



STATE CAPTURE ILLUSTRATION THROUGH “SKOPJE 2014” PROJECT

STATE CAPTURE – ILLUSTRATION THROUGH “SKOPJE 2014” PROJECT



Project “Strengthening National Integrity Systems in the Western Balkans and Turkey, and tracking developments of anticorruption efforts – bridging grant”.

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INTRODUCTION

The abuse of executive power amid politicized public administration, through the construction of objects at the local level involving different stakeholders and people of trust, has led to a change of the image of the city center of the City of Skopje, the capital of the Republic of Macedonia. The leadership of the then ruling party VMRO-DPMNE created the so-called state capture “Skopje 2014” project, which was presented to the citizens for the first time in 2010, although the preparations and the construction of monuments, buildings, squares, facades and other buildings had begun much earlier, in 2006.

Frequent changes were made to the laws, of which a significant number in summary procedures, the integrity and independence of the judiciary were impaired, there were pressures on the media, violation of laws and selectivity, carried out massively by the executive. Through a series of legal violations, for the realization of this project, 685 million euros were spent from the Budget of the Republic of Macedonia, enabling, firstly, to weaken the democratic system, which has resulted in widespread criminalization of the state and society, and creating a powerful financial tool in order to discipline the influential groups as well. The abuse of power and the capture of state by politicians, who have influenced Government policies for their own benefit, have led to an inefficient allocation of resources and use of various corruptive methods which have different causes, consequences and financial repercussion.

The suspension of laws, rules and standards, aimed at achieving the goals of a certain social structure to implement the project, has opened a series of issues which are the subject of this analysis. Through the illustration of the “Skopje 2014” project, Transparency International - Macedonia has made the first attempt to show how individuals and stakeholders have managed in various ways to influence the decision-making process in the bodies of the legislative, executive and judicial authorities.

METHODOLOGY

The focus of this research is the concept of state capture, defined as a set of processes and/or a set of results involving control of public resources and their allocation in favor of special interests.

The purpose of the research is to describe the level of state capture in the Republic of Macedonia through:

- (1) identifying actors and powerful networks which have been involved,
- (2) describing the practices and mechanisms which have been used to gain benefits for their particular interests,
- (3) identifying the harmful consequences for the public good and/or democracy, and
- (4) proposing recommendations for the effective resolution of the situation.

Through the analysis, we have tried to answer several key questions:

- WHO - who are the involved parties, what are the forms of action and in what way did the involved actors manage to find mechanisms to implement the overall project?
- WHEN?
- HOW (and in WHAT SPECIFIC CIRCUMSTANCES and in what context did the practices emerge and develop)?
- WHAT?
- WHY - what is the benefit they gain for themselves and their networks?
- WITH WHOM?
- WITH WHAT - the harmful consequences for certain groups or social functions and democracy?
- WHAT are the possible remedies?

Furthermore, the purpose of this research is to give a picture of the factual state of affairs in the Republic of Macedonia, the practices applied despite the existence of a solid legal and institutional framework for the control of spending and the application of law – practices of (firstly) uncontrolled spending of public resources, using formal and informal mechanisms, and (secondly) ensuring a powerful tool for disciplining and balancing influential groups.

The analysis is based on a methodology prepared by the Transparency International Secretariat in Berlin, using two methods - desk research, using secondary data sources,

and semi-structured interviews as primary sources. During the analysis, empirical data¹ were used for measuring and comparing the state of “state capture” that the Republic of Macedonia faced in the period 2006-2016, as well as with today’s events.

The desk research is based on the following sources: laws and by-laws, programs, strategies, public policy documents, official documents of institutions obtained through requests for access to public information, reports, research, online searches and media posts.

On the other hand, the interviews, as primary sources of information, were conducted on the basis of semi-structured questionnaires in order to provide additional insights into the content obtained during the preparation of the analysis, clarifications of the practices and mechanisms, as well as the relations among the actors involved in the practices.

¹ Empirical data are information based on experience and observation, scientific research based on study and takes experience as a factor.

CASE STUDY

DEMOCRATIC PRINCIPLES

DEFINING THE TERM “STATE CAPTURE”

By using “Skopje 2014” project as an illustration, Transparency International - Macedonia has conducted systematic monitoring of the origin of the idea, through the approach and mechanisms used, to the opportunity to realize the grandiose project by capturing the state while quantifying personal benefits.

In addition, for the purposes of this analysis, the definition of the term “state capture” contains the following key elements:

- Centralized executive power;
- Members of the elites (from the executive, politics, business community);
- Modeling the rules to meet individual needs.

Hence, the phenomenon of “state capture” is defined as: “A state in society when there is strong centralized power, where members of the elites, who have the power, create policies and establish rules in order to secure and protect private interests.” In doing so, the very capturing of the state is characterized by a wide range of situations in which certain groups (social, political, ethnic) enjoy privileges (economical, political) acquired by means of state distribution (including different types of immunity).² However, in order to meet their individual needs, members of the elites begin to frustrate or eradicate the opponent using a variety of methods. The sociological explanation of Raj Mills is that such power is institutionalized, which basically means that, although it is illegal, it is not socially treated as criminal, but as admissible and publicly defended power.³

More specifically, state capture in Macedonia, through the example of the “Skopje 2014” project, is characterized by the following features:

1. a political project implemented by the executive that has won a majority of legitimate and democratic elections, but which has the tendency and desire to usurp all levers of governance, both licit and illicit ones;
2. paralyzing the institutions, and hence the entire system and the control mechanisms which are supposed to react when certain (and especially such gross) abuse is detected;

² Puhovski, Z., (2017), *Captured state in the Balkans: Who captures what? Kidnapped state or state sponsored kidnapping*, Sarajevo, Heinrich-Böll-Stiftung, p.7.

³ Prof. Dr. Ilo Trajkovski, Column published on 23.7.2018. in the “Nezavisen vesnik” <https://nezavisen.mk/mk/vesti/2018/07/73466/>

3. captured media - which are financed by state funds, in order to avoid direct communication with the public and building public awareness.⁴

On the other hand, when trying to define the term “state capture of R. Macedonia”, some⁵ approximate it to a form of organized crime, thinking that the only concept that links all elements of state capture is identical with the way in which organized crime works and is related to the term “mafocracy”, which, in turn, is a kind of governance in the form of a mafia. The state becomes captured when the political elite in power begins to function as a criminal organization. If you carefully analyze the situation in the past years in the Republic of Macedonia, the manner of governing the state is reminiscent of a mafia functioning of the party/coalitions in power. The criminal organization has its own hierarchy, has its own structure and the leader, that is, the head is at the helm of the pyramid, followed by the deputies, the soldiers and at the end of the pyramid are the collaborators. Collaborators are the foundation of the organized crime pyramid. In fact, these are people of trust both in the state institutions and in the Parliament, who adopt laws in accordance with the individual needs of the local self-Government.⁶

In this regard, Pippidi gives the answer to the question as to when an organization or a state becomes corrupt – actually, it is when corruption is the norm, that is, when the majority (50 plus one) of transactions (which may be defined as individual acts or in terms of monetary value) are corrupt.⁷

The comparison, which is given by prof. Steve Haber, in terms of the similarity between the phenomenon of “state capture” in the countries of Eastern Europe and the Western Balkans and “crony capitalism”, is a challenge for further analysis. The considerations of Crony capitalism, explained as a capitalist system, are based on favoring and accentuating individual elitist groups, companies, individuals who, in return, favor and endorse the current Government, but also maintain the power of that very Government in society.

However, while the pace of economic reform in countries in transition does have an impact on the level of state capture in a country - with those countries with advanced stages of reform having a lower degree of state capture, the degree of political reform - civil liberties, access to information, press freedom⁸ – was a more potent explanation.

4 Dragan Malinovski, statement, Workshop on “How does state capture work?” – “Skopje 2014” project, organized on June 7, 2018 in Skopje.

5 Prof. Besa Arifi, statement, Workshop on “How does state capture work?” – project “Skopje 2014”, organized on June 7, 2018 in Skopje.

6 Prof. Besa Arifi, statement, Workshop on “How does state capture work?” – project “Skopje 2014”, organized on June 7, 2018 in Skopje.

7 Mungiu-Pippidi, A., *For a New Generation of Objective Indicators in Governance and Corruption Studies*, Published online: 21 July 2016. <https://link.springer.com/article/10.1007/s10610-016-9322-1>

8 Joel Hellman, *Governance Specialist in the Europe and Central Asia Vice Presidency of the World Bank*, http://siteresources.worldbank.org/INTWBIGOVANTCOR/Resources/1740479-1149112210081/2604389-1149265288691/2612469-1149270950727/state_capture_gf2.pdf

HOW STATE CAPTURE WORKS - “SKOPJE 2014” PROJECT

In general, the idea for “Skopje 2014” began when the VMRO-DPMNE coalition in 2006 formed the Government, presenting it as a party program, which, in the period of their governance, until 2016, resulted in hundreds of constructions⁹ that change the detailed appearance of the City of Skopje. Furthermore, the realization of the project was also supported by the fact that during that period, the Municipality of Centar in the City of Skopje was governed by the same political party, resulting in strong support for the realization of the idea both at the central and the local level.

The citizens of the Municipality of Centar and the City of Skopje were dissatisfied with erecting constructions which had not been previously planned, and they showed their discontent through a series of protests of civil activists during 2009, which later turned into a so-called “Freedom Square” movement, as a reaction to the destruction and changing of the public spaces as part of “Skopje 2014” project.¹⁰ The counter-protests and clashes between the police and protesters were indicative of the deep divisions based on party affiliation.

The opposition party in the Parliament (SDSM) severely criticized the concept for which they felt it would completely alter the city’s appearance, and they additionally disputed the aesthetics of the envisaged constructions, their price, as well as the political consequences that could affect the name dispute, thereby affecting the European integration as well.¹¹ This project was also criticized for its mono-ethnic nature, since most of the monuments represent figures from the history of the Macedonian people. In addition, the project was not sufficiently analyzed in terms of the historical, sociological and cultural circumstances that preceded it, which had inevitably played a part in its creation.¹²

Following the early parliamentary elections in 2011, the Government was re-formed by the same coalition partners VMRO-DPMNE and the Albanian party DUI, which meant continuation of one of the key projects - “Skopje 2014”. One of the arguments represented by the Government for the implementation of this project was that during the financial crisis, construction would stimulate the economy, by activating other economic branches, and another view was that in this way, with the construction of buildings for the accommodation of state bodies (Ministry of Foreign Affairs, Archaeological Museum, State Archive, etc.), there would be no renting costs. In the opinion of the Government, the project meant maintaining the condition of Macedonian economy, especially in the area of civil engineering, as well as salvation from a larger GDP decline and a longer-term recession amid the great financial and economic crisis that swept the world. For the Government, everything that was built was done and publicly manifested so in order to raise the national dignity of the Macedonian.¹³ The involved architects, sculptors, investors and officials in the administration say that the competent institutions have complied with all the procedures.¹⁴ However, there were also debates pointing to the fact that the project itself fails to reflect the country’s multiethnic values.

The local elections in March 2013 were significant for the Municipality of Centar due to the fact that the two largest political parties in the Macedonian bloc, by winning the power in

9 Buildings, sculptures, facades, squares, bridges, fountains.

10 <http://gradzasite.mk/za-plostad-sloboda/>

11 Andrej Petrov, Statement by SDSM MP, available at: <https://www.slobodnaevropa.mk/a/2241400.html>

12 Nikos Chausidis, (2013), “Skopje 2014” project - *Sketches of a Next Research*, Skopje, p. 8.

13 Mancho Mitevski, (2017), *State Capture*, Kultura, Skopje, p. 122.

14 An interview with representatives of the local self-government, carried out on December 13, 2017 in Skopje.

this municipality, had the opportunity to influence the further realization of the “Skopje 2014” project because they represented completely different views.

Therefore, the political struggle to win power in the City of Skopje and in the Municipality of Centar was what made these local elections tense. The opposition (SDSM) and the media presented a well-reasoned argument that there were phantom voters on the territory of the Municipality of Centar and provided examples for a large number of voters who were registered with a place of residence at the same address.¹⁵ Several parties expressed particular suspicion about the legitimacy of ethnic Macedonians living in Albania, who were allowed to be enrolled in the voters’ list and to vote. These developments caused concern among the citizens, because in the Municipality of Centar in Skopje, it was reported that there were a large number of people enrolled in the voters’ list, but who did not appear to be residents of the Municipality of Centar.¹⁶ The annulment of the election results by the Administrative Court contributed to the tense atmosphere of the rerun in the second round of elections in the Municipality of Centar, which stood in the way of building a democratic culture and a positive image of the electoral process in the Republic of Macedonia.¹⁷ In the second round of elections too, at certain polling stations in the Municipality of Centar, people appeared about whom there were doubts whether they lived in the municipality.¹⁸ Also, there were cases of attempts to manipulate citizens on the day of the elections, attempts to demotivate and discourage citizens to vote by means of sabotage and methods which give the impression of a low level of democratic political culture.

Attempts to maintain power at the local level in the Municipality of Centar were obvious. However, in the local elections in 2013, the SDSM coalition won the Municipality of Centar, and the new Mayor immediately established a commission in order to determine the actual state of affairs in terms of the realization of “Skopje 2014” project through the Municipality of Centar. The Commission prepared two Reports¹⁹ citing numerous irregularities. On the basis of the Reports, the Mayor of the Municipality of Centar pressed criminal charges with the Public Prosecutor’s Office of the Republic of Macedonia (PPORM); however, despite this, the PPORM did not file charges.

Instead, polarization in society reached its peak when supporters of the project protested in front of the Municipality of Centar exactly at the time when the Council of the Municipality was holding a session and discussed the detailed urban plan for the *Small Ring*, and a group of citizens in front of the municipality tried to forcefully prevent the course of the session.²⁰

15 In one case in the Municipality of Centar, 75 persons were registered with a dwelling at the same address. The SEC decided to ask the Mol to clarify “under what conditions, procedures and when” such voters received citizenship and personal identification documents.

16 Final Report of the OSCE/ODIHR Election Observation Mission, Local Elections in the Republic of Macedonia, March 24 and April 7, 2013, p. 11 Footnote 2. Available at: <http://www.osce.org/mk/odihr/elections/103832?download=true>

17 MOST Association, (2013), Final Report Domestic Monitoring of the 2013 Local Elections, Skopje, p. 18

18 Ibid.

19 First Report on the Involvement of the Municipality of Centar in “Skopje 2014” project. Prepared by: prof. Slagjana Taseva, PhD and Dragan Malinovski

<http://opstinacentar.gov.mk/LinkClick.aspx?fileticket=FFWpQbLwYvc%3d&portalid=0&language=mk-MK>

Second report on the actual situation with the realization of “Skopje 2014” project through the Municipality of Centar - Public procurement for monuments design

<http://opstinacentar.gov.mk/Portals/0/Documentatin/Banners/izvestaj%20II%2024.11.2013.pdf>

20 Titanic Case <http://www.jonsk.mk/wp-content/uploads/2017/09/%D0%A2%D0%B8%D1%82%D0%B0%D0%BD%D0%B8%D0%BA.pdf>

LEAKS ON “SKOPJE 2014” IN THE WIRETAPPED CONVERSATIONS

Political stability was additionally shattered by the release of the wiretapped conversations by the leader of the opposition SDSM, where in some of the released conversations there were indications of serious violations and abuses in the implementation of the “Skopje 2014” project.²¹ However, the wiretapped conversations disclosed many other doubts as to the true intentions of the ruling party, which for its own interests, used the Mol’s resources by issuing ID cards to people who did not have a place of residence in the Municipality of Centar in order to increase party votes in the municipality in the local elections. In addition, suspicions were fueled that the violence in the Municipality of Centar was commissioned by party members of VMRO-DPMNE, and the reasons for the failure of the Public Prosecutor’s Office to act and for the prosecution of opponents were uncovered. Undoubtedly, with the release of the wiretapped conversations, one was able to perceive the direct influence of the executive on the work of the judiciary - party demands that were the key reason for the inertia of the competent institutions in their actions.

THE INTERNATIONAL REACTION TO STATE CAPTURE

For the first time, the Republic of Macedonia 2016 Report, prepared by the European Commission, contained criticism as it was concluded that “democracy and rule of law have been constantly challenged, in particular due to state capture affecting the functioning of democratic institutions and key areas of society”.²²

The systemic problems in the area of the rule of law were corroborated by the Priebe Report and the urgent reform priorities, whereby imposing the need for the establishment of a new, so-called Special Public Prosecutor’s Office (SPO).²³

According to the European Commission Report, independent regulatory, supervisory and advisory bodies were not able to carry out their functions proactively, effectively and free from political pressure, leading to limited oversight of the executive.²⁴

STATE OF MACEDONIAN JUDICIARY

Over the past years, Macedonian judiciary has been continuously criticized by the domestic and international expert community. The report of the expert group in 2017 noted that the control and misuse of the judicial system by a small number of judges in powerful positions to serve and promote political interests has not diminished.²⁵ This has been described as a kind of “state capture”, but is perhaps more precisely characterized as the capture of the

²¹ <https://okno.mk/node/47454>

²² European Commission, Republic of Macedonia 2016 Report, Brussels, p. 4

²³ The Public Prosecutor’s Office for prosecuting crimes related with and arising from the content of the unlawful interception of communications, also known as the Special Public Prosecutor’s Office, was established by the Law on Public Prosecutor’s Office for prosecuting crimes related with and arising from the content of the unlawful interception of communications, adopted by the Parliament of the Republic of Macedonia on September 15, 2015 <http://www.jonsk.mk/>

²⁴ European Commission, Republic of Macedonia 2017 Report, p. 8.

²⁵ European Commission, Republic of Macedonia: Recommendations by a group of senior experts on systemic issues of rule of law related to the interception of communications discovered in the spring of 2017, Brussels, European Commission, p. 4-5

judiciary and prosecution by the executive power.²⁶ For these reasons, as never before, the state is faced with a major challenge to secure independence and, in particular, to eliminate political influence on decision-making in the prosecution and judiciary, as well as to ensure depoliticization of the appointment and promotion of judges and prosecutors.²⁷ The Ministry of Justice has noted numerous irregularities in the ACMIS system, while the analyses by experts point to omissions in the conduct of court proceedings and verdicts with visible violations of the Criminal Code to the detriment of convicts.²⁸

Until the SPO was established, there was no investigation on the alleged irregularities in the “Skopje 2014” project, on the award of contracts, or on serious conflicts of interest and abuse of public office.²⁹ The first indictments related to the “Skopje 2014” project, raised by the SPO, refer to the cases “Titanic”³⁰, “Violence in the Municipality of Centar”³¹ and “Tenders”³². These indictments confirm the intentions of the executive and its involvement in falsifying travel documents so that individuals can vote in the local elections in the Municipality of Centar, violence commissioned by the party in front of the Municipality of Centar during the session of the Council while deciding on the amendments to the Detailed urban plan, as well as abuses of the public procurement procedure, for example, for the construction of the Museum of the Macedonian Struggle for Statehood and Independence.

Moreover, state capture is also evident through the “TNT”³³ and “Torture” cases, raised by the SPO, in which political opponents and critics of the work of the Government led by VMRO-DPMNE and DUI were in some way prosecuted and “politically eliminated”. In the “Torture”³⁴ case, the former director of the Administration for Security and Counterintelligence has been charged with ordering the inappropriate arrest of the former Interior Minister from the VMRO-DPMNE, who, after his departure from the party, became the leader of another political party and severely criticized the rule of VMRO-DPMNE during the 2011 Parliamentary Elections.

On the other hand, partization, particularism and corruption are merely instruments for abusing the influence of the executive on other institutions. In this way, certain elites are privileged and gain personal benefit at the expense of the social good.³⁵

Where did the institutions fail? Some authors believe that the demonstration of power and the intimidation of citizens, using mass media under one’s wing, are actually beyond the legal powers related to the institutional positions they occupied or the official roles they played as public officials. This power stems from the networks of informal relations of politicians

26 These judges continue to put pressure on their younger colleagues through their control over appointments, assessments, advancement, discipline and dismissal systems, which are used to reward those who comply and punish those who refuse to comply.

27 Platform of Civil Society Organizations for Combating Corruption, (2018), *The degree of openness of the competent institutions through the prism of the civil society organizations at the central level*, Skopje, p. 9

28 Taseva, S., Ristova, M., Arnaudovski, Lj., Nastevski, Gj., (2017), *Under the magnifying glass: Report from the analyzes of 12 effective criminal cases*, Transparency International - Macedonia, Skopje, p. 14 (available at: http://www.transparency.mk/images/stories/Publikacii/pod_lupa.pdf)

29 European Commission, Republic of Macedonia 2016 Report, p. 37

30 <http://www.jonsk.mk/wp-content/uploads/2017/09/%D0%A2%D0%B8%D1%82%D0%B0%D0%BD%D0%B8%D0%BA.pdf>

31 <http://www.jonsk.mk/wp-content/uploads/2017/09/%D0%9D%D0%B0%D1%81%D0%B8%D0%BB%D1%81%D1%82%D0%D0%B0%D0%BE%D0%BE%D0%BE%D0%BE%D0%B5%D0%BD%D1%82%D0%B0%D1%80-.pdf>

32 <http://www.jonsk.mk/wp-content/uploads/2017/09/%D0%A2%D0%B5%D0%BD%D0%B4%D0%B5%D1%80%D0%B8.pdf>

33 <http://www.jonsk.mk/wp-content/uploads/2017/11/%D0%A2%D0%9D%D0%A2.pdf>

34 http://www.jonsk.mk/?page_id=1012

35 Dimov, D. (2017), *The Power of the Executive*, Skopje, Transparency International - Macedonia, Public Policy Paper, p. 18. Available at: http://www.transparency.mk/images/stories/Publikacii/mokta_na_izvrssnata_vlast.pdf

with other sectors of society.³⁶ This begs the question of what those involved parties are, or network of actions, mechanisms and instruments that they have practically used through the institutional framing of the project. The realization of the project was obviously of great importance to VMRO-DPMNE, since the party's leadership was directly involved in its realization, in choosing the right ideas, in making agreements with investors, and later, in order to retain power at the local level, in the Municipality of Centar, they tried to commit electoral fraud, as well as to prevent the amendment of the Detailed urban plan in the central city area.

HOW DID THE SYSTEM OF STATE CAPTURE WORK

There is a clear organization system of decision-making and implementation of those decisions. This entire project had been prepared with well-thought-out steps; additionally, changes were made to the regulation by adopting decisions that would enable the realization of the project; in other words, there was a comprehensive arrangement of the system of figures, elements, organization and development of a very well established mechanism - a network that would allow the realization of the entire activity.³⁷

Practically, all the proposed laws have been initiated by the Government of the Republic of Macedonia, and passed by the Parliament, which is under strict control of the political center of the executive. Subsequently, a large part of the constructions in the central area of the City of Skopje were erected with the support of the institutions, ministries and municipalities, which, although not authorized for construction, were indeed part of these activities. The works were carried out untransparently through decision-making and initiatives at the central level, and building permits at the local level, while funds were allocated for this purpose from the central budget through the Ministry of Culture to the accounts of the Municipality of Centar. It is a galimatias of decisions, procedures, which in itself is illogical and chaotic, because the decision is not a product of a procedure.³⁸

All monuments of “Skopje 2014” were realized by the Government and the Municipality of Centar by derogating from the constitutional competences of the Parliament of the Republic of Macedonia, which, according to the law, is entitled to make decisions on monuments of state importance only. The executive openly and arrogantly usurped the initial competencies of the Parliament, which is not only competent to erect the monuments, but it also has to decide about each monument individually, with a double majority - the majority of the present MPs and the majority of MPs of the minority communities. In this way, all institutions of the system are self-defeating in terms of their constitutional role, participating in the realization of the “Skopje 2014” project, whether by actively violating the laws and the Constitution, or by actively failing to act and legalizing crime.³⁹

36 Prof. Ilo Trajkovski, Column published in “Nezavisen vesnik” on 23.7.2018, available at: <https://nezavisen.mk/mk/vesti/2018/07/73466/>

37 Prof. Slagjana Taseva, PhD, a statement at a conference on the topic “Capture State - illustration through the case - Construction of “Skopje 2014” project, organized on June 25, 2018 in Skopje.

38 Interview, Tamara Chausidis, editor of the Balkan Investigative Reporting Network (BIRN) in Macedonia, organized on 16.01.2017 in Skopje.

39 Prof. Miroslav Grchev, statement at a conference on “State Capture - illustration through the case - Construction of “Skopje 2014” project, organized on June 25, 2018 in Skopje.

The overall procedures implemented by the executive, i.e. the decision-making, took place in a phased manner as follows:

- **The Parliament of the Republic of Macedonia** passes laws – upon proposal of the Government of the Republic of Macedonia
- **The Government of the Republic of Macedonia** adopts a Decision on the construction of a building - then the competence is taken over by the competent Ministry or the Service for General and Common Affairs (SGCA) of the Government of the Republic of Macedonia
 - The Service for General and Common Affairs (**SGCA**) is competent for construction
 - **The Ministry of Culture** submits an Initiative for the construction of an object to the Council of the Municipality of Centar/City of Skopje
 - **The Council of the Municipality of Centar/City of Skopje** accepts the initiative
 - **The Mayor of the Municipality of Centar/City of Skopje** approves it
 - - Establishment of a **Board** and announcement of the Concept Design Competition
 - Concept design selection - A **Commission** reviewing the proposed concept designs
 - Selecting the most favorable bid/**contractor**
 - Announcement of the competition and selection of the **investor**
 - Approval by the **Ministry of Transport and Communications**
 - Approval by the **Cultural Heritage Office**
 - Establishment of a **Commission for Supervision of Operation**
 - Entering the object in the **Cadaster Agency**
 - **Donations from NGOs, PE and individual/artistic donations by sculptors and other contractors**

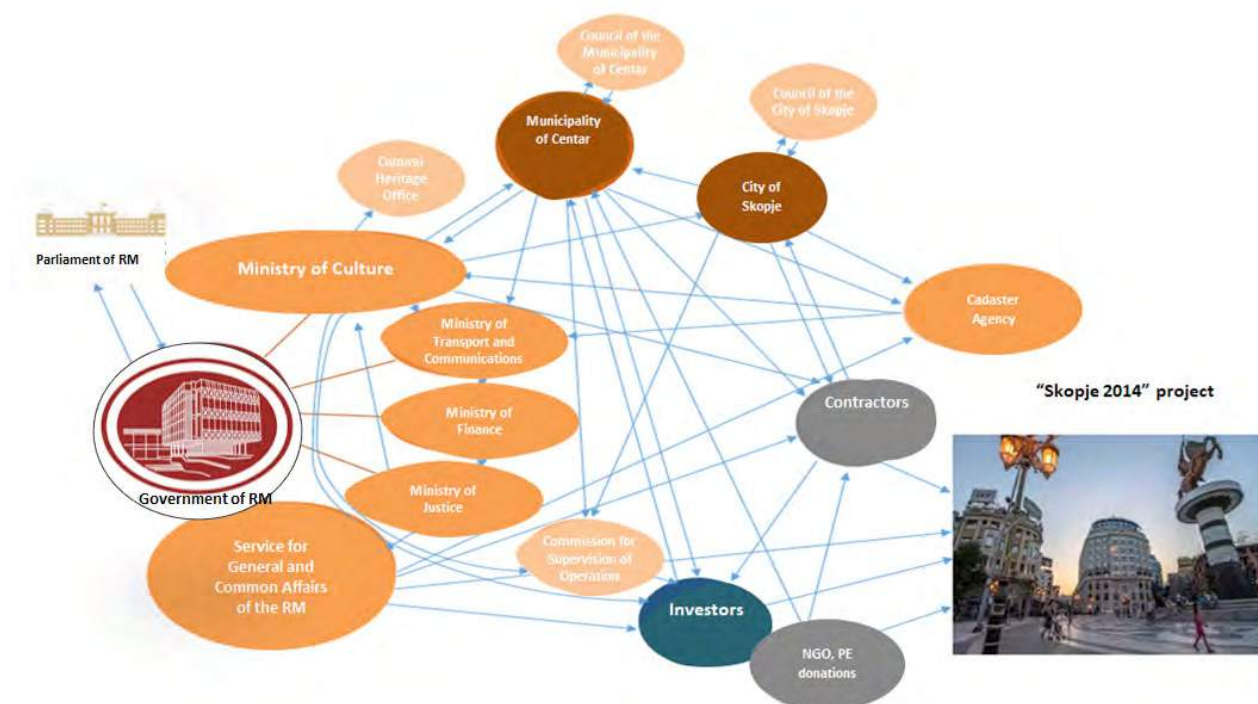


Chart no. 1: A depiction of stakeholders and their mutually established connections during the decision-making process and the implementation of the “Skopje 2014” project.

Certain analysts believe that the whole concept would not have been so massive unless close people of the ruling party were involved, who were responsible for major changes to the detailed urban plans in Centar - Planning and Spatial Planning Department in the Municipality of Centar – and subsequently, after the change of power, transferred into the administration of the City of Skopje, led by VMRO-DPMNE.⁴⁰ It is typical that at one point the same people appear as members of the commission, and then as authors, making a circle of trust where people from “our side” dominate⁴¹.

In the analysis of the National Integrity System Assessment for Macedonia, it was noted that the separation of powers and the rule of law were undermined with the domination of the executive power and the weaknesses of the legislature and the judiciary.⁴²

Another example that illustrates state capture in this case is the way all legal tools were used to enable the realization, that is, the construction of the project. The amendments to the laws which were essential for the implementation of the “Skopje 2014” project were carried out with the intervention of the executive in terms of making amendments and supplements to several key laws, such as: the Law on Memorial Monuments and Memorial Landmarks; Law on Public Procurement; Law on Spatial and Urban Planning. Among them, the most important changes were made to the Law on Construction, where a total of 21

40 Reaction of the Municipality of Centar to the reportage on TV Sitel from the day before (available at: <http://opstinacentar.gov.mk/%D0%A1%D0%B5%D1%80%D0%B2%D0%B8%D1%81%D0%B8%D0%B8%D0%B8%D0%B8%D0%B8%D1%82%D0%B8%D1%80%D0%B0/%D0%9D%D0%B0%D1%81%D1%82%D0%B0%D0%BD%D0%B8/ArtMID/561/ArticleID/737/mediaid/3575>)

41 Interview Tamara Chausidis, editor of the Balkan Investigative Reporting Network (BIRN) in Macedonia, organized on 16.01.2017 in Skopje.

42 Taseva, S. (2016), *National Integrity System - Assessment for Macedonia*, Skopje, Transparency International - Macedonia, p. 36 (available at: http://www.transparency.mk/images/stories/NIS_mk.pdf).

amendments and supplements were made in the period 2009 - 2015. Furthermore, the numerous amendments to the Law on the Protection of Cultural Heritage, in order to place the activities within a legal framework, and its deliberate abuse in the process of erasing the status of protected cultural heritage of about a hundred of separate objects in the central city area, with the intention to be “dressed” in new attire and declared cultural heritage anew, serve as an additional illustration of the Macedonian model of “state capture”.⁴³

In the period 2006-2016, the Government adopted Decisions to amend the Decision on the establishment of the SGCA (Service for General and Common Affairs) nine times. Among them, the key provision, which gives competence to the SGCA to build and reconstruct objects used by the state administration bodies, was adopted in 2011. An explicit example is the Government’s Decision to amend the Decision on the establishment of the SGCA, in which Article 1 was supplemented by the following competence: “construction of buildings” and “reconstruction of facilities and business premises used by state administration bodies and residential and representative facilities in compliance with the Investment Maintenance Program”.⁴⁴ This change was made post festum in 2011, because, in fact, even though it was not authorized to do so, through the SGCA, the Government in the period of 2008⁴⁵, 2009⁴⁶ and 2010⁴⁷ had already allocated funds from the budget and illegally financed the construction of facilities.

The series of changes in the Detailed Urban Plan (DUP) of the Municipality of Centar, Decisions of councils at the local level and adoption of rulebooks for the operation of state bodies are only part of the legal acts adopted in order to comply with the form. The lack of transparency in the adoption of laws is evident through the non-disclosure of the laws on the Single National Electronic Registry of Regulations - ENER⁴⁸, which is why the adoption of laws in summary procedures over the years has drastically increased. According to the Annual Report of the Parliament of the Republic of Macedonia in 2015, of the total number of adopted laws, 56% were adopted in summary procedure, while already in 2016, 65% of the laws were adopted in summary procedure.⁴⁹ Thus, in 2016, 315 laws were passed upon proposal of the Government, and only 25 laws upon proposal of the Members of Parliament - for which there was no public debate on laws proposed by MPs.⁵⁰ In fact, the parliamentary majority proposed laws and passed them in summary procedure, thereby successfully avoiding parliamentary debate and the involvement of other stakeholders, which, in turn,

43 Asaf Ademi, Minister of Justice, a statement at a conference on the topic “State Capture - illustration through the case - Construction of “Skopje 2014” project, held on June 25, 2018, Skopje.

44 Decision of the Government, Official Gazette of the Republic of Macedonia no. 37/2011

45 The Budget of the Republic of Macedonia for 2008, allocated for the Service for General and Common Affairs of the Government of the Republic of Macedonia, for 1A - reconstruction of buildings of governmental bodies and 1b - construction of administrative buildings of the Constitutional Court and the State Archives of the Republic of Macedonia totaled 1,053,600 thousand denars.

46 The Budget of the Republic of Macedonia for 2009, allocated for the Service for General and Common Affairs of the Government of the Republic of Macedonia, for 1A - reconstruction of buildings of governmental bodies and 1B - construction of administrative buildings of the Constitutional Court and the State Archives of the Republic of Macedonia and reconstruction of MRTV, amounting to a total of 1,181,749 thousand denars.

47 The 2010 Budget of the Republic of Macedonia, allocated for the Service for General and Common Affairs of the Government of the Republic of Macedonia, for 1A - reconstruction of buildings of governmental bodies and 1B - construction and reconstruction of administrative buildings of state bodies, amounting to a total of 1,504,442 thousand denars.

48 <https://ener.gov.mk/?typestatic=static&itemid=18455&rootthemeid=18455>

49 Report on the work of the eighth parliamentary composition of the Parliament of the Republic of Macedonia in the period from 10.5.2014 to 17.10.2016 <http://www.sobranie.mk/content/izvestai/MANDATEN%20IZVESTAJ%20ZA%20RABOTATA%20NA%20SOBRANIETO%20NA%20RM%202014-2016.pdf>.

50 Annual Report of “Ogledalo na vladata” <https://www.viewalonavladata.mk/>

reduced the transparency of the operation of the Parliament⁵¹. An important message on this was also sent by the European Commission in the 2018 Report, which read that the Parliament of the Republic of Macedonia requires improvement of its operation as a forum for constructive political dialogue and strengthening of its legislative function by restricting the widespread use of summary legal procedures.⁵²

SKOPJE 2014 AND THE DEFINITION OF STATE CAPTURE OF THE WORLD BANK

If we look back at the definition of the World Bank, according to which “*state capture is a phenomenon whereby laws are created so that state resources can be transferred to a particular group of decision makers under conditions which are unacceptable to the state*”,⁵³ in that case, “Skopje 2014” project is a striking example of state capture.

THE LINK BETWEEN STATE CAPTURE AND POLITICAL CRIME

According to experts, “Skopje 2014” project, in fact, is not an illustration of state capture, but it itself is a “project of state capture”, it is the embodiment of the capture of the state and its citizens, it is its tool whereby, on the one hand, the state budget is being robbed extensively for the benefit of the ruling party and its business-mafia body, and, on the other hand, a cultural and political engineering is being carried out to change the identity of the nation and its history.⁵⁴

All the utilized mechanisms led to the realization of the ultimate goal - misusing the budget of the Republic of Macedonia for particular individual benefits. For example, in 2009, the Government announced that it invested 6 million euros for the construction of the Macedonian Philharmonic, while at the press conference at the opening of the building, the then Prime Minister N. Gruevski said the building cost 37 million euros, or 6 times more.⁵⁵

Over time, “Skopje 2014” project has taken on another dimension. With the help of this project, organized crime has been raised to a higher level, it has transformed into a system of political crime and became sophisticated to the maximum: the electronic tenders were legal, and the tender conditions were changed by means of a number of annexes; the costs of the projects and objects were increased, money was laundered and shared (according to the system of payment and return) between the purchasers and the contractors, between the purchasers and the propagandists (if you broadcast our propaganda in your medium, your company will get a tender), sculptors and painters fees reached millions of euros, as did the travel and daily costs of monitoring the founding at the foundries in Italy and Serbia.

51 Platform of Civil Society Organizations for Combating Corruption (2018), *The degree of openness of the competent institutions through the prism of the civil society organizations at the central level*, Skopje, p. 6 (available at: <http://antikorupcija.mk/mk/record.php?id=1142&mv=4>).

52 European Commission, *Republic of Macedonia 2018 Report*, Brussels, p. 11.

53 The World Bank Institute of Governance, Regulation and Finance and European Bank for Reconstruction and Development, Chief Economist's Office, (2000), *Measuring Governance, Corruption, and State Capture: How Firms and Bureaucrats Shape the Business Environment in Transition Economies*, Policy Research Working paper 2312.

54 Statement by prof. Miroslav Grchev, Conference on «State Capture - illustration through the case - Construction of “Skopje 2014” project, organized on June 25, 2018 in Skopje.

55 Press conference on March 31, 2017

There is no object within the project the cost of which was not several times higher than the initial cost of the tender!⁵⁶

If we perceive power as an ability to achieve one's own goal and to impose one's own opinion, either by force or by persuasion, in that case, the instruments of power include force (or, more often, threat to use force), persuasion, negotiation and loyalty, as well as preventing the availability of information, which, if available, would lead them to act in a completely different way. However, in addition, one needs to take into account the authority that creates power, as long as people accept that the authorized person has the right to make decisions.

What happens when the source of this power is beyond the legal competencies, as was the case in the Republic of Macedonia? When asked what these sources are, prof. Trajkovski points to the ongoing restructuring of the sociological core of state-citizens, whereby the main resources of the illegal power of political elites are located in four nuclei of the new social order: secret services, private enterprises, organized crime groups and political parties. In terms of these, the political elite generates its supremacy through three mechanisms of illegal reproduction of power: instrumentalization of secret services, political indebtedness of economic actors and politicization of crime.

There is a particularistic distribution of public resources and goods ending in favorable treatment for some and discrimination for others, which is the opposite of the modern administrative norm of ethical universalism (everyone treated equally and fairly). Democracy, for example, is ultimately defined as a free (i.e. unlimited) competition for power and selection of a ruling party through free and fair elections. When the executive uses its position to prevent the opportunities for fair competition with political opponents, it directly influences the creation and adoption of laws, affects media reporting, the free market, and weakens the functioning of the judiciary, which are the main features of non-liberal democracies.

STATE CAPTURE AND UNFREE STATE

The failure to establish an independent and unbiased judiciary, meddling of the government in the judiciary, obstructions of the work of the Special public prosecution (SPP), the pressure and intimidation of the NGO sector, the influence of the governing coalition in the private business and threatening the freedom of expression in the media are all part of the remarks noted in the *Report by the American State Department on the condition in Macedonia in 2016*.⁵⁷ According to Freedom House, Macedonia in 2016 was assessed as an unfree country, and with the beginning of the reforms in the country in 2017 it was assessed as partially free country.⁵⁸ The research conducted by MCIC (Macedonian Center for International Cooperation) in 2018 showed that the inefficiency of the judicial system in the fight against corruption, lack of strict administrative control of corruption (74.2%) and the desire for fast personal enrichment by those holding the power (73.9%) for 76% of the citizens are the leading factors for the widely spread corruption. Furthermore, for around 70% of the citizens overlapping of the official duties with the personal interest and the moral

⁵⁶ Mancho Mitevski, (2017), *State Capture*, Kultura, Skopje, p. 123

⁵⁷ U.S. Department of State, (2016), Country Reports on Human Rights Practices for 2016: Macedonia, Bureau of Democracy, Human Rights and Labor, <https://www.state.gov/j/drl/rls/hrrpt/2016humanrightsreport/index.htm?dliid=265446&year=2016>

⁵⁸ Freedom house, (2017), Freedom in the world 2017: Macedonia, Freedom house, <https://freedomhouse.org/report/freedom-world/2017/macedonia>

crisis existing in the society are the other factors affecting the widely spread corruption.⁵⁹

In the opinion of the citizens, corruption has significantly penetrated among officials and public administration.⁶⁰ Three out of four citizens think that judges and public prosecutors are most corrupt. In addition, the majority of the population (over 65%) think that MPs, ministers, party and local leaders are most corrupt professions, furthermore, the majority of the citizens (around 60%) think that corruption has also penetrated among mayors, lawyers, and custom administration officials.⁶¹ This perception for politicians has been followed by an ever lower level of trust for the political institutions as such, and high level of personal affiliation and loyalty – clientelism and patronage.⁶²

The former Government used all possible means to limit the freedom of speech and control the media.⁶³ *Freedom House* noted that the Macedonian media space was deeply polarized in context of politics. Auto censorship among journalists is very frequent due to the great pressure towards media owners, especially due to the business interests or political interests, and recently due to the concern of interception.⁶⁴

The period was characterized with donations by sculptors and civil organizations, without information about the origin of the funds. One association (the Association for spiritual unification of Setinci, Popadinci and Krushoradi) donated seven monuments in the center of Skopje.⁶⁵ The foundry RZ “Institut” and the construction company “Bauer BG” did not respond to the question about the costs for the monuments, and the artists on the other hand, say that their work was their personal donation.⁶⁶ The public never found out in what way this association provided the thousands of EUR for this type of donation. However, what was disclosed in public was that this association received a car “Audi A4” from the Government, business premises in the center of Skopje, free of charge and a great number of grants.⁶⁷

59 Nuredinovska, E., Kamilovska Trpovska, S., Ivanovska, N., Popovikj, M. (2018), Assessment Report on the Corruption in the Republic of Macedonia: 2018, Macedonian Center for International Cooperation, Skopje, p. 16, available at: <http://www.mcms.org.mk/images/docs/2018/izveshtaj-za-procenka-na-korupcijata-vo-Makedonija-2018-g.pdf>

60 Nuredinovska, E., Kamilovska Trpovska, S., Ivanovska, N., Popovikj, M. (2018), Assessment Report on the Corruption in Macedonia: 2018, Macedonian Center for International Cooperation, Skopje, p. 34, available at: <http://www.mcms.org.mk/images/docs/2018/izveshtaj-za-procenka-na-korupcijata-vo-Makedonija-2018-g.pdf>

61 Ibid, p. 35

62 Professor, PhD, Ilo Trajkovski, an article published in “Nezavisen vesnik” on 23.07.2018, available at: <https://nezavisen.mk/mk/vesti/2018/07/73466/>

63 Nebiu, B., Selmani, N., Sekulovski, D. (2016), Indicators regarding the freedom of media and journalists' safety (Macedonia), Association of Journalists, Skopje p. 6, (available at: <http://znm.org.mk/wp-content/uploads/2016/03/%D0%98%D0%B7%D0%B2%D0%B5%D1%88%D1%82%D0%B0%D1%98-%D0%9F%D0%BE%D0%BA%D0%B0%D0%B7%D0%B0%D1%82%D0%B5%D0%BB%D0%B8-%D0%B7%D0%B0-%D1%81%D1%82%D0%B5%D0%BF%D0%B5%D0%BD%D0%BE%D1%82-%D0%BD%D0%B0-%D1%81%D0%BB%D0%BE%D0%B1%D0%BE%D0%B4%D0%B0-%D0%BD%D0%B0-%D0%BC%D0%B5%D0%B4%D0%B8%D1%83%D0%BC%D0%B8%D1%82%D0%B5-%D0%B8-%D0%B1%D0%B5%D0%B7%D0%B1%D0%B5%D0%B4%D0%BD%D0%BE%D1%81%D1%82%D0%B0-%D0%BD%D0%B0-%D0%BD%D0%BE%D0%B2%D0%B8%D0%BD%D0%B0%D1%80%D0%B8%D1%82%D0%B5-%D0%9C%D0%9A-%D0%B4%D0%B5%D0%BA%D0%B5%D0%BC%D0%B2%D1%80%D0%B8-2016.pdf>).

64 <https://www.akademik.mk/fridom-haus-za-slobodata-na-mediumite-makedonija-e-neslobodna-zemja/>

65 The monuments of the General Mihajlo Apostolski, Andon Lazov Janev – Kjoseto, Gjorgji Sugarev. Nikola Petrov-Rusinski, Pere Toshev, St. Lidija and the monument of children refugees from Aegean Macedonia.

66 Ibid.

67 <http://prizma.birn.eu.com/%D0%BC%D0%BA/%D1%81%D1%82%D0%BE%D1%80%D0%B8%D0%B8/%D1%81%D1%82%D0%B0%D0%BD-%D0%B8-%D0%B0%D1%83%D0%B4%D0%B8-%D0%B04-%D0%BE%D0%B4-%D0%B2%D0%BB%D0%B0%D1%81%D1%82%D0%B0-%D0%B7%D0%B0-%D0%B7%D0%B4%D1%80%D1%83%D0%B6%D0%B5%D0%BD%D0%B8%D0%B5%D1%82%D0%BE-%D1%88%D1%82%D0%BE-%D0%B4%D0%BE%D0%BD%D0%B8%D1%80%D0%B0-%D1%81%D0%BF%D0%BE%D0%BC%D0%B5%D0%BD%D0%B8%D1%86%D0%B8>

MEASURES UNDERTAKEN BY COMPETENT INSTITUTIONS FOR INSPECTION OF THE LAWFULNES AND LEGITIMACY OF THE “SKOPJE 2014” PROJECT

The Government, led by SDSM, at the beginning of its mandate in 2017, established a working group within the Ministry of Culture to prepare an analysis about the implementation and the implications from the “Skopje 2014” project.⁶⁸ The working group shall conduct evaluation of all aspects of the project within the competences of the Ministry of culture and will give proposal for possible solutions and measures for implementation of activities in the following period.⁶⁹ The coordinator of the working group pointed out that the project was extensive and they were working through concrete examples for intensive well-argued disclosure of part of these institutions, and determine all existing procedures which had not been complied with or had been violated. We should be well aware that freedom of the state capture is not an easy process and it will be a long period.⁷⁰

The working group established for the inquiry of the societal and professional justifiability of the existence of a Museum of the Macedonian struggle for statehood and independence – Museum of VMRO and Museum of the victims of the communist regime, announced that upon chronological analysis of the documents related to the construction of the museum, they have established breaches of four laws – the Law on Budget, the Law on execution of the budget, the Law on Museums and the Law on protection of the cultural heritage. In the first budgeting year (2007), MKD 16.600.000 had been allocated under the item for museum and cinemateque activities, and the decision on establishment of the museum was adopted in 2008. The Law on museums is breached because they failed to fulfill the conditions for establishment of museums, among which is preparation of a summary, which is nonexistent. Furthermore, they did not obtain consent from the competent institution – Museum of Macedonia.⁷¹ The Law on protection of cultural heritage was violated by the fact that in 2013 this museum had been declared cultural heritage according to the law (ex lege), although the conditions had not been fulfilled.⁷²

After change of the government, in 2018, part of the monuments, among which the statue of Anton Janev – Kjoseto were removed by decision from the City of Skopje. This was conducted with an order from the civil engineering inspectorate of the Municipality of Centar, establishing that decision had not been adopted to erect the monument, which, according to the municipal and city regulations, was an illicit construction.

Although the supervisory committees have the role to monitor the overall process of construction, still, the system failed in this regard. The leaking and the flooding of the new buildings, such as the State Archive of the Republic of Macedonia and the Macedonian National Theater (MNT) are the result of substandard construction.⁷³ It is outrageous that

68 The composition of the working group: Professor Miroslav Grchev, PhD, professor at the Faculty of Architecture within UCM (coordinator), Nikola Naumoski MSc, Martin Panovski, lecturer Donka Bardzieva-Trajkovska, PhD., and Zlatko Teodosievski.

69 <http://meta.mk/spetsijalna-rabotna-grupa-koja-ke-nudi-reshenija-i-merki-za-skopje-2014/>

70 Robert Alagjovovski, a statement on the conference entitled “Captured state – illustration through the case – Construction of the Skopje 2014 Project” organized on 25 June 2018 in Skopje.

71 Donka Bardzieva-Trajkovska, a statement on the conference entitled “Captured state – illustration through the case – Construction of the Skopje 2014 Project” organized on 25 June 2018 in Skopje.

72 <https://fokus.mk/vosochnite-figuri-vo-muzejot-na-vmro-ke-im-go-otstapat-mestoto-na-originalni-dokumenti/>

73 <https://kanal5.com.mk/articles/301933/dozhdot-go-poplavi-skapiot-objekt-na-mnt-prokisuva-i-drzhavniot-arhiv>

immediately upon commissioning these two buildings they presented technical deficiencies, and the competent institutions had given approvals for their construction. Nevertheless, the competent institutions should inspect whether it was lack of professionalism or intentional omissions as regards the performance and the quality of materials, and also whether technical standards were complied with.

During project implementation there were problems, because the actual construction was not according to the project documentation, and the employees in the institutions were given tasks to act upon, since there had been mismatches in the casefiles between the issued documents and the great area or extent of the constructed, dislocation of buildings and mismatches between the holders of property, therefore there was no legal way to register such construction.⁷⁴

On the other hand, citizens and civil organizations were not involved in the processes of creation of policies and adoption of decisions on implementation of the “Skopje 2014” project. According to academic research, it has been shown by data that the buildings or the space are neither planned nor projected according to the wishes or needs of citizens, nor those existing ones are according to the wishes of the citizens.⁷⁵ Furthermore, in the process of urban planning, an important element is involvement of the public through various forms from the very beginning, having in consideration that the citizens are the end users of the space, thus, involving different groups (the local population, experts, NGOs, etc) are of great importance for the principle of “good governance”. Involvement of the citizens also increases transparency in the planning process, thus, completely strengthening the civil society.⁷⁶ The citizens of Skopje feel excluded from the opportunity to influence shaping and arranging their own environment, their settlement or the city, due to the bad service of the local authorities, due to their lack of initiative and action, but also due to the effortless acceptance of the will of the government.⁷⁷

The change of the government in the Republic of Macedonia should bring about application of new practices in management, since every government with powers to implement their own rights has the power to terminate such rights for their own purposes. In a very small part of the countries there is a “limited government”, whereas the systems of check and balances help limit the arbitrary actions of the government. Therefore, the only limitations for measurement are those of transparency, which are still imposed by governments in many countries, because if management practices would be obviously corrupted, then, political change would be required.⁷⁸ In addition to action by competent institutions, public opinion and collective action has very important role – emphasizing the need to involve citizens, NGOs, media and the business community in helping reduce state capture.

74 http://fokus.mk/svedochene-shto-otvora-nov-somnezh-za-proektot-skopje-2014-del-od-baroknite-gradbi-vo-skopje-se-divogradbi/?utm_source=dlvr.it&utm_medium=facebook

75 During the survey conducted in Skopje, to the question “Can you choose a facility or an area that you like or you consider being important for your surrounding?”, out of the total of 211 respondents, 39% replied there is no such facility or area, and 32% replied positive, however they could not specify any particular facility or area.

76 Emina Rustemoska, (2018), A STUDY Skopje between the idea for green city and the reality, *Civica mobilitas*, Skopje, p. 6.

77 Petrunova, I. (2018), A fragment of the research conducted for the doctoral dissertation: *The city in transition – social, social and spatial and architectural changes (the example of Skopje)*, *Civica mobilitas*, p. 23.

78 Mungiu-Pippidi, A. (2016) For a New Generation of Objective Indicators in Governance and Corruption Studies, Published online: 21 July 2016, <https://link.springer.com/article/10.1007/s10610-016-9322-1>

ANALYSIS OF THE FACTS FROM THE “SKOPJE 2014” PROJECT

The beginnings of this project date back in November 2006, when the Municipality of Centar adopted a decision to bring back the old look of Skopje, stating that all new buildings in the center of the city should give the impression of the pre-war period, the old city, and in addition, it adopted the first Decision on announcement of the Decision to start a procedure to erect the monument of Alexander the Great.⁷⁹ The competition for concept idea was published in 2007, and later this monument erected on the “Macedonia” square was renamed “Warrior on a horse”. This is actually the birth of the so called antiquization of the city, returning the old look of Skopje, neoclassicism and baroque. However, one must take in consideration that there has not been for any effort to analyze the fundamental spheres where “Skopje 2014” belongs, which is architecture, fine art, museology and symbolism.⁸⁰

According to professor Grchev, “the project” served the promotion and strengthening the despotism and autocracy of one person deciding on everything in Macedonia: All political, urbanistic, architectural and decisions on monuments. This despotism was implemented through an autocratic executive structure of the State bodies, characterized by merging all three pillars of governance into one executive governance, subordinated to the will of one leader. This is the true definition of the term “State capture”. The “Skopje 2014” project is actually an instrument, which, on the one hand is used to pillage the State budget in the interest of the governing party and its business-mafia apparatus, and on the other hand, for cultural and political engineering to change the identity of the nation and its history.

If we take in consideration that corruption is a practice that cedes from the ethical and universal norm of public good and distribution of resources (as defined by law and the modern democratic principle, objectivity and equality), it may actually be concluded that it results in benefit for certain individuals and groups. Hence, particularity results in privilege for certain parties (favors) and discrimination of others, whose scope of influence may also be measured.⁸¹ With this mechanism of action and corruptive behavior of the business/economic elites and the government, other economic players practically fade out from the economic stage, regardless of their production and economic engagement on the market of the free economy.⁸²

79 Decision on announcement of the Decision to start a procedure to erect the monument of Alexander the Macedonian, no. 08-2450/3, 30 November 2006, Municipality of Centar.

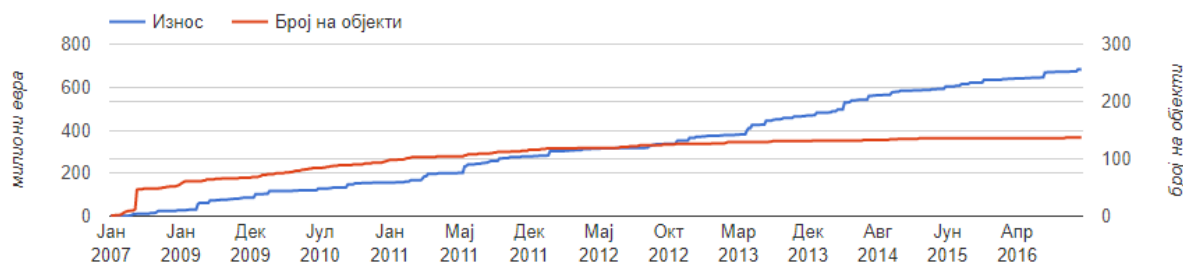
80 Nikos Chausidis, (2013), The Project Skopje 2014 – Blueprints of a future research, Skopje, p. 8.

81 Mungiu-Pippidi, A., (2016) For a New Generation of Objective Indicators in Governance and Corruption Studies, Published online: 21 July 2016, p. 364 <https://link.springer.com/article/10.1007/s10610-016-9322-1>

82 Steven Haber, Professor of Political Science at Stanford University and Research Fellow at the Hoover Institution http://siteresources.worldbank.org/INTWBIGOVANTCOR/Resources/1740479-1149112210081/2604389-1149265288691/2612469-1149270950727/state_capture_gf2.pdf

The case study – construction of the “Skopje 2014” project refers to the manner and mechanisms used to achieve the end goal, constructing 137 buildings in the amount of 685 million EUR, funds from the Budget of the Republic of Macedonia.

Пораст на износ и број на објекти од 2010 до 2017 година



Taken from: <http://skopje2014.prizma.birn.eu.com/mk>

The manner of implementation of the project refers to the existence of series of omissions of different kind in running the procedure and constructing the buildings, breaches of law individually related to each of the planned constructions. Having in consideration that the issue is construction of 28 buildings, 6 multistorey car park, 34 monuments, 5 squares, 2 underground parking parks, 4 bridges, 39 sculptures, 1 gate, 2 fountains and 10 other type of buildings⁸³, we will only mention the parts of fragrant violations of the laws and procedures in different aspects.

1. The construction of the fountain on the “Macedonia” square with the sculpture of Alexander the Great on a horse is neither stated in the Program for arrangement of the construction land in the municipality of Centar, nor in the Program for erecting monumental landmarks which was for the first time adopted in February 2008.⁸⁴
2. The Board on erecting monumental landmarks of the Municipality of Centar in 2008 announced a competition for building a monument landmark of a warrior with a fountain⁸⁵, however, the initiative came from the Ministry of Culture of the Republic of Macedonia, where the requirement was building a monument of Philip II of Macedon. Neither the announced competition nor the program included information on who should the Warrior represent⁸⁶, so, not defining a concrete person or event is not according to article 17 from the Law on memorials and monuments. Furthermore, the Report prepared upon assessment of the competition works, stated that they do not fulfill the requirements⁸⁷ and that is why there is no granting of first place award. However, the Board decided that the second ranked work had the quality and possibility to be implemented, by accepting small interventions in certain artistic and aesthetic features by the author. Nevertheless, the second awarded work was not in accordance with the requirements from the competition program from the very start,

⁸³ BIRN, Skopje 2014 under scrutiny, Database for buildings, facades, sculptures, monuments, fountains and other types of facilities financed with public money that make Skopje's new look. Available at: <http://skopje2014.prizma.birn.eu.com/>

⁸⁴ Final report of the authorized state auditor – Municipality of Centar for 2009, no. 30-187/3, p. 9.

⁸⁵ Accounting value at the amount of 30.000 thousands denars.

⁸⁶ Final report of the authorized state auditor – Municipality of Centar for 2009, no. 30-187/3, p. 8.

⁸⁷ The open call and the project program.

since it exceeded the prescribed height of the sculpture six times.⁸⁸ The omissions in the procedure are again obvious with adoption of the decision on conducting the procurement procedure with negotiation, without previously announced public call.⁸⁹ The negotiation procedure completely changed the concept design, so the competition, according to its content and value, was completely different from the agreement concluded with the author, i.e. not minor interventions, but complete change of the project program. In the call for concept design the board prescribed an accounting value of the memorial in the amount of 30.000 MKD, and later on the total amount of the construction amounted to MKD 273.341.⁹⁰

3. Usually, in practice, the basic agreements concluded for the contractual services were amended with annexes and/or Agreements on performing additional and unpredicted works, not planned with the basic agreement. In this manner they agreed upon rendering services which had not been prescribed with the public procurement for an amount far greater than the initial one. In addition, this changed the deadlines for performance, even the essential elements according to the revised project documents, survey and offer. The amount at the end of construction is several times above the initially contracted amount. The majority of constructions made have been essentially exempted from the project documents. The contracting authority should have announced a new public procurement procedure, and not use the format of unpredicted and additional works and annex agreements. Therefore, the question at hand is how much were these public procurement procedures fair and transparent, having in consideration the fact that this was the manner of running the negotiating procedure without previous announcement of a public call. The conducted procedure was considered justified because rendering of such additional works or services could not have been technically or economically separated from the basic agreement without causing problems for the contracting authority.
4. It remains unclear how did the institutions allow for entry of a private legal entity's building intended for “State institution and hotel” instead of the old Army House. Whereas, if we take in consideration the fact that the overall “Skopje 2014” project is related to buildings of public interest, how is it that later on, with the adoption of a decision amending the initial approval on construction of six State institutions, a private investor was entered as investors of such buildings.⁹¹
5. 15 monuments have been donated not paid by public money; however, there is an indication that there is a relation between donors and the party backing up the idea. The first donations come from the sculptors who received fees for the selected designs for their sculptures, which were received by the Municipality of Centar at the end of 2012.⁹² The Council of the Municipality of Centar, on 28.12.2012 adopted a decision on erecting memorial landmarks on the territory of the Municipality of

88 The sculpture dimensions, according to the program, were not supposed to exceed 3 meters, and the proposed bid envisioned the sculpture to be 13 meters high, whereas the complete concept design with the fountain exceeds 20 meters.

89 The document is published on: <http://skopje2014.prizma.birn.eu.com/dokumentacija/23/%D0%94%D0%BE%D0%B3%D0%BE%D0%B2%D0%BE%D1%80%20%D0%B7%D0%B0%20%D0%92%D0%BE%D0%B8%D0%BD%20%D0%B2%D0%BE%20%D0%B1%D1%80%D0%BE%D0%BD%D0%B7%D0%B0.pdf>

90 Taken from: [http://skopje2014.prizma.birn.eu.com/mk/Voin-\(Filip-II\)](http://skopje2014.prizma.birn.eu.com/mk/Voin-(Filip-II))

91 <https://fokus.mk/fokus-express/odbivala-da-gi-vpishe-divogradbite-od-skopje-2014-pa-ja-osudile-za-mito/>

92 The monuments Boris Sarafov, Petar Chaulev and Metodija Shatorov-Sharlo.

Centar and placement of monuments⁹³ donated by the Association for the spiritual unification of Setinci, Popadinci and Krushoradi from Florina Macedonia – Skopje.⁹⁴ Namely, during this same session, they adopted a decision on celebrating a number of persons, a donation was received for monuments for these persons and a board was formed for implementation thereof, with a defined location, which speaks of the fact that their action had been previously agreed, and afterwards immediately accepted by the majority in the municipal council.⁹⁵ For years, this association has been receiving projects funded by the Government of the Republic of Macedonia, and also the following donations: A car “Audi A4” and business office space in the center of Skopje.⁹⁶ Nevertheless, what the public never found out was where this Association provided the means from to make the monuments. The special prosecution is running an investigation about the monuments put as a donation from this Association for the spiritual unification of Setinci, Popadinci and Krushoradi from Florina. This issue still remains open, and the institutions should and can give an answer. Later, in 2015, the same practice was used by the City of Skopje (still under leadership of VMRO-DPMNE) and received donations by authors of bronze figures⁹⁷, as well as donation from the company “Urban Invest” which was constructing the square of VMRO in Skopje and donated the figure of a lion, the central figure in the fountain, costing 500 thousand eur.

6. A third of the project was built by the construction company “Beton” which received most of the tender awards, and built most of the buildings from the “Skopje 2014” project and cashed 163 million EUR or one third of the total amount spent for the monumental project.⁹⁸ The company “Neimarinzenering” was the second on the list receiving most awards for architectural services for key constructions, such as the Museum of Macedonian Struggle, the Palace “Lazar Pop-Trajkov”, the Old Theater, the Gate “Macedonia”. This company, according to data from the Central Registry is owned by a person with family ties with a candidate for vice-president on the presidential elections in 2004 and a former MP in the Assembly from VMRO-DPMNE. According to available information, their company has received tenders for the project Skopje 2014 in the amount of around 1.1 million EUR.⁹⁹ Furthermore, the company “Architektonika” has made the greatest mark on the facades that changes the appearance of the capitol. The design for the City Trade Center in baroque style, the façade of the Government, the Central building of the Water economy company, as well as the appearance of the administrative building at “Bihacka” St., are the work of two brothers, who, according to the documents, received more than half a million euros. Based on the available information there are a lot of companies which were engaged, however, for many of them it is undisputable fact that the owners of the companies had close relations with the party leaders of VMRO-DPMNE.
7. The State Audit Office which conducted audit of the financial statements of the Municipality of Centar for 2009, concluded that more than half of the capital payments are related to building of monuments, with funds allocated from the Budget of the Republic of Macedonia (public calls, making models for sculptures, making of monu-

93 The monuments of the General Mihajlo Apostolski, Pere Toshev, Nikola Petrov-Rusinski, Saint Lidija Makedonska and Andon Janev Kjoseto, and later Gjorgji Sugarev.

94 The council of the Municipality of Centar - Skopje, 95th session, held on 28.12.2012, available at <http://inbox7.mk/wp-content/uploads/2014/09/18SGlasnik2012.pdf>

95 <http://prizma.mk/skrienite-litsa-zad-daruvanite-spomenitsi-od-skopje-2014/>

96 <http://prizma.mk/stan-audi-a4-od-vlasta-za-zdruzenieto-shto-donira-spomenitsi/>

97 The monuments of Partenij Zografski, Kiril Pejčinovikj, Joakim Krchoski and Hristofer Zhefarovikj.

98 <http://skopje2014.prizma.birn.eu.com/mk/Doznajte-povekje>

99 <http://skopje2014.prizma.birn.eu.com/mk/Doznajte-povekje>

ments).¹⁰⁰ The basic findings in this context indicate the following:

- In 2008, the municipality of Centar announced public calls for preparation of concept designs and models for numerous monumental sculptures¹⁰¹; however, the announced competitions and the descriptions of the designs indicate that in these cases these are memorial monuments.¹⁰² According to Article 5 from the Law on memorial monuments, a memorial monument may be erected by the Parliament of the Republic of Macedonia, while memorial landmark may be erected by municipalities, the city of Skopje and the Municipalities of the City of Skopje. It has been determined that inadequate definition of monuments erected affects transparency of the procedure for their construction.
 - In 2008, the Board on erecting memorial landmarks of the municipality of Centar announced calls for selection of project designs for building memorial landmarks whose value would be a total of 51.000 thousand MKD, while the value of contracts concluded with authors is three times more amounting to 140.472 MKD. It has been concluded that the unrealistically determined accounting value in the conditions of the call creates a risk of non-participation of certain authors in the competition procedure and reduced competitiveness.¹⁰³
8. All involved actors worked on realization of the idea, to realize the intended concept regardless of being opposite to the legal provisions and regardless of being opposite to the professional standards and various rulebooks. The documents about the controversial “Skopje 2014” project indicate that authors did not conclude separate agreements on their remunerations.
 9. By ignoring the laws regulating construction, spatial and urban planning, management structures in the municipality of Centar, they have intentionally entered into implementation of projects not within their competence, while, the central authority, through the Ministry of Culture, promoted this illicitness by delivering written initiatives to the Council of the municipality for erecting monuments and construction of buildings. Within the period from 2006 to 2016, the urban setting and the eight amendments to the detailed urban plan for “Mal Ring”¹⁰⁴ was conducted, as well as erecting buildings dangerous to the life in the basin of the river Vardar. The implementation of the project was assisted with amendments to several laws, among which, 21 amendments to the Law on Construction.¹⁰⁵ Whereas, there are still members who have not been sufficiently clear both about the architects, contractors, and in the course of all amendments, architects were treated as unimportant in the whole situation.¹⁰⁶

100 Final report of the authorized state auditor – Municipality of Centar for 2009, no. 30-187/3, p. 1.

101 Warrior with a fountain, “Gemidzii” (Boatmen from Thessaloniki), Ss. Cyril and Methodius, Karposh, Tsar Samoil, The fallen heroes for Macedonia, The founders of MRO, The Macedonian Defenders, The First Assembly of ASNOM, Emperor Justinian I and Metodija Andonov Cento.

102 Article 3 from the Law on Memorial Monuments and Memorial Landmarks defines that “memorial monuments are individual or group pieces and monumental acts of architecture, sculpture, painting and applied arts with historic and artistic content and values created to cherish the memory of events and people that are of great importance for the Republic of Macedonia and integral part of the history of the country”.

103 Final report of the authorized state auditor – Municipality of Centar for 2009, no. 30-187/3, p. 7.

104 Reply on a request from Municipality of Centar no. 26-658/3

105 Law on Construction, Official Gazette of RM no. 130/2009, 124/10, 18/11, 36/11, 54/11, 13/12, 144/12, 25/13, 79/13, 137/13, 163/13, 27/14, 28/14, 42/14, 115/14, 149/14, 187/14, 44/15, 129/15, 217/15 and 226/15.

106 Sanja Ragjenovikj, an architect and former president of the Association of Architects of Macedonia, a statement given at a public discussion entitled “What to do with Skopje 2014?”, published on 30.07.2017, at: <https://www.mkd.mk/kultura/ministerstvoto-za-kultura-prvo-kje-napravi-revizija-a-potoa-kje-bide-donesena-odluka-za>

ACHIEVEMENTS SO FAR BY THE COMPETENT INSTITUTIONS

THE PUBLIC PROSECUTION FOR CRIMES RELATED OR ARISING FROM THE CONTENT OF THE ILLICIT INTERCEPTION OF COMMUNICATION

Based on the actions so far by the Special Prosecution in relation to the case “Tenderi” from the audio recordings and from the statement of the witness, it is indicated that even before announcing a call for public procurement agreement, and before conducting the procedure, opposite to the principles and provisions for legality of public procurements and before adoption of the decision on the need for such public procurement, the Minister of culture and the Manager of the Construction company “BetonStip” AD Stip had had an agreement to also perform all works occurring additionally, which had not been covered by the public procurement agreement and its annexes, and decided not to wait for the expiry of twenty days to conduct the new public procurement. The construction and economic and financial expert analysis showed that the construction company had, in the meantime, performed the final construction and craftsmanship works even before concluding the agreement on public procurement and before being officially introduced in operation. With the written evidence, which is overwhelming in this case, it will be proven that due to the requirements given in the call and tendering documents, only the economic operator Construction company “BetonStip” AD Stip participated in the procedure as a sole bidder.¹⁰⁷

FINANCIAL POLICE

The Financial Police has filed to the Basic public prosecution office Skopje criminal charges against the former mayor of the Municipality of Centar and against two employees, under the suspicion that they had done a crime “misuse of office”. According to the Public procurement agreement concluded by the Mayor of the Municipality of Centar in September 2009 for the construction of the pedestrian bridge on the river Vardar “Oko” with the legal entity “Konstruktor – inžinering” AD construction company Split, in the amount of around 92 million MKD, as well as the annex to the agreement, which increased the value of the agreement to around 120 million MKD, the construction should have started in July 2010, and the term for completion of works was 18 months, i.e. until 27 January 2012. Due to failure to comply with the obligations from the agreement, violation of the term for performance of the works, as well as due to low performance quality of the works done, in 2012, the Municipality of Centar terminated the agreement, and conducted a new public procurement procedure for completion of the works for building the bridge and concluded an agreement with another contractor. The three above mentioned and charged, in exercising their discretionary authorizations and omitting performance of due supervision, irresponsibly acted in conducting of their authorizations and duties pursuant of two outstanding bank guarantees for a given advance payment of around 8.77 million MKD, as well as one outstanding bank guarantee for timely and quality performance of works in the amount of around 17.88 million MKD. Thus, as she added, the reported persons damaged the budget of the Municipality of Centar in total amount of 26.653.000 MKD.¹⁰⁸ The Director of the Financial Police, Arafat Muaremi, informed the public that the reported persons agreed to completely compensate for the damages done in total amount of 26.6 million MKD or approximately 433.389 EUR,

¹⁰⁷ <http://www.jonsk.mk/wp-content/uploads/2017/09/%D0%A2%D0%B5%D0%BD%D0%B4%D0%B5%D1%80%D0%B8.pdf>

¹⁰⁸ <http://finpol.gov.mk/mk/180704-krivicna-prijava-poranesen-gradonacalnik-centar-most-ok>

for which they received a certificate from the Municipality of Centar that on 30 June this year the money will be returned on the budget account of the Municipality.¹⁰⁹

WORKING GROUP FOR REVIEWING THE MUNICIPAL AND EXPERT JUSTIFICATION OF THE BUILDING OF NI MUSEUM OF THE MACEDONIAN STRUGGLE FOR STATEHOOD AND INDEPENDENCE – MUSEUM OF VMRO AND MUSEUM OF THE VICTIMS OF THE COMMUNIST REGIME WITH THE MINISTRY OF CULTURE

The working group and elected members appointed in March 2018 filed an elaborated analysis to the Ministry of Culture, comprised of 31 pages – from the inspection and from the analysis of the documents in the museum, and provided recommendations. The working group analyzed comprehensive material of around 270 documents in order to trace the chronology and building of the museum and it determined that four laws have been violated – the Law on budget, execution of budget, the Law on museums and the Law on protection of the cultural heritage.

In the first budgeting year (2007), MKD 16.600.000 had been allocated under the item for museum and cinemateque activities, and it is the first time that the name of the museum occurred in the documents, while the decision on establishment of the museum was adopted in 2008. The Museum was opened in 2011. The final amount was 12 million EUR, spent until opening of the museum. The construction was put within the item of museum and cinemateque activities, and the law on budget and execution of the budget have been breached. It is an abuse of ear-marked money, because it is related to the function of museum and cinemateque activities.

The chairperson of the working group, Mr. Litovski stated that he is expecting that the Ministry of culture will accept their proposals and expertise, and prepare a new exhibition which should pay more attention to the present and the future, and promote cooperation and cohesion, and not divide the society. The current exhibition is an image of participation, because dominant are exhibits related to the foundation of the historical VMRO up to the present VMRO-DPMNE, whereas, out of 13 sections of the museum, eight are purely about the history of the Macedonian Revolutionary organization, VMRO, TMRO, i.e. continuity from 1893 until 1991, and the remaining five sections, again, indirectly speak of the champions of VMRO throughout the history.¹¹⁰

The Law on protection of cultural heritage was violated by the fact that in 2013 this museum had been declared cultural heritage according to the law (ex lege), although the conditions had not been fulfilled. Also the principles of museum activity are breached, since the concept of the exhibition was made by university professors and historians, and not museum workers competent for museum presentations.¹¹¹

STATE AUDIT OFFICE

In the final report by the certified State Auditor¹¹², regarding audit of the financial statements and compliance audit for 2016, there are several key remarks:

¹⁰⁹ https://drive.google.com/file/d/1INh3LNGOF7NkF_h_R4n-Vxt_uiusrfwT/view

¹¹⁰ Litovski, the chairman of the working group, statement as of 10.07.2018. Available at: <https://fokus.mk/vosochnite-figuri-vo-muzejot-na-vmro-ke-im-go-otstapat-mestoto-na-originalni-dokumenti/>

¹¹¹ <https://fokus.mk/vosochnite-figuri-vo-muzejot-na-vmro-ke-im-go-otstapat-mestoto-na-originalni-dokumenti/>

¹¹² Final report of the authorized state auditor on the Ministry of Culture 2018, no. 13-437/7, available at: http://dzt.mk/Uploads/1000_FR_Ministerstvo_za_kultura_Smetka_osnoven_buxet_637_12_2017_REDUCED_SAMO_IZVESTAJ_finale.pdf

- The commission for technical inspection of the construction Museum of the Macedonian struggle conducted technical inspection on 10.4.2014, for which it prepared a report concluding that the construction may be put in use. The building was commissioned in May 2013, i.e. one year before technical inspection, which is opposite to article 87 from the Construction law.¹¹³ The use of the facilities before technical inspection creates risk to the safety of those using the facility (employees and visitors), and also contributes to the illicit action during the commissioning procedure.

- The construction of the object sculpture composition does not belong to any special construction defined under the code B3-culture, which indicates that its construction started opposite to the legal regulation, despite conducting public procurement procedure and concluding an agreement with the selected bidder in the amount of 342.224 thousand MKD.¹¹⁴ The program according to which payments are arranged is non-purpose payment of funds, since the money is not intended for protection of cultural heritage, but construction of a structure. The Law on cultural heritage, in article 4, explains in detail the definition of cultural heritage.¹¹⁵

For the construction of the building of the Great concert hall of the Macedonian Philharmonic Orchestra, the annual public procurement plans are not defined as perennial, and in the decisions for their implementation, as well as according to the opinions of the Ministry of Finance, there is a perennial dynamics defined for the implementation thereof. On the other hand, in respect of the determined excess and shortages of the works for the construction of the Macedonian Philharmonic Orchestra the contracting party of the procurement did not inform the contracting authority about the need of funds and the needed time for implementation, as prescribed in the agreement and legal regulations.¹¹⁶

Funds have been paid from the Budget of RM on the account of MK- Funding activities in the field of culture, in the amount of 300.000 MKD. This payment is based on a Decision by the Government on a special account of the City of Skopje for the purpose of reconstruction of facades of buildings in the center of the city, and it belongs to the budget item protection of cultural heritage, which means that the funds have been illicitly spent.¹¹⁷

113 Ibid, p. 8.

114 Ibid, p. 11.

115 Ibid, p. 12.

116 Ibid 4.

117 Ibid.

CONCLUSIONS

The findings indicate that the “Skopje 2014” project is fictitious, since the decisions adopted by the executive government and the funds allocated from the central budget for the needs of realization of the project do not mention such project at all, and it is nonexistent as such, the only mentioned thing is an idea which has been realized in the course of the past years with different dynamic, actors and different directions.¹¹⁸

The abuse of power by the executive government in conditions of partisan public administration, through the construction of structures on a local level by involvement of different stakeholders and trusted people, led to change of the appearance of the city center of Skopje, with series of breaches to the laws and misuse of 685 million EUR of public money.

The overall realization of the constructions in the central city area has been realized:

- **Partially – officially there is no “Skopje 2014” project** – adoption of individual decisions on erecting buildings, monuments and other structures, whereas the changes in the appearance of the city were hardly noticeable at the beginning, while, the funds allocated from the Budget of RM hardly traceable.
- **Seemingly legally – a series of amendments were made to laws and by-laws** – in the period from 2007-2015, in order to make an attempt to legally cover the constructions. Practically all laws were upon initiative of the Government of the Republic of Macedonia, and adopted by the Parliament, which was firmly controlled by the political center of the executive government, whereas, the laws were adopted in the interest of realization of the project.
- **Institutionally – through the institutions (Service for general and common affairs, ministries, municipalities, etc.) which although not competent for construction works** – implement most of the constructions in the city center of the City of Skopje. To further illustrate this, the Budget of the Republic of Macedonia, in 2008 allocated funds for the Service for general and common affairs for the construction of the administrative building of the Constitutional court and the building of the State Archive of the Republic of Macedonia, although during this period the Service did not have authorization over construction. Practically, through the Service, the Government of RM within the period 2008, 2009 and 2010 allocated funds from the Budget of RM and illicitly funded constructions.
- **The whole procedure was performed in a nontransparent and subtle way**, by adoption of decisions and initiatives on a central level and construction permits on a local level, while directing money for this purpose from the central budget to the account of the Municipality of Centar.

¹¹⁸ Interview, Tamara Chausidis, editor at the Balkan Investigative Reporting Network (BIRN) in Macedonia, organized on 16.01.2017 in Skopje.

- **Public procurements** conducted in a nontransparent manner – often using the opportunity to conclude annexes and agreements on performing additional and unpredicted works. In this manner, they increased manifold the estimated amount for the constructions.
- **Creation of interest groups an involving “trusted people”** – by using the powers of the ruling party on a central and local level, as well as their involvement in different phases of the construction, practically the circle of “trusted people” is very small. These same people at one point appeared as members of boards, and later as authors of works, or the companies of their close friends won tendering procedures, and on the other side, counselors in the municipality of Centar, who decided about the monuments, became counselors in the City of Skopje. The benefits these persons got are different and difficult to measure, however, their social progress is evident.
- **Disabled system for internal and external control** – partisan administration and partization of the independent bodies, complete influence over the work of the judiciary and media control.

RECOMMENDATIONS

The strong political control and disrupted democratic values in the Republic of Macedonia have been greatly reflected through the creation of the fictitious “Skopje 2014” project, which, partially via the institutions without competence in the field of construction, by conducting series of amendments to laws and bylaws, in a nontransparent manner, using the partisan public administration and involvement of “trusted people” was used to build a total of 137 structures.

R1. Renew and again truly incorporate in the Constitution the guaranteed division of government into judiciary, executive and legislative government, in order to reestablish democratic values and mutual control based on transparency, accountability and responsibility

Adoption of laws in the Parliament of RM, in order to get favorable executive orders, which would later on reflect usurpation of the power by the executive government. Omission to act by the Public prosecution, despite the filed criminal charges by the Municipality of Centar in 2013, seriously put in question the work and independence of the Prosecution in the Republic of Macedonia. As a result of that, Special public prosecution was established to investigate indications of crime from the published intercepted telephone conversations.

R2. Reestablish independence and professional integrity of the Prosecution

The strong political meddling in the Judiciary prevented its functioning and minimized the rule of law and processing of the cases related to “Skopje 2014”. With the realization of this project the network of well-connected elites and party structures influencing the work of the institutions became obvious, generating the concentration of power in one political party dominating both the local and national level by using different methods in their own interests.

R3. Recover the independence of the Judiciary and the Rule of Law

State institutions were strongly polarized and controlled by the executive government.

Working in a transparent and accountable manner State institutions will be able to control the work of the executive government, and reduce and eradicate the level of influence the executive government has over the other governmental and nongovernmental players.

R4. Recover professionalism and accountability of the State institutions, by securing the implementation of the merit system and establishing mechanisms for transparency and individual accountability

With the “Skopje 2014” project, the Ministry of Culture started the process of systemic reforms which are reflected in the National Strategy for cultural development 2018-2022, a strategic document adopted by the Parliament of the Republic of Macedonia. The established working group within the Ministry of Culture, comprised of professionals in their relevant fields, should further work in a transparent manner in the period to come.

R5. Start with an efficient implementation of the Law on Whistleblowers

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