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MACEDONIA

SUCCESS STORY

Mayor's Initiative Doubles Tax Base

Training helps Macedonian municipality double its tax base



Photo: USAID/Teresa Albor

Mustaf Mustafa explains the new tax database in Vrapciste.

“Don’t be afraid of doing things. Be active, include the young and use their energy and enthusiasm,” said Mayor Esat Salai, who is overseeing big changes in the town of Vrapciste, Macedonia.

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Little did Mustaf Mustafa know that just a year after graduating from university he’d be given a critical assignment with an enormous impact on his community. “It was a real challenge,” said Mustafa. “We had no experience in tax collection, but we’re grateful the mayor showed confidence in us.”

With a population of 28,000, the village of Vrapciste may be small, but it stands tall when it comes to getting things done. Administrators of this agricultural community 40 miles west of Skopje faced huge challenges when Macedonian municipalities recently took on more responsibility for local governance, a process called decentralization. One of Vrapciste’s first projects was creating a new property tax database.

Administrators in Vrapciste rolled up their sleeves, made no excuses about limited resources or lack of experience, and accomplished the job in two months. Not only were they efficient, but they were highly effective — while the old database included about 3200 registered taxpayers, the new one had over 6000.

The team was inspired by a workshop on tax administration held as part of a USAID initiative to help local governments develop the management capacity they need to assume new responsibilities. The workshop taught participants how to address new challenges, like creating the database.

“Attending the workshop was key,” said Esat Salai, Vrapciste’s mayor. “We learned how to organize teams, and most importantly, how to identify priorities. The training really hit the target.”

Following the training, the mayor entrusted a group of young employees with creating an upgraded, accurate database of all existing real estate in the municipality. They circulated flyers and held community meetings, and then went door-to-door.

The municipality’s proactive approach worked. Instead of waiting for experts to instruct them, they took the initiative and achieved results. The mayor’s encouragement also helped. “Don’t be afraid of doing things,” he often said. “Be active, include the young and use their energy and enthusiasm. Decentralization is a unique opportunity to change things.”