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Current Events and Political Parties Development in the Republic of Macedonia

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1. ELECTIONS

1.1. Election 2006 - Repeated Voting

Two weeks after the day national elections were held (July 5th), the State Electoral Committee (SEC) brought a decision to repeat the elections in eight municipalities. Repetition was performed after the final decision of the Supreme Court, which completely or partially accepted part of the complaints of Democratic Party of the Albanians, the coalition Democratic Union for Integration-Party for Democratic Prosperity and the VMRO-DPMNE coalition, and annulled the voting in 29 polling stations, located in Saraj, Bogovinje, Struga, Zajas, Vrapchishte, Tetovo, Sopishte and Gostivar. The SEC by simulation computed that in the mentioned polling stations there is basis for repeating the elections due to irregularities, which if summed up, may bring a possible different election outcome regarding the number of seats won per party. In total, four mandates were questionable, for which the main battle was lead between DUI and DPA, while VMRO-DPMNE was hoping for one additional mandate. Otherwise, according to the preliminary results from SEC, the coalition “For Better Macedonia” (VMRO-DPMNE and partners) won 44 mandates, “For Macedonia Together” (SDSM and partners) 32 mandates, the coalition DUI-PDP 18 seats, DPA- 11 seats, VMRO-People’s Party 6 seats, New Social-Democratic Party (NSDP) 7 seats and DOM and PEI one mandate each.

Passions for this repeated election arose even more, as one day prior to the elections VMRO-DPMNE announced its government-forming coalition with DPA. In that context, the DUI minister of Economy in departure Fatmir Besimi felt that the momentum is used, to incite media accusations about the selling of the steam power plant “Negotino” as an alleged set up, arguing that attacks upon him are an orchestrated effort from the new coalition partners, performed in a very politically sensitive period, before negotiations of the potential future government partners, in order to create political damage to DUI and to him personally.

As stakes were getting higher, on the day of repeated elections (19.07.2006) incidents occurred in villages Grcec and Kondovo where voting was interrupted. SEC stated that voting was interrupted “due to tensions”, but local inhabitants’ version is different. According to them, voting was interrupted because of the threats by three armed persons in Kondovo who came at the polling station and wanted to “observe the voting”. Voting was interrupted in Zajas village as well, by intervention of the party observers who noticed the director of the local school and his wife while trying to vote for other persons, although, allegedly they were not listed in that voter’s list. Other places were not immune from breach of the voting procedures as well. The newly elected MP and carrier of the voter’s list for VMRO-DPMNE Silvana Boneva, who was supposed to follow the voting in the Gostivar village of Forino, was legitimized by DUI’s activists. “All cars coming towards the school were stopped, - they behave like local sheriffs” –she said. According to her, in this village there was family voting, although representatives in that election committee denied this, claiming that voting was not interrupted and was regular.

At the same time, DUI expressed dissatisfaction for the VMRO-DPMNE decision to engage members of the Executive Committee as observers in some previously selected polling stations on the day of repeated elections. The party asked for explanation why observers have been sent to Zajas (place allegedly controlled by Ali Ahmeti-DUI) instead of Saraj and Kondovo (which are supposed to be a DPA stronghold), as they thought that “it would be fair to observe the elections in all polling stations, otherwise it is considered a provocation”.

In spite of the nervousness by all sides, after the repeated voting the coalition lead by VMRO-DPMNE was won one more seat, now amounting in the total of **45** seats. This seat was won in the sixth electoral district, on the account of the coalition DUI-PDP, which finally got 17 MPs (out of which 14 belong to DUI and 3 to PDP).

1.2. A Glimpse on the Election Results

In sum, the **120** parliamentary seats were distributed as follows: VMRO-DPMNE (37), Social Democratic Union (24), Democratic Union for Integration (14), Democratic Party of the Albanians (11), New Social-Democratic party (7), VMRO-People’s Party (6), Liberal-Democratic Party (5), Liberal party (3), Party for Democratic prosperity (3), Socialist Party (3), Democratic party of the Turks (2), Democratic Renewal of Macedonia (1), Party of European Future (1), Roma Union (1), Democratic party of the Serbs (1). At present, the Assembly has six times more women MPs than in 1990. Namely, in 1990 there were 5, but now there are 36. As this victory of the VMRO-DPMNE coalition is insufficient to form a government without seeking the contribution of other partners, it was clear that the upcoming period is going to be filled with intense negotiations in order a government to be formed.

Evidently, after this year’s elections, the distribution of political forces in the Assembly differs from the one in 2002. In the previous Assembly composition, there were two coalitions, of SDSM and of VMRO-DPMNE, one party- the Socialist Party of Macedonia and the four ethnic Albanian parties DUI, DPA, PDP and NDP. Latest 2006 election results showed two interesting characteristics: low level of turnout and the potential allegiance of voters to particular parties. Firstly, although the total number of potential voters increases, it is evident that voters become less and less interested to vote, as this year the turnout fell to 56% of the pool of voters (or 935.000), compared to the 2002 turnout which was 73% (or 1,1 million voters). In 2006 1.741.449 persons had the right to vote, while in 2002 this figure was 1.664.296. Second, it is evident that the VMRO-DPMNE coalition “For Better Macedonia” has more stable pool of voters than their political competition. VMRO-DPMNE’s victory at election day was gained with the support of **303.543** votes (**44** mandates), which was 32,34% of the total number of voters, practically the identical figure of the 2002 elections, when the total number of votes won was 298.404, but then the number of seats won was 33. On the other hand the SDSM coalition that triumphed in 2002 by obtaining 494.744 votes or 60 seats, but in 2006 this coalition got **218.164** votes or **32** seats. Even if one adds the 57.049 votes won by the

New Social-Democratic Party that broke away from SDSM, assuming that these voters are ideologically left-oriented figures show that the defeat is tremendous.

On the other hand, VMRO-People's Party, which has as informal leader Ljupco Georgievski (the former VMRO-DPMNE leader and prime-minister) obtained 57.204 votes, or **6** seats. Although the country has a regional proportional elections system, lesser number of smaller parties gained representation, like the Democratic Renewal of Macedonia (DOM), which leader Liljana Popovska won one seat by obtaining 17.592 votes or 1,87%; same as the Party for European Future (PEI) whose leader Fijat Canoski won an MP seat (11.441 vote or 1,22%).

In this new Assembly, ethnic Albanian parties participate with the largest number of MPs so far, as they currently have 28 seats (in the last Assembly the total number of seats was 26). DUI-PDP coalition won **17** seats (or 114.301 votes); while in 2002 these two parties competed separately (DUI got 144.913 votes and PDP 28.397 votes). On the other hand, DPA in 2006 won **11** mandates (or 70.137 votes) in comparison with 2002 when it got 63.695 votes. In spite of the seats gained, ethnic Albanian voters gave a very clear message to their political representatives by having low turnout, almost the same as ethnic Macedonians. The most clear example is the turnout in election district N.6 that comprises Tetovo and Gostivar, where turnout was the lowest in the country- **47%**. Estimations are that that this turnout is due to the pre-electoral violence and bad campaigning by both parties, but also is realistic because of the intense monitoring of the above all, foreign observers, due to what was enabled the "traditional" ballot-box stuffing.

Other smaller, but unsuccessful parties in these elections were: the Agricultural people's party (leader Marijan Gjorcev-12.622 votes), the Democratic Alternative (leader Vasil Tupurkovski -11.175 votes), the League for Democracy (leader Gjorge Marjanovic-2.664 votes). Special interest provoked the lack of success of the Party for Economic Renewal, lead by Velija Ramkovski, the owner of the very popular A1 private TV, who lead a very aggressive populist campaign and who intended to enter the Assembly and create a government consisted of workers and peasants. On nationwide level, this party got 13.114 votes. Close to mandate, but insufficient were the votes obtained by the independent list of the Kavadarci mayor Panco Minov (6.002 votes). Other unsuccessful parties were: Todor Petrov's Macedonian party (2212 votes), Goran Rafajlovski's DRUM (2674 votes), Dragisha Miletic's Radical Party of the Serbs (1274 votes), etc.

It is obvious that political configuration of the parties gathered around Nikola Gruevski is quite a diverse one, so if one excludes the common party interest to get a share of power, negotiations seemed quite a difficult task to accomplish. Other than the internal pre-electoral coalition, DPA is seen as a traditional VMRO-DPMNE partner, an ideologically inclined right-wing party and a coalition partner from previous times (1998-2002). Still, at present there are two new leaders in both parties, who need to get acquainted and work together better. Odd combination with VMRO-DPMNE seems the coalition with the New Social-Democratic Party that derived from SDSM, and maintained its left provenience. At the same time, there is dragged "bad blood" between them from the 1999 presidential

elections when Tito Petkovski (as the SDSM candidate) competed, while DPA supported election fraud and helped Boris Trajkovski (VMRO-DPMNE) to get elected in the second round. Finally, the hardest potential coalition mouthful for Gruevski is DUI, as VMRO-DPMNE was very vigorously against this party when it was in power, commenting on the former crisis situations, objecting most of the systemic change performed for harmonization of the system with the Framework Agreement, opposed the amnesty of UCK fighters and objected the position this party got afterwards in government. What's more, VMRO-DPMNE would find it quite hard to explain to its most committed voters how potential cooperation with DUI may be achieved.

2. GOVERNMENT/OPPOSITION RELATIONS

2.1. New Government in the Making

While waiting to be officially confirmed as a mandator by the President of the Republic, VMRO-DPMNE's leader Nikola Gruevski started preliminary talks with potential government partners. At the very beginning, the party left an open door for all possible cooperation combinations, other than the SDSM coalition.

Although DUI won 17 seats, opposed to 11 seats obtained by DPA, figures were not good enough reason for VMRO-DPMNE to prefer the stronger party for its government partner. Such position opened many speculations on who will enter the post-election coalition, as from the very start both ethnic Albanian parties were included in the negotiation process. The atmosphere created sharpened the differences between DUI and DPA who started calculating and looking on the results from their own perspective. On one side DUI claimed that they are the winners, in fact the only legitimate representative of the Albanian electorate, after which conclusion becomes unquestionable who is to enter the government coalition. From its side, DPA top representatives tried to issue information that three MPs from PDP in spite of being elected in coalition with DUI, shall join them, thus weakening the opponent's negotiating position. From the practical point of view, Gruevski's main goal was to secure two-third majority, at least 81 seat (the Badenter 2/3 majority), for passing the remaining few laws that are deriving from the obligations taken from the Framework Agreement, to keep the political process going and to ensure the realization of his "100 steps" program, without considering the political damage that might be done. Analysts considered this ambiguous behavior very risky, in fact a precedent that can be very damaging to the Macedonian state and democracy in general and more concretely towards the ethnic Albanian segment.

At the same time, messages issued by the foreign diplomatic representatives implied that future government is expected to include the winners of the two largest ethnic groups, in order to obtain "political legitimacy". The EU Ambassador Erwan Fouere immediately after the first results were announced, stated that "it is very important in the consultation process for forming a new government to be included the party that obtained that majority of the Albanian votes". Probably, this position was following the same logic of the 2002 election outcome, when winners were the SDSM coalition and DUI, so the

winning party from the “Macedonian” side argued that they have no choice but to cooperate with the winner from the “other” side. Another possibility that was considered and pushed especially by the international community was the possible joining of the two ethnic Albanian parties in government, but the outcome was generally questionable, due to mutual mistrust, animosities and rivalry between the two parties. In fact, the idea was to secure unity among the ethnic Albanian parties and support in policy making especially due to the upcoming period when the Kosovo status is going to be resolved. However, these expectations provoked turbulent public reactions, especially because the Macedonian Constitution defines with precision how the procedure for forming a new government is to be performed.

So far, since independence, good practice implied every government to include an ethnic Albanian party, which was shown to be a constructive move. Which party was to be the partner was decided by the winning party, while criterion usually was the traditional partnership, program closeness in positions, and/or daily pragmatic politics. By the latest EU suggestion, it looked that Macedonia is pushed by the international community to assign winning parties from both major ethnic groups “by key” which was not gladly seen in the Macedonian political scene, since that would imply that the country is de facto a “non-territorial federation”. VMRO-DPMNE’s position was that it is up to the decision of the mandator who is going to be invited to be a coalition partner in the future, and DUI does not have the absolute right to power, because the state by Constitution is unitary.

Facing the figures necessary for achieving a sufficiently stable majority, it was evident that the new cabinet shall include other, smaller parties like NSDP, DOM and PEI. In fact, these parties achieved quick harmonization with the VMRO-DPMNE party program principles, so coalition was agreed.

Chances for cooperation with VMRO-People’s Party were weaker, due to the “created immense mistrust”-as it was said. Still, when VMRO-DPMNE felt insecure about the bargaining with NSDP, offered them cooperation on national interest projects. VMRO-People’s Party was reserved at first, but then decided to enter in power, but not in government, which meant that the party demands only a couple of director’s places in lower layers of the spoils system. They claimed that for them, the most important was to make the government function, and to support the coalition with DPA. In Parliament the party announced that shall act like opposition, supporting the government. Regarding the ideas of possible reuniting of the right-wing parties, VMRO-People’s Party denied the idea. Mrs. Vesna Janevska, the official leader of VMRO-People’s Party confirmed that there shall be no party merging, as the two parties differ significantly in their political ideas. In spite of this statement, not all party members share this opinion. The list carrier for the fourth electoral district, Dan Donchev showed interest for such a party merging, as VMRO-DPMNE send signals on who would be accepted back in the party. Additional confusion was spread among the party members after the media information that their unofficial leader (Ljupco Georgievski) obtained a Bulgarian passport. VMRO-DPMNE also offered cooperation to the Liberal Democratic Party, which was denied as LDP is a long-term partner to SDSM.

While talks were conducted with DUI, VMRO-DPMNE was playing tactically, in order to estimate their views on the country's future and their possible requests, after which a final decision was to be taken. As the decision for including DPA in government was already taken, the comportment of Gruevski raged DUI. The party was not enthusiastic about the VMRO-DPMNE offer, feeling that the mandator is trying to "lower" their price, so the party stated that the proposed government "shall have no perspective". It argued that VMRO-DPMNE has not been reformed, while the anti-Albanian discourse remained unchanged. Sparks intensified, as there have been some very drastic statements in the media by the side of the DUI party leadership, while deciding to protest in all major cities where election victory was taken or where they are "holding" the local self-government. For ten days the two parties sent messages for "destabilization of the country", threatened with Kalashnikovs, "people on the streets", etc. In the effort to calm down the situation, followed signs of wishing to continue negotiations, brokered by the party vice-presidents Musa Xhaferi and Trajko Slaveski, who were "trying to build inter-party trust and mutual confidence". Impression is that VMRO-DPMNE was still considering all options and probably was ready to trade among other things the Assembly president seat in the party negotiations. Still, in spite of all the efforts, an agreement has not been reached. From his side, Gruevski commented that "maybe DUI will follow some steps which are not allowed, but they shall create primarily a problem for themselves", announcing that he is taking upon himself to finish the Framework Agreement implementation. From the side of the opposition, SDSM MPs Buckovski and Sekerinska demanded direct communication between Gruevski and Ahmeti, due to the fact that "interethnic relations are the foundation upon which shall be built the Republic of Macedonia".

2.2. First Session of the New Assembly

According to legal terms, SEC prepared the certificates and determined that the new, fifth multi-party Parliament is to be set 21 day after election day, - on July 26th, (symbolically, this is the day of the Skopje earthquake in 1963). For this date agreement was obtained from SDSM and VMRO-DPMNE, although the potential mandator Nikola Gruevski intended to have the meeting at an earlier date. Absent were Ljupco Georgievski, Ali Ahmeti and Daut Redzepi-Leka (the person under criminal persecution for the disappeared Macedonians during the 2001 conflict).

At the constitutive session all 120 mandates were verified by the Verification Committee, was formed a Committee for Election and Nomination, but as no speaker was elected, the session was interrupted. SDSM saw this situation as an "institutional crisis" and as "inability of the new parliamentary majority to collect minimum 61 votes of support, by which the government formation mandate is under question". VMRO-DPMNE answered to this claim by showing a list of 65 signatures of support, stating that it shall be submitted to the President of the Republic Branko Crvenkovski "as a guarantee that there is a majority obtained for government formation, in order to prevent any calculations or combinations about who will get the mandate to form a government". As Article 90 of the Constitution states, the President of the Republic in 10 days' term after constituting the Assembly must convey the mandate for government formation to the party candidate

who has majority in the Assembly. In fact, Gruevski already had fulfilled the condition of 65 seats of support together with his coalition partners, and he got the task in 20 days' term to submit to the Assembly program and government composition¹. Behind the curtains, it was evident that the winning party had spent much more energy in party negotiating and ministerial calculations than in appointing who would be the Assembly's president. Opposition parties estimated this comportment as non-serious, while LDP offered that they shall support any suggestion, if only the pending situation shall be resolved.

The first session was boycotted by the DUI-PDP coalition, as an act of protest for not being included in the new government. First signs of concern about the situation were present in the SEC report, where are commented the tensions between the majority and the opposition, especially with DUI-PDP and DPA. Main reason for this concern was that unavoidably the new government shall need to seek consensus on a number of critical reforms and passing systemic laws, due to the country's specific political model (the Badenter decision-making principle - double qualified majority), as well as due to the interest for securing political stability. At the same time, recommendation is that the opposition should assume its role fully and constructively.

2.3. DUI's Dissatisfaction with the New Government

At the beginning of August, DUI supporters, dissatisfied because their party is not included into the ruling coalition, paralyzed the traffic in several cities in the country. In some places serious incidents have been avoided, followed by intentional attacks on the reporting media. At the beginning, protests were of 30 minutes duration, not massive, but the traffic was stuck drastically. Followed blockades on the main roads of Tetovo-Gostivar-Debar, of Skopje-Kumanovo, and in Skopje, while transparents stated: "Let's defend our votes", "Our votes are our dignity and our future", "We are defending the Ohrid Agreement", "We are the voice of the Albanians", etc. These protests were planned to last until August 16th, the date set for the new government to be announced. Demonstrators felt that "further events must not go towards the wrong direction as it is happening now; all manipulations of the Badenter principle shall be considered as funeral of the Ohrid Agreement". On the occasion, Ali Ahmeti stated: "We have not accepted the role of oppositionneers, for that it is the voters that decide". He called on the mandator to reconsider in which direction he will lead the country, stressing that it was not his intention to address with such wording, but he is forced to do that. Largest demonstrations were held in front of the Macedonian Assembly, where he was presented to the demonstrators as the leader of UCK. Most of his messages were threatening and directed to Nikola Gruevski: "We shall not recognize this government, because it does not recognize its own people and because it does not respect the political will of the Albanians. Everybody knows that he lost a war once with the Albanians and this will be repeated now"... I could have obtained Albanian or Kosovar citizenship, but I have none, I am citizen of this country and cannot those who have Bulgarian passports run this

¹ In spite of the legal setting, fact is that cohabitation between the President of the Republic and the winning coalition was not going smoothly. Edgy relations date from the time of presidential elections and even before that- the party relations from the previous period.

country”. Other more passionate speakers said that they will fight by democratic means as long as they can, and after that threatened with the use of force (UCK). Part of the speakers proclaimed Arben Xhaferi and Menduh Taci (DPA) traitors of the Albanian cause. From its side, PDP leader Abduladi Vejseli stated his party does not consider leaving the coalition with DUI.

As DUI stated that it shall not recognize the legitimacy of the government, some more radical groups implied promotion of federal or cantonal concepts, through uniting the local communities with majority Albanian ethnic inhabitants into one “region”. However, the party did not support publicly these ideas, on the contrary, accused the parties on power that they are the ones that actively worked on the division of Macedonia. “It should not be forgotten that DPA was the one who spoke for the unsuccessful multiethnic states and called upon division of the country. DUI is for unitary Macedonia, with consensual democracy and seeking solutions for the problems through consensus and partnership”-stated Ermira Mehmeti.

Escalating situation produced disrespect of the Badenter rule in the process of decision-making in the local council’s bodies, in municipalities where DUI has won local representation. The most prominent example was the Cair community, where the municipality’s coat of arms and flag have been voted without respecting the vote (position) of the Macedonian members of the local council. Cair mayor Izet Medziti personally stressed that the rule is not respected intentionally, in order to show where the principle of majorisation leads on local level as well. The party announced that this practice shall continue, due to the “destructive politics of Gruevski, who must think where he is leading the country, to Europe or backwards”. Commenting the breach of the law in such cases, the Ministry for Local Self-government stated that if the municipality council decision is not in accordance with the legal provisions, it shall be stopped from execution and a procedure shall commence in front of the Constitutional court. On the occasion, DOM’s leader Liljana Popovska stated that in Cair Macedonians as sub-minority are discriminated.

As many times before, the international community representatives had intensive contacts with the DUI leadership, regarding the protests and the signals it sends, but held a low profile, as events were still considered “under control”. “Political dialogue” is the magic word on which EU and USA insisted, and it was and still is equally directed towards DUI and the new ruling coalition, as estimations are that Nikola Gruevski is not doing enough to meet and manage the relations with the Albanian party. Currently, EU thinks that it is not a problem who enters the government as long as channels of communication continue to exist. This in fact was the focus of efforts until the end of this year and it is expected to continue in the future. The goal is to direct DUI reactions through diplomatic channels and to find a way for the premier to manage political dialogue with DUI instead of sending messages that it shall take upon itself the possible consequences if crisis occurs. Same message was sent from the USA representatives, adding that “political parties which are not included in government should play vital role in the parliamentary process and give constructive contribution in building the Macedonian future”. Macedonian political circles, from their part believe that all the international community should do is

to prepare DUI for opposition and to make them learn the rules of parliamentary democracy.

2.4. Final Government Creation

Little before midnight on August 26, the Assembly voted the suggested government composition with 68 votes “for” (including the VMRO-People’s party votes) and 22 against, while DUI and PDP MPs were absent, as a sign of protest for not being included into the government. Two days’ vigorous discussion preceded the act of voting. Among other things, opposition attacked the competencies for some appointed ministers, commented about possible corrupted past of some of the candidates and expressed concern about marginalizing interethnic issues as crucial pillars of the country’s democracy and stability.

New government coalition was formed with: VMRO-DPMNE preelectoral coalition “For Better Macedonia”, the Democratic Party of the Albanians (DPA), the New Social-Democratic Party (NSDP), the Democratic Renewal of Macedonia (DOM) and the Party for European Future (PEI). Although not officially in coalition, the government was backed by VMRO-People’s Party. The new cabinet has 21 Minister, four Vice-Ministers (for EU integrations, economy, agriculture and education, Framework Agreement implementation) and 17 ministers out of which 14 shall be in charge for concrete ministries. All have high education and speak foreign languages. Part of the ministers shall obtain their first employment here, while others shall return to work from retirement. That is why new government is said to be a connection between youth and experience.

On the level of division of responsibilities, from the side of VMRO-DPMNE were appointed: Gordana Jankulovska as the Minister of Interiors, Antonio Miloshoski as the Minister of Foreign Affairs (a ministry which was refused by the other coalition partners), Trajko Slaveski as the Minister of Finances, Mile Janakieski as the Minister for Transport and Communications and Zoran Konjanovski as the Minister for Local Self-government. Surprise are two persons active in the anti-corruption initiatives: Mihajlo Manevski as the Minister of Justice was the President of the State Commission Against Corruption, while Gabriela Koneska from “Transparency-Macedonia“ is the head of the Secretariat for European Integrations, and the vice-president of the Government. According to the final choice the Prime-Minister made, it is obvious that he prefers to elect a team of great confidence, so most of his choices are people who were by his side and cooperated on different occasions and in the party. First assistant to the premier in charge for economic affairs shall be Zoran Stavrevski. There shall be two ministers without portefeuille, in charge for attracting foreign investments- Vele Samak and Gligor Tashkovich, both businessmen from USA. From the side of NSDP, ministers are: Zivko Jankulovski as the Vice-Premier and in charge for Agriculture and education; Vera Rafajlovska² (after long negotiations) became the Minister of Economy, and Lazar

² During negotiations, there was a small “crisis” between NSDP and VMRO-DPMNE, as Petkovski was insisting to get at least one economic ministry, to fulfill the economic segments of their pre-electoral program.

Elenovski as the Minister of Defense. The Socialist Party got the Ministry of Agriculture (Mr. Ace Spasenovski) and the Liberal party the Ministry of Labor and Social Policy (Mr. Ljupco Meshkov). From its part, DPA got four ministerial positions: the Ministry of Health, lead by Imer Selmani, the mayor of Saraj who is also the government vice-premier and the person in charge for further application of the Framework Agreement; the Ministry of Education lead by Sulejman Rushiti, the Ministry of Culture lead by Ilirijan Bekiri and the Ministry of Environment by Imer Aliu.

It should be said that ambitions of NSDP, the Socialist and the Liberal party remained in competition for some ministerial positions, more concretely the Ministry of agriculture. It is assumed that the main motive is the money that is expected to be poured in this ministry very soon. Currently, this Ministry has a budget of 700.000 EUR, but this situation is expected to change from 2007, when large sums of international aid and special assistance for agricultural development are going to be introduced. From January 2007 onwards, this Ministry is expected to handle a budget of 40 million EUR, money from the EU-IPA fund for rural development in the next three years, but also 7,5 million EUR annually from the Swedish government agency for international development and 3 million EUR annually for mechanization from the Japanese government.

On the occasion, Menduh Taci stated that "DUI had a conflict with DPA, and not with VMRO-DPMNE, as this conflict started in 2001"; ..he expressed joy that now the inter-Albanian conflict from 2001 ended peacefully;..” adding that “..if they want to continue with the same rhetorics they may well continue doing so”. He expressed expectations that this government will function as one whole, as he does not see things only as one political entity. At the same time, he reminded that DUI had other coalition partners, like the League of Bosniacs and Macedonians in their lists, but now it forgot all other nationalities and presently advocates only its group and individual interests.

The EU Ambassador Erwan Fouere joined the comments by reconfirming: “I expect the new government to continue the political dialogue with the opposition, because it is a democratic precondition for successful solution of all the problems and a normal democratic process. The most important for the new government is to continue the initiated reforms, but also to include the opposition in all further activities for achieving this goal.”

Nikola Gruevski's strategic calculations till the end were that PDP may join the government, for which the Ministry for Local Self-government was kept in reserve. PDP central presidency was discussing about the offer, but feared breaking up the coalition, due to possible troubles for the three MPs and party leadership. Other prominent PDP representatives criticized DUI for their attitude, implying that PDP may decide to get out of the coalition and enter the government”. The party was showing discontent of the non-productive protests, but at the same time, feeling that DUI so far had been a very fair partner, insisted their possible entrance in government to be indirectly supported by DUI. In addition, PDP asked for two ministerial positions, adding the one for Transport and Communications. As these discussions reached a dead end, PDP threatened that they will give back their gained mandates together with DUI, in order to block the Assembly and

provoke new elections. For this idea, PDP and DUI were under great pressure by the international community representatives not to make that move.

Buckovski announced constructive, but severe oppositional activity of his party. He estimated that the way in which talks are lead for composing the new government has created big nervousness, which he thought is not appropriate for Macedonia. First tests will be the law on police and the manner of achieving parliamentary majority support for issues of common national interest.

3. POLICIES/EVENTS

3.1. Setting Future Policies

Initial condition put on the table by VMRO-DPMNE for creating a common ground for the future work of the government, was the potential partners' acceptance of the party program "Revival in 1000 steps". Party experts prepared an economic manifesto in which were comprised all basic economic projects for the country and where was put a point of mutual consent to serve as the government's future agenda. The document included the government policy strategy, the general directions for reforms, and the principles for cooperation (peace and stability, stable parliamentary majority, etc). This act was described as a new tradition in coalition-making through forwarding economic problems on the priority position. All coalition partners signed the proposed document and celebrated.

Other than general economic declarations, the document mentions: struggle against poverty and crime, bigger economic growth, investments, depolitization and professionalization of the public administration, maximum reducing of bureaucracy, increase of GDP from 6-8% in the next four years, generating new jobs. "People are tired of politicians who do nothing but talk, but we shall change that image"-is said in the document.. Aggressive promotion of Macedonia is suggested, forming the agency "Invest-Macedonia" for attracting "greenfield" investments, etc. The Government commits to strive in diminishing non-productive government expenditure; lowering taxes, increasing public investments on a 5% of GDP level. For more efficient fight against corruption, a system of internal control in the administration shall be put in place, as well as diminishing discretionary rights and introducing a law for the conflict of interests. As stated, the new government intends to cooperate with the President of the Republic, and to try to develop political dialogue with DUI, by inviting political leaders for meetings, starting with SDSM.

Regarding NATO and EU integration, Gruevski expressed hopes for a NATO 2008 membership, and added: "we think that even now Macedonia and its citizens invested and sacrificed a lot in the process of integration. It is time, and our expectations are that EU members shall give us new impulse by opening the negotiation process. Their length shall depend from ourselves, - how much we are ready for membership, how capable we are to apply European regulations." Some of the key tasks shall be: the abolishment of

Schengen visas for the Macedonian citizens; respect of minority and national rights of Macedonians who live on the territory of neighboring countries; improved relations with the Macedonian diaspora; continuation of negotiations with Greece in the auspices of UN regarding differences on the name, while the basic strategy for negotiations shall be preserving the use of the constitutional name, according to international principles. Regarding the Kosovo status, the government shall fully support the solution which in cooperation with the international community shall be agreed by Belgrade and Pristina.

Prime-minister Gruevski promised that during his mandate he will complete the remaining Framework Agreement agenda. Still, analysts are worried that further implementation of this document is to be realized by political parties who did not support, neither believed in this document and in its significance. Also, it is a big question mark if his economic ideas are going to be readily accepted by his party base supporters. Some analysts imply that if he is honestly committed to reforms and has real political vision, he must keep away Tito Petkovski (NSDP) and Ljubosav Ivanov-Zingo (Socialist Party) from the economic sectors, as they are the ones that are seeing things conceptually different.

3.2. Foreign Policy

During the elections and the period that followed, as the new government was in formation, foreign policy activities have significantly reduced its intensity. However, one of the interesting issues was who will become the Macedonian candidate for the Presidential seat at the UN General Assembly, as the East-European countries' group had their priority turn and Macedonia was the only country interested. At the beginning, most interested for nomination was the SDSM Foreign Minister Ilinka Mitreva, who started to lobby and seek support in August, in order to be nominated officially by the Republic of Macedonia for candidacy. Formally, this nomination is to be supported either by the Government or the Ministry of Foreign Affairs. As the political climate after the elections changed, VMRO-DPMNE publicly sent a message that Mrs. Mitreva cannot count on their support. Finally, as an official candidate for that position in September was nominated Srdjan Kerim, former Macedonian Ambassador and Minister of Exteriors, who officially became candidate for that position on the 62nd UN General Assembly. In addition, he obtained consent from the East-European group of countries to be nominated as the Group candidate.

At the same time, as the events coincided, VMRO-DPMNE announced that due to the columns written by the two Ambassadors Gjorgi Spasov from London and Ljupco Jordanovski from Washington regarding their internal (SDSM) party disputes, they are going to be withdrawn from their positions, assessing their public dispute as “scandal without precedent in the European diplomacy”.

Basically, the “name issue” with Greece did not show signs of progress, as there is consensus between the two countries not to tackle the matter in election years in both countries. However, after its election as Minister of Foreign Affairs, Antonio Miloshoski estimated as a “word game” the statement of the Deputy Foreign Minister of Greece that

in New York talks are only about the name of the country for international use. He commented that if one reads the UN resolution, it can be seen that they are mediating in settling the differences about the constitutional name between Macedonia and Greece, which implies that a party in the dispute is not the international community, neither UN, but Greece. He said that Macedonia would like to continue the talks in New York, respecting the UN efforts a solution to be found, and seriously appreciating the last suggestion offered. From its side, the Greece Foreign Minister Mrs. Bakogianni described him as “inexperienced”.

3.3. Framework Agreement Celebration in Ohrid

At the end of the summer, a celebration of the five year of signing the Framework Agreement was organized. Two (Arben Xhaferi-DPA and Ljupco Georgievski VMRO-DPMNE) out of the then four signatories of the Framework Agreement did not attend the festivity. On the occasion, the President Branko Crvenkovski stressed that “...our people in key historic moments knew how to make the real difference: what is patriotism, what is nationalism, what is courage, what is madness, what is reasonable. Because of that, with clear conscience I put my signature on the Ohrid Framework Agreement”... “and then we were aware that we have chosen the longer and the harder, but the only true road”. The former PDP leader Imer Imeri (PDP) also confirmed that he does not regret for putting his signature, but he is sorry that the document does not include a couple of other things which were planned. “All sides made compromises, which are painful, but it would have been even more painful if the armed conflicts continued”-ha added. Although he did not personally sign the document, Ali Ahmeti stressed that “...he is not respecting the Ohrid Agreement only when he is on power” (alluding to DPA).

Ljubomir Frckovski, one of the authors of the Framework Agreement in his interview commented the nature and significance of the document: “The FA is estimated as the only successful state-building agreement compared to all regional agreements. His success is based on the efforts to strengthen institutions of the unitary state and to increase the zone of participating of differences, but at the same time to preserve the wholeness and functionality of the state. The symbolism of this document is the consensus that creates a spirit of agreement that endures through time, regardless of “our” internal frustrations. It is a product of a wise policy and has two levels: formal-legal realization of obligations, which is in great part (90%) achieved. It remains the process of recruitment in the state administration for equitable representation, which started and which shall last for 10-15 years, as figures shall increase gradually, until adequate satisfaction of criteria is met, including the element of professionalism, instead of closure of the decision-making employment process in party frames.”...“No party, including DUI which did not formally sign the document, can be calling itself a guarantee of the Agreement. It is about an expressed will that in a particular moment was signed by the political parties and the international guarantees, which becomes a fundament of a political consensus, and which is incorporated into the other elements of the political consensus in Macedonia.”

3.4. First Moves of the New Government – the First 100 Days

On its first session, the Government performed radical personal changes in all the appointed positions, as more than hundred directors and about one thousand members of managing boards in the public enterprises, agencies and funds, appointed by the previous government, were dismissed. The Government justified this move as prove that the previous government policy was unsuccessful, but confirmed the will and principle determination to all those who are capable and responsible to be appointed anew. At the same session, the government appointed new directors in Customs, in the Employment Agency, the Free Economic Zones Office, the Public Security Bureau etc. For some of them, the Prime-Minister was accused for nepotism, as the new Director of the Office for Security and Counterintelligence, Sasho Mijalkov, is a cousin of the Prime-minister. The party justified his appointment with the qualification he has as a professional, as this person also held positions in the Ministry of Interiors during the previous VMRO-DPMNE government in 1998. Also, the new Head of the Office for Public Revenues Goran Trajkovski is the husband of Gabriela Konevska-Trajkovska, who is the Minister for EU integration and former president of “Transparency-Macedonia”.

One of the first policy moves was the Government’s decision getting in force from October 1st, which benefited the agricultural producers. VAT tax level has been diminished from 18% to 5% for part of the agricultural products, in particular for seeds, repro-materials, protective means for plants, agricultural mechanization, plastic foils and fertilizers. This decision shall be included as an amendment to the VAT law, as negative reaction from IMF is not expected.

At the beginning of December in an effort to show that the system is trying to resolve corruption cases there have been series of arrests concerning the corruption cases that were discussed at length in public. These arrests are seen as the initial point of departure for further investigation progress. SDSM stated that they support the government efforts only if it holds firm evidence for accusation of the people arrested.

Among things promised that shall be accomplished in the near future is: founding a new state university in Shtip; introducing religious education in schools; incorporating a possibility in the election codex for the expatriots to vote in the countries of residence, etc.

SDSM prominent representatives characterize the so far VMRO-DPMNE policy as a policy of a traditionalist right government with peasant-agricultural and religious orientation. It is believed that if this party continues to be active only in these two domains instead of making real reforms it will end as extremely right-wing an inefficient, with a hundred years late policy.

3.5. Anti-Corruption Policy in Progress

Latest EU report states that things in Macedonia are progressively moving towards a positive direction, although at a rather slow pace. GRECO³ recommendations are steadily being implemented. Relations between the State Anti-Corruption Commission and the Public Prosecutor are more constructive, especially with the Specialized Unit for Struggle Against Organized Crime. Steps were taken to improve transparency in public decisions and in the management of state assets⁴. Still, all results had limited impact. Corruption remains widespread, holding back economic development and weakening social cohesion. The UN Convention against corruption has not yet been ratified and the OECD Convention on combating bribery of foreign public officials in international business transactions has yet to be signed. Estimations are that prosecutions of corruption cases remain at a low level. Several investigations are in procedure against judges and prosecutors for abuse of their functions (like the “Bachilo” case,- a case of excessive damage refunding from the 2001 conflict covered by the state and others).

At the same time, remark is that more initiatives should be undertaken by the Public Prosecutor’s Office, especially when in question the reports of the State Audit Office. One example of the work of the State Audit Office is the control it made at the Public Enterprise for Housing and Business Space, where was found that during 2005 there were illegal and inadequate financial transactions. Accounting was not held according to legal rules and regulations, and reporting was not performed correctly. Other irregularities were found in: construction agreements, acts for renting business space, agreements have been concluded without the founder’s consent, inadequacy of the obligations and the demands from the state Budget, investments in construction and adaptation without previous consent of the Board, etc. What’s more, the PEHBS was renting public space to political parties for which they never paid rent, or state apartments were given to individuals who did not fulfill the conditions for having such a right. The new Director of PEHBS in his interview announced that charges shall be pressed against those for which shall be proven abuse of their professional position and who damaged the enterprise. He confirmed that he is determined to change the so far bad practice, to improve the systemic every day functioning of the enterprise, to accept the contemporary manners of work. He intends to apply a functional system of awards and sanctions, and also by appointing honest persons on responsible positions, who do not see politics as a mean for quick enrichment. He also announced that the Enterprise shall be privatized, but this shall be done through the assistance of a foreign consultancy firm which shall prepare a study for the model and the manner of transformation, with suggestions which parts of the Enterprise should be privatized and which should remain in the state auspices.

³ Council of Europe Group of States Against Corruption

⁴ Discussion was opened in public whether and to what extent the Legal Defense Office was taking under consideration the state interest while deciding on numerous court cases, which are now falling as burden on the state budget. Some sources are indicating that some of these cases are under suspicion. Part of these state financial obligation are due to the activities of the new private courts decisions’ executors, but also some of the cases are doubtful for their anticipated outcome (like the case regarding the GA-MA LTD, a joint company of the state and Makpetrol regarding the gas supply system of the country).

According to the 2006 Corruptions Perception Index launched in November this year by Transparency International, links between poverty and corruption are reinforced and despite generally improved legislation, corruption remains powerful. In the list of 163 countries worldwide Macedonia is ranked on the 105 position, having average score of 2,7. These figures are not satisfactory, as all Balkan countries, with the exception of Albania are higher in the scale than Macedonia (Bosnia and Herzegovina-93, Serbia-90, Romania-84, Croatia-69, Bulgaria-57, Greece-54).

Parliament adopted amendments to the anti-corruption law last month. Changes include a five-year term for both the Commission against corruption members and the chairman, instead of the previous one-year term or rotating mandate. Also, the range of activities the government is prohibited from engaging in during election campaigns has been expanded. The government is also drafting a new law on public prosecution, which determines that the Public prosecutor of Macedonia shall further be elected by the Assembly, by suggestion of the Government, by previously obtained opinion from the 9 members' Council of prosecutors⁵. He shall be elected for 6 years, with a right for one more reelection. The choice of other public prosecutors shall fall in the hands of the Prosecutor's council. The Public Prosecutor's Office will have increased competencies (for instance, to access bank data). Police and customs officials will be obliged to act when requested by the public prosecutor. It will be established a separate prosecutor's office to fight organized crime and corruption. This office will have the authority to act nationwide and will be accountable to the Public Prosecutor. This Office is planned to cease to be under the auspices of the public prosecutor and shall be raised in a higher position as a separate prosecution on matters of organized crime and corruption.

Also, Government intends to introduce Trade Courts, in order to deal quickly and efficiently with the cases and to improve the business climate in the country. This means one step further in the specialization of the courts. Trade court shall have its seat in Skopje, shall be independent and court of first instance, which will have other three departments in Bitola, Shtip and Gostivar. Complaints shall be looked upon by the Supreme Trade court who will decide on the legal remedies. That would mean engaging about 30 judges, and cases shall be primarily on obligation agreements and debts realization.

3.6. EU and NATO Integration Processes

The Law on Defense was amended in May, to allow for establishing a professional army, as part of the reforms needed to prepare for NATO membership. The entire process of transformation is due to be completed by the end of 2007. In September, the Government adopted a national program for NATO membership. Estimation is that in general, the level of the country's security has steadily improved. This is seen as an achievement of both the increased operational capacity of the police and the increasing trust of all communities towards the police. In December, the Macedonian government decided to dispatch 35 soldiers and five commissioned officers to the international peacekeeping forces in Iraq.

⁵ The Public Prosecutor Aleksandar Prcevski was dismissed by the new Assembly in October.

In spite of Macedonian hopes, there was a certain fear that NATO members are showing the same trend of “enlargement fatigue” like EU countries. This position was opposed by Bruce Jackson, founder of the Euro-Atlantic initiative, who repeated the NATO position that the doors are opened for all who fulfill the membership criteria. This was proved in November, at the Riga meeting, where Macedonia got more than encouraging message. Chiefs of states and governments of the NATO state-members stated that at the enlargement summit in 2008 intend to invite those countries who fulfill NATO results-based standards and who will have the ability to contribute to the Euro-Atlantic security and stability. Concretely, Macedonia was praised for implementation of the Framework Agreement, functioning multiethnic democracy, democratically performed elections, reforms in the domain of defense, participating in peace missions far from domestic borders, the front against corruption, as well as the high support of the domestic public opinion for NATO membership. The upcoming year for Macedonia shall be a year in which the key word shall be “results”, while the term to show progress are the next nine months. The agenda is quite set: further application of the FA; decentralization and adequate representation; strengthening the rule of law, effects in judicial, police and public prosecution reforms; fight against organized crime, corruption and trade with humans; adequate regulating of religious freedoms according to international standards taking into account the Macedonian specificities.

Part of the international community is concerned about the country’s political stability, especially due to the future resolution of the Kosovo status. Responsibility is basically borne by the Government, but also by the opposition, as Macedonia must demonstrate democratic capacity and political stability, regardless of the current daily political issue on the agenda.

The 2006 SEC progress Report⁶ concludes that Macedonia has made progress in the implementation of the Stabilization and Association Agreement, but it is no meeting all of its obligations (here are mentioned the telecom liberalization and the protection of intellectual property). The Commission submitted a proposal to the council for negotiating directives to negotiate visa facilitation and readmission agreements.

Regarding political criteria, the report comments on the Constitutional amendments that took place at the end of 2005, as recommended in the European partnership. These 11 amendments were made to reform the court system, the immunity rules, the administrative sanction system, the selection and training system of judges and prosecutors, the Judicial Council and the Public Prosecutor’s Office, and to allow administrative bodies to impose sanctions. It was added that the electoral code was reformed in a comprehensive manner with a broad consensus. The code currently provides: a fully professional State Election Commission; significantly curtails the party influence over electoral administration by providing the participation of the civil servants in the electoral administration; the position of women is improved both in inclusion in the candidate’s lists and participation in electoral administration; at the same time the criminal code sanctions for election-related crimes.

⁶ SEC (2006) 1387 Progress Report on the former Yugoslav Republic of Macedonia

Regarding public administration, the Report comments positively on the adoption of an Action Plan to set up a functional human resources management system. A new system of salaries was introduced in April, the Civil Servants Agency is continuously organizing seminars and training courses, while rules for defining disciplinary offences and procedures have been established. Still, it is criticized the replacement of officials in the ministries and public bodies on a massive scale, as a single decision taken by the new government. This was seen as an act that affects top and middle management administration levels, which challenge the promotion of a merit based system. In order to increase transparency in public administration, the new Law on Free Access to Public Information entered into force in September.

At the same time, the number of complaints to the Ombudsman last year increased by 56% and the work of this institution is gradually strengthening. It is recommended further improvement of cooperation between the Ombudsman and the Ministry of interiors.

The Secretariat for European Affairs obtained a central role in coordinating all efforts and progress on the EU integration objectives. In March was adopted a draft National Program for the Adoption of the Acquis, and the new government announced the revision of this document on the basis of its work program and the Commission's comments and progress assessment. General remark is that all ministries need to be more realistic in their planning and to increase their capacity for strategy and policy development. To this does not help the uneven quality of legislation which leads to difficulties in its implementation.

In the EU Enlargement Strategy⁷ is stated that the designation of Macedonia as a candidate country in December 2005 gave recognition to the country's reform achievements. It also provided an encouragement to pursue reforms on the road towards fulfilling the country's European perspective. However, the country's progress in 2006 was at a slower pace, partly due to the elections. EU position is that special attention in the future period should be given to reforms implementation in the police and the judiciary, to the fight against corruption, the full implementation of the Stabilization and Association Agreement as well as the continued implementation of the Framework Agreement. EU stresses the importance of future cooperation and political consensus in the period ahead.

In December, the EU foreign ministers reaffirmed the "clear European perspective" of the Western Balkan countries, but called for further reform efforts to meet set criteria. The third meeting of the Stabilization and Association Council between the EU and Macedonia was held the same month in Brussels. Foreign Minister Antonio Miloshoski, who led the Macedonian delegation, said that the meeting focused on the country's pre-accession strategy, regarding the Copenhagen criteria, progress in implementing the Stabilization and Association Agreement, political and economic requirements, institutional reforms, the situation in the region and EU enlargement. However, the EU Council expressed concern that the reform process has slowed this year in Macedonia.

⁷ COM (2006) 649EU Enlargement Strategy and Main Challenges 2006-2007

There were differences in the opinions of the two ladies in charge for EU integration, - the former one- Radmila Sekerinska and the current one- Gabriela Koneska. Mrs. Sekerinska expected that Macedonia will get a date for negotiations for EU membership this year, while Mrs. Koneska saw this as an unrealistic prognosis on the level of political pamphlet. The second position correlates with the Prime-minister's position that in the next period the country should give emphasis to the NATO membership instead of EU, and that he hopes to get the date for EU negotiations start in 2007.

Objectively speaking, chances for Macedonia to obtain a date for negotiations in 2006, one year after the decision to become a candidate country are unrealistic. One part of the reason is the fatigue of enlargement by EU itself, but also due to the fact that Brussels does not give such a mandate to a government out of which is unclear what can be expected. Even before parliamentary elections started, it was clear that this is a lost year for EU integration and that even if the old coalition remained on power, the country would not have obtained a date, as it was expected to deliver more reforms (in the judiciary, the law for police and against corruption) than the already achieved country stability. Other than holding regular elections coupled with strong foreign interventions and pressures and obtaining a pro-reform government, Macedonia has a lot to deliver prior to receiving a date for negotiations.

4. LEGAL REFORM PROCESSES

4.1. Judicial System Reforms

Generally speaking, estimation is that the constitutional and legal framework for independent and efficient judiciary is now largely in place. New laws on courts and administrative disputes are enacted in May, and are due to enter into force from January 2007. Changes include the creation of a fourth court of appeal and special court departments in five basic courts to deal with cases of organized crime. A new administrative court will be established as the first instance for judicial review of administrative decisions so as to remove the burden of hearing administrative disputes from the Supreme Court. The composition and role of the Judicial Council was changed, to strengthen its independence and allow it to play a decisive role in appointing and dismissing judges, something previously handled by the Assembly. Out of its 15 members, 8 will be judges elected by the judges (for the election of eight members of the Judicial council, vote 600 judges), 3 will be elected by the Assembly following an open competition and 2 by the Assembly upon a proposal by the President of the Republic. The Minister of Justice and the President of the Supreme Court are also council members, bringing the total figure to 15. At the same time, the principle of equitable representation should be respected. It is expected that the Judiciary Council shall ensure and guarantee independence and sovereignty of the judiciary system. The Assembly's role in selection and disciplinary procedures of the judges has been abolished and a merit based career system was introduced. Another heavy burden on the courts and huge backlog of pending cases shall be alleviated with the Laws on Misdemeanors and on Administrative disputes

and the introduction of the concept of alternative dispute resolution for civil and commercial cases. By enforcement of the already adopted Laws on Enforcement of Civil Judgments and on Litigation Procedure shall be improved the implementation of laws.

Still, in its report EU considers that the effective implementation of the reforms and the improved operation of the judiciary will have to be demonstrated by a sustained track record. This includes the necessary budgetary allocations which were so far missing, but also the wholehearted participation of senior judges for accepting and putting the reforms to live.

4.2. Law on Police – Hardships on the Road Toward its Adoption

Passing the draft Law on Police has proven to be an extremely hard task, as all political players, especially the coalition DUI/PDP were trying to capitalize from the parliamentary strength in the MP seats' numbers game for achieving the Badenter rule. First of all, there was a discussion whether this law should be passed by the Badenter double majority rule or not; and second, whether it is politically desirable to obtain previous consensus on the draft instead of insisting on the Badenter rule. Fact is that DUI/PDP was determined to put intense pressure upon the government to show in practice what the extent of their mistake when decision was taken not to be included in the coalition. As this was not directly said, it was felt through the behavior of the MP group which was showing extreme non-flexibility on the matter. Peculiar is the fact that as basis for creation of the draft the Government used the already prepared draft from the previous coalition SDSM-DUI.

The Committee for relations among the ethnic communities decided that there is no need for the draft to obtain the Badenter majority. Explanation is, as Naser Ajdini the President of the Committee said, that the draft does not contain provisions from the constitutional amendment 10, so due to that there is no need for double majority votes support for this law. On the other hand, DUI/PDP boycotted the meeting, proclaiming illegitimate its decisions due to the manipulation with the ethnic background of one of the Committee members and made many obstructions of the Assembly work. The Minister of Interiors Gordana Jankulovska met with DUI in the effort to persuade them to change their mind, but they stayed on the position (together with PDP) that they shall not support the law. DUI were raging because their demand the law to go back to the initial phase, to clear up things with the Badenter majority and to arrange things with political agreement has not been heard.

DUI MPs protested in front of the President of the Parliament's desk, while he was often forced to interrupt the session. After two intense days, MPs calmed down and the other surprised MPs saw that one article of the draft has been changed, decreasing the number of years necessary to become a chief (head) at the Ministry of Interiors to only 6 years of working experience. The proposed solution was explained by the SDSM port-parole who stated that there was a meeting between Gruevski and Buckovski where a political compromise has been made, in order to be shown a good will and a sense of responsibility. Practically, SDSM traded this provision with the firm promise that there

shall be no new MOI sector in Struga - “the Prime-Minister made a concession not to open new police sectors and we agreed to diminish the years of working experience. We shall support the Law because we think that in this way an opportunity shall be created not only for persons belonging to the ethnic Albanian community, but for everybody else to have fair representation in the Ministry”. LDP reacted contrary to this position, as they thought that by this concession are lost the principles of professionalism and competence, and that by those changes is a classical effort for the partisanship of all key police functions.

In her interview, the DUI vice-president Teuta Arifi stated that Badenter rule should be applied for this law and not simply a consensus, because it tackles issues of local self-government, use of language, and equitable representation. She believes that the Committee for relations among the ethnic communities manipulated in a very shameful manner with the feelings of ethnic identity and had non-democratic tendencies in decision making where majority was not able to be obtained. Contrary to this, VMRO-DPMNE coordinator of the MP group Silvana Boneva, stated that DUI wanted to put the law back to the first phase and to be looked upon from the very beginning. She believed that this is not acceptable, as the European Commission is pressing Macedonia to pass the law as soon as possible, because this is one of the conditions for the Commission to have a positive answer for the country. The Law is seen as a consensus, since SDSM on the other side promised to back up the draft only if major changes in the text are not going to be introduced. The Government believes that the new Law shall in fact enable DUI mayors to participate in the election of the local chiefs and commanders, which is a benefit for them as well.

During the parliamentary sessions, DUI representatives stated that the party shall not respect the Law on Police if it is going to be passed in the Assembly without respecting the Badenter majority. The party shall also call upon the citizens to do the same, as government is stubborn and acts out of spite, so it should face reality when in field ethnic Albanians shall ignore the new legal solution or show in unpredictable way their dissatisfaction and reactions. DUI position is that the draft does not reflect the things agreed in the Framework Agreement regarding the authorization of the local police, that it is not defined the official use of the Albanian language, that it is superficial towards the equitable representation, the role and authorities of chiefs are degraded and they are put under control of the sectors etc. At first, DUI did not submit amendments but opposed the whole text. Later, amendments have been submitted in which DUI demanded among other things: in regions where Albanians are over 20% the employed to master both Macedonian and Albanian language, and uniforms and police vehicles to be written in the two languages etc. VMRO-DPMNE MPs replied that one should encourage integration, but the functioning of the institutions should be of primary concern, -the police should be functional and the chain of commands must be clear. However, at the session of the Committee for protocol and mandate-immunity issues, decision has been made not to discuss on the 60 amendments offered from DUI-PDP, LDP and the Democratic Party of the Turks.

During the discussion, DUI and DPA representatives were exchanging fierce criticisms. DUI's MP Dzevad Ademi called the international community to get interested for the manner in which are dismissed chiefs and commanders in Tetovo, Gostivar and Struga and on their place -as he said- are put people from the street, drivers, and body guards. On that replied Ruzdi Matoshi from DPA who said that DUI should take responsibility for over 200 murders which took place in the Tetovo region.

After one month of discussions about the law, the president of the Assembly caught by surprise the DUI MPs and closed the discussions on the text of the law. He announced that voting shall take place the following day. It was decided that the law shall be brought by simple majority, without the Badenter rule and only by obtaining at least 41 votes. SDSM announced that shall coordinate its position for Monday October 30th. Dissatisfied, LDP left the assembly and announced that shall be back for the next law under discussion. VMRO-People's Party said that they shall support the law. In the name of the DUI MP group, Rafiz Aliti reacted: "here are not respected the Constitution, the Assembly Protocol, and the Ohrid Agreement with half a Vlach and half Macedonian women you have put under question the Badenter rule, and it was not respected the request of the international community for reaching a political consensus. You may praise yourself in Brussels, but the Law on Police in the form as it is suggested shall not be acceptable for the municipalities where the mayors are from DUI. In 1991 you brought a Constitution without the Albanians, so in 2001 you changed it. The same destiny shall have this law."

The law was finally passed on October 30th. By the side of the government, the text was seen as a compromise to meet one way or the other at least some demands from all parties.

On the adopted Law commented DPA Minister of Health Imer Selmani who criticized DUI's comportment and statements about future civic disobedience. He estimated as untrue DUI's complaint that their demands have not been taken under consideration, as part of them did, commenting that it can be expected that DUI shall not support even the best possible solutions. His position is that when a law is in force, no one in the country can say that it shall not respect it, because if that is the case with one law, may as well be the same by other parties for other laws etc. As law shall be on force in a year from now, and by then 160 and more by laws should be introduced, he expects that some opposition demands may be additionally be incorporated.

4.3. Changes in the Assembly's Protocol

In the Government there is positive attitude for raising the Albanian language as second official language in Macedonia, while its official use on a state level shall be promoted through the Assembly, and through leading the plenary parliamentary sessions. In order to accomplish this goal the Government shall not wait for the Law on the use of languages, but novelties shall be applied through corrections of the Assembly Protocol, by which the Albanian language shall be used on all levels, by vice-presidents of the Parliament and presidents of the committees. Government representatives stressed that

for these changes foreign experiences shall be used, as well as the opposition and the civic sector.

4.4. Expatriots to Vote

The Government suggested amendments to the Election codex and forwarded to the Assembly, regarding the possibility expatriots to be able to vote in presidential and national elections in the diplomatic representation offices worldwide. As on this matter there are no good practice regulations, but every country regulates the matter in its own way, Macedonia calls upon the “OSCE recommendation of complete harmonization with the international rules and standards for organizing elections”. Ministries of justice and foreign affairs issued a couple of draft versions, which were finalized jointly and forwarded to the Venice Committee which formulated an opinion for the Election Codex as well.

This issue is one of the topics for the political dialogue of parties in the country. SEC is divided in their opinions about how Macedonian expatriots should cast their vote. It is said that there is no exact number of expatriots who would have the right to vote, neither a geographic analysis where are they located, how the territory is covered with our diplomatic representative offices, what would be the financial implications for the state etc. SEC members had constitutional and legal differences, as the Constitution gives the right to vote to all citizens, but does not oblige the state to enable that to the diaspora by engaging all organs in charge in the election process. What’s more, the number of the Macedonian embassies and consulates and missions in the international institutions (around 45) does not satisfy the minimum conditions of the potential voting body living abroad. Voting conditions in the embassies cannot satisfy the preconditions determined in the election codex.

5. ECONOMY

5.1. Economic Trends

According to the conditions in which business is lead, Macedonia is on the 92nd position out of the list of 175 countries, included in the World Bank rating. This rating comments the business climate, and signifies that the country has a lot more to deliver in order to improve the business conditions. Out of the ten criteria measured in each country, Macedonia has the best rank regarding credit conditions, where it is located on the 48th position and the worst position is regarding foreign trade taking the 127th place. Best progress is noted on the category “registering a firm” where jumped for 53 places, currently taking the 76th place. Best average position from the countries of the region has Romania, taking the 49th place, while the worst is Croatia taking the 124th place.

Just before New Year, on December 29 was passed the Budget, after two weeks of unproductive discussion. Out of the many amendments, the government accepted only few, although MPs demanded from improvement of the conditions in elementary and in

higher education, as well as better salaries for the teachers, better conditions for studying and building student houses, financing research, science and culture. Next on line for adoption are the laws for the amendments of the law on profits and for personal income tax. By that, in practice shall be introduced the flat tax rate, for the government's measure for tax decrease shall be 12% in 2007 and up to 10% in 2008. However, IMF is not yet convinced whether flat tax rate shall be beneficiary to Macedonia.

Like the previous governments, priorities for the new one are again the high level of unemployment and the gray economy. There is still lack of flexible legal procedure, low level of attracted foreign investments. At the end of June 2006 the number of unemployed was 324.695 (or 37% of the workforce) while poverty rate has increased to 27%, placing Macedonia at the top of the European scale. It is estimated that gray economy takes 40-50% of the GDP.

The new government plans within three months to urge all persons working illegally to legalize their business. Also, the idea is to lower the profit and personal income tax rates, simultaneously making more flexible rules for admission and firing employees.

On the day dedicated for MPs questions, one of the Ministers in charge for attracting foreign investment (Vele Samak) on the opposition's reactions that his travelings are too costly, replied that next year in June he shall bring two important investments in the country in the value of 100 million USD.

6. HEADLINES

6.1. Hague Tribunal Cases

During the second half of 2007 are expected gradually to arrive one by one the cases from the 2001 conflict⁸ for which the Court in Hague showed no interest in pursuing (see previous Barometers). Probably every Macedonian government sees this as a delivered "hot potato" which shall produce internal disputes, be it interethnic or position-opposition.

One of the persons under suspicion for the case of the kidnapped and missing civilians is Daut Redzepi-Leka, who was shifting political parties in order to avoid being arrested by the police. So far, he had public appearances in which the police didn't act, as estimations were that this will provoke fierce political consequences. At the end of December he appeared in front of the Court of first instance Skopje II, but refused to answer to the judge's questions and defended himself by being silent, after which the Ministry of Interiors withdrew the wanted circular. It is said that investigation came to serious findings that Leka did take part in the crimes against civilians. Peculiarity is that he currently has the status of MP as he was elected through the DPA list. For the first time, he appeared at the Assembly at the end of this year, and shocked everyone.

⁸ These cases are: the case of NLA leadership, the Lipkovo damn closure, kidnapped and missing civilians from the Tetovo area, the molested "Mavrovo" construction workers.

6.2. Decentralization Process

There are still serious challenges to be addressed before passing to the next steps in the decentralization process. As data show, municipalities are not “mature” enough to take over the fiscal decentralization in a satisfactory manner. Worrisome is the realization that out of 84 municipalities only five are ready to be fiscally decentralized. What’s more, for municipalities’ financial stability to be reached, it implies fulfilling many other criteria, among which the most serious is cleaning up of all municipalities’ debts, which are substantial. Those remaining debts can threaten the functioning of several municipalities. Smaller municipalities have big difficulties in delivering basic services, while possible under-financing of the educational sector is a matter of concern. Municipal tax collection is still hard to be achieved. Further fiscal decentralization of the municipalities will require the development of financial and internal control mechanisms to allow appropriate planning and to minimize the risk of fraud and corruption. The municipalities’ capacity to manage state-owned property should be further developed, particularly considering the scarce resources available to foster local economic development. At this point, municipalities lobby for getting 5% instead of the current 3% of the VAT, while of the personal income tax to get 30% instead of the current 3%.

6.3. Religious Communities Developments

Internal confrontations in the Islamic Religious Community still continue, as they are reflected on the official policy level. Result of this situation is the last minute cancelled meeting to Prime-Minister Gruevski by the IRC leadership. Unofficially, IRC closed its doors to Gruevski due to his previous meeting with the deputy head of IRC Bahri Aliu, whose appointment by them is considered illegitimate. The imams (see previous Barometers) warned Aliu to resign from his function, while if such a meeting occurs, it shall produce reactions from their side⁹, and complete closure of the doors of IRC. The reason for such a revolt is that IRC still does operate according with its Constitution, as no elections for a new Head of IRC have been held.

Skopje imams hold a strong position against Bahri Aliu, for he cannot have meetings on the highest level, as they see him as a person elected by DUI’s support “in peculiar circumstances”. They blame him for the delay to call for new elections for Head of IRC and claim that Aliu did not make the necessary vow on fidelity prescribed by the Constitution for the simple reason that at the moment IRC has no Head (or Reis-Ul-Ulema). The last Reis-Ul-Ulema Arif Emini left IRC after the intrusion of persons armed with khalasnikovs at the Assembly of the Community in Kondovo village, when the term for the election of a new Skopje mufti was to be determined. Then, the Head was attacked by the supporters of the mufti Zenun Berisha who is considered as someone belonging to the more radical Islamic wing in IRC, to which Skopje imams are fiercely against. According to them, the current Deputy Bahri Aliu is an imposed political solution, as he came at the position by breaking the Constitution, and without a competing candidate or a preliminary discussion. These facts are making him unacceptable for developing relations

⁹ Even taking him as a hostage (like it happened with the previous Head Arif Emini)

with the new government. Imams are estimating that the best way to call on legitimate elections for new Reis-Ul-Ulema would be through a decision of the Rijaset of IRC, instead of initiating it through 1/3 of the mufti units, as in that case there will be no daily agenda to work on. Concern is that in the IRC there are structures which find the current situation suitable, as nothing gets done, while the radical Islamists are gaining influence.

Lack of communication was reconfirmed on the traditional New Year's meeting of the Prime-Minister with the religious communities. IRC did not attend, as a sign of dissatisfaction for the invitation and presence of the Bektish Community. The Cabinet expressed surprise for this comportment, as this is the first time IRC boycotts, as so far the Bektish Community has been invited in the last seven years same as all other religious communities and groups.

In the line of the Government preparations for a new law on religious communities, Prime-minister Gruevski intensified his consultations with Archbishop Stephan as Head of the Macedonia Orthodox Church. Intention is to seek balance between the EU pressures on Macedonia to produce a more liberal draft of the law, but at the same time if possible to meet the demands of MOC for further preventing the registering of Jovan Vraniskovski's Ohrid Archbishopry. OA is publicly seen as a propaganda and influence pressure upon the Macedonians from the side of the Serbian Orthodox Church, so the Government's position on this matter is a very delicate one. Intention is not to produce damage to MOC, and if necessary talks are going to be lead with the support of international representatives as well. The current new legal solution, as supported by MOC determines that new religious groups are allowed registration in Macedonia if they have different teaching from the already existing teachings in Macedonia (Article 8) This is evidently a roundabout way to avoid OA registration, which it is still dubious if is going to be passed in this form.

6.4. Annual Addressing of the President of the Republic

The regular annual addressing to the Assembly by the President of the Republic Branko Crvenkovski this year was boycotted by the position. He literally spoke in front of an empty Assembly, as the Prime-Minister, the Ministers and all MPs from the ruling parties did not attend. In total, about 50 opposition MPs were present, but without Ali Ahmeti, including NSDP MPs and their leader Tito Petkovski, the leaders of the Socialist party and DOM, as well as a couple of MPs from VMRO-People's party. The President's Cabinet qualified this comportment as "extremely irresponsible act, which adds damage to the already shaken reputation of the Republic of Macedonia. From his side, the Prime-Minister replied that "VMRO-DPMNE used this opportunity to remind the President that he won the elections by fraud, and that this is a good message for the future that this is not a good way to win elections". Main points of Crvenkovski's speech were: EU and NATO membership priorities; relations between Belgrade and Pristina in the light of the Kosovo issue; the problem with the stuck political dialogue; complete support for the expressed will of the new government for struggle against crime and corruption, -but warned these efforts not to be temporary and superficial; he warned that political turbulences and confrontations woke suspicion among our friends in Brussels whether we

justify the decision for obtaining the candidate status; he criticized the government for lack of political dialogue, lack of consensus for crucial projects (as three months there is no public prosecutor elected); and that opening a process of constitutional changes which is the Government's plan might open the Pandora's box.

7. PARTY DEVELOPMENTS

7.1. Political dialogue

According to analysts and the international community estimations, one of the weakest spots of the new Government is the lack of appropriate communication between the position and opposition, especially between DUI and the Government. That is why there is strong insisting in developing a dialogue and communication between all leading parties in the country, in order to coordinate important policy decisions and issues, crucial for the upcoming period, in which Macedonia has the task to practically deliver the proclaimed reforms.

In November in Mavrovo was held a joint meeting where main political parties agreed that they must continue dialogue to overcome disputes between the position and the opposition, to ensure reforms. DPA and DUI sent their deputies, instead of attending their leaders. At that meeting international representatives heavily criticized the irresponsible behavior of the main political players, limited in their own vanity and narrow interests, instead of considering the main priorities benefiting the country.

Again, in December leading officials from the four main position and opposition parties – VMRO-DPMNE, SDSM, DUI and DPA met to discuss key issues in the country's reform agenda. EU envoy Erwan Fouere and US Ambassador Gillian Milovanovic also attended. The talks focused primarily on VMRO-DPMNE's proposal for constitutional changes aimed at restructuring the education sector, as well as amendments to parliament's regulations, which must result from political consensus.

Smaller political parties, like NSDP, VMRO-People's Party, Liberal Democratic Party and the Liberal Party want to be included in the newly launched political dialogue process in Macedonia as well. These parties feel that they should be treated as equal partners and should participate in all future meetings, dissatisfied that the sessions have been restricted only to four parties (VMRO-DSPMNE, SDSM, DUI and DPA).

After the Law on Police was passed, due to the bad atmosphere created, the President of the Republic publicly called DUI and PDP to come back to the Assembly. "I would not like DUI to leave the Assembly because it shall not be good for them, for democracy and at the end, is not good for Macedonia. The real place to lead a political battle is the Macedonia Assembly. DUI must not destroy the political capital it created.."

Still, until the end of the year, in spite of the efforts of the government to arrange a meeting ("power breakfast") DUI and SDSM did not attend. SDSM was conditioning

their presence with the withdrawal of the amendments of the Election codex regarding the expatriots vote, since the party believes that VMRO-DPMNE had inserted solutions which are unacceptable. From its side, DUI was not in the mood to attend at all.

7.2. SDSM Internal Processes

When on November 25, 2004 the then candidate for president of SDSM Vlado Buckovski entered in the hall accompanied by Branko Crvenkovski's councilors Igor Ivanovski and Natasha Savova, to many of the present people was clear who will be elected as the new party leader. Then, Radmila Sekerinska as a competing candidate for leader openly remarked that he won in an unfair way and even threatened that she will resign from the party. However, the sprits calmed down and she remained in the second best party position and one of the most influential persons in the party and Buckovski's collaborator. Two years later, members of SDSM on convention shall decide on the confidence they have towards party organs, including the leader Buckovski, but now it is sure that he will not be backed again by the President of the Republic. Inside the party is evolving a serious battle for the party leading position, only this time it is believed that threats on Buckovski's position came from the President's cabinet. What's more, commenting the SDSM internal processes, media for quite some time are concentrated in estimating the extent to which the President influences current party politics and promotes party cadres of his preference.

In spite of the secure manner in which the SDSM leader Vlado Buckovski was stating that he does not feel that there are serious efforts to remove him from the leading party position, rumors have proven correct. Basic argument was the unsuccessful election result and the bad party performance, for which the "guilty part" is sought. He was the object of attack especially by the party persons close to the President Branko Crvenkovski. It was demanded personal responsibility of the party leader or the other members of the highest body. As weak points were mentioned: the informal coalition with VMRO- People's party, pushing for unpopular laws - especially the Law for Territorial organization, the privatization of the National Electrical company, letting Tito Petkovski form a party of his own and to point him later as a traitor, the promotion of persons without reputation or those who have violent behavior, and by this comportment he made the party shapeless and fragmented etc. Still, it was commonly agreed that the cadre politics was bad for the whole four-year period. In the media, Buckovski was commenting that inter-party turbulences are normal for a party that lost the elections, and that if he felt that it is him to blame for the situation, he would have given his resignation immediately. Instead, he called for an open debate and dialogue. He also added that regardless of his future position, the only serious candidate having all predispositions to lead the party is Radmila Sekerinska.

At the same time, Buckovski and Sekerinska who openly admitted that she will be the counter-candidate for the leader's position, made a tour round the country seeking votes support by the party local branches. Some media called this situation "opening of the Pandora's box". Buckovski is seen as a scapegoat for the lost elections, as this result is the weakest ever for SDSM. However, if one looks at the election results, the defeat in

electoral district N.1 where he was the list carrier was not that big as the one in N.3 where was lead by Nikola Popovski, N.4 by Radmila Sekerinska and N.5 by Ilinka Mitreva.

There were suggestions for the whole party Presidency to resign for each personally to carry the responsibility, which did occur. It was agreed on September 2nd to call on the Central Committee to determine the date in which a vote of confidence for Buckovski shall be performed by 680 delegates. The meeting took place on October 9th and Vlado Buckovski did not obtain the vote of confidence, as 200 delegates voted “for”, while 339 voted “against”. After the results have been announced, he admitted the result as democratic and announced a new early date congress in which a new party leader will be chosen.

In mid-October Buckovski publicly stated that he does not intend to be a candidate for SDSM leader and shall do everything for the party to proceed with the democratization process and reforms. He also added that he neither intends to create a party fraction nor to secede from the party. In order the party to maintain its image it was agreed between him and Sekerinska to proceed with all activities in accordance with the party Statute. The procedure determines that at first shall be elected a party leader, and in February 2007 on the regular congress term shall be elected new delegates and shall be determined the new party Platform.

However, in an interview for the weekly magazine “Fokus”, Buckovski commented that in the Congress on November 6th it would be good if there shall be more than one candidate for party leader for the sake of the internal party democracy. He stated that he felt an intentional effort for him to be taken down from the leading position and to promote persons who put in danger the future of the party. He estimated that there is a possibility for Sekerinska to be a scapegoat, if Goran Mincev and some other persons are elected as general secretary, which are the “continued hand” of President Crvenkovski. He also suggested that there should be offered a mix of personalities whose views vary as vice-presidents, in order to boost internal party democracy, pointing the importance of the February party elections, when shall be chosen presidents of municipality branches, candidates for mayors and MPs, etc.

In her interview, Sekerinska estimated that SDSM needs change, because it lost its ideological profile: “The public was unclear whether we support the big business or the small and medium enterprises. We are party which should especially be concerned for growing differences in Macedonian society, in order to enable through education, health and public sector services to make equal chances for everybody”. Expecting for Buckovski to resign, she stressed that differences of opinion should be put away and continue to build new type of confidence and work in the party.

On November 6th, Radmila Sekerinska was elected as the leader of SDSM with 456 votes support out of the 516 delegates. However, if one looks at the figures, support for a secretary general was rather divided, as new secretary general became Goran Mincev who got 294 votes against Ljupco Jordanovski who got 217 votes. Also, elected were the new Central committee (70 members in total) and Supervision committee. It is said that

during voting, the supporters of Crvenkovski and Sekerinska prepared a list of 20 names which were not to be voted in the Central Committee. Buckovski's wing had a similar list containing its supporters who should enter the Central Committee. It is said that he managed to include 30 of his supporters in the body, as opposed to Sekerinska who got 40 of her people in the Central Committee. The 500 delegates had difficulties to vote according to instructions given, as they had to circle 60 candidates, so the meeting lasted until 5 AM.

On the occasion, Sekerinska stated that she takes responsibility for a big powerful and serious party, so her first task is to give back the party to its membership. "We have ideas and team, energy and desire to give Macedonia what it deserves. SDSM must get back the trust to its sympathizers and members". From its side, Buckovski stated that "it shall be interesting to see how the new Central committee will function, as we have a very interesting composition there". Commenting about the one suggested candidate for leader he said: "We give an opportunity to her to democratize the party if she is ready to say thank you to the so far support to Crvenkovski and to tell him to leave her to rule alone."

7.3. Latest Events – A Test for the New Government

During the last months of this year, a couple of events occupied the domestic public opinion and involved the political parties in mutual disputes. One of them was the seizure of big quantities of weapons, transferred by the Ministry of Defense to Bulgaria as its end destination. Right now, there are still dissonant voices coming from the Ministries of Defense and Interiors regarding whether the shipment was legal or not, whether the documents were regular, whether the weapons have been used or not and how old were they. Ministers of Defense and Interiors agreed that the matter shall be transferred to be solved in front of the courts. For this case, there have been political blaming and games especially between the President of the Republic Branko Crvenkovski and the Government. The President from his side announced that he shall call for a meeting in January to discuss the matter with the Prime-Minister, The General-Staff and the Minister of Defense and shall call for a meeting of the Security Council.

The second event was the organized attack in the disco "Process", where people under masks assumed to be working in the Ministry of Interiors made a mess, ruined the inventory and bit up the personnel. Later it was discovered that in this case were participating persons working into the police unit for quick interventions. Some government representatives said that this event is "a good chance for the Ministry of Interiors to get rid of the tramps who work there".

At the same period, there were some other unsolved events like: the armed involvement of some persons in the ethnic Albanian festival "Nota Fest" as a sign of dissatisfaction that some competing singer did not make it to the finals; the murder of Isa Lika in the center of Tetovo; the armed intrusion in the Tetovo university before the change of the Rector Beadini, etc.

At the end of October the Minister of Education, disregarding the university autonomy which is guaranteed by the Constitution, intervened at the State Tetovo University and dismissed the Rector. This University was officially founded when DUI was on power and therefore the illegal change of the Rector is considered a political need to deny everything the previous government did. Still, there have been some founded suspicions that the University was not working in accordance with legal provisions. Inspectors were looking at all the documents, signatures etc, as it was said that there have been some diplomas that have been issued illegally. The Secretary was accused for issuing two falsified documents for students who used them to get employed. Also there, were student indexes with irregularly inscribed grades. Professors were working with non-nostrified diplomas or were elected in positions contrary to the legal regulations, documents have not been certified by a notary etc; However, things calmed down as by the end of November, the University continued to function, since all faculties obtained permission to work and the teaching staff is gradually covering its legal preconditions to teach.

In December, a group of 15 students whistled against the President of the Parliament Ljubisa Georgievski, who he visited the State Tetovo University on the occasion of the Academy dedicated to the Day of the State Tetovo University. Students named him “fascist” and “nationalist” and later the group that made the incident was attacked in the hallway and bitten up. DPA representatives claimed that the ones who provoked the incident were DUI sympathizers.

7.4. DUI - DPA Relations

Relations between the two ethnic Albanian parties are seen as rivalry that has exceeded the limits of the usual democratic race. It is believed that this rivalry begun in 2001 with the first announcements of an armed conflict, when DPA announced that NLA was a “criminal organization”. Some analysts think that “oppositions between them are more an expression of a pure power struggle for domination; even party positions on issues like the 2001 conflict are more a result of party exaggerations or diminishing of its role for electoral exploitation”. The ex-mayor of Gostivar Rifi Osmani (former DPA) stated: “...in those times we had opposed positions between DUI and DPA regarding whether should happen armed rebellion of the Albanians, whether that rebellion shall improve the Albanian question and at the end after the elections last year and this year they culminated...” He also comments on the complete contradictory approach to important issues, like: “While DUI’s position is that the 2001 war was an historic necessity as a consequence of the permanent repressions up to that period by the Macedonian authorities towards the Albanians, DPA characterizes this war with a vocabulary which is completely inappropriate- as the “largest treason to the Albanians”. Menduh Taci (DPA) comments that “DUI is one still non-matured party which wants to be part of the power by force”...”From the very beginning of their existence they are trying to secure political legitimacy of their childish behavior. The party which got legitimization through war, now opens the issue of political dialogue”. On the other side, DUI replies: “DPA is formed and still functions as a fraction of PDP. It cannot be defined as a political party at all. In fact they are as a private enterprise in which Arben Xhaferi is a president of the

Board, Menduh Taci the manager and the main executor”... “It can be said that the core of DPA is consisted if representatives of the so called red bourgeoisie, children of former high functioneers in the socialist regime. In DUI are at the scene those who ran abroad in that period of time, exactly because of that regime, in a way they are dissidents”.

8. Public Opinion Polls

According to the research by the Institute for Sociological, Political and Juridical Research titled: “Public Opinion on Corruption in the Republic of Macedonia”, (a nationwide sample of 1600 respondents) main trends and findings were the following:

In the survey, a measurement on the perceptions by the citizens on the level of corruption in twenty different institutions and official functionaries was carried out. The measurement was carried out on a five point scale rating, where each survey subject was asked to measure the level of corruption of each subject listed. Grade 1 marked a subject with a smaller level of corruption, whilst 5 referred to the one with the highest level. An average evaluation has been calculated for each subject, and the following is the ranking:

Rank	Institution	Average grade
1	CUSTOMS ADMINISTRATION	4,58
2	THE JUDICIARY / COURTS	4,40
3	MINISTERS AND DEPUTY MINISTERS	4,26
4	HEALTHCARE SYSTEM	4,21
5	PROSECUTION SERVICE	4,20
6	POLITICAL PARTIES	4,08
7	THE POLICE	3,99
8	ATTORNEYS	3,92
9	MAYORS	3,87
10	PRESIDENT OF GOVERNMENT	3,83
11	EDUCATIONAL SYSTEM	3,8
12	TAX ADMINISTRATION	3,74
13	PRESIDENT OF STATE	3,49
14	THE STOCK EXCHANGE	3,28
15	STATE COMMISSION FOR THE PREVENTION OF CORRUPTION	3,22
16	NATIONAL BANK OF MACEDONIA	3,05
17	MEDIA	3,11
18	DOMESTIC NONGOVERNMENTAL ORGANIZATIONS	2,99
19	INTERNATIONAL NONGOVERNMENTAL ORGANIZ	2,80
20	THE MACEDONIAN ARMY	2,63

The average general grade by the surveyed citizens on the efficiency of the fight against corruption in Macedonia is 1.91, i.e. the fight against corruption is evaluated as being insufficient. The survey subjects have been offered to evaluate the level of efficiency of the fight against corruption on a grading scale of 1 to 5, whereas 1 means completely inefficient., whilst 5 equals very efficient.

- On the list of priority problems, corruption is the third largest problem in the country. The employees from the public sector and the ones with higher education are considered as the most corrupted.
- On corruption there are frequent discussions among family members and friends, but also by media. Every second respondent is critical on the media reporting on corruption: there are too many assumptions and too few data involved.
- Three quarters from the surveyed citizens evaluate the government as being passive and insufficiently engaged in the combating of corruption.
- There has been criticism also directed to the State Commission for the Prevention of Corruption that does not undertake a sufficient array of activities on the combating of corruption.
- Slow transition, the delay of the reform processes, as well as the malfunctioning of the legal state creates an ambience where citizens *apriori* have a reserved attitude towards the institutions, even when it comes to the State Commission for the Prevention of Corruption.
- The lack of trust in the readiness of the government to face and resolve the problems arising from corruption is seen in the response that a submission filed to the very Ministry/institution where the corruption case has occurred or to the Ministry of the Interior, is regarded as being least efficient; the reporting of corruption to media and to the inspection controls are regarded as being the most efficient approach.
- More than two thirds from all survey subjects are at the opinion that corruption in Macedonia can only be insignificantly decreased. For almost the same number of respondents corruption in 2005 has not been reduced when compared to the previous year. In the same instance, each second respondent is skeptical that 2006 will bring any positive changes as regarding corruption. Twice less, each fourth respondent, expressed a positive attitude as to expectation on the fight against corruption in 2006.
- Pessimism is also notable when it comes to reporting corruption: 43% respondents do not believe, and 33% do believe that reporting corruption would lead to a positive result; 24% cannot pre-determine what would be the outcome of such reporting.
- It's a worrying fact that the largest number of respondents (24%) cannot refer to a concrete reason due to which they do not believe in a positive outcome of the reporting on corruption. On the other hand, the most frequently mentioned reasons for the lack of trust are: laws are not being implemented (19%) and there are no appropriate laws in place (9%). As other reasons are mentioned: inefficient police, public prosecution service, and the State Commission for the Prevention of Corruption..

- The largest number of surveyed citizens (68%) believes that corruption is most present among the higher ranking officials.
- Three most often mentioned incentives to corruption are: the inability to meet one's needs in a legal procedure/manner (40%); the non-existence of a legal state (35%), and the low penalties for the corruption convicts (16%).
- Corruption is not an enigma, in most cases it is identified (from 80% to 90% of all respondents do recognize it) in the gifts to doctors, professors, judges, but also in the gifts and services that politicians give to journalists.
- The results on the "dark, but yet practical side" or on "corruption in first person" are: 13% respondents would pay a bribe if asked for it by someone, and 21% would offer a bribe should this would assist them to have their job done. Almost each fourth respondent does not know how to proceed should he/she is asked to provide a bribe; and 21% from the surveyed citizens do not know whether they would make an attempt to offer a bribe to have the job done. 55% of all respondents would not offer a bribe, whilst 64% survey subjects responded that they would the bribe to various institutions.
- There is a clear and unambiguous conscience that both sides of corruption: both receiving and giving a bribe, are criminal offences. However, a larger number of these statements (91%) refer to the situations when a bribe is being received, than when it's about giving a bribe (82%).

Latest UNDP research in December, performed by Brima Gallup on a representative sample of 1058 respondents nationwide showed the following results: as the highest problem in the country Macedonian citizens still point out unemployment (52,5%). Trust towards the new government is shown by 56,2% of the population, while 39,5% expect improvement of the economy and diminishing unemployment (29,5%). Large percent of the polled (91%) think that politicians contribute negatively to ethnic tensions, and then follow the media (82%). At present, party rating is the following: VMRO-DPMNE 24,5%, DUI 9%, SDSM 8%, DPA 5,1%, NSDP 2,9% and VMRO-People's Party 2,5%. About one quarter of the polled state that "shall not vote" (24,8%). Over half (or 56%) of the respondents said that the government policy gives hope, while 32,1% are disappointed.

9. What May be the Future Developments?

It is considered that 2007 shall be a turning point for the EU and NATO membership for Macedonia. Next September and November shall be the months for self-proving and settling accounts what has been achieved, and whether progress has been made, after which the country will know whether it has realistic chances to advance in its road. In the light of that priority, the following developments may be considered:

- Possible entering of DUI in the coalition next year, due to the upcoming Kosovo status resolving
- Government reconstruction, in which some of the not-so-hard-working ministers (or those who are not giving results according to the prime-minister's preference) shall be released from their duties

- Further difficult cohabitation between the Government and the President of the Republic Branko Crvenkovski, especially on matters where he is giving the final consent (ambassadors etc)
- It is important how relations are built between the local self-government and the government, especially with the DUI mayors.
- Possible problems and fierce rivalries in the Saraj by-elections for a new mayor.
- Possible continuation of the not so friendly relations between DUI and DPA
- The country is not expected to have a proactive foreign policy, especially regarding the “name issue”
- Difficulties in an eventual need to create a joint position-opposition-President of the Republic consent for the “name issue”
- Possible unpleasant political turbulences due to the return of the four Hague cases in Macedonia
- Possible tensions between coalition partners due to the court processing of the cases of violence (Krachici case and probably others)
- Struggle against corruption and crime may be ambiguous depending on the political provenience of the perpetrators