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## **BAROMETER**

### Current Events and Political Parties Development in the Republic of Macedonia

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## **1. Headlines**

### **1.1. Shuto Orizari Local Elections**

The only remaining municipality, in which local elections are still procedurally dragged through the summer, were the ones for the mayor of Shuto Orizari. As Amdi Bajram, the Union of Roma candidate, started to serve his prison sentence, elections had to be organized again. The new round took place on August 21<sup>st</sup> and again some irregularities were noted, like family voting, disrespect of the secrecy of voting, inadequate use of UV-lamp etc. Finally, after the second round Erduan Iseni (3.465 votes), the candidate of the United Party for Emancipation of Roma won over his opponent from the Union of Roma, Shaban Saliu (3.208 votes). As figures show, the winner got 257 votes more than his counter-candidate, while turnout was very low, since out of the total of 19.908 voters in the voter's list, voted only 6.756 citizens or 33,9%. Estimations are that this unfavorable trend shows the actual dissatisfaction of Roma vs. their political representatives and their general discontent of the results they were showing so far while working with their own community.

### **1.2. Kondovo - a Security Issue**

This summer, the security situation was shadowed by events in Kondovo, a village near Skopje. Agim Krasniqi, a person who is persecuted by the police to be brought in front of the court, due to the accusations for criminal deeds, was openly threatening Macedonian authorities through a Croat TV program that he and his armed supporters shall shoot the police if they enter the Kondovo village. At the same time, he called upon the Amnesty law, claiming that his deeds fall under this law, as it is valid for all former NLA fighters. He paraded with his supporters in the village, demonstrating force<sup>1</sup> and imposing control over the village territory, an act which provoked many reactions by position and opposition.

The opposition was criticizing that the Government is incapable of imposing control on the whole territory of the state, consequently questioning the country's security. On the other side this case provoked a conflict in the relations between the President of the Republic and the Prime-Minister, since the President publicly called upon the government and the institutions in charge to impose control over the situation. President Crvenkovski attacked the Government and its institutions for the way they are dealing with the case: "Macedonia shall either have rule of law or not, laws should treat each one equally or we shall promote lawlessness. I support the political efforts and means to solve the problems, but they should as final effect have the strengthening of institutions and their authority." He added that he is convinced that the Government and the institutions in charge have the capacity and legitimacy to apply respect of the rule of law on the state territory, but that demands a full engagement. The leader of VMRO-People's Party Mrs. Vesna Janevska stated that "Kondovo has been occupied and state institutions should solve this problem". VMRO-DPMNE's leader Mr. Nikola Gruevski asked for bigger determination by the Prime-Minister in solving this problem. "The Republic of

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<sup>1</sup> The danger for Skopje was too high due to the heavy weaponry owned by him and his followers. In July there were 80 armed people, under his control.

Macedonia and its citizens are too long hostages to what is happening in the city of Skopje, in Kondovo and the risk endures for too long. The party shall support the Government in any kind of action for bringing peace in Kondovo". Prime-Minister Buckovski confirmed that the security situation in the country is stable, and sporadic incidents are not in the dimension of destabilizing the country. "But at this moment we cannot claim that in the future there will be no incidents of that sort, having in mind what is going on in the region and what shall happen this autumn when decided for our EU membership".

However, after foreign and domestic political pressure, for Krasniqi was found a political solution of dealing with his responsibilities in front of the Macedonian courts. He appeared in court, deliberated from compulsory imprisonment while his trial is on, while his "wanted" circular has been withdrawn. Krasniki is charged for incitement of general danger and for kidnapping.

### **1.3. Religious Communities' Current Issues**

In June, in the Kondovo village where the Islamic Religious Community and the Theological faculty are located, an armed incident took place. During the meeting in which was discussed the election of a new Skopje mufti, about ten armed persons broke in<sup>2</sup>, insulting the present persons and physically attacking Reis-UI-Ulema Emini, head of the IRC. For this event, the coordinative body of the Skopje imams pointed to Rafiz Aliti (and his son), the parliamentary coordinator of the DUI MP group as one of the major reasons for non-functioning of the IRC. They stated that he is connected with the Islamic fundamentalism and the illegally elected Skopje mufti Zenun Berisha, so both of them are considered as the forefronts of radicalism in the country. Dissatisfied Skopje imams invaded the cabinet of the IRC, protesting for the inability to elect a new mufti due to Aliti's pressure and the avoiding of Ali Ahmeti to get involved in the case<sup>3</sup>. They kept consultations with the other muftis<sup>4</sup> around the country to form a temporary body that would lead IRC<sup>5</sup>. As IRC is non-functioning, this body is expected to lead the IRC work until the Skopje problem is resolved, start elections for a new mufti and collective IRC organs, after which the new head of IRC shall be elected. The Statute of IRC does not contain provisions for how long the community may stay without a leader and who in that case would be in charge.

The NDP party MP Dzezair Hodha claims that the source of all problems are four persons, lead by the mufti Berisha, but in fact "all is a business interest", since one could talk about controlling big financial resources. As Emini resigned<sup>6</sup>, there was newly

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<sup>2</sup> Lead by Agim Krasniki, the well-known village trouble-maker whose deeds had possible serious political implications in the recent past.

<sup>3</sup> This group of imams intended to close the door of the IRC for the people employed there, with the exception of the international representatives, the political representatives and the citizens.

<sup>4</sup> For which have the agreement of 9 out of 12 muftis.

<sup>5</sup> Skopje imams got bitten up by a gang that controls the village. It is uncertain how much involvement Krasniki had in this case.

<sup>6</sup> Informal sources were speculating that for replacement of Emini, supported by DUI is prepared Jakup Hasipi, the hodza from Slupcane village, who was "well known" during 2001 for getting a criminal charge

appointed deputy-head of IRC Bahri Aliu who could not cope with the situation. The Skopje imams sent him a letter demanding his position on the current situation, but he did not reply nor admitted that he received such a letter. Skopje imams submitted a letter to the Rijaset of IRC for verification of the mandate of Tajedin Bislimi<sup>7</sup> for future Skopje mufti, for which imams believe that is the only person who may bring back to the IRC its institutional functioning. In conditions which it is impossible to hold new elections for mufti, the imams believe that Bislimi is the best possible solution, especially because he is willing to deal with the radical Islam in the IRC. Imams insist at first to be held elections for a new Skopje mufti, where things got out of control and afterwards to have elections for a new head of IRC. It is not excluded the revolted imams to occupy again the deputy-head of IRC Bahri Aliu. However, it is obvious that Aliu as the new deputy-head of IRC is also subdued to heavy pressures, so he avoids holding elections for the Skopje mufti area. That's why he shifts this demand to the Rijaset as the highest body in IRC which shall soon discuss this delay.

Macedonian public considered the "tomos" granted this summer by the Serbian Orthodox Church to the "Ohrid Archbishopry" (to Zoran Vraniskovski, alias bishop Jovan) as the ideological sign of the retrograde process in the Serbian internal political structure<sup>8</sup>. From its side, the Macedonian Orthodox Church refreshed its Synod, by appointing three young bishops as new members<sup>9</sup>.

At the same time in July, the Appellate court of Bitola confirmed the verdict of the Bitola court of first instance for 18 months imprisonment of the former exarch Jovan who was trialed for incitement of religious and national hatred. Cumulatively, since he repeatedly in a short period of time (although he was given a suspended sentence) made other deeds, he was cumulatively trialed for 2,5 years. As after this decision, he does not have means for appeal other than the Supreme Court for procedural issues, or for wrongly interpreted factual situation there is a great probability that this verdict shall be final. In the near future he shall be also trialed for matters regarding embezzlement of money from the MOC. His lawyer submitted a complaint to the Supreme Court for extraordinary review of the effective court sentence, but the Court refused the complaint demanding delay of the prison sentence<sup>10</sup>, estimating that "arguments are not connected with his vital life and health".

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for terrorism and acts against the state. The hodza was known as the main propagator of the religious character of the conflict, and for importing "mujaheddins" fighting on the side of NLA.

<sup>7</sup> Tajedin Bislimi professor at the Islamic Theological Faculty and an imam from Grushino village, eight months ago was elected with 140 votes "for", 3 against and 3 sustained for a Skopje mufti, but he did not succeed to take this position, due to the absence of support from the then head of IRC Arif Emini.

<sup>8</sup> The public in Macedonia estimated the decision of the SOC to give the "tomos" to the Serbian exarch Jovan (thus recognizing him as a parallel church- as the Ohrid Archbishopry- in Macedonia) as scandalous. By this move, the unregistered in Macedonia church of the exarch Jovan became practically part of the Pec Patriarchy, in fact obtaining a level less than the one the MOC got in 1958, when it got an autonomous status.

<sup>9</sup> Experts say that the historical Ohrid Archbishopry was raised on a level of patriarchy in 999 by the blessings of the Pope Grgur Fifth and existed as such up till 1767 when the Turkish Sultan by irade ceased its functioning. Some explain that by that fact that this was done by someone out of the same religion, means that the OA was not abolished at all.

<sup>10</sup> He demanded to finish his Ph.D. at the Thessaloniki University.

This imprisonment stirred up vigorous reactions by the neighboring Serbian Orthodox Church, but also by many Serbian politicians, although in previous times when urged to positively mediate in the case by Macedonian politicians, Serbian state representatives claimed non interference in church matters. Unfortunately, this reaction was opposite of the previous principle they called upon. What's more, Ecumenical Patriarch Bartholomew and the Russian patriarch Alexis the Second directly corresponded with the Prime-Minister, demanding release of Vranishkovski from prison. Prime-Minister Buckovski replied by informing that the legal system in the country does not allow him to order urgent release of any citizen of the country who breaks the law, as the judiciary system is completely divided from the executive branch and it is independent in its work.

The President of the Macedonian Assembly during his visit in Belgrade stated that Vranishkovski is trialed for deeds that have nothing to do with human rights<sup>11</sup>. In September, the President of the Republic in his interview for a Serbian weekly magazine stated that the existing dispute lasts for a longer period of time and must not be underestimated. However his position is that it is not of such intensity that could ruin the mutual good relations of the two countries and called upon secularity in the approach of the two countries, leaving the dispute to the two churches to deal with it alone.

#### **1.4. The Hague Tribunal Cases**

The Hague Tribunal due to the obligation to close the four cases referring to the then NLA<sup>12</sup>, decided to send them back to Macedonia, since "the cases do not fulfill the requests set by the UN Security Council". This means that the accused were not of sufficiently high rank like the one on Ljube Boskovski who was the then Minister of Interior. At a meeting in The Hague, the Minister of Justice, accompanied with the Public Prosecutor agreed with Carla Del Ponte that if the four remaining cases in case they are returned to the country, they shall be processed. Macedonian authorities think that in case the Tribunal sends the cases back it may offer only assistance, but in any case may not interfere in the case processing, as in Macedonia is valid the Macedonian legal system, thus not allowing interference. Assistance may be understood only in the so far case investigation, so proves may be submitted, witnesses included or other information collected so far. Whether the Amnesty law shall have influence upon these cases, the Public Prosecutor left that issue to the relevant experts in the moment when the cases shall be sent back.

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<sup>11</sup> The Supreme Court out of the four point of the accusation refused three, which had touching point with human rights issues. The fourth is a deed which is sanctioned by the state laws like in every other country in the world and he will be trialed for that. He added that Vransiskovski is allowed to demand re-examining of the whole process, and one possibility is the amnesty as well.

<sup>12</sup> The four cases performed by the then NLA concern: torture of the "Mavrovo" workers, the NLA leadership, stopping the water supplies of the city of Kumanovo, and the disappearing of civilians in the Tetovo area. At least two of them according to Macedonian authorities can be treated as "crimes against humanity". In the meantime, disappeared civilians have been proclaimed by the Macedonian courts dead, a decision which enables to be opened a legal procedure for persecution of the perpetrators.

## **1.5. Corruption Cases**

During the summer, the Ministry of Finance located a systematic and interconnected breach of the tax law by numerous firms (about 50 of them, forming a "pyramid") and activated the legal prosecution procedures through the Public Prosecutor. The affair concerned firms that evaded paying taxes, as well as firms that demanded VAT tax returns without previously fulfilling the objective legal requirements to do so. Practically, millions of euros have been transferred from the state to private pockets by issuing fictitious invoices or worthless goods have been sold by unrealistic prices, while the money through various transactions flooded the private accounts of a fewer number of people. At first, in public was announced that many prominent firms and businessman are in this interconnected process, but later it was limited to only smaller and not so well-known firms, showing that the amounts suspected are smaller than claimed at the beginning. In this tax crime were involved companies from Serbia and Greece. However the prosecutor stated that "the way the things were done and the sophisticated manner by which regulations have been breached is such, that demands proofs from various aspects". Involved in this endeavor, were the Ministry of Interior, the Sector against organized crime, the financial police, the Direction for public revenues and the Direction against money laundering. By October the "pyramid" weighed by 20 million EUR (unofficially) in accordance to the criminal charges. The public was a bit disappointed, as it was expecting much bigger amounts and because shall be absent "well-known" names from the Macedonian business circles. First cases shall be trialed in the next few months.

The State Anti-corruption commission and UNDP signed a contract project in which the future focus shall be decentralization and corruption prevention. This project "Struggle against corruption for better governance" shall focus in constant prevention, fight and sanctions on the corruptive practices. Practically shall be controlled the corruption in the decentralization process. Locally there is training available, but also strengthening of the civil control in this area, through better coordination and access to information. (See also chapter on decentralization)

## **1.6. "Secret Accounts" Affair**

By the end of the year, weekly magazine "Fokus" accused the former Prime-Minister and present banker Hari Kostov and the current President of the Republic Branko Crvenkovski of having personal accounts in two Swiss banks which have not been declared as property to the State Anti-corruption Committee. The alleged accusation was backed by publicizing "relevant documentation", indicating the accounts in question. Both accused denied immediately the claim, naming it as rude misinformation, requesting from the Public Prosecutor to initiate a procedure for checking for the data mentioned in the text. In addition, they submitted a written statement by which they denied all secrecy of data for bank accounts on their name. As the Public Prosecutor did not feel that sufficient grounds for such procedure initiation are found (for which there was an expert dispute whether this is the right position taken), the President of the State Anticorruption Committee Dragan Malinovski took action by contacting the respective banks and demanding information whether such accounts do exist. As negative written confirmations arrived, President Crvenkovski announced that he shall privately sue the journal and his owner Nikola Mladenov for slander.

## **2. Legal Reform process**

### **2.1. Difficulties on the Road towards Decentralization**

Right after the legal aspect of decentralization has been completed and local elections determined the mayors and the composition of the local community councils for the next four years, commenced the real coping with every day community problems. Local actors began to take over the determined responsibilities in many spheres<sup>13</sup>, but there are very few or none communities that took the burden without impediments, numerous practical dilemmas and misunderstandings with the central government. In fact, it is now the citizens who have great expectations from local authorities after so many election promises, while reality shows that although there is commitment by the central authorities to assist the process, conditions are complicated and time consuming. At the same time, increased authorization naturally means increased local development and opportunity, but also means danger of obstinacy and destructive self-contention. Therefore, it is a big question to what extent local authorities shall open towards citizens and really turn in solving their problems.

However, the Ministry of Local Self-government claims that all necessary preparations have been made, since out of 42 laws 36 have already been introduced, all of which refer directly to this process. This means that mayors and their teams take over many competencies from the Ministries of finances, transport, labor, education and culture. Local authorities may now issue building permits, create urban plans, collect taxes and decide on how to direct the money received. Mayors are able to appoint directors in public enterprises, in elementary schools, high schools or houses for the elderly, etc.

Local communities find it hard to take over the employed from the branch offices of the state administration<sup>14</sup>, often claiming that these people are an "unnecessary expenditure" for them<sup>15</sup>, since they already have an excessive number of employees and have no adequate working space. This problem may add a new contingent of unemployed people to the already existing army of unemployed in the country.

Many local authorities still declare themselves unable to take over the fiscal decentralization duties, but at the same time they already are in big inherited debts. As is legally determined, income sources for the communities are property tax revenues, personal income tax etc. Still, distribution of the 3% VAT (which is seen as the basic funding possibility) between Skopje and the other communities remains unresolved.

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<sup>13</sup> Including education, urbanism, health, social services, environment, economic development, communal services, culture, and sports.

<sup>14</sup> Also including services of the fire brigades.

<sup>15</sup> For example some are 255 clerks from the financial offices and 380 persons from the urbanistic sector, which are to be distributed in the 84 local communities. The Union of Local Communities (ZELS) said that they shall be abler to accept only 200 administrative people.



Financial resources for capital investments presently lie in the hands of the ministries<sup>16</sup>, instead of transferring some in local hands. It is not transferred the right to work in economic terms with the land aimed for construction, although this can be a powerful instrument for attracting potential investors. So far, there are communities with long-term unresolved infrastructural problems and those with negative experience in the sphere of urbanism, where rich transitional investors are very successful in promoting their business interest contrary to the urban principles that need to be applied (worst case is in the capital).

At the same time it shall be interesting to see how the “Badinter rule<sup>17</sup>” shall be applied to local circumstances, where in some communities ethnic Macedonians are a minority and where by application of this rule should be taken under consideration the local minority consent when decision-making takes place. In practice, ethnic Albanians may locally use the Badinter rule in fewer cases<sup>18</sup>, but on the other hand in every other community where Albanians are in a majority, ethnic Macedonians shall be able to block any decision that do not agree with in issues of "cultural, religious and ethnic identity" (Article 41 in the Law for Local Self-government).

First major problems regarding the transfer of power immediately after elections were held emerged in the field of education. As mayors knew that they are legally able to appoint school headmasters, in a couple of cities where the opposition won, there was abrupt and insufficiently communicated change. Those decisions were proclaimed invalid by the Ministry of Education, but other, additional problems cumulated in a greater “spark” between this Ministry and the mayors. Practically, Skopje mayors prepared a Memorandum in which they threatened that they shall give back the elementary and high schools to the Ministry if they do not receive a written guarantee by the government that existing financial shortcomings in the education are to be covered<sup>19</sup>. They also requested legal changes for harmonization of the procedure for election of Directors in the schools, in accordance with the Law of local self-government.

However, the only mayor that did not sign this memorandum was the Karpos mayor Andrej Petrov (an SDSM mayor, and President of ZELS, the association of municipalities) who estimated that this document only incites disputes instead of peaceful resolution of problems, stating that "he does not wish to participate in a political game". Acting as a ZELS representative, Mr. Petrov met with the Minister of education, trying to solve the matter. The Minister did not accept the position that mayors have legal right to arbitrarily change headmasters denying change in respective laws, in order to allow bigger authorization to them. According to him, no one may forbid the mayors to change the directors, but it is wrong if that is done illegally. He insisted on a legal procedure for the change, in order to avoid influence of daily political interests in the process of education. What's more, he suggested that change should be avoided at the beginning of

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<sup>16</sup> For example for investments in education.

<sup>17</sup> The rule for preventing majorization in the process of decision-making.

<sup>18</sup> Like in the communities Butel, Cucur Sandevo and Kumanovo.

<sup>19</sup> Problem is the current maintenance of schools, the heating and water expenses, the unresolved property issues, while mayors complain that are not informed about planned capital investments in this domain.

the school year and if mayors have complaints for particular headmasters, there is a legal procedure of how this problem may be resolved. The only thing agreed was that the manner of constituting of the school boards shall be done by a mutually acceptable document, brought jointly by the ministry and ZELS and that this document shall be unanimously applied by all local communities. At the same time shall be initiated a procedure for qualifications checking of all the schoolmasters, after setting the school boards by the community councils.

Having in mind the level of increased competencies, the State Committee against corruption warned of the future possible corrupt behavior of local authorities, especially mayors. It was said that possibilities of corruption may tackle future local budgets planning and distribution, future loans or donations, mayors' discretionary rights, involvement of family and friends relations, creation of inefficient and incompetent party local administration etc. Enhancing these possible negative implications, the Committee prepared an annex to the Program for corruption prevention. (See also chapter about corruption)

## **2.2. Recently Passed Pieces of Legislation**

This summer, the government passed a law regarding the Ministry of Interior that regulates the election of local police chiefs of staff. By this law, starting from June 1<sup>st</sup><sup>20</sup> are to be elected 38 police station commanders of general authority. Practically, there are 34 such regional units plus four new ones, for which a compromise among the ruling parties was achieved. DUI demanded the right for election for all 84 local communities, while the opposed position of the Minister of Interior was to elect by this method the leading persons of only 8 regional police services. According to the adopted law, local chiefs of staff shall be elected by majority of the total number of counselors in which area the police station is located. The Minister of Interior's task is to suggest a list of at least three candidates, among which one should belong to the ethnic community which is the majority in the local community. If a decision is not reached within 15 days, the Minister shall offer another three-member list. The second unsuccessful effort leaves the Minister with the discretionary right in consultation with the government to appoint the chief of staff. The right to dismiss the elected chiefs of staff still lies in the hands of the Ministry. Dissatisfied by the speed this law was voted by the parliament, VMRO-People's Party announced that they shall propose a new draft, as the solutions in this one "are following an irregular, political path", while VMRO-DPMNE MPs announced that they might support the suggestion if they find it acceptable.

Another expressly passed law was the one tackling MPs beneficiary length of service and guaranteeing privileged social status after cessation of the parliamentary function. The law gives possibility the MP to get back in the previous or other working place and the possibility to go to pension after termination of the MP term, after only 25 years of length of service<sup>21</sup>. The essence of this solution is that MPs practically secured for themselves privileges they shall enjoy after their function ends and when they shall become ordinary

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<sup>20</sup> When decentralization process officially starts.

<sup>21</sup> This means that they can go to pension only after 25 years of service and 55 years of age for men and 53 years for women.

citizens again. These privileges shall be applied retroactively, while the pension amount is determined to be 80% of the current MP salary<sup>22</sup>. After their function cessation, MPs shall be able to have covered even their further education if they wish to continue. Although this law before its practical application demands a thorough economic and financial analysis, it did not undergo this process and was passed urgently. There was no accompanied opinion issued by the Government, while the Minister of Finance asked to be pulled out from the text the provisions for privileged rules. The draft was promoted by 13 MPs coming from various position and opposition parties except DPA, and was passed by obtaining 71 votes. Three SDSM MPs sustained<sup>23</sup> and four voted against (two from VMRO-DPMNE<sup>24</sup> and two from SDSM<sup>25</sup>). Regardless of political provenience this was one of the rare laws that was voted unanimously by all parties. However, this law provoked severe reactions and bitterness from the general public and the media, who characterized this move as selfish and scandalous, especially because it was passed in difficult economic times, when the status of many severed workers and their years of service are questioned and cut down. The President of the Republic after consultations with legal experts denied signing the decree, arguing that neither the Government nor the Assembly Committee for Budget and Financing gave their opinion on the justification of introducing such a law. He reminded that in 2002 there was a similar law, for which he was against<sup>26</sup>, arguing that equality of citizens is breached. In practice, the actual passing of the law was only postponed, as the Assembly passed it for the second time, thus imposing to the President the obligation to sign it, although he opposed it at first.

As a consequence to the referendum in late 2004 on the redistricting of municipal borders which put into question the implementation of the Ohrid Agreement and caused fear of a new destabilization on the side of the international community, the government wanted to secure that provisions which have to be voted by “Badinter majority” shall not be object to referenda in the future. After few unsuccessful attempts to secure quorum, the Parliament managed to pass the new Law for Referendum only by the support of the parliamentary majority and the complete absence of the opposition parties. All position parties voted for the law, with the exception of the LDP MP Liljana Popovska. Opposition boycotted the voting, after the unsuccessful attempt to amend the article that forbids initiating a referendum for issues that demand the "Badinter (specialized) majority". VMRO-DPMNE announced that exactly for this legal provision, they shall initiate a complaint to the Constitutional court.

### **2.3. Law on Use of Ethnic Flags – How Does it Work in Practice?**

The Law for use of ethnic symbols (flags), is considered by DUI as the last to be passed as an obligation deriving from the Framework Agreement, while the other coalition partners considered it to be a sign of good will and not an obligation. However, this draft law provoked very vigorous, intense and opposed discussions in the Parliament,

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<sup>22</sup> What's more, two months ago, MPs through introducing legal corrections, have doubled their pension basis.

<sup>23</sup> Boris Kondarko, Karolina Ristova and Igor Ivanovski.

<sup>24</sup> Silvana Boneva and Ilija Kitanovski.

<sup>25</sup> Sasho Dohcev and Kire Gestakovski.

<sup>26</sup> He was then an MP and leader of SDSM.

including opposed opinions by both position and opposition MPs, and about 50 draft-amendments to the law were submitted.

Some SDSM MPs objected that in front of state institutions and the local community buildings should be only the state flag, while ethnic communities may use their flag in different other occasions. SDSM MP Tito Petkovski and LDP MP Liljana Popovska submitted three amendments. They suggested that the flag of an ethnic community should be different from the flag of another country, in order confusion to be avoided and the status of Macedonia is not to be questioned. Same suggestion was for the flag's dimensions, which is suggested to be different (smaller) than the ones of the national flag.

At first, DUI MPs demanded that there should be no census in use of the ethnic flag, meaning that it should be allowed to be used in the whole territory of the country, in order to "produce loyal citizens to this state". Part of the ethnic Albanian MPs wished to lower the census of a certain ethnic community in a local level to 20% (instead of the suggested 50%), which automatically means that the number of local communities where the flag shall be used would increase. The DUI MPs Rafiz Aliti and Fazli Veliu announced that by amendments shall request change of the state flag, coat of arm and anthem, but later Aliti backed up from this position. No MP of Albanian ethnic origin wished to discuss at all the possibility of changing the flag design, in order to differentiate it from the flag of Albania. They were justifying the use of the flag as something they fought with many years- against the Turks, in the First World War, in the Balkan wars but also in the Second World War.

Both VMRO-DPMNE and VMRO-People's Party announced that they shall not vote for the law, finding it unacceptable for ethnic communities to hoist flags of foreign countries, thus undermining state sovereignty. VMRO-People's party MP Zarko Karadzovski commented: "I do not know what is the use of this law, when you use your flag anyway. With this law you shall have to use the Macedonian flag as well, and you will not do that without a purpose".

According to the draft-law, people belonging to ethnic communities may put the flag they have chosen as theirs in the local communities where they are over 50% of the local population, which practically means that ethnic Albanians may hoist their flag together with the state flag in 16 local communities, while Turks in two and Roma in one each. Finally, the law was passed with 50 votes "for" (out of 120 total number of seats), four "against" and eight "sustained". All but one DUI MPs, SDSM MPs and the smaller ethnic communities voted "for", against were Tito Petkovski and Slavica Stankovska from SDSM and Ivan Stoiljkovic from the Democratic Party of the Serbs. Opposition VMRO-DPMNE, VMRO-People's Party and the Liberal Party were not present at the time of voting, while LDP MPs abstained from voting. Opposition parties announced that they shall submit a complaint to the constitutional court against this law, stating that by this law the Framework Agreement limitations are not applied, the country's sovereignty is harmed and federalization processes are boosted.

First real test for the law were the festivities organized for the National day of Albania on 28 November, when the scandal with the Albanian flag occurred. Namely, in the festivity organized by DUI<sup>27</sup>, was placed a 50 meters big Albanian flag, wrapping completely a big department store. In this case there was evident breach of a couple of provisions of the adopted law: ethnic community flags was not hoisted together with the state Macedonian flag although it is legally compulsory; there was no previous special decision by the local community council to determine the organ in charge for hoisting the flags; and no one knew who placed the flag and by who's decision<sup>28</sup>. Exactly this attitude, used for a day which is not registered as national holiday in the country was condemned by the public and arose the question whether the adopted law can be put practically into force, who is in fact responsible to raise indictments and for what. Additional confusion brought the Ministry of Interior and the Public Prosecutor who were accusing one another of who is in charge to initiate a legal proceeding. The Skopje Public Prosecutor stated that conditions are not fulfilled to initiate a legal proceeding and according to him only a misdemeanor procedure may be raised. For the DUI vice-president Agron Buxhaku, there is no space for raising any indictments as "there is only a demonstration of respect to the symbol of the Albanian ethnic community" and that "it is more important the feeling of freedom and democracy among Albanian citizens which shall enforce the feeling of loyalty of this population towards the state".

SDSM as a party isolated itself from this event, but it is no secret that their credibility has been publicly undermined by their coalition partner. The president of the SDSM parliamentary group, Jani Makraduli stated that he is disappointed by the event and that he expects adequate reaction by the Ministry of Interior, to punish for disrespect of the adopted law, for which so much energy was spent to prove that its introducing creates positive effects. "It is not under question that people belonging to ethnic communities may mark their local community festivities but always the state flag should be there as well. The law needs to be respected, therefore institutions in charge should undertake certain measures according to their competencies"-he said. VMRO-DPMNE MPs demanded from SDSM to take measures for "securing the use of the state flag of the Republic of Macedonia".

Various reactions on the same issue occurred in Kumanovo and Tetovo. Inside the organization of the Student Youth of Kumanovo protests have been organized, demanding for the adopted law to change and allow use of the flags of ethnic communities that are under 50% of the population in the community (in Kumanovo ethnic Albanians are currently about 25%). Demonstrations were very euphoric, having massive use of the Albanian flag and anthem. No one from the participants wished to give comments for the Macedonian speaking media, with the exception of the DUI community council member who said that his party is not supporting this protest. In

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<sup>27</sup> Together with the National day festivity it was celebrated the beginning of building a statue to Skender-Beg in the center of Skopje (the side of the river where the Turkish market is- the more "oriental" part of the old city).

<sup>28</sup> At the same time DUI did not place the state flag on their first Congress held a couple of weeks before, and that was characterized by Ali Ahmeti as "technical issue".

Tetovo, at first only Albanian flags were hoisted, but in the afternoon hours Macedonian flags were put as well.

## 2.4. Draft-law on the Use of Languages

The Law on the use of languages is the last piece of legislation planned to be passed, but not as a formal Framework Agreement obligation, but (according to SDSM) more like a sign of good will. It is no secret that DUI puts pressure to their coalition partners for introducing such a law and informal rumors say that this draft law introduces the use of Albanian language as the official language to be used at the territory of the whole country. In fact, the Framework Agreement determines that interventions regarding the use of language are to be passed in various laws, which was already achieved<sup>29</sup> but introducing a special law referring to the use of language would generally cover all circumstances that might occur<sup>30</sup>. However, this law was left until now, partly for the overburdened agenda of the Assembly, but also because this "hot" topic is not a desired event before election time. What's more, the DUI parliamentary coordinator Rafiz Aliti demanded for the use of Albanian language as the official language in the Army and the Police, by using Belgium as a practical example. Unofficially, the draft-law for the use of languages is already prepared and it shall enter parliamentary procedure by the end of this or the beginning of next year. It is expected that the idea for the use of Albanian language in the Army and the Police, shall be abandoned.

## 2.5. Electoral Law Issues

OSCE/ODIHR thinks that significant irregularities located during the two rounds of the local elections last spring shall constitute a serious threat for the integrity of the future national elections stating that the culture of non-punishment should be looked at reversely. Remarks are given to the existing legal framework, to the Central Electoral Committee functioning, to the election committees, the election process on the day of elections, to the submission of complaints and the procedure that follows. Main critiques referred to the guarantees of the universal and equal right to vote as well as the secrecy of voting. Election committees have been bringing suspicious decisions, where party membership was used as an opportunity to influence the EC decisions. Independence of judges was also in question, since parties were asked for opinion upon their appointment in the electoral bodies. Emphasis should be given to sanctions, since breach of election rules is obviously not a result of ignorance, illiteracy or lack of political culture, but on purposeful behavior of those who think that can get away with what he is doing. Observers located irregularities especially in the Northern and North-West part of the country, including Skopje.

Although reasons for the largest number of repeated irregularities should not be put on the account of the Election law, (as it is evident that the main thing lacking is the political will to lead proper elections), still it is imposed the idea of revising the current law in order to facilitate the election process. Novelties and corrections in the law, as proposed by the Ministry of Justice anticipate for the President of the State Electoral Committee

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<sup>29</sup> In the law for legal procedure, criminal law, in the general administrative procedure, in the law for local self-government, etc.

<sup>30</sup> Experts say that this general approach derives from article V of the Constitution based on the amendment set out in the Ohrid Framework Agreement: *"In the organs of the Republic of Macedonia, any official language other than Macedonian may be used in accordance with the law"*.

and his deputy to be elected from the judges by lot, instead of the President of the Republic to appoint a person for this function. All judges in all election bodies shall be elected by lot instead of being suggested by political parties. Party members shall remain as members of the election bodies. Also, the level and number of authorities of the CEC is increased, in order to help in better efficiency in operation during election time. All election laws are to be codified into one law, in order not to bring confusion or not have specific areas covered by different laws in a different manner. OSCE suggestions that have been incorporated in the amendments are: non-party members to participate in the election organs and to be provided their protection against political intimidation, more severe punishment for members of the election committees which shall try to stuff ballot boxes; a possible idea is members of the election boards to be elected from the lawyers, notaries or employed in the courts or alternatively to be civil servants; in the composition of election organs is suggested adequate representation of both genders, as well as in the proposed party lists. More precise provisions are added in the parts of the election campaign, in the campaign financing, in the process of voting, the annulling and repeating of voting as well as in the domain of protection of election right.

As the Ministry of Justice decided, the process of introducing this law shall be accompanied with many discussions and consultations obtained by experts, position and opposition parties, civic organizations and all other interested actors. Follow in short some of the ideas and demands expressed during those meetings.

VMRO-DPMNE demanded change of the electoral model from proportional to a two-round majoritarian system and organizing a public lot while electing the president of CEC. According to them, the president of CEC should belong to the opposition and it should be allowed to the expatriates to vote in the countries they live in. DUI demanded from the judges and the other election organs to have adequate representation of persons that belong to the community over 20% of the country's population and to take care for the use of the second official language in the election procedure. VMRO-People's party demanded for all the people temporarily living and working abroad to have them separated in a special voter's list in order to avoid abuse of those votes. Although electoral model was not an issue of change nor the main focus of discussion for amendments, PDP suggested change of the model, where the whole country shall be one constituency. Reasons for such change according to the party are: removal of irregularities, election termination in the first round, increased control of international monitoring, etc. Same model was requested by Democratic Alternative and NDP. Also, opposition parties claim that there are 200.000 fiction voters in the electoral lists. The Minister of Justice denied it, explaining that firstly, figures are exaggerated, and second, these are persons who are Macedonian citizens and who currently live out of the country. As expected, their voter's right must not be denied, and if these persons are to be deleted from the lists, the act shall be against the law.

On the other side, some experts demand deliberation of the judges from participation in the election organs. The first reason is the "need for complete division of the judiciary and the executive" and the second is "to cease marking the judges as party supporters (in party colors)". It is suggested elections to be held by representatives of the state



administration (like in Canada for example). Similarly, LP and LDP demand not to have judges included in the election process. Instead, LDP insists the SEC not to have members from political parties or political parties suggestions. Instead suggestion is to reduce the number of members of the SEC from 9 to only 5 and the president to be elected through public call issued by the Assembly, and the mandate of this person to last until he/she goes to pension.

Parties that belong to smaller ethnic minorities demanded to have out of the regional proportional electoral model of the country where each region produces 20 MP seats based on closed party lists and application of the D'Hondt formula, additional twelve seats to be reserved only to those ethnic communities. The number of seats is suggested according to the statistical numbers these ethnic groups have in the total of the country's population (one tenth), and is suggested out of these 12 seats Turks are to have 4, the Roma 3, the Serbs 3, Bosniacs 1, and Vlachs 1. For these seats it is proposed the whole country to be one constituency. Although at first a promise was given, there are signs that SDSM reconsiders its position, measuring the probable negative effects this party shall have by accepting this solution. Still, most reactions to this suggestion came from the Albanian parties and media, probably because they estimated that the exclusivity of the Badinter rule that these parties have so far, might have to be shared with this parliamentary group as well, in addition to the fact that these smaller parties are closer to SDSM. Other than the direct political interest and estimations, there are other dilemmas that need to be considered when deciding upon such a solution. Firstly, the principle of competition between various parties is distorted, including the probable success or failure of these ethnic parties, since they have reserved seats anyway, without making the effort to earn their political position. Also, by this solution are stimulated ethnic parties, instead of the efforts to promote a "civic" perspective for all citizens, since citizens shall be "pushed" to vote only for the parties of his ethnic group, thus bringing ethnic "enclavisation" of the political scene. It remains to be seen whether this solution shall receive final support by the ruling parties, but as things stand now there is a very weak probability for such a support. Election codification is to be finalized and voted in the first half of next year.

## **2.6. Constitution Amendments Finally Passed**

Numerous reports, experts research and recommendations have been mentioning the Macedonian judiciary system as one of the weakest systemic spot for further democratic development and as the number one priority reform problem (especially addressed is its inefficiency, dependency of the other state powers, the presence of corruption etc). Latest World Bank report on the Judiciary system in countries in transition states that Macedonia, Romania and Bulgaria have a great demand for judicial services, but they only have modest judicial capacities. It is said that problems like the courts' independence, responsibility and functioning, the mechanisms for alternative solution of cases as well as the design and the functioning of the lawyer's chamber, judiciary clerks and notaries must be solved. Transparency and responsibility of the judges secured through a merit system must be set up as well.

The actual necessity of reform imposed the need for introducing adjusting constitutional changes. This was an opportunity for promotion of various ideas and concepts by the experts, the judiciary, the political parties, but also it was a field for political marketing during the whole adjustment process before final solutions were accepted. Parties took advantage of the moment, especially because these constitutional interventions took place during the period of expecting the EU avis for the Macedonian candidacy status, on one hand, but they were also offered as a convenient environment for possible early election propaganda of the key opposition parties. This political context determined the flow of the constitutional changes and the fluctuation of the constructive input of parliamentary parties. The government, being aware of the need to secure wider support for this endeavor<sup>31</sup> during the summer held consultations with all the relevant political opposition (VMRO-DPMNE, VMRO-People's Party, Liberal Party, Agricultural Party and PDP) as well as position parties' leaders. Invitation was accepted by all, with the exception of DPA's leader Arben Xhaferi.

On the very start of consultations, the Albanian party block including DUI, pointed out the idea of having a vice-president of the Republic who is expected to be an ethnic Albanian. This request provoked a fierce debate between the coalition partners, as the same demand was repeated by Rafiz Aliti, president of DUI's parliamentary group, at the parliamentary committee in the Assembly<sup>32</sup>. SDSM representative refused the idea stating that his party is not considering such a solution and suggested for DUI to avoid political marketing. Somehow softening the request, Ali Ahmeti on another occasion stated that this idea should be institutionalized, but the ethnic background of the person-bearer of the function may change, since President of the Republic might be an ethnic Albanian, for example, while vice-president might be a Turk, a Roma, etc, while competition among candidates should not be prevented<sup>33</sup>. This party also did not support the deleting of the second round threshold, but for different reasons than VMRO-DPMNE, as obviously the Albanian political factor wants to make sure that any future elected president must take under consideration the expectations of this population, in order to gain the threshold turnout requested.

PDP requested the election of the President of the Assembly in the future to be according to the "Badinter rule", which practically means that one of the three leading functions (President of the Republic, Prime-Minister or President of the Assembly) should be an ethnic Albanian. This party requested this election rule to be applied for election of the Public Prosecutor as well.

VMRO-DPMNE position was that constitutional changes to be discussed are for the judiciary, so one should not spread the focus on other issues. This party also rejected the amendment for abolishing the second round threshold existing for presidential elections.

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<sup>31</sup> For adopting the amendments a 2/3 majority is needed, which means that it is needed a support from 5 to 6 opposition MPs.

<sup>32</sup> He argued that his request that this way interethnic relations in the country shall improve.

<sup>33</sup> Some sources say that this was an idea issued by the foreign factor present in the "Mavrovo meetings" in order to serve as a formula for avoiding tensions and election irregularities. There is a slight probability that the idea shall pop up again before the next presidential elections, due to take place in 2009.

(This Government suggestion came due to the pending probability of not having sufficient second round turnout, which would prevent a candidate to be elected, thus putting a threat that the election process might be prolonged and repeated for much longer than desired<sup>34</sup>.) VMRO-DPMNE also opposed the idea for the President of the Republic to appoint instead of only proposing two members of the State judiciary council<sup>35</sup> and in the Public Prosecutors Council<sup>36</sup>. Position was that these proposed amendments practically are including elements of a presidential political system, which is to be avoided. The party opposed the idea for the President of the Supreme Court to be President and the Minister of Justice to be a member of the State Judiciary council, and supported the idea for the state Prosecutor to be elected by the prosecutors, and not by government's suggestion. The only accomplished consensus was for the Prime-minister's and Ministers' immunity, for which instead of the government in the future the Assembly is to decide.

In the meantime, experts and the judiciary joined the public debate, giving their input regarding some issues of their interest, like: to be removed the suggested probe mandate of the judges; remarks were given for the composition of the State Judiciary Council, the incompatibility of functions, the immunity, etc. Discussions described the judicial function as incompatible and incombinable with any other function, and criticized the organizational scheme of the judicial system as being overburdened. Judges opposed the idea for the authority of misdemeanors passes over to administrative organs and was stressed that from the solution of control of these organs may depend the whole reform package, since it is getting into a very subtle judiciary area, meaning the right to decide upon the citizen's innocence. As far as the necessary majority for judge's election or prosecutors is concerned, it is suggested the decision for election to be brought with 2/3 majority. The argument was that no public prosecutor finished his regular term, due to the intervention of every new government that comes to power. At the same time, the system should take better care of the judge's salaries and material state. Suggested ideas were positively estimated by the Council of Europe Venice Committee, characterizing them as "serious step for the country, which will help in the negotiations for EU membership".

Three Assembly's committees- the Constitutional committee, the Committee for Political system and the Legal committees looked at the proposed changes, but only the last committee passed all of them. It was obvious that the government is forced to make a couple of political compromises, in order to pass the amendments. In total, on the plenary session, opposition parties<sup>37</sup> in addition to what the government has submitted, proposed additional 25 amendments, out of which 12 referred to the State Judicial Council, and two on the President's election amendment. During the Assembly's debate the Minister of Justice accepted the VMRO-People's party amendment for the president of the Supreme Court not to be automatically president of the State Judicial Council, but instead to

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<sup>34</sup> Recent negative experience of these probable consequences had Serbia.

<sup>35</sup> The State Judiciary Council is the new name for the so far Republic's court's council.

<sup>36</sup> Same like all other opposition parties.

<sup>37</sup> VMRO-DPMNE, VMRO-People's Party and the Liberal party.

additionally regulate this issue by law<sup>38</sup>. The amendment referring to the Public Prosecutors Council election confronted SDSM and DUI, as DUI requested a Badinter majority in this case as well. VMRO-People's party characterized this as a classical blackmail by DUI, since by the offered solution opposition shall be completely excluded from the election of these people. However, party leaders showed readiness to overcome their differences, in order to pass the amendments. It was agreed that laws for the Judiciary and the Public Prosecution shall be voted by 2/3 majority, while judges and prosecutors in the Judiciary Council and in the Council of Prosecutors shall be elected by simple majority, plus the Badinter majority. Regarding this deal, VMRO-DPMNE declared that shall not support the constitutional amendments because "it was proven that the Government has no concept and the debate turned to a political bargaining between the parties". Still, as this political arrangement was closed, constitutional amendments were voted and passed in December.

## **2.7. Reforms in the Making**

In 2006 shall commence the functioning of the new regulations regarding bankruptcy cases. This would mean end to the volunteerism of bankruptcy managers, who purposefully dragged the procedures in order to allow financial gains for themselves or to other linked interested parties. Duration of bankruptcy procedure shall last up to six months, instead of the so far indefinite dragging which did not have any economic and legal logic. According to the novelties, bankruptcy managers shall have a direct moral, criminal and material responsibility for the cases they are in charge. They shall have to be ensured on a sum of 500.000 EUR at an insurance company and with all their property for conducting the process, serving as a guarantee that any damage that occurs shall be covered in case of abuse or inexpertise<sup>39</sup>. Bankruptcy managers' license shall have to be renewed every two years, while the Court of honor shall follow their work. Banks shall get an enforced position, while the bankruptcy manager shall not be able to get into negotiations or to sell property without previous consent of the Committee or the Assembly of creditors.

The Ministry of Interior after finishing the legal tender procedure for electing a contractor to print passports, personal ID and driving licenses has selected the German firm Giseke and Dervient. This selection although stirred up reactions by the media, upon complaints from the competing firms the Second instance committee overthrew the complaints as non-valid. There were even public comments by the Prime-Minister that some media were practically paid by the non-winning competition to write negatively about the tender winner in order to discredit the whole process. Finally, it is expected the agreement to be signed by the end of this year, while after nine months the whole system to be set up, which means that new passports and other documents shall be issued starting next autumn.

In the process of reforms is the pension's system of the country, opened a second private pension's fund, and covered by two banks (funds) that shall lead the process. It is

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<sup>38</sup> Same way shall be dealt the position of the Minister of Justice, whether he will become a member of this organ.

<sup>39</sup> Currently, in the country are 180 bankruptcy managers.

important to note that in this system are practically included persons that have not yet accomplished ten years for working experience, although best benefits shall be achieved by those who have up to five years of working experience until today. This second pension pillar is compulsory for everybody who got employed after January 1<sup>st</sup> 2003. So far in these two funds have been inscribed 32.500 persons.

One-stop-shop registration system is expected to start functioning from January 2006. Registering a new firm is expected to cost 40 USD (cheaper than the current 300 USD), but what's more important, instead of 48 days, as the average estimated waiting time now is, it shall be done in 3-5 days, in one of the 30 Central registry offices that shall be opened throughout the country. So far, Macedonia has registered about 97.000 companies, which now are transferred into digital form and need not be re-registered. One of the additional gains of this system is data availability, greater transparency and ability for better control.

### **3. International / Regional Issues**

#### **3.1. USA visit**

The visit of Prime-minister Buckovski to USA was considered as a very important political event and possible support and encouragement for the Macedonian political priorities. Signals received suggested further support for the NATO integration of the country, although there was disappointment for the expected but postponed invitation for membership. Still, USA authorities did not promise anything directly, especially not before 2008, but stated that they stand behind the Macedonian aspirations, showing good will to help in any way they can. Regarding the border issue with Kosovo, President Bush confirmed that this is a technical question and that the USA does not support any change of borders in the region. "Some speak of greater Albania, but that is nonsense, we are against it and these things shall not happen". The only thing requested from Macedonia is to be constructive while the process of negotiation between Serbia and Kosovo is evolving. Regarding the "name issue" position remains the same - USA shall synchronize itself according to the circumstances as they develop. Macedonia has also got compliments for the Framework Agreement implementation and recognition for the "demonstration that people from different cultures may live together in peace".

#### **3.2. EU and NATO Integration Process**

While waiting the EU recommendations, the country nurtured an atmosphere of expectation that Macedonia entering NATO is more than sure. Namely, in many occasions, Macedonian officials were stating that in 2006 the country shall be invited for NATO membership. In September, USA reduced the hopes of Macedonia, Croatia and Albania (the Adriatic Group) that by the end of next year they shall be invited for NATO membership, commenting that the three countries are not yet ready<sup>40</sup> and that 2008 is a more realistic accession date, as the Alliance as well is not ready to accept new members

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<sup>40</sup> Bruce Jackson (NATO lobbyist) stated that even if entering NATO is postponed, it is not due to the bad results the country is showing.

this or the next year<sup>41</sup>. As future invitation date is mentioned November 2006. However, member countries advised the Macedonian Minister of defense that the country needs to turn to more intense lobbying, in order to get a firm signal for getting invited for NATO membership. For that purpose, Macedonia seeks individual evaluation at least for 2008 since it is not sure how the level of advancement for the other countries in the group shall be. Still, in principle groups of countries join NATO, so it is expected the same thing to happen with the Adriatic group.

Regardless of the NATO accession trend, reforms in the Army are going full steam ahead<sup>42</sup>. Starting from 2007, there will be no new recruit contingent, since by that year complete professionalization of the army shall be achieved. This year is much more realistic for reforms termination, as it allows regular influx of groups of trained professionals of 500 to 800 persons. Judging by the recruiting interest for professional soldiers the Minister of Defense stated that seen in middle terms, the country should not have problems with a quality and motivated human potential in the next five to ten years. By then it is expected all remaining reforms in the Army to be completed. Macedonia is developing mechanisms for preparation of national forces together with the other partner forces in order to take part in NATO-forces for immediate reaction.

According to the Thessaloniki EU general policy commitment remaining West Balkan countries, after the accession of Bulgaria and Romania are to follow at a later date. Dilemmas are how much this process may contribute to the countries' stability, if one has in mind that current governments have no big support, but nor does their political alternative presently in opposition. It is interesting the fact that governments that have shown some results in this process gradually lose the elections by their opponents. Balkan countries should adopt EU values, including individual freedoms, human rights, democracy and market economy. Unfortunately collectivism in the Balkans is still strong, together with authoritarian ideologies and state discretionary manner. Countries in the region still occupy themselves with their mutual or internal problems, instead of imposing a different agenda, thus making EU and USA less interested in the region. From their side, EU countries demand to take a short breath before further EU enlargement continues. These trends could be a bad signal for the whole region, as some worry that it may be destabilized again if the EU process is not moving forward at a right pace.

Although finishing the Framework Agreement implementation, political stability, determination of all political parties for the road to joining EU and the role of national EU Secretariat as an effective partner to the European Commission were pointed out as positive sides, while awaiting for the avis of the European Commission to the Council, still summer events regarding the country's security, the practice of closing deals without

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<sup>41</sup> Unofficially, Macedonia was criticized for the last election irregularities, Croatia for not delivering General Ante Gotovina and Albania is considered still unprepared.

<sup>42</sup> Starting from August 30<sup>th</sup> the whole border of Macedonia is secured by the border police. This process lasted for 15 months, and is being finalized by this last transfer of the border line from Gostivar to Bitola (towards Albania).

tender, and the tax pyramid were the reason why the Commission posed additional nine questions to the Government in July<sup>43</sup>.

During the waiting period, there were numerous optimistic voices encouraging the Macedonian public. This summer a group of experts together with government representatives and analysts gathered and recommended for Macedonia to make active campaign for self-promotion in Brussels and Washington, to persuade that it is a successful Balkan story and that it deserves to get positive answer in November. Analysts were saying that it may be expected Macedonia to join EU by 2015. The European Initiative for Stability - a think-tank organization that follows the inclusion of the Balkan region into the EU states that if Macedonia becomes a country-candidate in EU, in the period of 2007-2013 shall receive annually 54 million EUR financial aid. Theo Weigel, the former German Minister of Finance serving as councilor to the Macedonian Government stated that Macedonia gave its best to answer the EU questionnaire, and now if the Assembly follows the planned dynamics, his opinion was that the country has very good chances to receive the status candidate country for EU.

It is believed that two are the things that work in favor for Macedonia in this accession process: the Framework Agreement implementation, which creates a desirable model for the EU, as a European "child" that worked as a success story which may further serve as a model in other cases in the region; and the generally hard regional context regarding Kosovo, combined with the political uncertainty in Serbia-Montenegro and the non-identified political course which will take the newly elected Albanian government. Fact is that Macedonia has gone forwards in some aspects, but there is still a lot to be done. Some of the key constitutional issues have been solved and there is consensus for the country's future, which is important for a small country that does not have an army or diplomatic force- its best stabilization and defense is through respect of human rights. Javier Solana stated that "the mission is accomplished when adopted rules shall be respected, when reality in-field shall be changed and when long-term reforms as decentralization and equal representation shall be really applied". For all of this the idea is for the country to get the candidate status in order to be forced to really make reforms.

On Thursday, November 9, the EU Commission has recommended to the European Council to declare Macedonia a country-candidate for membership in the EU and to start negotiations when criteria shall be fulfilled in a satisfactory manner. On December 17, the European Council followed the Commissions recommendation. Sources from the Commission say that there is little chance for membership negotiations to start next year, because Macedonia still has many tasks to accomplish. However, this decision was enthusiastically greeted by all political actors in the country. Prime-Minister Buckovski stated that "today is the day when is definitely closed the question whether Macedonia shall become an EU member. The reply is yes. Now the question is when it will happen, for which the answer should be given by us". Macedonia was characterized as an incredible story in the political sense, but still has a lot to do in strengthening its administrative capacity, in implementation of the EU aquis, reforming the judiciary, implementing the laws of EU, etc. More concretely, in the part of the opinion dedicated

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<sup>43</sup> Seven of those questions were directed to the Prime-Minister.

to the political criteria it is said that the country has stable, functioning political institutions, but that local elections in 2005 showed serious irregularities. Rule of law is strengthening, but high level of corruption remains, influencing the economic, political and social life of the country. On the occasion, Javier Solana stated that "he is very satisfied that the European Commission after rigorous estimations, saw sufficient progress and suggested candidate status".

As the written statement of the EU enlargement commissioner Olli Rehn describes, the largest incentive for countries in the region to effectively promote reforms in their country is their need to have a "convincing political perspective for eventual integration into the EU". All parties/countries are aware that EU set criteria are to be met in full and the road for membership may be quite long, but what is very important is the sense that the European perspective looks realistic, including greater economic and political integration of the region. After all, this has already been agreed in 2003 at the Thessaloniki agenda in a form of commitment of EU towards the region. The country had put all its hopes on the decision for the country to finally receive the official candidate status, at the same time being aware that hard tasks are yet to follow. As objective EU estimations are, the country has managed to accomplish the political section criteria in a surprisingly positive manner, if one has in mind that it was in the brink of a civil war only a couple of years ago. The Framework Agreement and its consequence in the systemic, legal and gradual society change has made Macedonia a regional example of a successful practical policy effect, making it the only functioning multi-ethnic state in the Balkans, which example is used for the others to follow. What's more "the country is demonstrating a real political will to tackle the priorities set by the EU in all areas". On the other hand it has been very explicitly said that on the areas of economy and on the aqis the country has not been earning any praise, so these are the basic two reasons that the country is not ready to start accession negotiations. As the date for commencing of this process is a separate decision, its timing is fully unknown as it directly depends on a track-record (most probably annually) in how the country is implementing its reform obligations in the future, among which one of the conditions are leading flawless elections in 2006. Of about 33 chapters that need to be negotiated with the EU Olli Rehn stated that Macedonia should not have difficulties with 15 of them, while for the others there should be intensified efforts for reforms accomplishment.

### **3.3. The "Name" Issue**

The Parliamentary Assembly of the Council of Europe although maintains the position of non-interfering to the name problem between Greece and Macedonia, it however looked at the resolution submitted by the members of the Macedonian delegation and supported by about 30 of their colleagues in which it was requested for the Republic of Macedonia to be addressed with its constitutional name. In the discussion that followed, emerged the idea of forming an inter-parliamentarian group consisted of Macedonian and Greek parliamentarians who would help the governments of the two countries in finding a solution to this problem.

During his visit in Prague and after the official recognition of the name by Poland, Greek Prime-Minister Karamanlis stated that Athens shall not help the Macedonian EU



integration, but on contrary, shall put impediments for it. He stated that Macedonia does not show will for finding a solution of the dispute, and that this fact should be taken under consideration when deciding upon the Macedonia application in the EU. "FYROM does not respond positively upon the initiative of the Secretary General of UN to be found a mutually acceptable solution for the name problem and does not show will for cooperation. [...] From its side, Greece does not have will to advance the talks for Euro-Atlantic process of FYROM"-he stated. At his speech at the Greek Assembly, Prime-Minister Karamanlis stated that Macedonia may enter EU either as FYROM or with a mutually agreed name, excluding any other option. The president of the Republic Karolos Papoulias on the occasion of the International Day against fascism mentioned "leading other battles in and out of our borders", seeing as an external battle the fight for the name and stated that Greece shall accept no blackmails, calling upon the "historical truth", clear rules and international legal obligations. These were the first public Greek move after the rejection of the Niemitz offer by Macedonia for the name "Republic of Macedonia-Skopje".

In October, UN mediator Mathiew Niemitz came up with a new suggestion: modified double formula for the name, according to which internationally in the UN, NATO and EU up till 2008 shall be used the constitutional name written on Latin script (Republika Makedonija) and the English transcript Republic of Macedonia, after which shall remain only the English transcript. In the bilateral relations with Greece suggestion is to be used the name Republika Makedonija-Skopje, while the constitutional name shall remain in bilateral use with the countries that already recognized Macedonia under that name, or the ones that intend to do so in the future. As no one has the right to exclusive use of the name Macedonia, Niemitz suggests for international relations the country to use its full name "Republic of Macedonia", while Greece would have the obligation to clearly identify its northern part as the "Greek province Macedonia" or with another name that may be chosen. This suggestion, although provoked some reactions in the mainly opposition circles, was officially accepted by the Macedonian government, while from the Greek side was promptly refused. President Crvenkovski characterized the suggestion as a "good basis for negotiations", while there were even announcements from the Greek Government that Greece might undergo a referendum regarding the name, as "the Greek character of the historical and the cultural name Macedonia is not a subject for negotiations". However, the opposition PASOK characterized the referendum idea as an "irresponsible act", by which the government wants to shift responsibility from itself to the Greek people. Greece was announcing that Niemitz shall further suggest another idea, but that by the end of this year did not occur.

Before the EU avis for Macedonia was issued, Greece intensified its campaign in putting pressure for the "name issue" resolution. Macedonia tried to push this issue at a second rate of importance, while Athens was strengthening the campaign. Macedonian government claimed that for EU/NATO integration of the country may not be put impediments, but it is aware that this is valid only for the name FYROM.

In October, UN officially denied that Ambassador Niemitz intends to resign from his mediating function on the dispute. However, it is unclear for how long Mr. Niemitz shall

endure in his efforts to suggest possible solutions, if one has in mind how these are refused by either side. Although it is believed that rumors for the possible resignation derive from the Greek side, and signals show that this move might be desirable, in order to transfer the decision to the Security Council to bring a new resolution on the matter. Probability of such evolvement is mentioned for the first half of next year.

VMRO-DPMNE leader Nikola Gruevski submitted to the Assembly a Declaration for non-changing the name of the state. As expected, he was not supported by any other party, characterizing the move as a cheap marketing trick which may produce counter-effect and provoke political damage. Position parties stated that the name of the country was decided during the 1991 independence referendum and that suggestions like this one may occur only when there are dilemmas, which in the concrete case do not exist.

### **3.4. The Kosovo Border Issue**

During the summer the Macedonian government made efforts to close the issue of border demarcation towards Kosovo. Unfortunately, political forces in Kosovo showed no readiness to accept this idea, due to various reasons, one of them being that this issue was left open in order to be used as a trade off in future negotiations with the international community. Macedonians were unsuccessful in their efforts to discuss directly with Belgrade and Pristina, thus leaving the chance for future diplomatic efforts with the UN, seeking debate on this issue with the Security Council in order to grant UNMIK mandate to close the matter before final Kosovo status negotiations begin. However, no direct support is seen in the horizon, as there is no political climate to close this issue. USA position is that border demarcation is not under question, as USA shall not abandon the principle of non-change of borders, but demarcation is not possible without the common agreement of Belgrade, Pristina, Skopje and UNMIK, although interests at this point vary considerably. Kosovar authorities stated that "this issue is not the main question" that it does not burden Macedonian-Kosovar relations, that shall be solved, and Pristina does not intend to put under question the territorial integrity of Macedonia. Official Belgrade does not wish to discuss for someone else to decide upon its border, a position that makes hard to UNMIK to legitimately take action.

In October, at the meeting with Kosovar authorities Prime-Minister Buckovski asked to be brought a resolution that would overthrow the possibility of uniting Albanians in the region. Various political forces reacted differently: DPA's leader Arben Xhaferi ironically stated that Buckovski is behaving as if he's an employer of the Albanian parties,- "this issue does not depend on his mood, so he does not have political nor moral right to demand that"-he added. The Democratic Union of Kosovo position is that valid is the resolution of the Kosovar Assembly three years ago for protection of the territorial integrity of Kosovo, so it does not recognize the demarcation agreement between Yugoslavia and "FYROM", adding that Kosovo never had territorial aspirations towards Macedonia. Opposition Kosovar Democratic Party demands a new agreement between Pristina and Skopje, by requesting Macedonia to recognize the existing Kosovar borders. The position of the Kosovar Government is that border demarcation should take place after the final Kosovo status solution.

However, it is considered that the Kosovo solution cannot wait for the democratic changes in Serbia to take place. The status quo in Serbia, Montenegro and Kosovo strengthens radical forces and makes democratic changes hard to achieve. Thus, it is not Macedonia in the Kosovo "spider's web", but the whole region is a hostage to the retrograde conservative forces. According to Bruce Jackson, member of the International Committee for the Balkans and president of the Democracy project, "every postponement of the border demarcation puts breaks on the EU integration of the country". UN special envoy Kai Eide in his recommendations and requested standards for Kosovo suggested that the border issue with Macedonia needs to be closed before negotiations between the two parties begin. The civil administrator for Kosovo Søren Jessen-Petersen stated in December that border demarcation between Macedonia and Kosovo shall not remain unresolved before final status solution for Kosovo shall be brought. This position was supported by Martti Ahtisaari as a main negotiator on the Kosovo status as well. Mr. Javier Solana although cautious, expressed hope that maybe soon shall have "good news about Macedonia."

#### **4. Economic and Social Trends**

By the analysis done by the Ministry of Labor and social policy on the labor market, unemployment in the first six months fell for 5,4%, although employment level is not going up. This means that this decreasing trend does not derive from the trend of employment, but from deleting persons from the lists of unemployed for various reasons. Employment agency every month deletes about 10.000 persons from its unemployment list. From April until July for various reasons the Agency deleted 46.000 persons. About 15.000 of this figure have already got the status of employed, because of non-regular registration<sup>44</sup> have been deleted other 20.000, while the rest are deleted for various reasons. Labor inspectors discovered 3.303 persons working illegally, while having the status of unemployed.

"Poverty is raising" - states the November World Bank report for Macedonia, covering the period 2002-2003, as every fifth citizen (22%) is getting into the "poor" category, using a "broader multidimensional definition of poverty, which includes in addition housing conditions and low educational achievement indicate total poverty at 51 percent of the population"<sup>45</sup>. Salaries have not been increased, workplaces in companies are still lost, while new are not to be found. Economy structure has been static since 1999. To cope with the problems, the country is recommended quick economic growth, employment decrease, opening of working places, bigger reforms in the public sector and targeted social aid. On the other hand, National report on millennium development goals till 2015 shows that every third family in Macedonia is being influenced by poverty, which is very high trend. Intention of the proposed policy is to decrease poverty from the current 51% to 9,5% till 2015.

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<sup>44</sup> Unemployed have to confirm their status every third month.

<sup>45</sup> World Bank: FYR of Macedonia Poverty Assessment for 2002-2003, published in October 18, 2005.

In November in Skopje was signed a document by which shall start functioning the Transport Observatory for South-East Europe. This body shall work on a five-year plan for development of the main regional transport net and shall determine priority projects. Ministers from the countries of the region signed an Agreement for Implementation of the Memorandum for developing the regional road net. At the same time, the Technical Secretariat from Bari, Italy scans the condition of Corridor 8 in order to estimate the costs of its construction and to prepare a feasibility study by the end of this year. The good news is that Macedonia came back again in the Brussels transport map, by prioritizing Corridors 8 and 10. At the same time, World Bank Program for Facilitating Trade and Transport in South-East Europe gets its further promotion through the meeting in Zagreb this summer, focusing on the train transport. Trains are estimated as quite slow, inefficient and overburdened with formalities thus making the transported goods uncompetitive, compared to other markets. As the program showed positive results in Macedonia, there is announcement for second one, this time referring to the whole region.

In October in Athens was signed the Agreement for establishing an Energy Community among EU and ten South-East-European countries, as a sign of inclusion and widening of the energy sector. In these agreed frames a united, stable and efficient energy delivery is expected, especially for electricity and gas, which shall impose a regulatory system upon the market economy in this area. Possible future inclusion of oil is considered as well. In the next 14 years are expected to be invested 12,5 billion EUR for renovation and new investments in the sector, resulting to full market liberalization by 2015.

Citizens and firms savings last year (2004) amounted to 12 billion denars (or 195 million EUR), which is an increase of 2 billion denars (35 million EUR) compared to the previous year, - show data from the People's Bank of the Republic of Macedonia (Narodna Banka). Citizens have augmented their saving's accounts for 113 million EUR, while additional 82 million EUR come from companies' savings. Experts think that this is prove of the citizen's and companies' trust into the domestic bank sector. Foreign currency reserves at this point exceed the amount agreed by authorities with IMF, as they are for 70 million EUR higher. In total, they reach the sum of 930 million EUR. At the same time, credit lines increased their credit amounts for 50 million EUR more than in 2003. Still, savings in Macedonia do not reach the desired level, if compared with the national GDP<sup>46</sup>. Macedonia currently has 20 banks, out of which 12 are domestic, 7 are foreign and one bank is in state ownership. Banks consider that it is time by the beginning of 2006 to lower down the interest rate which currently is moving from 12% to 14%<sup>47</sup>. In favor of this is the growth of GDP of about 4,5 to 5% expected for the second trimester of this year, the raise of industrial production to 8% in the first eight months this year, the low deficit of the external account, the low budget deficit, the raise of the foreign currency reserves as well as the good expenditure of capital investments in the first half of the year.

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<sup>46</sup> In Macedonia in 2003 this relation was about 20%, while in other countries of the region savings were 50% of GDP, while in EU 70%.

<sup>47</sup> This of course is regulated by the People's Bank of Macedonia and the Governor.

So far, a couple of agencies have estimated the credit rating of Macedonia, the latest being by "Fitch", giving Macedonia the BB rating, accompanied with positive perspectives. In general, estimation is that the country is good for investment, but still needs to work on the level of unemployment, the narrow export basis, the risks on political stability, the big deficit and the insufficiently developed market of state bonds.

Macedonia last year has managed to attract 151 million USD direct foreign investments, the least possible compared with the countries of the region. Negative trend continues, as in the first three months of this year, foreign investments have been only 36 million USD.

Macedonian stock market declared that in the first six months of this year realized double turnover (76,6 million EUR), compared to the year before. Leading Stock market managers explain this positive trend as a consequence of the presence of larger pool of information regarding the firms, that presently can be electronically accessed. This trend is expected to continue further.

Among 192 states, according to the GDP per capita, Macedonia is on the 80<sup>th</sup> place, having 7.749 USD per capita. Regionally compared, better positioned are Croatia, Romania and Bulgaria, while behind are Serbia and Montenegro and Albania.

Together with the World Bank PPDL reforms arrangement, Macedonia received critiques for the bad economy, corruption, high level of unemployment, low level of foreign investment, inefficient judiciary and impermissible high level of gray economy. Other critiques are for the low growth of GDP<sup>48</sup>, economic growth is only in a couple of key areas, there is credit inaccessibility. However, the country is praised for achieving in preserving the macro-economic stability, inflation has been kept to a minimum level<sup>49</sup> and external and public debt have remained low. The arrangement includes reforms in the judiciary, labor market, financial sector, business regulations, public administration, health and decentralization.

In December, external debt reached to two billion USD, as the new jump is due to the issued Eurobonds of 150 million EUR value. However, when with these money shall be covered the debt of the London club the situation shall be immediately normalized. This debt is never kept over 40% of the country's GDP, which is considered a positive sign.

The Government has been criticized for discussing and concluding serious business deals by direct negotiation with the potential interested economic investor, instead of using public tenders. These moves are justified with the intention to attract serious partners, by offering special conditions for investment. At first accusations came from the opposition, for offering state land to the Slovenian firm "Turboinstitut" to build electrical power plants, but then critiques multiplied and started coming from other sources as well (EU, the World Bank, IMF etc). Same remarks came from the European bank for development (EBRD), since they see direct negotiations as open chances for corruption. The Government justifies its interest by stating that the Turboinstitut investment is of 100

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<sup>48</sup> For only 3% annually for 2003 and 2004.

<sup>49</sup> Average inflation level for the period January July this year is 0,3%.

million EUR value, Lukoil gas pumps are worth 50 million EUR, Enrgotush stores are worth 60 million EUR, cheap flats that are to be built by the Malaysian firm Hisniaga are an investment of over 40 million EUR, Siemens shows interest for the Ohrid factory “EMO”, etc. Position is that if the country asks well-known brands to come and invest, one cannot allow itself to dictate the conditions.

## **Labor Rights**

The Union of Trade-Unions of Macedonia negotiated with the Ministry of Labor and Social Policy the new Law for Worker's rights, and the outcome was that about 60 suggestions have been mutually agreed. Working relations are to be regulated by collective agreements, while the existing employment agreements shall be considered as employment agreements. In case of strike, expenses are to be paid by the employer, while workers who have over 150 hours of overtime shall be paid a bonus of one average salary. The worker's right to defend himself is reformulated, by putting a bigger emphasis on the role of trade unions in his defense. Also, the form of the employment agreement has been defined, as well as firing terms, elements of a basic salary, and other extras that build the monthly wage.

As the Trade union for education, science and culture broke out of the national trade union, its leader Dojcin Cvetanovski got into negotiations with the government for salaries increase in this area. He insisted on negotiating the lowest salary in the sector, according to the signed collective agreements, which would mean that salaries should be formed according to previously determined coefficients. The government offered gradual 1% salaries increase, finally amounting up to 5%, which made people working in this field offended. Followed protests where employed in the education sector wanted to turn the attention to their socio-economic position. The government promised continuation of negotiations, but the hardest part is still the difficulty to define the lowest sector salary in education, especially for teachers in elementary school who do not have university degree. However, promise is that soon shall be reached a mutually acceptable solution for the last pending issue. On the other hand, solution has been reached for the salaries of the employed in kinder gardens and in culture.

## **5. Political Parties**

### **5.1. Merging and Emerging Political Parties**

This summer was founded the Agricultural People's Party lead by Marjan Gjorcev, a former VMRO-DPMNE MP. He stated that one of the basic motives for forming such a party is the fact that a significant number of the Macedonian population lives from agriculture, which directly or indirectly occuppies 400.000 persons, so there is a need for these people to politically articulate their interests. The party shall be positioned center-right, shall be a Christian party and shall cooperate with parties from the center and from the right of the political spectrum. The goal is people from the agriculture domain to have representatives at all levels, both nationally and locally. The leader counts on the votes of the disappointed from other parties and the undecided. In this party joined the

independent MPs Mihajlo Georgievski and Vanco Stamenkov, and Adnan Kahil from the Movement of Turks in Macedonia. Gjorcev was excluded from VMRO-DPMNE due to his demand together with Mrs. Dosta Dimovska to form an official fraction in the party. As known, Mrs. Dimovska founded another party- the Democratic Republican Union of Macedonia.

This autumn VMRO-DPMNE had a couple of new parties joining in. First was VMRO-DOM (leader Tomislav Stefkovski), which party brought decision to melt in with VMRO-DPMNE, and "to unite Macedonian patriotic forces for winning in the next elections". Same move was made by VMRO-Real (leader Boris Zmejkovski), a party that broke away some years ago but now it performed complete joining in, by deleting the VMRO-Real party from the courts register and by complete transfer of its members to VMRO-DPMNE.

After the decision of Tito Petkovski to break away from SDSM and form a new political party, first estimations of SDSM are that they do not expect that due to this move the party shall have membership drain. Still, prominent SDSM members after Tito Petkovski was activated in forming his new party, visited numerous party branches around the country to sense the situation and to secure the party unity. The party position is that it is not recommendable to fragmentize the political scene in the country, since by that things may be worsened internally and externally. SDSM saw the leaving of Petkovski as an act of modernization of the party itself. "He is leaving the party individually"- they said, as "this is his personal choice and democratic right, it is not a surprise however, since he up to now had positions contrary to SDSM, but which were respected by the party". LDP reacted that Petkovski was over 30 years on the Macedonian political scene and made nothing good- "he is a worn-out politician" they say.

Nevertheless, Petkovski formed his first party offices in Bitola, Ohrid and Tetovo. His supporters believe that after the leadership change in SDSM Petkovski is trying to create a new party entity out of principle reasons. At a certain point of time, Petkovski and the mayor Kostovski tried to reach a common position, but that was proved impossible, as both stated that they differ in ideology and position on many things in current policy. He formed an Initiative Committee, in which he plans to include good professionals, businessman, and people from the agriculture, science and culture. About 90% of the new members are people who were not politically active so far, while only 10% come from SDSM. The party offered "new hope and sunrise" by promoting "economic patriotism", while the slogan for the next elections shall be "Macedonia can do better". The "New Socialdemocratic Party" addresses people who have not determined a party preference and are "lost in the transition", as he includes persons from all ethnic groups, young and so far politically inactive. Petkovski promoted the party as a party that has people of moral and professional credibility, aiming to create a society of wellbeing and equality, fighting against corruption, fighting for ideals of the left, maintaining the reform process and the strategic interests of the country. He stated that in the future his new party may make a coalition with SDSM due to the program closeness.

Another party breakaway occurred in LDP, where the prominent member and MP Liljana Popovska after a longer period of disagreements with the other party structure, decided to leave the party and act on her own. The Executive party committee brought a decision and informed the Central Committee that Popovska shall no longer be its member. According to the Statute, no one may exclude her from the party, but it was obvious that she was approaching various political factors. Final move was provoked by Mr. Nikola Gruevski's offer for her to join VMRO-DPMNE. What's more, LDP called her to give back her MP mandate to the party (since LDP as a party held the position that MPs should give back their mandate when leaving the party, since it is a closed PR party list), but she denied to do so. Mrs. Popovska stated that she does not believe that she betrayed her voter's expectations, so she does not consider this idea. She also founded a new center party named Democratic Renewal of Macedonia (DOM), arguing that "Macedonia really needs renewal in spiritual and material sense, while democracy should be our moving force". Basic priorities of the party shall be the rule of law, economic development for poverty decrease, simulative business climate, contemporary agriculture, social care for everyone, especially the marginalized, raise of the level of education, active foreign policy.

In fact, after the parliamentary elections in 2002, out of the six leaders of the regional coalition "Za" party lists remained only two. Petar Goshev (LDP) became the Governor of the National Bank, Trifun Kostovski leaned towards the opposition and gained the Skopje mayor position, Branko Crvenkovski was elected President of the Republic on early elections, and now Tito Petkovski broke away from SDSM to form a party of his own. Still, analysts do not see a new bigger political grouping emerging, and although the space between the two largest ones- SDSM and VMRO-DPMNE has been "spent", still citizens are not ready to see another shooting star with a quick ending like it was Tupurkovski's Democratic Alternative in 1998. However, according to recent polls, this potential new party could count on maximum 7% support of the voter's pool.

## **5.2. DUI Party Congress**

First DUI party Congress was held in November 2005, long after the Founding assembly in June 2002 when the then NLA collected all its commanders and civil logistics, in order to shape itself like a political subject<sup>50</sup>. Presently, DUI has cleared with the military wing of Hisni Shaqiri who created a new party on his own, so now inside party relations have calmed down. So far, former main commanders got high party functions, like Gzim Ostreni became Secretary General, Rafiz Aliti is the chief of the DUI parliamentary group, while Hasbi Lika is the mayor of Tetovo.

The Congress gathered about 500 delegates. Ali Ahmeti was unanimously voted for party leader for another mandate, as he is indisputably considered as the person who brought

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<sup>50</sup> According to DPA, the war in 2001 was a big treason, organized and accomplished by today's DUI leadership. "The estimation that the uprisal was made for the alleged injustices upon the Albanians and the corrupt sinking of DPA is not only rhetorical function for covering of a strategic mistake, but it is evident that this is a strategically well defined project in cooperation with SDSM and other antialbanian forces for physical, moral and political elimination of DPA, that is for interruption of the process of realization of the national gains of the Albanians"-stated DPA representatives.



election victory to its followers and political success. He is seen as the implementer of the Framework Agreement, in his credit are the laws on Tetovo University, on the use of flags of nationalities and the making official of the Albanian language inside state institutions<sup>51</sup>. According to the Statute, Ahmeti shall be able to propose election of three new party vice-presidents and members of the Presidency. At the Congress a 75 member Central Committee was elected as well. Other than the Statute and the Program, were adopted two resolutions supporting EU integration of Macedonia and Kosovo.

During his speech, Ahmeti stated: "Maybe to someone might have sounded ironic when some time ago I stated that Macedonia is my homeland". DUI's involvement results with reality, Albanians think of Republic of Macedonia as their homeland, instead of feeling as foreigners". In that sense, they enjoy the right to education in mother tongue, free use of ethnic symbols, nurturing their own tradition, culture and history, achieve adequate representation and are integrating themselves into state institutions, are partners to the central and local authorities. He stressed that the Albanian people are a constructive factor in reconciliation of the major two ethnic groups and in the transformation of the state from monoethnic to multiethnic. However, the congress started with the Albanian national anthem and only the Albanian flag set at the podium. When asked by the journalists, he said that the Macedonian flag is placed at the entrance.

## **6. Public Opinion Polls**

Agency Brima-Gallup lead a poll in June 2005 on a sample of 1.200 respondents. This research indicated that citizens have no trust in state institutions functioning in general, but out of the enumerated state institutions Macedonian citizens have the least trust in Courts and the most in the Army and the Police (trust in the Army was 70% and in the police 67%). This trend is showing some positive signs of the country's security stabilization on both national and individual safety level. Still, citizens in high percents have no trust in the work of the Government (58%), the President of the Republic (55%), the Assembly (64%), the local authorities (45%), the Public Prosecutors (67%) and the Courts (72%). Regarding the will of citizens for government change, previous trends in February showed that about 47% of the respondents thought that there should be early elections, 38% were against and 16% had no opinion on the matter. This trend changed in May, since the percent of respondents "for" early elections dropped to 38%, and those that were "against" raised to 45%.

According to the UNDP early warning report from June 2005, in a sample of 1.100 citizens, respondents repeatedly show very small trust towards politicians in general. The highest percent of support is shown towards Ali Ahmeti, who enjoys 11,3% of support from the polled, and then follow Nikola Gruevski (8,7%), Vlado Buckovski (7,9%), Arben Dhaferi (7,5%), Risto Penov (3,8%) and Ljupco Georgievski (3,8%). Party rating of the two main parties is: SDSM- (15,4%) and VMRO-DPMNE (12,8%), but the number of persons polled who "shall not vote" is one quarter- 24%. Regarding the

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<sup>51</sup> Still it is questioned his real position among other Albanian political forces in the region, since Arben Xhaferi is his very serious competition, regardless of the current DPA party support.

"name" issue, is shown a very high consensus among citizens of all ethnicities for enduring and supporting the state position. As for the problems priority list, largest problem is still unemployment, mentioned by 77% of the polled, followed by poverty (41%) and corruption (34%).

At the end of the summer, according to a Brima-Gallup poll in a sample of 1.300 respondents, party rating was the following:

Party	Macedonians	Albanians
VMRO-VMRO	0,7%	
VMRO-DPMNE	15,8%	5%
VMRO-People's party	3,6%	
Democratic Alternative	0,3%	
DPA		16,7%
DUI		50,4%
LDP	0,1%	
LP	0,4%	
PDP		3%
SDSM	13,4%	
Socialist Party	0,4%	
Other party	2%	1,3%
A new party	1%	0,4%
Third Way	0,7%	
None	2,1%	0,4%
Shall not vote	38,7%	22,2%

Follow some of the results from the public opinion poll realized by a team from the Institute for Sociological, Political and Juridical Research in October 2005, on a nationwide representative sample of 1600 respondents.

On the question "Which are, according to you the largest problems Macedonia is facing today?", priority list is still the same: poverty, social problems, unemployment-54%, bad economy -17,60%, corruption and crime -8%, problems with neighbors -6,60%, absence of the rule of law 4%.

When asked to mark the government success from 1-5 (1 being the worse and 5 being the best grade), trends are the following:

Domain	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
Economy	61%	24%	10%	2%	2%
Security	26%	29%	30%	11%	3%
Personal security	26%	27%	30%	13%	3%
Interethnic relations	28%	31%	26%	10%	2%
Fight against corruption	64%	20%	11%	3%	1%
External politics	31%	29%	24%	10%	3%
EU/NATO integration	32%	28%	24%	9%	3%
Decentralization	32%	28%	25%	7%	2%

Note: Missing percents are in the “don’t know” group

As is obvious, government performance has been the worst in the economic domain and dissatisfaction is the highest when in question is the struggle against corruptive behavior. On the other hand, results are somewhat better in the security area, in its contribution to improved interethnic relations and in external politics coupled with EU/NATO integration efforts. In spite of all current problems decentralization is facing, citizens react positively to the process. At the question “Which of the following institutions you trust the most”, first came the Army of the Republic of Macedonia (19%) followed closely by civic organizations and media (18% each), the Police (11%) the President (10%) the Government (6%) and the Assembly (3,5%). Again, personal estimations on the current security of the country are that "it has improved"-41%, "it has gone worse"-15% and "it is the same"- 44%.

During this period, the two leading parties show a very close support, since SDSM had 13,80% support while VMRO-DPMNE had 14,30%. The other parties showed the following results: LDP-1%, VMRO-People’s party-3,40%, Coalition “Third Way”-1%, DUI-8,5%, DPA-4%, "any new political party"-2,5%, "shall not vote" 21,5% and "undecided" 24,5%. On the question "Who contributes the most for election irregularities?" respondents point firstly to ruling parties (52%), the opposition (19,40%), media (6,10%), the citizens (13,40%), the international community (8,50%) and the NGOs (1%).

EU/NATO integration still reach a very high consensus among the citizens of the country. On the question "Would you like Macedonia to become a NATO member?" answers are: Yes-82%, No-11%, don’t know-7%. For the EU integration positive answers are even higher: Yes-91%, No-4%, don’t know- 5%.

In the telephone poll conducted in November by the Institute for Democracy, Solidarity and civil society on a sample of 1050 respondents, 33% of the citizens stated that they

"shall not vote for any political party", while 22% are undecided. The other preferences are distributed as follows: VMRO-DPMNE 9,9%, SDSM 9,1%, DUI 7,8% and DPA 6,9%. The newly formed Tito Petkovski's party would gain 1,6%, PDP 1,5%, VMRO-People's party 0,7% and LDP 0,6%.

Macedonia is at the top of the states of South-East Europe, after Croatia and Bulgaria, when in question media independence. These findings are in the analysis of IREX regarding the index of media sustainability. Regarding the freedom of speech, Macedonia is at the fourth place, while for professional standards in journalism Macedonia is at the second place, after Bulgaria.

## **7. A Vote of Trust for the Government**

In September, VMRO-DPMNE organized a protest in which were demanded resignation of the current government and early elections. "Justice" and "resignation" were the meeting slogans, of the 12 member coalition "For Better Macedonia" lead by VMRO-DPMNE. Protesters reminded the ruling parties that did not offer solution for the economic crisis, although economic boom was promised in 2002, as well as at least one employed person in each family etc. The meeting was visited by a couple of thousand of citizens. Gruevski announced that he shall win at the next elections, setting the priority of his new government: "investments, education and working places are the main things that shall calm down Macedonia and lead it to EU and NATO". He complained of the injustice the government does, since Krasniqi walks free and others are in prison for a traffic accident, or like Ljube Boskovski and Johan Tarculovski who are in The Hague. VMRO-People's party did not join the protest, as Ljubco Georgievski stated that the time of such gatherings in Macedonia has passed and "we as experienced protesters would like to show to the citizens that in a normal democratic state the government is changing at election time, every four years". From his side Buckovski characterized this meeting as one of the least successful of VMRO-DPMNE, and expressed hope that this impression shall bring Gruevski back to reality due to the modest support and presence of citizens. "We think that now is the time for the opposition to become constructive"-he added.

In the effort to symbolize the momentum of real responsibility of the government and the "promises given in 2002 and never accomplished" the opposition initiated a vote of mistrust for the Government, after the VMRO-DPMNE meeting on September 15<sup>th</sup>. Practically, numerical distribution of votes support did not indicate a possible successful endeavor from the side of the opposition, but it represented an opportunity to attack and criticize the government for the so far lead policy. Discussion closed with the Prime-Minister's speech in which he reminded that "a state is not looked upon only by how its position looks, but also how its opposition looks like." Calling himself a non-repairable optimist, added that NATO membership looks as a tangible perspective for the country in 2008, while gradually Macedonia is undergoing a process of Europeanization, so whether opposition contributes in these trends, depends on her. He also praised the government for achieving to stabilize Macedonia in the security sense in the last three years. Final voting resulted in having 23 votes "for" government resignation (voted by VMRO-People's Party, VMRO-DPMNE, Liberal Party and the Agricultural party) and 61 votes

"against" (voted by SDSM, LDP and DUI) and two sustained- Tito Petkovski (SDSM) and Liljana Popovska (LDP).

## **8. Instead of a Conclusion**

In both the upcoming short and long-term period most painful and weakest spot for Macedonia is the bad economic condition of the country. Prolonged unfavorable economic conditions, slow economic growth, lack of investments, coupled with long-term unemployment trend and growing poverty rate are boosting apathy, bitterness and general citizens' dissatisfaction, which might erupt in unforeseeable dimensions. This is especially dangerous as poverty is the foundation of easy political manipulation and instrumentalization of masses, distracting all political forces and especially the Government (any Government) from reform policy efforts. To this may be added corruption affairs that seldom achieve resolution or justice arrives extremely slow and the lack of modernized and competent state or local administration.

Currently, interethnic relations are kept under control, as ethnic Albanians feel that measures have been taken to accommodate them as part of the state system and address the demands or needs identified in the past, set as priorities in the Framework Agreement. Although the process is never smooth, as it shows its defaults and turbulences, it would not be an exaggeration to state that interethnic relations in general are calming down. However, further simmering demands that exceed the Framework Agreement principles create a potential for dissatisfaction and frustration of the other side of the ethnic spectrum. It is high time that political partners do not push each other limits too far, as it is obvious that the ethnic Macedonian parties who show constructiveness in this relation may lose its votes support and credibility (thus, elections as well) if they seem too giving in, for demands that seem illogical or unreasonable. One very concrete example might be the Law on use of flags voted this year and its practical in-field application.

Regarding systemic change, and mostly in the legal domain, almost all tasks scheduled for this year have been accomplished, including laws and the constitutional amendments. The only one potentially remaining law that might cause future disputes is the draft-law on official use of languages and possibly the return of the four NLA cases from The Hague, when domestic authorities shall be in the awkward position to decide how to proceed further.

Potential danger that should not be underestimated, might be the wish of some political forces in order to promote their interests in the Kosovo negotiation process, to try and do so through stirring up internal relations in Macedonia. However, as time passes and political processes in Macedonia securely advance towards the Framework Agreement accomplishment and the EU/NATO path, those efforts may be proven fable and non-convincing. In this respect, the more obvious and certain the road to progress and task achieving is, the better chances Macedonia has to permanently stabilize itself internally. It is commonly known that EU reform agenda is clear, Macedonia shall be closely observed and checked to what extent these tasks are accomplished on annual basis, so in

order to have visible progress, the only thing the country needs to do is to follow already identified priorities.

The “name issue” although unpleasant and disturbing, it is not a serious escalating case, and as things are currently evolving through time a solution shall be finally accomplished. Similar trend is expected to show the MOC issue vs. the Serbian and other Orthodox churches. However, relations within the IRC need more attention by the local authorities, in order to help or facilitate the establishment of legally elected organs, which shall enable further normal functioning of this community.

As is now seen, upcoming elections shall be on their regular term. Having in mind the current votes support distribution (the close percents of support for SDSM and VMRO-DPMNE) it seems that the next Macedonian Government shall comprise larger number of parties, if not a “catch-all-party” Government. This wide coalition might be proven useful for the next period if political actors work constructively and show general commitment towards the EU/NATO integration reform tasks.