematurely eliminate the risks of corruption in their implementation. Such publicly available information cannot be found.

8. Activities of the SCPC

The State Commission for Prevention of Corruption has shown proactivity during the declared state of emergency and in the introduction and implementation of government measures adopted to deal with and mitigate the consequences of the crisis. Thus, a case was opened for the first set of economic measures ¹⁵and the Government was asked for documents and data on who received and who was rejected and for what reasons. Even former Deputy Prime Minister for Economic Affairs Kocho Angjushev was investigated by the Commission. An argument plus for the Commission is that he as an economic advisor in the Government participates in the competition to get economic benefit, and it is logical that as an economic advisor he can influence the determination of the criteria that will form the measure. In that direction was the consideration of this case. The first question that was worked on is whether the process of implementation of the measure provides accountability, transparency and the right to participate, ie what were the criteria, who was entitled to receive and how the companies were selected. The second question is whether Kocho Angjushev as a member of that council will influence the definition of the criteria that will form the measures, and then to appear as a user of the same.

Angjushev's engagement also met with reactions from economists, who said it was controversial that proposals were being made on how to create the measures by a person who would later use them. ¹⁶Since leaving office on January 3rd, former Deputy Prime Minister Kocho Angjushev has won four state tenders through the Kosovo-owned Brako company. The first two tenders were concluded in March and April in the amount of 50 thousand euros. The other two tenders of " Brako" are directly related to the pandemic "Covid 19". Both were concluded in private, in April and May, ie without prior announcement, due to extreme urgency. The first tender is for the construction of a prefabricated hospital to an infectious hospital worth 140 thousand euros, and the second is for the purchase of non-medical equipment for the needs of this hospital

¹⁴ <https://vlada.mk/node/18752>

¹⁵Anticorruption opened case for a set of government economic measures, 12.06.2020, <https://www.slobodnaevropa.mk/a/30667465.html>

¹⁶ Chobanova, A., Angjushev advises Angelovska on financial measures, then his companies use part of the assistance, 11.06.2020, <https://alsat-m.tv/mk/ангјушев-ја-советува-ангеловска-за-фин/?fbclid=IwAR0boZyODmTTg21kdsyAtpYuVAmWhCRen96AjqLzYJ4AsFpear8gphHKNyE>

worth 10 thousand euros. Angjushev's company " Brako" also received 14,500 denars per employee or 106 thousand euros in government assistance. The question addressed to SDSM whether Angjushev is part of the party's economic team and whether he advises the party leader Zoran Zaev remained unanswered. Here is the assumption whether the Government remained "indebted " to him in some way, so through these measures it charges itself.

Furthermore, Anticorruption opened a case in which the ways, ie the criteria according to which the economic assistance was granted for the payment of salaries to the companies were researched. And again it is about the first set of measures, which includes the payment of 11,000 thousand euros for the company in which one of the owners is the former Minister of Finance ¹⁷. In the research in Anticorruption, special attention was paid to the criteria according to which the measures for assistance in payment of salary were awarded. Exactly those criteria should show whether the granting of the assistance is justified, ie whether the online commerce company really needed such assistance, whether the workload, income, etc. were reduced, or whether it received them for other unfounded reasons.

According to the principle of trust in the law on protection against corruption, officials must not use or abuse their powers and official duties for personal needs and purposes. This principle indicates that "A conflict between personal and general interest exists when the performance of a certain official or other action affects the material or other interests of the person or the interests of members of his family." Namely, according to the law, an official (official) does not may use the information for its own benefit.

The Anticorruption Agency pointed out that they are closely monitoring all the processes that took place during the state of emergency, especially those that are from the aspect of spending the budget funds, through the adopted government economic measures. Their analysis was aimed at checking all the decrees that mean budget allocation, because a lot of money has been spent, so it is necessary to determine whether it is justified or not.

9. Local context

The Center for Economic Analysis recently published the Budget Transparency Index by municipalities in North Macedonia ¹⁸. According to this index , the most transparent municipalities of the City of Skopje in the Skopje region are: Centar, Aerodrom and Karposh. Furthermore, by planning regions, the most transparent municipalities are:

- in the Skopje region are: City of Skopje as a separate unit of local self-government with maximum index points, then Ilinden and Cucer Sandevo,
- in the Southeast region are: Valandovo and Bogdanci,
- in the Northeast region are: Kriva Palanka, Kratovo and Kumanovo,
- in the Eastern region are: Berovo, Delchevo, Kocani and Zrnovci,
- in the Pelagonija region are: Prilep with maximum index points, then Bitola and Krushevo,
- in the Vardar region are: Veles, Kavadarci and Caska,

¹⁷Gadzovska Spasovska, Z., Anticorruption investigates whether the assistance to grupper.mk was legally granted, 01.09.2020, <https://www.slobodnaevropa.mk/a/nina-angeleska-group-corruption/30812865.html>

¹⁸ Center for Economic Analysis, Budget Transparency Index by Municipalities in Northern Macedonia, 27.10.2020, https://cea.org.mk/indeks-na-budhetska-transparentnost-po-opshtini-vo-severna-makedonija/?fbclid=IwAR2_A_DC6Qm2ET96ORy-peOyjEIQa6vyd5cYpdX0ZAqimakKEy1P8KTtFf0

- in the Southwest region are: Ohrid and Makedonski Brod,
- in the Polog region are: Gostivar, Mavrovo and Rostuse and Jegunovce.

Recently, there were findings from the monitoring of the distribution of municipal funds for non-governmental organizations and sports associations conducted by the Women's Organization of the Municipality of Strumica ¹⁹. It was found that three of the four municipalities that were targeted by the monitoring did not have a methodology and criteria for allocating the money intended for the associations. So, no competitions, no conditions for participation and without criteria for allocating funds, thousands of euros were distributed, which were decided by the mayor or the municipal council. Furthermore, it was determined that the money ended up in their associations or their children.²⁰

Through the monitoring conducted by the Impetus Association at the municipal level in relation to the implementation of government decrees, it was determined that the corona crisis and all the consequences that occurred, such as restrictions on movement, reduced workload, reduced consumption, job restrictions in many sectors, etc., did not leave without consequences even the units of local self-government. Municipalities are financed from their own sources of revenue, grants from the central budget and from the budgets of the funds and by borrowing. Own sources of revenue are revenues provided by local taxes, local fees, local fees and property revenues. Local taxes include: property tax; inheritance and gift tax, real estate sales tax and other local taxes determined by law.

Many of the companies in their areas are with reduced activities, and the municipalities are also faced with reduced revenues from tax payments, utilities, construction permits, as well as leases of public areas in the tourism and hospitality sector. Due to all this, the municipalities are facing financial problems, due to which there are delays in some projects, although some of them are already running according to the planned dynamics of the previously planned funds. It is very likely that the budgets for next year will be reduced, due to which the fiscal duties have been reduced, and the state budget will be reduced, hence the part that owes from it will be reduced.²¹

Nevertheless, some municipalities have ²²announced assistance to the local economy during the corona crisis, ie they will continue to stimulate local businesses, within their capabilities, despite the government's package of measures to help the economy, but without providing additional information. whereby the funds will be provided, to whom they will be given, according to which criteria, etc.

Some of the municipalities ²³were actively involved in helping the social category of citizens, so on several occasions actions were taken to distribute food packages during the corona crisis in cooperation with local associations and the participation of many volunteers. The

¹⁹Landov, K., Without criteria, three municipalities distributed thousands of euros to associations and sports clubs, 11.11.2020, <https://a1on.mk/istranzjuvanja/bez-kriteriumi-tri-opshtini-delele-iljadnici-evra-na-zdruzhenija-i-sports-clubs/>

²⁰Landov, K., Municipal money ended up in associations of municipalities and their children, 14.11.2020, <https://a1on.mk/istranzjuvanja/opshtinski-pari-zavrshuvale-vo-zdruzhenija-na-opshtinari-i-nivnite-deca/>

²¹Tumanovska, M., The corona virus emptied the local coffers, 20.07.2020, <https://www.slobodnaevropa.mk/a/korona-virus-opostini/30723681.html>

²²Manolov, I., Municipality of Gevgelija promised assistance to the local economy during the corona crisis, 30.09.2020, <https://mia.mk/opshtina-gevgeli-a-veti-pomosh-za-lokalnata-ekonomi-a-za-vreme-na-korona-krizata/>

²³Municipality of Centar distributed 1000 food packages during the corona crisis, 28.05.2020, <https://frontline.mk/2020/05/28/opshtina-centar-podeli-1000-paketi-so-hrana-za-vreme-na-crown-crisis/>

municipalities were also actively involved in providing assistance and donating various necessary consumables and means for protection of medical and health facilities in their areas.

In other municipalities ²⁴, meanwhile, during the coronary crisis, annual plans for their next year's employment were passed, despite allegations that they were overworked and that the budget could not afford it.

²⁴ In a time of corona crisis and overstaffed municipality, Konstantin Georgieski additionally employs party soldiers, 25.08.2020, <https://ohrid24.mk/?p=15888>

Conclusions and recommendations

The health crisis caused by the corona virus has brought many problems to countries around the world. North Macedonia was in an even more difficult situation, as it was additionally in the process of planning and conducting early parliamentary elections and dissolving the Assembly. Even greater problems were caused by the inability to convene the Assembly to declare a state of emergency. That is why the President of the country took such responsibility. With the declaration of a state of emergency and the introduction of restrictive measures for movement and ban on operation of a number of industrial facilities, business companies, etc., the public health crisis turned into an economic one. The country is facing an even bigger problem, and that is saving the domestic economy. That is why four packages of economic measures were adopted, and many other government decisions to reduce the consequences of the crisis. Such decisions were made in the form of government decrees with legal force, because in the period of state of emergency, the Government took over the role of adopting legal acts - decrees with legal force. The benefit of these legal acts is that they are adopted in a short period of time, unlike the laws, whose adoption process is much longer and goes through several stages, so that the adoption of the decrees enabled faster creation, adoption and implementation of decisions at the state level. . But on the other hand, their main drawback is that decisions are not made through a consultative and transparent process, without the involvement of stakeholders, expert public and debate. However, at the time, this seemed to be the only possible solution to alleviate the crisis and its aftermath.

In this analysis, the government economic measures that were adopted during the state of emergency were reviewed and elaborated, and special attention was paid to the measure for tourist vouchers, as well as the measures for social assistance. It is important to emphasize that economic experts have ²⁵pointed out that for the period of restrictions, governments should prepare new economic measures to support those who will be affected by them.

So, in the future , the measures should not differ much in essence from those that have been introduced so far, but they must be better designed and eliminate their weaknesses, and state institutions must show greater readiness for good planning and capacity in implementation of the process through which the measures are implemented. The groups of citizens that will be targeted, that is, to end up with those who need help the most, such as small companies, workers, those who lost their jobs, social assistance recipients and the poor, **must be better targeted** . However, **greater inclusiveness must be taken into account in the process of creating** and adopting the measures. There must be debates, in which the arguments and facts about future measures, the effects and the results they would give will be confronted. Of course, **the way of informing the public about the measures and giving the public the opportunity to follow the processes in which the measures are implemented must be introduced and explained**. The line ministries in particular **should focus more on fulfilling and respecting the principles of good governance and accountability and regularly inform about every decision made** (decision-making process, stakeholders involved, way of making, analyzes, budgetary implications, implementation process and results from implementation). It would be good if this

²⁵Jovanovi,, B., The worse the health, the worse the economy, 28.09.2020, <https://respublica.edu.mk/mk/prikazni-od-regionot/2020-09-28-08-13-33?fbclid=IwAR2Ok09RhKCRWWAXToRzf0Y09Z05>

way of informing is coordinated by the Government and uniform for all ministries, and especially to refer to measures that spend budget money.

In terms of measures, there must be a special package of measures only for small companies, following the example of many developed countries. Previous experience with distributing government financial assistance to large companies has not proved to be the most appropriate solution, and the funds have not gone where they were most needed. Such measures, in addition to support for overcoming liquidity problems and workers' wages, must also provide support for the digital transformation of small companies, ie reorientation to online operations, electronic sales and the like. This is the first OECD recommendation ²⁶to help small businesses in this pandemic. The new economic measures must be aimed at the social values of the state, ie pay more attention to the poor citizens. Because there are high social differences in the country, systemic changes are needed to address poverty, ie a social system in which the richer will pay higher taxes and the aid will go where it is needed.

Municipalities have also been hit by the economic crisis caused by the public health problem. Their response was delayed. Like all other entities and institutions in society, the municipalities were not prepared, and problems arose in the process of adaptation of various natures (technical, personnel, material, financial). And this is certainly expected, given that state institutions are in charge of the strategy and policy for dealing with the crisis and its consequences, so municipalities only need to implement and adapt to the measures taken at the central level. On the other hand, due to the reduction of budget inflows, the municipalities could not and still can not afford the luxury of offering financial assistance to reduce the consequences of the coronary crisis.

Regarding the transparency of the municipalities, ie the publication of information regarding the decisions they made during the crisis, there are no major changes. Municipalities that have previously posted decisions, measures and activities on their websites have continued to do so. But it is not just the availability of information to the public that is part of transparency and accountability. Setting clear rules and procedures, criteria, creating general and special conditions for the implementation of a municipal decision, setting deadlines, the possibility of appeals and publicity in the implementation of the entire procedure for any municipal decision are elements of municipal responsibility. Good governance of the municipality and the municipal budget means that every citizen of the municipality is informed about the work of the municipality and has equal access to all services offered (including the right to apply for competitions that are announced).

²⁶ The COVID-19 Crises in the Western Balkans, Economic impacts, policy responses and short-term sustainable solutions, OECD, 2020, <https://www.oecd.org/south-east-europe/COVID-19-Crisis-Response-Western-Balkans.pdf>