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Current Events and Political Parties Development in the Republic of Macedonia

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1. ELECTIONS

1.1. Local By-Elections in Saraj

On January 15th in Saraj (a Skopje municipality located at the fringes of the city) by-elections were held for election of a new mayor and members of the municipality council. Elections were organized due to the vacancy on the mayor's position after the appointment of Imer Selmani (DPA¹) as the Minister of Health in the new government. Other than the mere practical side of enabling the municipality to function, these elections were of a special significance, since they served as a checkpoint for both Albanian parties (DUI² and DPA) to measure their current strength and influence. Stakes were high, as DUI was trying to prove that they are the one who have support and undisputable power in the Albanian political block, in order to reconfirm their party strength contrary to the Government. On the other hand, Imer Selmani left the impression of being a good mayor, and after all Saraj is one of the few municipalities where DPA was so far in control and where it would be a party embarrassment in front of all foreign and domestic political factors not to reconfirm its support by the electorate. Wider political context was additionally fuelling the situation, as rumors were that there is a probability of DUI entering the government. If that happened, it would have been a very hard "cohabitation" between Thaci/Xhaferi and Ali Ahmeti/Fazli Veliu, which would have probably resulted to DPA leaving the government. Under the carpet, in the campaign entered with their "influence" a couple of local gangs, one being the notorious Agim Krasnici with all the network of his supporters (see previous Barometers), but other competing DUI supported groups as well.

President of the Municipal Election Committee was appointed Fahri Rexhepi, DUI party member and brother to Sulejman Rexhepi, the current IRC Reis-UI-Ulema³. DUI candidate for mayor Isni Jakupi estimated that the party holds the major part of the support by the electorate, but people are intimidated and afraid to vote freely. Due to the tensed atmosphere, DUI stated that they intend to be very careful and to avoid all provocations. The party planned not to force a big campaign, not to have election headquarters or wave party flags, but to focus on "door to door" meetings with citizens.

On the other hand, acting mayor and DPA candidate Bekim Fazliu, who was temporarily replacing Imer Selmani, was convinced in election victory, because "DPA traditionally wins in Saraj"- as he says. For Fazliu the most desired election moment would be the large turnout, since "polls show that DPA is on the lead". According to him, it is an advantage that DUI is not on power anymore, since on the last elections "there were tremendous problems and incidents, while voters

¹ Democratic Party of the Albanians, party belonging to ethnic Albanians in Macedonia

² Democratic Union for Integration, party belonging to ethnic Albanians in Macedonia

³ Who is believed to be close to DPA.

were intimidated”, and added “If we left the citizens to vote fairly and without pressure, DUI would not have won in so many municipalities”.

Election results showed that Bekim Fazliu (DPA) was the winning candidate, by obtaining 8.568 votes, DUI-PDP candidate Isni Jakupi got 5.959 votes. DUI admitted the defeat, although it claimed that during voting occurred some incidents and pressures by armed DPA supporters, for which the party has no intention to file a complaint. Municipality council is also DPA dominated with 10 councilors' seats, while DUI won 8 seats and the Republican Party for National Unity 1 seat. The State Electoral Committee, the EU Ambassador Erwan Fouere, the USA Embassy, the observing civic organization MOST and DPA estimated elections as free and fair. EU Ambassador Erwan Fouere estimated that in general terms, elections were calm and without major incidents. Significant point was that many women voted, although were present irregularities like family voting, proxy voting, and some election procedures were not conducted properly.

2. GOVERNMENT/OPPOSITION RELATIONS

2.1. Position-opposition Endless “Political Dialogue”

Disturbed political-party relations between VMRO-DPMNE⁴ and DUI are dragged all through the first half of 2007. As a reminder, unsuccessful negotiations for entering DUI into the ruling coalition terminated after Musa Xhaferi's statement against their immediate political rival: “DPA's entering in the ruling coalition would signify violence upon election results and upon the will of the citizens, and that may incite rebellion and violence among Albanian voters, use of force, kalashnikovs...”. In fact, DUI was angry at being excluded from the cabinet despite having won the majority of ethnic Albanian votes in last elections. Tensed relations continued after the formation of the new government where DPA was chosen as a coalition partner of the ethnic Albanian block, but this time they were shifted on other grounds.

As a first move, in January PDP⁵, DUI's coalition partner went out of the Assembly, conditioning their return with the moment when the parliamentary position will start respecting again the agreed Badinter decision-making principle (double qualified majority). Direct reason for the boycott was the passing of the draft Broadcasting-Law through the Committee for interethnic relations without respecting the double majority rule. This event was linked to the complaint that the Constitution and the Assembly's Book of Rules are regularly breached and many laws and decisions have been passed without quorum or Badinter rule, thus making PDP feeling deceived. Safet Neziri (PDP) stated that the party cannot tolerate anymore the government majority that does not respect the Constitution and the laws and manipulates with the specialized majority principle. Hew left opened the interest “to establish a dialogue and talk openly on all issues, but PDP shall see what shall be proposed by the President of the

⁴ Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity

⁵ Party for Democratic Prosperity, party belonging to ethnic Albanians in Macedonia

Parliament.” The President of the Assembly Ljubisa Georgievski estimated that the move is politically motivated.

From their side, DUI MPs halted their work on January 26th, following a decision by the party’s central committee in Tetovo. The leader Ali Ahmeti stated that it is their voters and members who insist the MPs to leave the Assembly. Party vice-president Rafiz Aliti added that the party should not have entered the Assembly in the first place but they did so due to the pressure of the foreign factor. Party leadership announced that shall continue its meetings with the international representatives, although the decision is for indefinite time, as “Albanians think that there shall be again majorisation over them, taking them back to the period prior 2001”. Again, general reasons for abandoning the Assembly were: disrespect of the Framework Agreement spirit, marginalization of the Albanians, increase of interethnic mistrust as a result of the non-participation of the largest by vote support ethnic Albanian party in the executive power. Commenting the event, Prime Minister Gruevski stated that the boycott does not worry him since “that is their democratic right, so as far as it is within democracy I will respect it and I don’t see anything tragic in that....DUI as a party has only existed for a few years and clearly needs time to mature.”

EU Ambassador Erwan Fouere and the British Ambassador Robert Chatterton-Dickson put efforts to convince DUI-PDP to return to the Assembly but without success. Their message was that the Assembly is the place where political dialogue should take place and that they expect all political parties which are part of it to be in and participate in its work.

In the meantime, DUI and DPA got in the war of words. Ali Ahmeti accused DPA leader Arben Xhaferi and former Macedonian prime minister Ljupco Georgievski of provoking the ethnic conflict in 2001, with the aim of dividing Macedonia. In reply, DPA Vice President Menduh Taci released a statement saying a lawsuit would be brought against Ahmeti, whom he accused of threatening the country with a revival of war. “If Ahmeti were to try such an adventure again, he would receive a dashing response by all Albanians, not only in Macedonia but in Kosovo and Albania”- he said.

Fact is that the absence of DUI in the Assembly blocks the process of decision-making on crucial issues affecting the ability to adopt laws necessary for reforms required for EU and NATO membership, and what’s more, the lack of political dialogue creates a climate of isolation. Positions in politics are held as “fight in rows”, in spite that stakes are too high while next elections are way in the future. Analysts comment that by these moves Albanians from Macedonia together with all the other citizens share common faith in alienating the country from Euro-Atlantic processes which also are to bring security and attract investments. As major weakness of the Government is identified the political capacity to deal with the touchy, sensitive ethnic issues whose balance is a prerequisite of the country’s general stability. This is the reason why “political dialogue” is still the

magic word on which all foreign factors insist, mutually encouraging DUI and the VMRO-DPMNE ruling coalition to manage their mutual differences. No wonder why this issue consumes most of the public attention and energy in the first half of this year. Political elites should find ways to settle their differences in a way that would demonstrate that Macedonia has a functional and mature democracy, a responsible position and opposition. In this sense, state interests should dominate over narrow party interests, including a serious estimation whether one should get out of the state institutions or whether should ab(use) the double majority constitutional mechanism.

2.2 DUI Trump Card – The Mayors

DUI decided to include its mayors (in fact the local self-government in the cities where the party won support) as a method of additional powerful pressure to the Government. DUI party leadership stated that is rethinking whether their mayors shall remain in ZELS (the National Association of local communities) or shall form a separate unit of the North-Western local communities. The new association was to be funded by donations and membership fees so far paid to ZELS. It was said that intention is not to call upon citizen's disobedience, as it is of local government's interest to stimulate citizens to pay their duties in order local communities to be successful. The Minister for Local Self-government Zoran Konjanovski appealed to separate the process of decentralization from politics of the day, urging ZELS to continue to act unanimously and to represent the interests of all communities. He emphasized the successful separation of decentralization from the daily politics and stressed the fact that it became a strategic priority as key part of the Framework Agreement, especially now when fiscal decentralization is on the agenda. "Decisions that are to be brought are for the citizen's benefit"-he added.

To prove the ab(use) of the Badinter rule on national level, DUI party also looked at the possibility of suspending the Badinter principle in all municipalities where Albanians are a majority as a counter-attack to the "majorisation upon the Albanians by the central government applied in the Assembly". It was planned that "each mayor shall prepare a special report in which shall be described the "discrimination made upon local communities in which majority are the Albanians, since the government minimizes the achievements on local level and all investments are directed in communities where majority are the Macedonians", - as stated by the Gostivar mayor Nevzat Bejta. Return of the DUI MP mandates are left as the ultimate pressure option.

Main complaint of DUI's mayors (Gostivar, Cair and Aracinovo) was that their municipalities did not obtain money intended for water supply systems or sewerage systems. They also complained about the slow manner of introducing bilingualism in the City of Skopje. From its side, the Ministry for Transport and Communications denied the accusations, informing that criteria for the money allocation were publicized and approach was equal for everyone. It argued that it

does not discriminate, since money for projects obtained also the DUI cities of Gostivar, Debar, Struga, Tetovo and Tearce, inhabited places dominated mostly by ethnic Albanians, whose mayors also belong to the opposition.

2.3 SDSM Position on the Political Dialogue

Due to the slow political processes in the country, SDSM leader Radmila Sekerinska estimated that Macedonia is experiencing serious retrograde direction regarding the EU integration process. What's more, SDSM feared that the two parties shall go deep into revising, redefining or fine-tuning of what is already systematized in the Framework Agreement and that DUI and VMRO-DPMNE discuss issues that are not treated during the joint meetings on all parties' leadership level. Also, SDSM is concerned that by dialogue may be added or alternated some issues that are commented within the scope of inclusion of laws that are to be voted by the Badinter rule. According to Mrs. Sekerinska, the dialogue entered a "gray area", so creation of a list of laws that are to be passed by the Badinter rule is not questionable, but it cannot be expected it to be final as agreed only between the two parties.

For the purpose of exiting the political crisis where the political dialogue found itself SDSM offered a written proposition "package", which suggested four basic elements: compulsory high school education, fixed quota for the expatriate MP seats⁶ in the Assembly, consensus for the new Assembly Book of Rules and revising the composition of the Committee for inter-ethnic communities' relations. To this initiative, Prime Minister Gruevski offered dialogue in two phases. The first was to be concentrated to issues related to constitutional change: the compulsory education and the election codex amendments, while the other two issues are to be looked upon in the second round talks. DUI generally supported SDSM proposed ideas. However, mutual consensus is nowhere to be found.

On her interview, Mrs. Sekerinska estimated that political dialogue is imposed to Gruevski from "outside", as he personally does not think that it is necessary, as he is not ready to make concessions, while in fact this is a precondition for any kind of dialogue. "The crisis in the political dialogue has negative consequences upon the country's EU and NATO agenda, and creates mistrust in Macedonia as well. We have a Government with strong economic rhetoric, which is for praise, but this Government that shall not be able to transform its rhetoric in reality, because it creates political problems. EU is not a goal for itself. Bulgaria made the economic boom when it started the negotiations, so we have to learn from their experience."

Mrs. Sekerinska believes the so far ruling coalition results as "combined". The strongest government point was the economic advancement which on the other hand was heavily covered with marketing, but no actual results are visible yet.

⁶ SDSM offered this agenda due to their concerns regarding the expatriate vote, since it is believed that Macedonia is unable to put in place a system for objective voting and ensuring free and fair elections.

She stressed the support SDSM gives to the Government for attracting investors, like for the “regulatory guillotine” that will remove all unnecessary provisions and procedures that burden the economic system and the system in general. However, her position is that politicians shall not help the investors if Macedonia is transformed into a country with newly fabricated problems and if the issue of EU integration is put aside in this manner. “To this, the spectacular arrests will not help”-she added.

As three largest omissions of the Government Sekerinska mentioned: “..lack of political orientation; absolutely without arguments and real analysis the Government cancelled herself from serious EU and NATO agenda, which is a result of modest knowledge and bad estimations. This failure on EU level the Government wants to cover by creating euroscepticism, which is a bigger risk; instead of following the discrete Brussels signals it absolutely ignored them, and when signals were given directly into face it was shocked and angry like a little child; it reacted more emotionally than rationally, EU is worried when there is no interlocutor. Also, Government walks along a very thin and dangerous line regarding political topics, rule of law and state institutions; while defining interethnic relations are made unnecessary crisis and confrontations in the Assembly and to cover personal mistakes the opposition always carries the guilt. Third, Government is much more concentrated on marketing effects of its policies, than on their content and the quality; this is understandable in the last year of a mandate, not the first one; at the same time transparency rules are not respected”.

Basically, similar messages are delivered by many foreign representatives visiting the country, like the Vice-President of the EU Socialist club Jan Marinus Wiersma, who during his visit to Macedonia supported the EU and USA assistance in interpreting in which cases the Badinter rule for passing a law should be applied. He reconfirmed that the Framework Agreement is seen as the Macedonian “entry ticket” to EU, while its disrespect or ignoring may bring the membership process in serious jeopardy.

2.4 Further negotiations- Dialogue Dragged On

DUI –VMRO DPMNE negotiations have been dragged all through the first half of this year, unacceptably ruining the image of the state as a mature democracy. Disagreements over the lengthy and sometimes irrational demands and emotional statements in the media heated the spirits among the two negotiating parties and put breaks in the process. “Dialogue” was continuously encouraged by the public and especially by the international community representatives, but it was evident that the process was not moving ahead.

Topic of “dialogue” between the parties was the list of laws that would be introduced by the Badinter rule, including laws on decentralization (like the one on financing the local self-government units) and the block of rules linked to the

use of languages, culture and education, security, agriculture, economy and finance. In the meantime, in the Assembly in March passed the Law for harmonized (even) regional development, although the list of laws was still under discussion, - a move that additionally raged DUI. Other main focus is the Assembly's Committee for interethnic relations, as one of the burning issues for DUI, for which is suggested its' recomposing and reactivating. The most disputable demand is DUI's suggestion for future electing a government by the Badinter model (election of government by double majority rule and distribution of ministerial seats according to the number of votes obtained by each party in elections), which VMRO-DPMNE considers it unacceptable. To this position are included other expert's opinions as well, since composing all future governments of Macedonia in this manner may permanently block the functioning of the system. After all, this kind of government selection is not seen to derive from the Framework Agreement, neither is a solution for the Assembly blockade. Thus, this request is seen as a form of pressure.

In April, tenths of laws regarding craftsmanship, taxes, fire brigades and other issues related to local self-government became the largest obstacle for the dialogue dynamics. DUI submitted a list of 124 laws for which it insists the Badinter rule should be applied. Party working groups at first reached a consensus for 37 laws, while it was announced that a list of 18 laws shall be on the agenda as well. High representatives of VMRO commented that DUI submitted a list of laws out of which a portion is unnecessary to be used the Badinter rule. "It is unnecessary to waist energy for something that is not of a vital significance for an ethnic community"-he said.

DUI especially insisted for the Badinter rule to be used for laws on police and defense. VMRO-DPMNE position is that they cannot accept these demands, since the Law on police regulates the internal organization of the Ministry, while rights of the ethnic communities are protected by the laws for personal ID cards, for passports etc, which already exist. In addition, DUI demanded pensions for former NLA fighters and says that about 150 families wait for state aid and seek a social package for them. Publicly, DUI claimed that are agreed about 40 laws that concern culture, education and use of language that are going to go by Badinter, which laws shall be of special significance for the MPs who are not ethnic Macedonians. Still, the dialogue became too long, due to endless postponements and games played by the two sides.

This crisis on relations raised concerns in Brussels. To justify its position in the dialogue, in May DUI sent high party delegation in Brussels to explain its position. "The idea is to promote our political agenda. We shall tell to our hosts that a campaign has been lead in Macedonia in order to prove that we are obstructing the political process. Regarding the dialogue, we shall inform Brussels that every effort of our party to be constructive is not appreciated by VMRO-DPMNE, and that makes the process of reaching ethnic consensus harder".

By the end of spring the list of laws which are going to be voted by the Badinter majority was closed including the composition of the Committee for interethnic relations. It was negotiated about the reparations for NLA fighters and the use of Albanian language. Working groups made a list of 45 laws which are to be voted by the majority, these laws should be put in assembly procedure soon; SDSM (if accepts) shall get one more place in the Committee for interethnic relations on DPA expense.

2.5 Dialogue's Epilogue

At last, after a four month's absence, DUI came back to the Assembly in June, but for the opposition parties and for the other coalition partners remained the dilemma what is the price that Prime Minister Gruevski decided to pay to DUI for achieving their return. Unofficially it was heard that there is a mutually signed document, written solely on English language, for which content the public was not informed. SDSM, LDP, DPA, NSDP, LP, DOM and PEI demand to be removed the mystery around of the document and to go in public with it. VMRO-DPMNE denied the existence of such document, claiming that agreement was oral and in accordance with the Constitution and the Framework Agreement. On the contrary, Ali Ahmeti and other DUI high representatives were stating that there is such a document firmly binding the Government to tender the items agreed. LDP leader Jovan Manasievski asked the Assembly speaker Ljubisa Georgievski to urgently ask the Prime Minister to formally submit the text of the agreement in the Assembly. As a reply, VMRO MP Silvana Boneva stated that it is an oral agreement between two parties and not an institutional one. Still, opposition voices are not halted, commenting that Gruevski wants to avoid the trap of reconciliation with NLA fighters, as this would definitely alienate from him one portion of his party supporters, and change his public image as the prime minister who cares about ethnic issues. The public senses that he has unwillingly agreed on things that would not reconfirm his popularity among his voters and makes every postponement possible in announcing the unpleasant facts that might ruin his popularity. For that reason suspicion is that he would try to maneuver the agreement and possibly keep the "good spirits" until the NATO invitation arrives.

Xhevad Ademi (DUI) stated that "what has been agreed is a political win-win compromise from which Macedonia gains the most". He reconfirms that the agreement is written in English, while its guarantees are EU and USA Ambassadors. The agreement contains recomposing the Committee for interethnic relations by adopting a law that would regulate it, there is a list of 45 laws that are to be voted by the Badinter double majority, included is the effort in finding a solution for material and social care of all concerned from the 2001 conflict and their families, preparation and submitting a law for use of languages in accordance with the Framework Agreement and the Constitution's fifth amendment as well as continuation of the dialogue in the Assembly regarding the

methodologies for government formation”. Still, the solution for the 200 families of persons killed or injured during the conflict shall be arranged through the existing laws, as it is impossible to introduce a new law for that purpose.

US and EU welcomed the agreement resulting from the political dialogue between VMRO-DPMNE and DUI and expressed hopes of quick returning of DUI to parliament. Joint statement said that “EU mission in Macedonia and the US embassy in Skopje are welcoming the agreement reached between the parties as an important step forward in the country’s processes of integration with EU and NATO”. At the same time it is stressed the need of implementation of the agreed stances by both parties and added that they expect DUI to return to the Assembly as soon as possible in order to resume the activities aimed at implementation of the crucial reforms related to membership in EU and NATO, including the full implementation of the Framework Agreement. Thus, it was obvious that the international community like many times before has played a key role for a successful process. Analysts believe that agreement was reached by international pressure, by other and not personal will of the involved, same as the Framework Agreement did.

2.6 Assembly Book of Rules Further Debated

In February, MPs continued the debate on the draft Book of Rules of the Assembly. Opposition attacked arguing that the text contains numerous deformations of party motivated nature, one of which is the suggestion for discussions to be limited only to 10 minutes. To answer to the proposed text, SDSM submitted about 2.800 amendments on it, insisting the Book of Rules to be passed by consensus. The Government accused the opposition that by issuing those amendments SDSM is trying to obstruct the Assembly’s work, as only for copying of the amendments the Assembly spent 15.000 EUR, which “were a way of ruthless spending of taxpayers money” as it was said. Until the end of June the Book of Rules is still impossible to be passed due to intra-party disputes, which block the decision-making process.

3. POLICIES/EVENTS

3.1 Is There a NATO Invitation Next Year?

Above mentioned internal political turbulences are taking place in the period when Matti Ahtisaari presented his proposition on the final status of Kosovo in front of the Contact-Group members. Additional unpleasant consequence of the boycott is that DUI and PDP also put in moratorium their participation in the Security Council and in the Committee of integration of Macedonia in NATO. Avoiding regional uneasiness is the basic reason why international community representatives worry about the political stability of Macedonia, which needs to be kept in low tones at this crucial turning point. Needless to say that is of significant state interest to cross the symbolic line of uncertainty and the country

to become part of the Euro-Atlantic democracies, which enjoy stability, security, investment and obligations.

Daniel Fata, a senior US defense envoy stated that Macedonia needed to speed up reforms required to become a full NATO member in a new enlargement round expected next year. "It is apparent that Macedonia has made impressive strides in defense reform and modernization", but he added "not only defense, but every other aspect of reform must be completed toward that goal; there have to be democratic, political, economic and military reforms and all that is part of the package of issues to be reviewed". The prime minister was given the message that must strengthen the reforms and to DUI that the boycott is not a solution.

It is obvious that main and most urgent challenges Macedonia is facing on its road to NATO membership are the political dialogue and judiciary reforms. Other high NATO representatives welcomed the reforms in the country's defense, but warned that the political dialogue between the government and the largest opposition party of the ethnic Albanians in the country remains a key issue of decisive nature for the future NATO membership. Until there is a problem regarding the use of the Badinter majority principle in the process of decision-making and until the moment when there is absence of political dialogue for that issue, the date for EU negotiations is uncertain". –commented Eric Mayer, Special Envoy to the EU parliament on Macedonia.

"The United States back Macedonia's aspirations for NATO membership, but intensified reforms are needed"- said Daniel Fried, Assistant Secretary of State for European and Euro-Asian affairs during his visit in March. "The US wants Macedonia to be the strongest candidate for NATO, and the President and the Prime Minister know what challenges are and what should be done". Estimations are that Macedonia has a long road ahead in terms of tackling corruption and organized crime, as well as implementing the Framework Agreement and reviving the economy. That should be done in the next six months because NATO will then make a review of the candidates' achievements.

NATO is satisfied with the progress Macedonia had regarding the membership criteria, but still thinks that the most urgent, this year's important reforms are not yet accomplished. Criticized were the political immaturity of the parties and the problem of the lack of political dialogue was not located only as a problem of the government with the opposition, but wider, as a part of the whole atmosphere and politics practicing, in spite of having everybody joined around the idea of NATO and EU membership. Remarks were given for the defense reforms which should be intensified regarding the armament and the complete army performances. Compliments were given on some defense aspects, but there were remarks about absence of visible results from corruption cases, investments revival improvement of political atmosphere etc.

In April, the NATO port-parole stated that the political dialogue should be lead through a democratic process, but as the problem lasts too long everybody in NATO are concerned since they would like to see results the sooner the better.

In May Macedonia was visited by the US deputy assistant secretary for European and Eurasian affairs Rosemary DiCarlo. After reaffirming the US wish to see invitations for the region issued in 2008, she repeated that Macedonia will have to make continued progress in political, economic and defense reforms, as more work needs to be done and time is short". She also reconfirmed that US policy over Macedonia's name has not changed.

At the Alliance meeting in Oslo, it was said that for NATO membership individual achievements shall be regarded, so invitation shall be obtained by those countries that have advanced most. The message to the three countries was not to hope to get a group invitation, if they are not ready and that next year shall not happen the situation "either the three or nobody gets an invitation" (Kai Eide). At the same time it was recommended that border demarcation with Kosovo was said that it must be solved before final Kosovo status shall be resolved.

The US Congress recently sent legislation to President George W. Bush that endorses expansion of NATO to include three more Balkan countries and two former Soviet republics: Albania, Macedonia, Croatia, as well as Georgia and Ukraine. The same positive signal was given in June 19, after US President's George W. Bush convincing confirmation given to Macedonia's prime minister Nikola Gruevski in Tirana in reference to NATO entry, it was stressed that three membership aspiring states, Macedonia, Albania and Croatia should continue with the reforms and to achieve the expected standards and criteria. It was also stressed that the reforms in the field of defense are still going on, the reorganization of the Army of Macedonia is completed and the participation in peacekeeping mission will continue.

3.2 EU Accession Process

Compared to the NATO accession process, the Macedonian EU accession process seems to require the fulfillment of the same preconditions generally, but in a much more detailed way. What is there to be done for the country may be clearly seen from the speech of Olli Rehn, the Commissioner for EU enlargement at the Conference on the Ohrid Framework Agreement, in February 8th this year:

"EU is a community based on shared values. The respect for democracy, rule of law and respect for minorities is the glue that holds EU together. It is an essential criterion of the accession process. No candidate country can be allowed to start accession negotiations until this criterion is fulfilled."

"Decentralization is a key for functioning and stable democracy. It needs to be implemented in such a way that it responds to the citizen's expectations for

further improvements in the management of public services, for instance in education, and local development. Last year we could note improvement in some public services. It is now the responsibility of both the central government and the municipal authorities to sustain their cooperation to allow for promoting local democracy and local development.”

“Second value is respect for minorities. In this country the Badinter mechanism provides for guarantees for the non majority communities. It has been essential for building confidence and credibility. The mechanism reflects your country’s history and political reality.”

“The developments over the last year were alarming. It seems that the constructive and determined approach from all parties now has given way to obstruction and lack of faith. You need to turn this development around. You can ill afford a political stalemate. It is therefore essential that the spirit of the Ohrid Agreement is endorsed by all. Confrontation must be turned into dialogue, obstruction into constructive criticism. In concrete terms the Badinter mechanism must be fully respected and all parties need to respect and work within the democratic institutions you have taken such efforts in setting up.”

“Rather than accelerating, the pace of reforms has slowed down. Even if some changes have been put in place, such as the electoral process, the legal framework of the judiciary and the police, or in parts of the business environment, there are key reforms which remain to be implemented. Progress is needed in the organization and functioning of the police and the judiciary, in the strengthening of the administration, in the fight against corruption and organized crime.”

“Further progress is also needed in the implementation of the Ohrid Framework Agreement, for instance to pursue the objectives of equitable representation of the communities in the public administration and public bodies. The respect of the letter and spirit of the Agreement will remain crucial for the European journey of the country until its accession to the EU.”

“Progress and implementation of our Stabilization and Association Agreement is also crucial. It will promote rule of law, good governance, fair competition, accountability. The adoption of EU standards and practices will modernize the country and have a positive impact for all citizens.”

These highlighted priorities were repeated many times this year by many other officials. At the beginning of the year, at the meeting President Crvenkovski had with the President of the EU Commission Jose Manuel Barroso, it was said that “there is no dilemma that the EU will continue the enlargement process, but Macedonia’s inclusion will depend solely on the progress of the country. In this sense, the EC’s report due to be announced by the year-end will address the date of negotiations as well”. President Barroso voiced discontent with the level

of political dialogue in the country, noting that “better political communication is necessary in order to step up the national unity and strengthen the position of the Republic of Macedonia in terms of acquiring the date of negotiations”, - Crvenkovski cabinet announced.

At the March meeting with Macedonian authorities Michael Leigh, Director General of the European Commission’s Enlargement Directorate General stated that “on its road to EU Macedonia should pay special attention to the Framework Agreement implementation, to the positive policy for employing ethnic communities, resuming of the power in the decentralization process, judicial reforms, combat against corruption and organized crime and improving the business climate in the country. Macedonia has made progress in many areas but it should work more, the date for EU entry talks depends on the country’s readiness. Not only quantity but also the quality of the adopted laws and their efficient application are rather significant.”

In April the Macedonian Minister for EU integrations Gabriela Koneska-Trajkovska in April had a meeting with the Commissioner for EU enlargement, Olli Rehn. Topic was the upcoming EU report on the progress of Macedonia towards EU and on the Brussels’ activities in realization of the reforms in the region, as well as the progress of the Macedonian reform agenda. “Compromise is necessary to run the last meters to a complete political dialogue and return to DUI in the Assembly” he said. “I welcome the efforts to improve the political climate in the country and to show clear political will for the Framework Agreement implementation, which is the key political criterion to the road towards EU. The recipe is simple- reform must be speeded up. It is good that the situation is de-blocked, but time passes quickly and one must not lose a minute. The country must not only adopt many laws but needs to carry out judicial and police reforms and to show serious struggle against corruption. So far the government shows willingness, but is still far from real results.” To this he added: “I encourage all parties to put efforts into finding compromises and to walk the last mile in order for the dialogue, which intensified over the last couple of days, to produce concrete results”.

Radical staff change in the Macedonian EU integration sector raised some concerns in Brussels, for which it was stressed that these changes mustn’t produce consequences upon EU-Macedonian relations. Mr. Rehn directly warned both position and opposition “key institutions must be stable and I encourage everyone to make an effort for compromise to obtain concrete results”.

In the same period of time, EU Ambassador Erwan Fouere stated that EU is satisfied with the efforts for advancement of the political dialogue and overcoming the existing mutual mistrust, but EU would like to see that the dialogue is transferred in the Assembly where all open issues should be debated. He added that “for important issues must be achieved complete political

consensus and that all other alternatives would be politically unproductive". On the same occasion he expressed satisfaction for signing up the agreement for facilitating of the visa regime with EU, stating that the act is an excellent event by which bonds between Macedonia and EU are strengthened, as this is only the first step until complete facilitation of the visa regime.

3.3 Shifts in the Government, Minister of Culture Changed

Xhelil Bajrami (DPA) was chosen as the new Minister for Environment, replacing Imer Aliu (DPA) who became a Minister without portefeuille, in charge for the Framework Agreement implementation. The so far Minister in charge for the Framework Agreement was the Minister of Health Imer Selmani, who due to the difficult reforms in this area, was released from the additional duty, in order to dedicate himself to the health area.

Compared to other Macedonian governments the current one has the most numerous ministers, (22) out of which eight are "experts" without portefeuille. As a comparison, the previous government did not overcome the figure of 18 members and had only two ministers without portefeuille.

The Minister of Culture Ilirijan Bekiri (DPA) resigned in April, after banning the theatre play "Tito, Certain Diagrams of Hope". The Minister sent a letter to the directors and producers warning them that rehearsals and preparations should cease, and that any further activities would be penalized. He justified his move from his viewpoint that the play is the work of "exponents of communism in decline". The act of banning provoked severe protests from actors, the media and political figures, including the Prime Minister who stated that "the Government is not a censor". Regardless of the Minister's position the play had its premiere and Bekiri submitted his resignation. In mid-April the Assembly elected DPA member Arifihikmet Xhemalili as the new Minister of Culture. Xhemalili is a member of DPA Central Presidency and former vice-dean at Tetovo State University, who graduated at the Prishtina Music Academy in 1981.

The event provoked internal party problems, as the influential member Bardul Mahmuti decided to leave the party. Some argued that Mahmuti's dissatisfaction derives from the fact that banned Minister Bekiri is his cousin. On the other hand, he expressed dissatisfaction with the party policy, due to the party promise to the electorate before elections that an Albanian democratic union for advancement of their rights shall be formed. Concretely, Menduh Thaci was promising that past mistakes shall not be repeated, but after getting on power, DPA continued to work by the old pattern, privatizing the party together with a couple of other party persons around him.

3.4 PDP Enters Government?

PDP leader Abduladi Vejseli in April decided to terminate the cooperation with DUI. Central presidency of PDP unanimously decided to support the idea, estimating that their voter's interests have not been accomplished. Official conclusion was that the party from now on shall function on its own, but rumor is that the party intends to join the ruling coalition. DUI and PDP were holding together 17 MP seats out of which PDP has three. Prime Minister Gruevski was motivated to attract this party including all three MP seats, in order to numerically approach the double majority Badinter precondition, without having to bargain with bigger and more difficult counterparts like DUI. These three places are crucial in securing the Badinter rule, releasing the decision-making obstacle from the Government and relaxing the pressure created in the political dialogue. In the meantime, DUI got one seat less support from Fadil Sulejmani, who left the coalition and became independent. As DPA is in Government, and including the independent MP, plus the three PDP seats and probably the support of the other MPs belonging to the numerically smaller ethnic groups who are SDSM coalition partners, Gruevski may have seen the deciding strength of the government significantly improved. The "price" of PDP entering the government was the ministerial seat of the ministry of local self-government, so far held by Zoran Konjanovski (VMRO-DPMNE) and a couple of lower places in the administration. However, events took unexpected turn as the two PDP MPs Safet Neziri and Blerim Bedxheti did not accept the decision of the party Presidency for breaking up the coalition with DUI. They both confirmed that will continue functioning within the DUI coalition frame.

It is said that behind the decision of the PDP leadership to join the position stand several reasons. Publicly, this party explains the move by the effort to regain popularity among the electorate on its own, but it is a public secret that the leader Vejseli and his closest collaborators negotiated for entering the ruling coalition even since last summer. Fact is that in the last couple of years this party shifted its support several times towards the larger two parties in the Albanian block several times, acts which removed part of its credibility as a political subject with steady values. What's more, entering the government may complicate things with the other government partners, like NSDP. The leader Tito Petkovski showed nervousness for the eventual loss of his positions if he was to leave room for the upcoming partners.

In the meantime, Abduladi Vejseli suggested the creation of a "unity group" consisted of all the Albanian political factors in Macedonia (PDP, DUI and DPA) in order to harmonize the positions of the Albanian parties regarding the Framework Agreement, which according to him "is much bigger than the party disputes". Finally, this idea was not supported by all parties, as DUI showed no interest in joining the group.

In the end of June PDP joined the Government and took the ministerial seat offered, regardless the negative attitude of the two MPs.

3.5 Cohabitation Misfit

Difficult and at times very bad can be estimated the relations between the Macedonian President of the Republic Branko Crvenkovski and Prime-Minister Gruevski. The history of bad relations dates from the time when the Government was inaugurated, and Crvenkovski was whistled out by VMRO supporters on the Skopje main square while delivering his speech. Followed the SDSM party problems with the Ambassadors Spasov and Jordanovski, when the President gave in to the pressure of the Ministry of Foreign Affairs and called both of them off their duties. Culmination was the boycott of the Government and VMRO MPs on the December Annual President's addressing to the Assembly.

Next point of dispute was the fierce disagreement regarding the proposed personal solutions for ambassador's placements. Gruevski's political inexperience and the need for Crvenkovski to increase his rating in the next couple of years raised the importance of the issue and made impossible the ambassador's vacancies replacements. Paradoxically, both parties at first were trying to surpass the new Law on Foreign Affairs which determines that as ambassadors are generally preferred professional cadres instead of party appointees. On the President's denial to accredit the suggested persons Gruevski replied that he will send acting ambassadors, which move would in fact diminish the country's credit abroad. As a backfire, Crvenkovski replied that on that case he would prefer professionals from the Ministry than party appointees. Unfortunately, the issue remains unsolved until today.

In the "dispute" with the President fiercely entered the DPA leader Menduh Thaci as well. After a couple of personal sparks, he stated in the Assembly: "I won't bring a charge against the President Branko Crvenkovski because I think he is crazy. He suffers from hallucinations while he is under the influence of alcohol and cocaine". As a reply, Crvenkovski's press office stated that "Macedonia's President Branko Crvenkovski has never allowed and will not allow to be involved in a dispute or comments on the provocations, insults and fabrications in the statement by the Deputy leader of DPA Menduh Thaci". SDSM port-parole called upon Gruevski as a Prime Minister and VMRO DPMNE as a ruling party to isolate themselves from Thaci's behavior in the interest of the state. "Nikola Gruevski as a Prime Minister has a constitutional responsibility to work on the protection of institutions in the Republic of Macedonia. He is also responsible for the behavior of his coalition partners. Macedonia needs consensus, understanding, serious approach and cooperation between the government and opposition and between all state institutions."

Thaci's sharp tongue but also complete lack of cultural behavior and manners raised many reactions in public. In fact, his comportment towards the President was not an exception, as has the habit of offending many - from journalists, to MPs, to persons from the civil sector etc by use of the ugliest words possible. For this reason, public debate was opened whether the Election Codex should

include a precondition for future MP candidates to bring a certificate confirming their psychological stability. To this, some experts ironically added that “maybe instead of medical examinations, parties should reconsider who they put as candidates to run at election time”.

Additional fuel to the relations added the upcoming Security Forum of the European Partnership Council meeting in Ohrid due to take place by the end of June. As the agenda was created, impression was that the Government did not intend to invite the President at all. The position was justified that the Forum was at a ministerial level, while Macedonia as a host country shall have a ceremonial function. To loosen the atmosphere, NATO representatives declared that they are not interested which authority from Macedonia shall be part of the delegation that will be present at the Forum, as it thinks that it should be a national decision. Still, impression is that there is space for Macedonia as a host country to be present in a higher level than only the ministerial one. Most probably there will be found a way to include the President in the Forum, as the Prime Minister shall be present as well. Hiding up the problem does not wipe out the evident impression that the Prime Minister does not wish to cooperate with the President in such an occasion, especially important for the country.

The impossibility for the President of the Republic and the Prime Minister to come to agreement on important national matters, deepens the cohabitation problem. It is visible that the unlimited power the Prime minister has within the government is very difficult to be transferred to the whole political scene, which may be a serious signal for danger of watering down his ambitions to make a serious economic and political turn point in the country. In the moment when Macedonia is expected to work unanimously on all fronts, as it is a decisive year for NATO membership and the advancement of the EU integration process, unanimous position is seriously lacking. This refers not only to the ambassadors list which was not agreed, but also to open issues like Kosovo, the name issue and EU integration were neglected.

3.6 Government Trade-off with Parties Belonging to Smaller Ethnic Groups

Intending to use the votes of MPs belonging to smaller minority groups to pass the reform decisions (election of the remaining Judiciary Council seats) and pieces of legislation seeking the Badinter rule, the Government generally accepted their demands for guaranteed MP seats for these smaller ethnic groups' parties (Turks, Serbs and Roma). The leader of the Democratic Party of the Turks Kenan Hasipi stated that the Government is receptive to their demands and that soon are to be determined the final number of those seats with the Prime-Minister. Most probably shall be granted 12 guaranteed seats, in addition to the already existing 120 in the Assembly. To introduce this novelty, although there is a possibility already existing in the Constitution the Electoral Codex needs to be amended. In addition, demand was to introduce a law for minority rights of the smaller communities, especially defining the mechanisms for their

realization. For this, the Government is already thinking of possible solutions, like forming an Agency for that purpose.

3.7 Reducing the Number of Existing Parties

In March the Assembly adopted amendments on the Law for Political Parties, by which instead of the current 500 signatures for registering, parties are now obliged to have at least 1.000. Also, parties are required to deposit signatures at local units of the Ministry of Justice and to complete registration within 45 days. Due to this change, it is anticipated that out of the existing 88 parties, shall survive only about twenty. Some analysts support the idea in the sense that it is unacceptable for a registered party without real membership to call on press-releases, to take part in public life and to create public opinion. "The filter for parties is on elections and only those who have serious offer for the people can survive, like in the market."-they say.

However, some parties raised a complaint in front of the Constitutional Court for estimation of the amendment's provisions which "put in question the freedom of association and political orientation". As judges expressed concern that these provisions might violate the constitutional principle of freedom of political assembly, the Constitutional Court through a temporary measure stopped the possibility of so far existing political parties to be deleted from the register if they did not fulfill the condition of gathering 1000 member's signatures. Still, this measure did not stop the re-registration process for the parties that met the new conditions. At the same time, the Court launched a procedure concerning the articles in question which up to this date is not finished.

3.8. Health Reforms Under Way

One of the sectors that needed fundamental reforms for quite some time is the health service. Current government made efforts to start the planned policy measures, which in practice met a lot of problems, as privatization process took place gradually one specialty profile after another (dentists, gynecologists, pediatricians, general practice doctors etc). Major difficulties were met while defining the price of the service for each of the categories, as policy was sometimes agreed with the professional associations, but then took a different path as Government decided to undertake a somewhat different strategic approach.

New policy measures did not include the clinics which are not to be privatized, although there are serious reforms intended for the state Clinical center. The Government adopted introduction of public-private partnership and reorganization of the University Clinical center. The Ministry of health has the task to submit to the Government possible models of public-private partnership in the health domain. The idea is to achieve more simple way of managing of the clinics in order to be obtained better quality of health service for the patients. As

the minister stated “public-private partnership in a certain period of time shall include a private partner who will bring new investments, techniques and knowledge in the clinics”. According to this idea, the state shall continue to be the owner of the institution, while the private partner other than the equipment and technique shall be able to be included in a new way of managing and profit sharing. The Ministry expects that the price of the health service shall fall down by introduction of this model. Contracts should be made for a particular period of time and for every health service there shall be a special model. To commence with the application, three pilot projects are announced as examples of public-private partnership. Plan is the Clinical center to be divided into 30 clinics and institutes as new legal subjects, according to the suggested plan submitted to the Government. Still, some foreign experts think that “complete application of the reforms in Clinical center shall be catastrophic and most probably a failure”, - an opinion which was rejected by the Minister of Health.

The draft Law on Patient’s Rights has passed from the Government and proceeded in the Assembly. According the draft, the patient has the right of a second opinion on his diagnosis; high confidentiality of his file for which only he may have access to; in the examination room other than the doctor and the necessary personnel there should be no presence of other persons; a patient may refuse an intervention if he is not life-threatened; in the hospitals and clinics there should be special rooms for religious rituals of the patients; for breach of patient’s rights there are fines for the doctor and the institution from 1.000 to 2.000 EUR.

As the same time, in public started talks about corruption scandals linked with the names of well-known specialists and pharmaceutical companies. Still, official reactions on the matter are rather poor. The Ministry of Interiors says that they expect action from the Public Prosecutor’s office, while the latter waits for concrete proof. It was only the Tax Revenue Office that showed interest on the matter, as there are talks about the purchase of cytostatics by 800 times the regular price, while others accuse cardio surgeons for having money transfer from a firm that supplied him with medical material. To this is added the fierce public confrontation between two groups of specialists about the upcoming important Government decision of where to locate the future state cardio-surgery: to the Surgery Clinic or to the Cardiologic Clinic. Essential background of the dispute are in fact private interests of a group of specialists who due to their close relations and political affiliation with the ruling VMRO-DPMNE party press the Government to decide for the Cardiologic Clinic, although the whole endeavor is much more costly than the adequate adaptation of the Surgery Clinic.

3. 9 Anti-Corruption Policy in Progress

In March, the Ministry of Transport and Communications due to irregularities in their work, took the authorization on the field of urbanism from the Skopje

municipalities' mayors of "Centar" Violeta Alarova and "Kisela Voda" Gjorgje Arsov. The prohibition is temporary, as it is of three months' duration. The Ministry brought decisions according to which these two local authorities are forbidden to make inspection supervision of buildings of third, fourth and fifth category, to issue acts and building permits, acts for use of buildings and to register projects. Also, the two mayors are forbidden to have activities linked to application of urban plans. This move was made because these two municipalities in spite of the remarks given by the State inspectorate for construction and urbanism did not do anything to remove the irregularities in their work and application of laws. Detailed reports on the irregularities identified have been submitted to the Ministry of Interiors and the Public Prosecutor's Office. All further activities in the name of Centar and Kisela Voda for the determined period shall be performed by the Ministry.

Finally, in April the Anticorruption Committee was established. Its composition is considered to be created by suggestions from the ruling parties.

Judge Snezana Popcevska has been dismissed, together with two other judges and one President of the court. The dismissal procedure has been initiated due to unprofessional and dishonest working on the "Bacilo" corruption case. In addition for this case, it is considered seeking responsibility for the judges in the Appellate Court as well. For them, a decision has been brought to be suspended, while for one judge by initiative of the Court Council a procedure has been opened to determine his responsibility.

Other serious complaint for the court's inefficiency is the dragging of the cases for some time as they remain on judge's desk for quite some time. Other than passivity in decision-making, it is very often the case when courts after bringing a decision, have the case in front of the Appellate Court as a court of second instance, which after a very prolonged period of non-acting simply cancels the decision and sends the case again to the Court of first instance, thus making an endless ping-pong case.

In March, a group of 44 policemen and customs officers working in different border office premises were arrested in a big action by the police. Most of them were suspected of bribery. In total, arrested were 28 policemen, 11 customs officers four waiters and one cook. To these arrests, are added the cases of two wanted criminals (for drugs trafficking and major privatization frauds) who were detained in Serbia and are now returned to Macedonia for trial.

3.10. Government Advertising Fever

The Government was subdued to heavy criticism for spending a lot of taxpayers money for advertising itself or for its campaigns in various domains. It is believed that the Government spent 1.2 million EUR for promotional activities, like "Invest in Macedonia" (money mainly spent abroad) while in Macedonia last year were

spent 95 million EUR on various campaigns. For this year it is anticipated that expenditures shall be even bigger- 120 million EUR. For this, a word is given to the State Anticorruption Committee after the information that for a certain advertisement there was a breach of the Public Procurement Law. Some believe that the Government in a subtle manner “buys out” the media favor by offering advertising money, so media instead of criticizing the government work, they indulge her. In fact, it is considered that Government is tolerating the “illegal marriage” between some electronic and printed media, whose owners are (or had ambitions to be) involved in politics, creating unprincipled competition and flagrantly breaching the Law on radio-diffusion. All in all, media ownership is something which all Macedonian governments stand aside, in order not to rage its owners.

SDSM states that it is high time the Government starts serious work instead of advertising itself. Vice-president of SDSM Igor Ivanovski stated that “for eight months since elections the Government submitted to the Assembly only 16 laws from the EU integration domain, although it committed itself to submit by the end of May about 45 laws for that purpose”.

3.11. “Regulatory Guillotine” Under Way

The Government together with the business-community is currently realizing the project “Regulatory Guillotine”, which in fact means banning of at least 100 regulations concerning mainly the business functioning, while simplifying an additional couple of hundreds. Intention is all these regulations to be replaced with new, modern rules and laws that will be of true use to the businessmen while conducting their business. Many of the documents in question created in the last 15 years, out of which large part are duplicated, while others date from the time of former Yugoslavia. On the promotion of the idea, for which is included a web-page opened to citizen’s suggestions, Vice-Prime Minister Zoran Stavrevski stressed that “it is high time to step out of the phase of business-bureaucracy in the phase of business-crazy”. Otherwise, the Chamber of Commerce has already submitted to the Government a list of 1.200 regulations, laws and by-laws to seek their correction or elimination.

3.12. Administration Reforms?

In the last months Macedonia got negative marks by the EU institutions regarding the administration partization and the lack of reforms. For years, Macedonia is a country that does not succeed to reform the public service and decrease the number of employees to acceptable numbers. In the last 10 years the numbers of administrative employees were shifting from 92.000 in 1998 to 128.000 in 2002, to reach the figure of 110.000 last year. Fact is that no government is serious in the efforts to decrease these numbers, - on the contrary, from elections to elections all parties use it to employ “party soldiers”- experts say.

Having 12.057 employed personnel, the Ministry of Interiors is the largest ministry which is typical for over-employment. Health sector is worse, having 24.000 employed, out of which only half are medical doctors, while the rest is technical personnel and administration. In the State Clinical center out of 4000 employed only 1.900 are doctors. In education, out of 35.000 employed only 1/3 are teachers and professors, while the rest is administration.

4. LEGAL and REFORM PROCESSES

4.1 Judicial Reform Processes

One of the main problems of the party rivalries and the non-cooperation of the position and DUI is the delay in completion/election of the two important state bodies: the Republic's Judicial Council and the State Anticorruption Committee. During the first months an agreement has been reached for the composition of the State Anticorruption Committee and they have been finally elected in February, but the Judicial Council still remained uncompleted. As a reminder, according to its new competencies, the Judicial Council is of strengthened independence and plays a decisive role in appointing and dismissing judges, something previously handled by the Assembly. Out of its 15 members, 8 judges are elected by the judges (for the election of eight members of the Judicial Council, vote 600 judges), 3 are elected by the Assembly following an open competition and 2 are approved 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.

Presently are lacking are the five judges that are to be elected by the Assembly and the President of the Republic, while all predetermined time frames have passed. As a consequence, these bodies are with an incomplete legitimacy and capacity to work, while Council members complain that they are overburdened with cases. It is shameful that even in the case where it is explicitly cited that members of these bodies should not have party affiliation, still it is the parties' calculations that delay the election. This situation weakens the democratic capacity of these state institutions, and the functioning of the state according to contemporary principles of modern democracy. Up to this day (June 2007), it is very hard to reach consensus due to DUI's absence but also to the attitude of the smaller ethnic groups' representatives. By the end of June there are announcements that there shall be a leader's meeting in which a consensual agreement shall be reached for the Judicial Council candidates' names.

At the beginning of this year started to function the Academy for Judges' Education. Its Director Judge Aneta Arnaudova points out that this is an ambitious endeavor, whose final goal is to produce knowledgeable judges and prosecutors.

4.2 Cooperation for Improved Organized Crime Police Services

Italian experts who deal with the Mafia will help train Macedonian police in fighting organized crime as part of a two-year program funded by the EU. Macedonia committed to crack down organized crime networks as part of the conditions for starting the EU negotiating process. The project costs 1,4 million EUR and shall help the Prosecutor's office to deal against crime and corruption. Capacities of the specialized department and its personnel shall be strengthened, as well as creation of a stronger institutional and legal basis in persecution of organized crime.

4.3 Law on Public Prosecution Still in the Assembly

Opposition in April fiercely reacted on the delay of the Law on Public Prosecution. The former Minister of Justice Meri Mladenovska criticizing the present Minister of Justice Mihajlo Manevski said that the draft has been submitted to the Assembly eight months later than planned, and that nothing essential has been changed compared to the previously prepared version.

One of the reasons for introducing this Law was "the new more aggressive forms of crime". Public prosecutor shall continue to be suggested by the Government and the Assembly shall appoint him. The law should enable him to have bigger independence, autonomy and more active role in the struggle against crime and corruption. Public prosecutor shall be more active in the initial phase, for which the Ministry of Interiors, the Customs and the Financial Police shall be at his disposal. He may order special investigation measures and take actions during the investigation. Other institutions shall be obliged to act upon his request and deliver all documentation. The Council of prosecutors shall have 11 members; the prosecutor is accountable and may be dismissed; the law anticipates publicity in its work, especially on cases of wider interest.

Other SDSM MPs reacted on the content of the Law regarding the competencies, the hierarchy and the subordination of the organization of the Public Prosecutor's Office contrary to the special organized crime Public Prosecutor, which the Government intends to establish. Same dissatisfaction showed the newly elected Public Prosecutor Ljupco Shvrgovski. Government position is that the Department for Organized Crime and Corruption should grow into special public prosecutor's office which shall deal with cases against humanity and international law, trafficking, drugs, terrorism, abuse of official position etc,- said the Minister of Justice Mihajlo Manevski. Opposition also reacted on the provision that stated that the Public Prosecutor has the obligation to submit report to the Supreme Court of Macedonia.

4.4 New Public Prosecutor Elected

Before the new Law on Public Prosecution was introduced, the Government suggested a new Public Prosecutor as a replacement to Aleksandar Prcevski, released last October by the Parliament upon Government's request, explained with Prcevski's alleged unprofessional and poor performance. Presently, Mr. Ljupco Shvrgovski is the new Macedonian Public Prosecutor, chosen among 13 applicants to the public announcement. He comes to office from the position of deputy public prosecutor of the City of Skopje. His election was boycotted by the opposition, due to the act of voting which they considered illegal because it was performed by the old Law on Public Prosecutor.

After being elected, Shvrgovski stated that Public Prosecutor shall continue to implement the initiated reforms and that he believes that he has credibility to perform this function. He explicitly denies any kind of political affiliation and expressed readiness to act impartially and professionally.

4.5 Macedonia to rollout electronic passports

This spring, Macedonia started registering its citizens for electronic passports. The Government expects to issue approximately 1.5 million passports by the end of 2009. The electronic passport carries a 72K chip to hold personal data, such as a passport photo and potentially other data. In addition to the passports, shall be produced personal ID cards and driver's licenses, which are to be issues in the fall.

5. ECONOMY

5.1. Macedonian Stock exchange movements

Year 2006 is considered as the most successful year for the Macedonian stock exchange, since total turnover amounted to 31 billion EUR, tripling the 2005 turnover.

"Eurostat" anticipates that in 2007 Macedonian GDP shall reach 4,2 growth, which is lower than expected by the Government. Unfortunately, employment is expected to decrease minimally - only 1% and inflation shall be held from 2 to 2,5%.

By the end of the year, foreign investments amounting 200 million EUR will be made in Macedonia, forecasts the Vienna Institute for International Economic Studies. Serbia comes first in forecast foreign investments in the region, followed by Croatia.

5.2. Macedonia pays its duties to IMF and WB

Macedonia cleared fully all of its due payments to the IMF, (51,7 million USD). This step was welcomed by the IMF and the domestic experts, while both sides agreed to further their cooperation as the recommendations and measures proposed by the Fund are very valuable to the country. Macedonia made early repayment of the debt of five loans withdrawn from the World Bank totaling 96.1 million EUR, which amounts to 21% of the overall debt owned to the Bank. The latest repayment reduced the overall public debt related to GDP from 30 to 28% while the remaining debt owned to WB now totals 454 million EUR. Covering due payments ahead of schedule to the Paris club, to the World Bank and the European Investment Bank, the country's foreign debt will decrease by 292 million USD.

5.3. AMBO Project Moving Forward

This spring, the Minister of Economy Vera Rafajlovska, the Bulgarian Minister for regional development and urbanism Asen Gagauzov and the president of the AMBO consortium Ted Ferguson, put their signatures on the tripartite agreement for the trans-Balkan pipeline AMBO which shall pass from Burgas, Bulgaria through Macedonia to Valona, Albania. AMBO shall signify progress for the whole region, its length shall be 273 kilometers the capacity between 30 and 40 million tons of oil daily, while the whole investment shall cost 1,2 billion USD. By signing this remaining convention (as Albania signed the relevant papers previously) project's first phase has terminated and now follows the implementation of the agreed. Ted Ferguson stressed that now environmentalist studies are in turn to be prepared, together with the engineer works which shall last six months. Construction is expected to start by the end of 2008, which shall last 2,5 years. First quantities of oil shall flow in 2011.

5.4. World Bank Approves 15 million EUR Loan to Support Agriculture in Macedonia

Good news for the Macedonian agriculture is that the World Bank approved 15 million EUR loan to the country aimed to support agricultural development. The project is expected to improve the delivery of Government's assistance to the agriculture sector in a manner consistent with the EU pre-accession requirements. The loan has a five year grace period and 17 years maturity. Intention is to help the country for better use of its agricultural potential and move the sector closer to the EU. It complements the country's development strategy and the European Commissions' program and will assist the Government in creating better and more effective linkages with agricultural producers.

5.5 Macedonia ranks 71st according to Heritage Foundation Index of Economic freedom

Macedonian economy ranks 71st according to percentage of economic freedoms worldwide. It has economic freedom index of 60,8%, which has increased for 0,2% since 2006. Now the country is placed in the group with moderate business freedom. Among 41 European countries, Macedonia is ranked 32nd with an overall score lower than the European average. Report's good side presents high level of fiscal and monetary freedom with a low annual inflation; personal and corporate taxes are very low and total tax incomes have significant role into the GDP. It is believed that the market economy has been distorted in certain fields due to state-owned businesses.

However, Macedonia has weak freedom from government, investment freedom, property rights and freedom from corruption. Government expenditures are high, although state-owned businesses do not account for a significant portion of total revenue. The court system is prone to corruption, political interference and inefficiency, partially as a result of the country's political turmoil. Out of the ten categories, Macedonia ranks best in monetary freedom (91,1%), fiscal freedom (90%), trade freedom (73,4%) and freedom from government (67,8%). Contrary to this, its weakest spots are protection of property rights (30%) and freedom from corruption (27%).

6. HEADLINES

6.1. Decentralization Process

After are necessary normative and institutional basis were put in place, the process of decentralization of authorizations and resources started on July 1st 2005. Formal transfer of institutions in state property together with their staff and property was based on referent laws, government decisions and agreements signed in every separate case by the relevant ministries and municipalities. By the end of March 2007, 29.671 employees (most of them in the field of education) and 530 institutions (elementary and high schools, houses for the elderly, kindergartens, cultural institutions and territorial fire brigades) were transferred from state to local level. However, very few of the municipalities are ready to take over the fiscal decentralization in a satisfactory manner. The step towards the economic reforms will definitely influence a lot the ability of municipalities to access the capital markets (including the possibility of getting loans), privatization and outsourcing the municipality services.

Generally speaking, most trends linked to decentralization are positive, including the increased capacity of the local administration and the significant increase of the total of money managed by the municipalities. There are no proves for diminishing the level of services due to decentralization, although it seems that smaller municipalities (mainly the rural ones) are still facing problems withy the

delivery of some basic services for their citizens because most of them still lack solid institutional and other infrastructure. Formal establishment of inter-municipality cooperation in the areas of gathering income, urban planning, communal services and environment protection are shown as a convenient solution for part of the problems. It is expected that through the Law and the Strategy for Harmonized (even) Regional Development and especially through the provisions that allow spending of at least 1% of GDP annually for diminishing the disparities, situation will gradually improve and by 2010 all municipalities shall be covered with basic institutions and infrastructure in order to deliver basic services with acceptable quality and trustworthiness.

Further important issues in this sense are:

- diminishing disparities among municipalities
- securing adequate balance between involved parties
- securing a satisfactory control level by the central authorities upon decision making on local level in order to secure the country's integrity
- securing balance between the needs for resources, the way of their obtaining and their spending
- securing human capacity in various areas nationally and locally
- building partnerships and responsibility, especially by the local authorities towards its citizens

Decision is that fiscal decentralization is starting from July 1st this year, although there are voices who say that it should be postponed for January 1st 2008. Information says that only 20 municipalities are legally ready to manage with the money coming from the budget intended for salaries of professors and teachers. Estimations are that half a year is not a sufficient period of time to increase the number of prepared municipalities. Also, some municipalities administrations are partly scared by the amount of duties that are going to fall on their shoulders, while others are in big debts and their accounts are blocked.

ZELS (the municipalities' association) people think that every government thinks in a centralistic manner, so the government is not happy because it has to transfer the money to municipalities. Instead, suggestion is for the government to put in place bigger and stronger control mechanisms upon the local authorities, and the Ministry of Local Self-government to take a more proactive role.

ZELS demands municipalities to obtain a larger percent from the VAT (5,5% at least, and not the current 3%) and at least 30% of the personal income tax. They seek change of the tax law in order to allow municipalities to have income from the street light tax. This is a serious problem for municipalities, as they cannot cover the expenses, neither can built a new network system. There are other illogical rules determining tax payment for a private house, while those who have thousands square meters space and create new values a new GDP are privileged. Position is that businessman must pay equal tax as citizens do, -larger capacities should pay larger sums than the small ones.

On the other hand, municipalities must improve their own capacities: professionalize the administration, develop the one-stop-shop system, be transparent on how money is collected and spent, and make services quick and efficient. ZELS shall be on the side of all mayors and shall defend their interests, especially when is in question the suspension of their authorizations, like in education and urbanism. State construction land as well as the state agricultural land must urgently and with no delay be transferred in package to the municipalities, if the state wishes for local development. Municipalities must own some capital to attract investments.

When in question the previously agreed territorial recomposition of Kicevo's municipality boundaries (see previous Barometers), under which in 2009 in the city should be included the neighboring four rural municipalities (two smaller Macedonian ones and two larger Albanian ones), and it is evident that there shall be huge problems. The municipality shall have 850 square kilometers, over 80 inhabited areas, so it will be a Herculean task for the future mayor to handle that municipality size. Experts say that tensions are expected, because the Kicevo region shall become a conglomerate, huge territory and many inhabited places, shall become a municipality which is created based on political and not objective criteria. It is illogical rural municipalities to be joined to urban ones. There are discrete voices who suggest that it is better to postpone the realization of this junction fore another four year period. At the same time, there are former municipalities like Labunishta near Struga and Vrapchishte near Gostivar who wish to take back their municipality status. Experts say that Labunishta inhabitants have every right to demand return of their municipality, since they are capable to function autonomously and ready to work administratively in place, instead of traveling back and forth to Struga for every minor need.

6.2. State Department Report on Human Rights in Macedonia 2006

US State Department issued the 2006 Report on Human Rights in Macedonia, where especially were highlighted the following findings:

As a general finding, State Department estimates that there is improvement of the conditions regarding human rights compared to the previous year. Still, The Macedonian Government used the power over budgetary spending as a control instrument over the judiciary system. Macedonian judiciary system is weak, inefficient, submissive to political influence, intimidation and corruption, although executive power mainly respects its independence.

As main problems of the Government which generally respects citizen's rights, are mentioned police torture upon suspects especially upon Roma, corruption, pressures upon the Ministries of Interiors and Justice, Courts and the Prosecution. It is believed that these pressures have influenced investigations and took the charged persons to court. Macedonia continues to be a transit

country and more rarely destination for the victims of human trafficking, sexual exploitation and illegal work.

6.3. Macedonia Respects Religious Rights

State Department 2006 report on Macedonia states that the Macedonian Constitution guarantees the freedom of religious belief, and the Government generally respects that right in practice. The only remark is given for the legal limitation for registering religious groups and on the dispute between the Macedonian Orthodox Church and Serbian Orthodox Church for the so called "Ohrid Archbishopry" of Jovan Vranishkovski. "Absence of provocations and government efforts for consolidating the unitary multiethnic state helped in strengthening the respect towards religious freedoms. Generally, friendly relations among various religious groups contributed to the freedom of religious belief. It is also mentioned that Vranishkovski's release from prison was a progress to religious freedoms as well.

6.4. Vehabits Knock on the Mosques' Doors of the Country

Islamic Religious Community Warns that Vehabits knock on mosque's doors of the country. "In Macedonia Vehabits are present, who intend to spread out their teaching, but that is of not such dimension to push out the domestic traditional Islam", - say in IRC. "Vehabit teaching is not dominant in the Muslim religion, but should not be underestimated; the teaching comes mostly from students and people who due to education or other reasons resided in some of the Middle East countries; we have information about some problems in mosques, but that is not of a character that can change the convictions of our believers, the majority of which are Sunnis; still, no event should be underestimated." says a high IRC official who stresses that situation has been followed in Macedonia and in the region, especially after the locating of a bunker with weapons close to Novi Pazar (Serbia) which indicated Vehabit interference.

The Ministry of Interiors state that they have information about the Vehabit presence in the country. In certain actions weapons have been found among people who are thought of being followers of this teaching. "These are isolated cases which should not be underestimated" - it is said. Here should be added the opinion of the Brussels terrorism expert Claude Monique who warned that in Macedonia are acting fundamentalist Islamic elements. Also, the World Islamic league, an NGO from Saudi Arabia in a special announcement points out that "in Macedonia there are many fanatic people, who work in various regions in the country".

6.5. Educational System Novelties

High school becomes compulsory by law starting from the year 2008/09, announced the Minister of education. He explained that high schools have the

capacity of including all pupils from primary school. This change is intended to produce competition in the workforce. If not accomplished, fines are anticipated (1000 EUR).

A new state funded University is promoted in Shtip, named "Goce Delchev" opened in Shtip, by which move the Government felt that "is corrected the many decades of historic injustice to the Eastern part of the country", said the Minister Sulejman Rushiti and the vice-prime minister Zivko Jankulovski. The University shall have six faculties: economics, law, agriculture, music, informatics and higher health school.

6.6. Religious Instruction Enters in Schools

Vigorous discussion at the Macedonian Assembly raised the Amendments on the Law for Elementary Education. In the shadow of introducing (although as discretely as it was possible) religious instruction, the debate practically neglected the other novelties, like introducing the nine years of elementary schooling instead of the present eight years.

Critics were directed to the compulsory choice children have to make in the fifth grade between the subjects Religious instruction and Introduction to religions, regardless if they are potential believers, practicing religion or atheists. Some MPs discussed that the Minister is interfering in things that are not his business, as practical introducing of religious instruction in schools is against the constitution, as the State is constitutionally separate from the Church (the existing system determines that religious education is in the competencies of MOC, IRC the Catholic Church etc). Complications arise on the question whether there should be grades for this subject, and whether these grades should be important for a child that wishes to study sciences non-related to the topic, like medicine for example. It was added that these instructions shall add to the child's confusion about the planet system, evolution etc.

Sociologists and other experts joined the public debate, commenting that classic religious instruction shall not be accepted, but they have no objections for learning about history of religions. Other experts say that religious instruction is not a genuine wish of the citizens (as poll results show), but it is an idea imposed from "up" meaning from the government and the religious institutions, in the effort to impose discretely the religious education in schools. They say that "the burden of choice for religious instruction shall be shifted from the state to the pupils and their parents, since it is against the Constitution. Introducing classic religious instruction in public school may be interpreted as privileged treatment by the state to the larger religious communities and discrimination of the smaller ones."

In spite of opposition reactions, the Law was passed. Compulsory religious education with the possibility of election between classic religious instruction and history of religions shall be introduced in the fifth grade of elementary school

starting from 2008/09 announced the Minister of Education Sulejman Rushiti. Religious education shall be studied only one year, and if chosen the classic religious education pupils shall study their own religion, while on the class of Introduction to religions pupils shall study all religions equally. There shall be no practical classes. Religious instruction shall be performed by theologians, according to the plans and programs prepared by the MOC and IRC, while the other subject shall be though by sociologists.

6.7. Macedonia Fined Over Slow Courts in 2006

Macedonia has been fined by the European Court of Human Rights over the slowness of its courts in 2006 and the country has to pay 90.000 EUR for violation of the right to court trial within a reasonable term. Macedonia's Helsinki Committee states that "these verdicts confirm the protracted proceedings in national courts. The bitter aftermath of slow courts thwart the citizens to exercise their rights within reasonable deadline".

6.8. Government Interpellation

Late on Thursday June 7th the Macedonian Parliament rejected a no-confidence motion against the VMRO-DPMNE-led government. Some 65 MPs rejected the motion, while 43 supported it. Prime Minister Gruevski characterized the motion filed by the main opposition as an attempt to destabilize the country at an important turn point. "Macedonia is close to receiving an invitation to join NATO and should concentrate on stepping up reforms rather than wasting time on such votes"- he said. Opposition criticized the government on many issues, charging it with weakening the country's bids for EU and NATO integration and showing poor results in economic freedom, as well as for its draft bill on the public prosecutor, for failing to complete the Judiciary Council, and poor cooperation with the President of the Republic. In reply, Gruevski opposed the accusations by listing the new investments Macedonia has attracted in the last months. "Macedonia is undergoing a strong investment cycle due to a more favorable business environment and lower taxes,- he argued.

Essentially, the vote was a test to see whether Gruevski still controls a parliamentary majority, following the recent period of turbulence within the ruling coalition, as DPA has previously threatened to leave the cabinet after Gruevski closed the deal with DUI, in order to achieve their return to the Assembly. Still, votes "for" the government were not as numerous as expected.

6.9. Venetian Commission Gave Green Light for Diaspora Voting

Amendments to the Election Codex prepared by the Macedonian ministries of Justice and Foreign Affairs regarding the expatriate voting for national and presidential elections obtained a pass from the Venetian Committee and OSCE-

ODIHR⁷. Experts note that there is constitutional basis for realizing voter's right for every citizen aged 18 and above and who have contracting liability including the numerous Diaspora. Main suggestion is to take care of the voting technique, for the manner of realizing the voter's right, and for protection of this right in order to avoid any possible manipulations. The Minister of Justice announced that on the next presidential and parliamentary elections shall vote only citizens who reported last residing address of living in the Republic of Macedonia and who are included in the voter's list.

7. PARTY DEVELOPMENTS

7.1 Parties' Personal Reshuffles

In the past six months, almost all parties have held congresses and elected new leaderships. This period occurred enlargement of the right wing, in particular of the ruling VMRO-DPMNE party. All in all eight parties, among which the League for Democracy, the Agrarian Party (leader Marijan Gjorcev) and DRUM (leader Dosta Dimovska) joined VMRO-DPMNE. On the other hand, the dissolution of the Coalition "For Macedonia Together" formed in 2000 took place.

7.2 VMRO-DPMNE Congress

VMRO-DPMNE held its 13th Congress, under the motto "United towards the goal". where unanimously was re-elected Prime Minister Nikola Gruevski as its leader (all 409 delegates voted "for"). After his election, Gruevski called on the party delegates to fulfill their election promises during this Government's term. "If I work 16 hours per day you will have to work too, otherwise you will leave your appointed functions" he stated. He stressed that the demonstrated party vote of confidence was an encouragement, but also an accountability obligation to pursue improving the standard of living in the country and lead the EU integration process. He also promised opening new jobs in the forthcoming period and implementing firmer social policy, in order to reach a higher standard of living. The party chose a new 20-member Executive Committee where are found the names of the closest prime-minister's collaborators and close family relatives. For this list of names not everybody from the party representatives was happy, due to a previous Prime-Minister's promise that party officials who were

⁷ This issue is one of the topics for the political dialogue of parties in the country. State Election Committee is divided in their opinions about how Macedonian expatriates should cast their vote. It is said that there is no exact number of expatriates 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.

transferred in the executive power shall be replaced by a new generation of party cadres and supporters.

7.3 SDSM Internal Processes - Fraction in Sight

As Radmila Sekerinska became the new party leader, together with her came an entirely new party leadership. She stated that the party shall be focused on its membership in the future, on consolidating the party and on the new Platform by which SDSM shall represent its new social-democratic rhetoric. It is obvious that newly elected party leadership is not receptive to deals with the former party leader Vlado Buckovski and his supporters.

At the meeting if the party's Central Committee Buckovski demanded to be put under vote his two suggestions for statutory changes: right for official party fractions and a new manner in selection the party leader, by including in the Central committee more members and the right of mayors to automatically enter this party body or the leader to be elected through direct, secret vote of all party membership. His suggestions were outvoted against. As a result of the dispute, within the party there was recounting of MPs and supporters - who controls who, so it was expected that the Congress will bring uneasiness among the delegates.

SDSM presidency did not support ideas for factionalism, as it adopted the suggestions for change of the party statute, but in them were not included Buckovski's most important requests. Some other prominent party members also thought that fractions are not a measure for internal party democracy, since SDSM has statutory possibilities for minority opinion. They think that the fraction shall weaken the party due to its internal struggles. "To a final point, citizens (voters) do not want weak and unclear political options"-is added. Sekerinska explained that the proposed manner for election of a party leader is too complicated and expensive at this moment, for which operation SDSM is not yet ready. Still, in order to modernize the party in the future, stated that she is not giving up the idea for organizing direct party elections.

In the suggestions that were included are: enhancing the role of local party branches, who should decide on candidates for the party bodies; right to elect and to be elected shall have only those party members who pay their membership fee; the meetings of the Central Committee shall be chaired by an appointed person and not by the party leader; as measure shall be included dismissing from the party. The Skopje city organization which so far was the epicenter of internal party interests according to the new statute shall be reformed in a Committee, whose main task shall be coordination of the Skopje party branches. Justification for not included the suggested change is that the working group compared many statutes of other social-democratic parties and nowhere was found a possibility of a legalized fraction. The Congress was due to take place on 24th of February.

Estimations were that Buckovski at the Congress will not triumph, but that he can unite around him a couple of MPs for which he may become interesting for the ruling parties. However, the party wing that supports Vlado Buckovski may produce serious shock ups as there are announcements that he will try to create a party of his own and pull away one part of the party structure and membership. It remains to be seen how effective Sekerinska will be at putting the Social Democrats back on the saddle to political recovery.

At the 7th SDSM Congress, social-democrats showed unity, while Radmila Sekerinska achieved to strengthen her leadership position in the party. All suggestions of the leadership lead by her were unanimously voted “for”, compared to the requests of Vlado Buckovski and his supporters, for which it was obvious that there will be no support. This Congress was announced by Sekerinska as a turning point where were promoted the ideas for future party functioning, the new Platform and the statutory changes, which were smoothly passed. SDSM Platform announces a come-back to the ideological roots and return to the citizen’s trust to the party. Priorities are: strengthening the cooperation with trade-unions, pensioners and the civic sector. As strategic state priorities are enumerated the Framework Agreement, decentralization and the political dialogue, as basis for EU and NATO integration.

While I am the leader, this shall not be a party of selfish self-centered politicians or a “small interests” party – she said. “From a party that has the largest intellectual capacities, young and educated, we are becoming a party with modest abilities; today we are accused for that even by those who had the opportunity and the obligation to change that...”. Her speech addressed the internal conditions in the party commenting the work of the previous leadership, the visions for the future as well as critics of the current Government lead by VMRO-DPMNE.

“We are fighting against right-wing politics which are hard, aggressive, arrogant and often deaf and blind to reality.. We shall fiercely oppose a government policy that wants to rule with fear and arrogance; which only knows how to make enemies here in Skopje, or in Brussels. No, to the same 1998 policy by which is reexamined, fabricated, abused the history, and anew are created divisions”- Sekerinska added.

7.4 Opposition Turbulences – LDP on Its Own

Certain turbulences occurred in the opposition coalition “For Macedonia Together”, as the newly elected LDP leader Jovan Manasievski stated that the coalition days are over. “If LDP wants to maintain its identity in long terms, in this moment there is no other alternative than to position itself for a hard individual, independent position. I understand the election as a leader of the party as a vote of confidence for that purpose. Only if there is an emergency need to maintain a key state interest, we shall act together.” On the side of SDSM however, there

are opinions that coalition was officially signed and that cannot be one-sidedly cancelled. Still, they show understanding for the striving of the new LDP leadership to leave its own mark. Other coalition partners like the United Party of the Roma or the Democratic Party of the Turks still hold the position that "For Macedonia Together" continues to exist.

7.5 LDP Congress

LDP party membership before its congress demanded to distinct itself from SDSM and to compete on its own in the next local elections. The party thinks that by competing in coalition with SDSM, LDP lost its identity and their rating went down. For that reason, membership seeked the party to be original and recognizable. At the congress in February, candidates for leader were Jovan Manasievski (former minister of labor and social policy and defense) and Stevce Jakimovski (former mayor of Karposh and minister of labor and social policy). At the Congress which had 368 delegates Jovan Manasievski got the vote of confidence, replacing Risto Penov who withdrew from the function. Manasievski suggested the composition of the new Central Committee and the Presidents of the party committees (divided by domains of interest) which were voted unanimously.

7.6 VMRO-People's Party Leader Elections

Like most of other parties VMRO-People's Party organized a Congress to elect the new party leader and determine the future scope of political activity. Prior to the party Congress, Ljupco Georgievski, the party "shadow leader" refused one again the party demands to be a candidate for party leader. He justified his decision with his worsened health position, although later on an interview se stated: "after 2002 I cannot imagine myself as a politician, due to the low support of voters in the last elections, the problem with the Albanian extremism in the country, the changes that occurred due to signing the Framework Agreement, the Yugoslav nostalgia of the Macedonians and their insufficient sense of statehood". At the second round of voting, Gjorgi Trendafilov was elected as the new party leader by obtaining 164 votes out of 321 verified delegates, out of which voted 317. The second candidate, Mrs. Vesna Janevska got 152 votes.

At the Congress, Ljupco Georgievski was elected as the honorary president of the party as he is seen as the "carrier of the news for democracy". Art the same time were adopted two declarations: Declaration of expression of expectations for fair trial in the Hague International Court against the Macedonian citizens and the Declaration for reaching a general unity for fulfilling the conditions for integration of Macedonia in EU and NATO.

VMRO-People's Party faces serious confrontations among opposed groups. One part is supporting the newly elected leader Gjorgi Trendafilov, while there is embarrassment and denial coming from the former leader Vesna Janevska. Her

party wing was banned out of any executive party body, while the new Executive Committee numbers 17 persons and includes Trendafilov's and Marijan Dodevski's supporters. After the session, Trendafilov announced that the party should work on its infrastructure development, process which shall evolve jointly with the political decisions that are to be taken. As party has more of an internal problem, he wants to define on which issues offers full support to the Government, without questioning its own party sovereignty.

Embittered from the outcome, Janevska believes that the Executive committee composition is an unhappy selection of people which will not function. She sees Trendafilov's victory as a heavy breach of the democratic voting process and as a result of bargain with some delegates.

7.7 New Party in the Political Scene

Instead of being on the leaders' position in Democratic Alternative, as it was announced, former VMRO-People's Party MP Gjorgi Orovcanec announced his intention to form a new party. A part of the former Tupurkovski's party joined him in this endeavor, like the former Minister of Exteriors Aleksandar Dimitrov and the former "St. Cyril and Methodius" state University Radmila Kiprijanova. The party's name shall be "New Alternative". This was done as an act of dissatisfaction of the so far governmental policy, especially regarding the NATO membership.

7.8 Parties in Power Have Their Differences

Although for a very long time rumor was that there are differences between the Prime Minister and the "third" coalition partner New Social-Democratic Party (which were not so hard to anticipate, as they are deeply ideologically different), still these confrontations were not publicly expressed, only it happened from time to time some remarks to be addressed to the Government by Petkovski or another party representative.

For the first time, confrontation was left in open after the column written in May by Ivan Anastasovski (NSDP) who urged his party to get out from the Government. As he stated, "it is time NSDP to start debating about getting out of the Government" and gave a mark of seriousness and tension between the coalition partners. As reasons for getting out of the ruling coalition, Anastasovski mentions: not solving the problem with the severed workers (NSDP proposed a social package or aid in cash of 4-6.000 denars up to the moment of next employment), complete domination of the VMRO-DPMNE party program, declaring October 23rd which is in fact VMRO-DPMNE's holiday as a national holiday, change of cadres in the Ministry of Interiors and in the Sector for EU integration, and the pressures upon the National Football federation. At the end, regardless of Anastasovski's demands, NSDP remained faithful to Gruevski. Still, he said that he will fiercely criticize the work of his co-party fellows, because they will carry the largest future responsibility for the further development of the party.

It is said that Petkovski for a longer time supports the idea of DUI entering the government but Gruevski ignores that suggestion, trying to gain the PDP support. Truth is that VMRO-People's Party is a rival with NSDP, in trying to gain the Prime Minister's favor. In fact, it is a game of power where smaller parties estimate their strength in MP numbers, and by trading with the Government try to maximize their interest. If one looks at the MP NSDP group, it is visible that close to the leader are three MPs while other three are not in good relations with him, which makes them vulnerable to outside influences. On the other hand, NSDP faces fall in popularity and if it does not make distinct moves it may be fatal.

8. Public Opinion Polls

To indicate that in spite of politician's claiming, in reality interethnic issues are not so high on ordinary people's priorities proves the poll conducted by UNDP in November 2006. The poll indicates that for only 2% of the population ethnic problems are significant, while for 1% are very significant. On the question how they estimate interethnic relations in the country, majority expressed satisfaction, while only 8,1% of the Macedonians and 1,3% of the Albanians expressed great concern. It is indicative that 67,6% of Macedonians and 60,2% of the Albanians agree that politicians contribute to interethnic tensions. Evidently, this trend does not coincide with the politician's attitude and the tensions that are trying to maintain in order to maximize their interests.

Research funded by the Friedrich Ebert Foundation and performed by the Institute for Democracy "Societas Civilis", included 1197 respondents aged 18 to 30. The research focused on the problems of young people in Macedonia. Data show that largest part of the polled considered that they have average living conditions and that they expect that things will improve in the future. In spite of that, 35% respond affirmatively to the question "Have you considered in moving out of Macedonia", while "maybe" answered 39,6% of the polled. As main reason for emigration the young mentioned the bad economic situation, without any hope to get employment.

According to this spring's public opinion polls, the ruling party enjoys strong popularity, while the opposition is showing drastic decline. Currently, VMRO-DPMNE has 23% of support, while SDSM has only 8%, a trend which is still viewed as normal, as the electoral mood is still holding the same position since last elections.

Latest UNDP Early Warning Report show that Macedonia is getting out of the status-quo and institution's mistrust period and is getting in the wave of optimism. About 45,3% of the polled think that Macedonia is going to the right direction, while those who think the contrary are 39,7%. It is believed that this trend is linked to the high level of trust towards the Government, and the great expectations citizens have for diminishing unemployment, poverty and

corruption. Again, interethnic issues are shown to be of a marginal interest for the citizens. Trust grows towards the security issues and the institutions that guarantee it. The poll was made by “Brima Gallup” from March 30th to April 4th 2007 on a representative sample of 1.057 respondents throughout the country.

About 56,5% believe that Government’s activities shall bring improvement while, 34,1% think the contrary. The Government, the Prime Minister and ruling parties enjoy high level of trust, but other institutions and especially the Assembly show worrisome trends. Highest mistrust people show towards the judiciary system (41,2%). If parliamentary elections were to be held next weekend, 27% of the polled would vote for VMRO-DPMNE, and 6,3% for SDSM. DPA has the same rating as SDSM, while DUI has a support of 9%.

9. What May be the Future Developments?

The first half of 2007 cannot be estimated as the period of “glorious progress” for EU and NATO integration of the country. As seen above, reasons were mostly linked to the unconstructive atmosphere developed among all political players in the country. The most crucial default of the Macedonian political scene is the lack of sense for the “general good”, the benefit and progress of the country as a whole, instead of looking at the selfish party-personal interests and gains deriving from the ruling power. Perhaps this is a price for the country to pay for the immaturity of most of the political elites, who in the name of “principles” (be it ethnic or other) put breaks to the necessary reforms at such a crucial point of time. In the next period, the following trends are expected:

- Changed government strategy (if estimated positively, probable early elections) if obtained EU negotiating date and NATO membership invitation
- Further shake-ups and destabilization in SDSM, due to Buckovski’s announcement of formation of a new political party, which tends to recruit from the SDSM party structure
- Difficulties in practical realization of the agreed items of the still unpublished VMRO-DPMNE – DUI agreement
- Push-pull parties’ relations in Government and constant dissatisfaction and demands related to state positions obtained by various Government partners
- Gradual economic environment improvement if Macedonia gets invited for NATO membership
- Probable new foreign investments announced
- Internal DPA power shift, due to the withdrawal of Arben Xhaferi from his leadership position
- Difficulties in introducing the Assembly Book of Rules