

# **BAROMETER**

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Development in the  
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## **C O N T E N T S**

- 1. DEVELOPMENTS ON THE “NAME ISSUE”**
  - 1.1. The “Name Issue” Behind the Scenes**
  - 1.2. September New York Meetings – the Focus for Mutual “Sparks” Between the President and the Prime Minister**
  - 1.3. Greek Reactions to the Nimetz September Package of Ideas**
  - 1.4. Macedonian Reactions to the Nimetz September Package of Ideas**
  - 1.5. What Did the New October Proposal Contain?**
  - 1.6. Macedonian Reactions to the Nimetz October Proposal**
  - 1.7. Greek Reactions to the Nimetz October Proposal**
  - 1.8. Unpleasant Event at the Military Parade in Thessaloniki**
  - 1.9. Council of Europe Initiatives Substantially Linked to the “Name Issue”**
  - 1.10. Urge for Dispute Settling by European Countries**
  - 1.11. Chile Recognized Macedonia Under its Constitutional Name**
  - 1.12. SDSM Position on the “Name Issue”**
  - 1.13. Political Party Leader’s Meeting on the Nimetz October Proposal**
  - 1.14. Macedonian Parliament Endorsed a Draft-Resolution on “Name Dispute” Settlement**
  - 1.15. President Crvenkovski’s Dismissal of Negotiator Dimitrov**
  - 1.16. Macedonia Filed a Case Against Greece With the International Court of Justice**
  - 1.17. Latest Statements by President Crvenkovski Regarding the “Name Issue”**
- 2. REFORM PROCESSES**
  - 2.1. NATO Accession Process Heavily Influenced by the “Name Issue”**
  - 2.2. Annual Meeting of Defense Ministers of South East European Countries**
  - 2.3. EU Integration Process Stands By**
  - 2.4. EU Stabilization and Association Commission in Session**
  - 2.5. EU 2008 Progress Report for Macedonia**
  - 2.6. Macedonia Anticipates Visa-Free Regime With EU in 2009**
  - 2.7. Macedonia to Get 448,8 Million EUR From IPA funds in 2008-2012**
  - 2.8. EU Pre-Accession Funds not Used Sufficiently**
- 3. POLICIES/EVENTS**
  - 3.1. Agriculture Development**
  - 3.2. Customs Novelties**
  - 3.3. Need for Prison Conditions Improvement**
  - 3.4. Macedonian Courts Still Overburdened With Cases**
  - 3.5. Ohrid Framework Agreement Implementation**
  - 3.6. Leap in the Struggle Against Corruption**
  - 3.7. Progress Against Human Trafficking**
  - 3.8. Waste Management National Plan**
  - 3.9. Global Gender Gap Report**
  - 3.10. Government and GTZ Signed an Agreement on Implementation of Regional Economic Development Program**
  - 3.11. Implementation of the Law on Free Access to Public Information**

4. **ECONOMY**
  - 4.1. **Economic Trends**
  - 4.2. **Government of Macedonia-IMF Relations**
  - 4.3. **Positive Trends in Macedonian Banks**
  - 4.4. **SDSM Criticizes the Government on the Economic Policies**
5. **HEADLINES**
  - 5.1. **Courts Finally Decide on Election Attacks**
  - 5.2. **First 100 days of the New Government - Macedonian Government Reforms Estimations**
  - 5.3. **Macedonian Policy Towards Kosovo Independence Status**
  - 5.4. **Amending the Macedonian Constitution and Election Codex, Voting the New SEC**
  - 5.5. **USA Policy Towards Macedonia – What to Expect?**
  - 5.6. **PM Gruevski meets SSM representatives**
  - 5.7. **Passing of Laws on a Shortened Procedure- Again**
  - 5.8. **State Budget Submitted to the Assembly**
  - 5.9. **President Crvenkovski Delivers Annual Parliament Address**
  - 5.10. **Comments on President Crvenkovski' Annual Address at Parliament**
6. **PARTY DEVELOPMENTS**
  - 6.1. **SDSM New Acting President**
  - 6.2. **Former Health Minister Formed a New Party**
7. **PUBLIC OPINION POLLS**
8. **FUTURE POSSIBLE DEVELOPMENTS**

## **1. DEVELOPMENTS ON THE “NAME ISSUE”**

### **1.1. The “Name Issue” Behind the Scenes**

The “name issue” between Greece and Macedonia consumed a lot of energy from both sides and initiated series of speculations which were often pushed and stimulated through media. In that sense was commented the upcoming New York meetings on September 23, in which some media speculated that a meeting is to be held in the presence of the foreign ministers of both countries, where US Secretary of State Condolezza Rice was supposed to present a plan to resolve the name dispute, which was to be submitted to the United Nations Security Council. Rumor had it that the Plan has been hatched in a series of secret meetings between Greek and American officials, culminating in a June 2008 conference held in Washington, involving Rice and Dora Bakoyanni, the Greek Foreign Minister. The Macedonian government was not involved in the process, let alone the Plan’s contents, but now it is expected USA to pressure Macedonia into changing its constitutional name in a way that will be acceptable to Greece and the powerful Greek lobbies in the USA. Should "friendly" persuasion fail, USA may even threaten mild sanctions (the suspension of several military agreements for example). Comments were that the Greeks succeeded to convince the Americans that Macedonia is the intransigent party, piling one obstacle after another, in an attempt to avoid a politically unpopular settlement. In addition, this year, PM Nikola Gruevski, sought to enlarge the scope of the protracted negotiations to include other bilateral issues, such as the restoration of property to Macedonians expelled from Greece decades ago and the recognition of the Macedonian Orthodox Church by its Greek counterpart.

It was said that the Plan in question included five elements: 1. The Republic of Macedonia will change its constitutional name (probably to Northern Macedonia). 2. Macedonia will be granted a transition period (of up to 10 years, according to some sources) - the time it would need to amend its constitution and to alter its registered name with various international and multilateral institutions. 3. Macedonia will be issued an invitation to join NATO (but not a date to start negotiations with the EU regarding its eventual accession). 4. Both countries will be allowed to use the adjective "Macedonian" (both commercially and non-commercially) 5. The parties will renounce any and all claims to each other's territory.

However, after the New York meetings in which there was none with both foreign ministers and US Secretary of State Condolezza Rice, media from the other side commented that these meetings were believed to be the final efforts for bridging the positions of the two countries and achieving progress in the negotiations. The fact that Rice met Bakoyanni did not make the Greek diplomatic circles happy, for they considered this as an indicator that the U.S. will press more on Athens, especially after its refusal to accept the name of the Macedonian nation and language. It is said that most probably, Rice put the name issue within the context of the regional stability, the recognition of Kosovo, as well as the dispute over Cyprus, so it was expected hard Greek-U.S. diplomatic “bargain“. Greek diplomats expect that Bakoyanni will give a

categorical reply at the meetings with Nimetz on his latest proposals. Athens intended to explain such move with the opposite messages coming from Skopje by President Crvenkovski and PM Gruevski in the past few days. Greece is convinced that the behavior of the Macedonian state establishment is well thought plan, which is to give an image of Macedonia as an instable country and thus receive international support in case the country decides to withdraw from the talks with an explanation that Greece has breached the agreement from 1995 by vetoing the country in Bucharest. In such course of events, Macedonia could request voting for UN accession, action that Athens wants to prevent. Part of this plan, which is to impair the Greek position in the name dispute, according to Greek diplomats, is the recent recognition of Macedonia under its constitutional name by Chile, action which they believe was triggered by Washington as a warning message to Athens. Still, official Skopje will be also under pressure to accept some of the Greek positions, above all more complex name with geographical reference that is to replace the FYROM reference.

Various sources assess that Greece did not want new proposal and that authorities were convinced that time is working in their favor and they have no need to hurry. According to them, Athens is fine with waiting for the elections in USA and the possible change of the American policy with the name issue. In spite of that, the American administration does not give up the efforts to solve the dispute, as USA insisted on Nimitz coming out with new proposal despite the political disagreements in Macedonia and the fact that Greece does not want new proposal.

## **1.2. September New York Meetings – the Focus for Mutual “Sparks” Between the President and the Prime Minister**

The last opportunity for possibly finding a solution for the name dispute this year was in the auspices of UN 63<sup>rd</sup> General Assembly and the “Clinton initiative”, which kicked off on 23 September in New York. However, prognosis was not optimistic. Before traveling to New York for the event, President Branko Crvenkovski for Reuters said that “The negotiations with Greece on solving the dispute with the name Macedonia might be frozen to one year, which will block the country’s entrance in NATO and the European Union”, in case the two parties do not reach compromise the next several weeks. Additional delay is expected to bring elections in Greece and Macedonia the first half of 2009, as they will create bad atmosphere for the talks. However, the President stated that UN mediator in the dispute with Greece, Mr. Nimetz, has given new initiative, so now the two countries are in decisive and very sensitive phase of the negotiations. “Nonetheless, if this try fails, I fear that the negotiation process, as well as the entire process in finding a solution, will be frozen” - commented Crvenkovski.

However, as there was no meeting between Crvenkovski and Gruevski prior to the President’s departure to New York, obviously there was no change of position from previous talks. This was confirmed by Prime Minister Nikola Gruevski, who said that “There was no need for another meeting, because we’ve reiterated our positions many times before, therefore it is very clear - Crvenkovski knows exactly what our positions are and we know his”. He also expressed hope that Crvenkovski in New York during the

name dispute talks would have the chance "to come to some kind of solution and to offer it to the Macedonian public"...as..."he has experience in these issues, and he has always said that he would use every opportunity to resolve the name problem, which is important for Macedonia's Euro-Atlantic integration".

Foreign Minister Antonio Milososki took part at the 63rd UN General Assembly in New York as well. Besides the general debate, both Macedonian representatives were scheduled to take part at a number of meetings held within the Assembly and other bilateral meetings. Although FM Antonio Milososki met with U.S. Assistant State Secretary Daniel Fried, and talks included Macedonia's recognition of Kosovo and the name row, he did not attend the Crvenkovski/Nimetz meeting. It was said that the President's Cabinet informed Milososki that Crvenkovski wished to have a tête-à-tête encounter with the UN mediator, and although they both met, the President failed to inform him about the decision on the meeting with Mr.Nimetz.

With contradictory announcements and information, spiced up with insults and political provocations, the cabinets of PM Nikola Gruevski and President Branko Crvenkovski brought confusion among the Macedonians. First the cabinet of PM Gruevski stated that Crvenkovski might meet Bakoyanni, expressing assurance that "Crvenkovski will find way for fair compromise on this issue". Reminding that Crvenkovski was the one who accepted the Interim Agreement and the name FYROM, PM`s cabinet announced that the possible solution in New York would be put on a referendum. After half an hour there was announcement by Crvenkovski`s cabinet denying the "news", appealing to Gruevski to come to his senses and start treating this outmost serious issue professionally and responsibly.

### **1.3. Greek Reactions to the Nimetz September Package of Ideas**

According to Greek print media, Greece was not pleased with the September package of ideas that the mediator Mathew Nimetz proposed to the last round of consultations in New York. "The new package of Nimetz has caused serious problem for Athens as it is a matter of a proposal that does not satisfy Greek requests. On the contrary, it includes footnotes on the nationality and language insisted by Skopje," conveys the newspaper Katimerini. According to diplomatic sources, the Greek mediator Adamantios Vasilakis pointed out before Nimetz that Athens cannot accept the term "Macedonian language and nationality". The Greek side proposed to use "Slavomacedonian", which was rejected by Skopje. According to the newspaper, Macedonia emphasized that something like that could facilitate the irredentist aspirations of Bulgaria. The newspaper Ethnos indicated that Nimetz unpleasantly surprised Athens as for the first time he officially raised the issue about the identity, the newspaper writes and adds that it is a way to provide "substitution" for the Macedonian side if Skopje accepts limited change of the constitutional name.

Greek Minister of Foreign Affairs, Dora Bakoyanni and the mediator, Matthew Nimetz, briefly, stated that "During the negotiations, we discussed about states and the name, not for ethnicity or nationality", while the mediator confirmed that he now understands both

sides better in their attempts for finding a fair solution: “I feel that the Greek Government is prepared to do something in order to solve this”. He announced that he is not discouraged, adding that Skopje authorities have very firm position, even though the President and the Prime Minister do not agree hundred percents. Nimetz tried to explain that he as representative of UN deals with the name issue of one country and not with the ethnic affiliation. According to him UN doesn’t recognize ethnic affiliation. “I don’t deal with citizenship of the people of one country or with ethnic identity or historical identity, that is for the historians. People decide themselves about their ethnic affiliation. I consider that there is little confusion about this. We talk about the name of one state and adjectives that refer to that state, not ethnic affiliation or another national identity of the people” – Nimetz said. Bakoyanni was satisfied from the meeting, and repeated that the Greek attitude is very clear and that the negotiation process will continue in order to find common solution. “We talk about common solution about the name, meaning a name that is going to be used by everyone in future. We talked about this. We seek solution without losers or winners. Win-Win solution that is our solution that is our goal” – she said.

Main opposition PASOK party president George Papandreou on Thursday stressed that a "double name" formula for solving the name issue with Macedonia is unacceptable, ANA news agency reports. “With our proposals and responsible stance we have formed a national "red line", namely, adoption of a name with a geographic qualifier to be used in all instances, and rejection of a double name formula, he said.” Papandreou added that "the Nimetz proposals do not meet the terms of the national red line."

#### **1.4. Macedonian Reactions to the Nimetz September Package of Ideas**

After the New York meeting with President Branko Crvenkovski, Nimetz did not give details whether he is to table a formal proposal at the next round of talks. He reiterated that despite misunderstandings on certain issues, Skopje authorities have a harmonized position on the name. From his side, President Crvenkovski said that "Nimetz's ideas are in a stage of concrete elaboration, which he harmonizes on the basis of the remarks by both parties. I don't know whether a final proposal will be tabled at the next round or countries will be given another opportunity to propose modifications".

Diplomats who intensively are following the course of negotiations between Greece and Macedonia, recognize Athen’s fear of the constructive access of Macedonia towards the last proposal of Nimetz”. After the initial information that the PM Gruevski and the President Crvenkovski are not fully accepting the last package of the UN mediator, the governmental authority in Macedonia made positive reversal by announcing that is considering the proposal and that soon will come out with its estimations. Athens was hoping that Skopje will be responsible for rejection of the last proposal and in that opportunity saw big alibi for its policy. But the signals that Skopje will not reject, but that perhaps will demands certain modifications, obviously has turned on the alarm in Greece, say these sources.

#### **1.5. What Did the New October Proposal Contain?**

After the September consultations, Macedonia and Greece received new proposal from mediator Mathew Nimitz on the name dispute. The proposal, according to him, is of the type “take it or leave it” and has no time framework for settling the dispute. »I gave both sides ideas for honest and dignified solution for the name. They will take them to their countries, go over them and then we will discuss about it...deadline is not given..I hope for reactions from both parties..«- said Nimitz after meeting with the negotiators of both sides, Adamantios Vasilakis and Nikola Dimitrov-Martin Protoger. The mediator explained that in the process so far he heard opinions from experts, politicians and his latest proposal is based on many thoughts and considerations, which can be a reasonable solution. On the meetings held in Nimitz’s office no negotiations were held but he was more interested in the situation in the two countries, especially on the political disagreements in Macedonia.

Unofficially, the proposal is: one name for international use - “Republic of North Macedonia” and the constitutional “Republic of Macedonia” for internal, as well as in bilateral relations with third countries which decide to use this name. It is proposed that the state's name in passports is written in three ways: Republic of Northern Macedonia, Republic of Macedonia and Republika Makedonija. Sources mention that the option of double formula for the name is also possible, but for the time being no one confirms or denies it. It is said that Nimitz’s actual proposal for one name, comes after Greece’s insisting for him to define the proposal, which now has to be considered with great attention, since it includes both nationality and language<sup>1</sup>, element that does not make Greece happy (it is obvious there is no sign from the Greek side that they want this issue to be solved). Both sides will be deprived of the exclusive right to use the word "Macedonia", which will put into question the name of the Thessaloniki airport "Macedonia" and the Greek Ministry for Macedonia and Thrace. It is claimed that the language is pointed as “Macedonian” and the nation according to the country’s new name-citizens of North Macedonia. All in all however, the last proposal covers all three issues, name, range and adjectives.

## **1.6. Macedonian Reactions to the Nimetz October Proposal**

In their initial reactions, both President Branko Crvenkovski and PM Nikola Gruevski said that Nimetz's proposals do not represent a good foundation for an appropriate solution unless it undergoes serious changes. They also pointed out that Macedonia was ready for fair compromise, but not at any price, under dictate and humiliation. Crvenkovski reiterated that the settlement was possible only by accepting the Macedonian nation and language as the foundation of the national identity. “If UN guarantees that the name of our nation is Macedonian nation and the name of our language is the Macedonian language, which are the main pillars of the national identity of each nation, then we should reach an agreement”, Crvenkovski said. PM Nikola Gruevski commented in a similar line: "If President Branko Crvenkovski believes the proposal is not the most appropriate base for a settlement, I say this is so even more",... "I

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<sup>1</sup> Greek daily newspaper Ethnos comments that the new proposal guarantees Skopje its constitutional name, Macedonian nationality and Macedonian language in exchange for international use of the name with geographical determinant "Republic of Northern Macedonia".



hope we will reach a consensus at the next joint meeting, thus giving Mr. Nimetz more elements to put Macedonia in a better position", added Gruevski.

Government representatives told MIA that the proposal by Nimetz, presented to countries' negotiators in New York, is pro-Greek and unfavorable for Macedonia<sup>2</sup>. In the part of the name, Nimetz proposes that the constitutional one is used internally, whereas the new one "Republic of Northern Macedonia" internationally, with a quite large range. Regarding nationality and the language, the mediator foresees a double solution - Macedonian, but also alternative - language and nation of Republic of Northern Macedonia. According to Government representatives, such alternative solutions for the nation and the language are totally unacceptable. Macedonians cannot afford not to have clear situation about the nationality and language, - on the contrary, the country will be faced with long-term internal turbulences which cannot be solved with NATO or EU accession. Thus, it is claimed impossible for any political structure in the country to accept uncertain situation about the nationality and the language. Also problematic is the provision, according to which new talks on the identity would be launched as soon as Skopje and Athens agree on the name change. Furthermore, Macedonia cannot accept that the UN Security Council recommends to third countries, including those that have accepted Macedonia's constitutional name, that they use the new international name in bilateral communication. Pertaining to passports, Nimetz proposes they read "Republic of Northern Macedonia" in English and French languages, and "Republic of Macedonia" in Cyrillic. Top officials should decide on the response to Nimetz, whether to completely reject it, or to submit detailed remarks on all points.

According to Government sources, Macedonia remains constructive in the talks, but the problem is Greece, which has demonstrated force, as well as lack of constructiveness and interest for resolution of the issue in the short-term. Nimetz himself told Macedonian negotiators that the Greek position becomes increasingly rigid. Greek negotiator Vasilakis asked that there is no joint meeting, whereas Nimetz not to table a proposal. Athens insists on maximum stances on the three crucial issues - name, its range, and national identity attributes. Government representatives say the most important thing for Macedonia at the moment is to have a wide political and social consensus on the main principles in the process, followed by seeking powerful friends within the international community, who would be told that the Greek positions for denial of Macedonia's national identity, as well as on Macedonia's EU and NATO integration, are unsustainable. Authorities assess that without a serious engagement abroad, Athens will not back from its rigid positions, which do not enable a name settlement in the near future. Ultimately, it is considered that the essence of the non-agreeing between Greece and Macedonia is that Macedonia has no intention to give up its position of preserving the Macedonian language and identity, while on the other hand, the Greek position is that this issue was not subject of discussion.

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<sup>2</sup> The most disputable points of the package are the provisions regarding the identity (language and nation), the scope of use of the international name (recommendation for third countries) and the proposed constitutional changes (change in the password and other documents).

By the end of October negotiators Nikola Dimitrov and Chief of the PM's Cabinet Martin Protoger presented in New York the position of the Republic of Macedonia to UN mediator Matthew Nimetz on his latest set of ideas for the name dispute settlement. "We have set forth and reaffirmed the arguments standing behind the interests of the country and the nation", Dimitrov was quoted by the VOA-Macedonian language program.

### **1.7. Greek Reactions to the Nimetz October Proposal**

From its side, Greek Foreign Minister Dora Bakoyanni assessed the proposal of UN mediator Matthew Nimetz in the Athens-Skopje name row as "problematic and unsatisfactory", report Greek media. "The Nimetz proposal has a lot of ambiguities, and it could serve as a basis for a settlement to the problem once they are corrected", said Bakoyanni, adding, "19th-century nationalism is stimulated in the neighboring former Yugoslav republic, seeking ways to demonize Greece". For the Greek Parliament Commissions for Foreign Affairs and Security, Mrs. Bakoyanni stated that the last proposal of UN mediator Matthew Nimetz contained provisions that were acceptable for Greece, but also ones that were against its interests and should be cleared up. "Greece favors one name with geographic determinant for overall usage", Bakoyanni said, adding that Athens should not be forced to cross its 'red lines'.

### **1.8. Unpleasant Event at the Military Parade in Thessaloniki**

The Macedonian MoFA condemned the latest outburst of nationalism and chauvinism directed against the Republic of Macedonia that occurred during the military parade held in Thessaloniki on Oct. 28, as stated by the deputy foreign minister Zoran Petrov on Thursday. He said that evidence (video material) has been recorded and translated and shall be submitted to all international relevant institutions, whose basic documents and standards do not comply with the non-democratic and non-European actions demonstrated at the military parade. In a statement for the media, Petrov noted that the military parade in Thessaloniki is a traditional manifestation organized annually on the day when Greece refused to join fascist Italy in 1940. The manifestation was attended by Greece's President Karolos Papoulias, the defense minister, Thessaloniki's prefect and mayor, the leader of PASOK, as well as SEE defense ministers. Before their eyes, Greek army members while marching chanted slogans that "Macedonia is Greek" and that "The name won't be given to Skopje" etc. - Petrov said. The deputy foreign minister stressed the manifestation has turned into a promotion of a large-scale nationalism and provocation directed against the Republic of Macedonia. Condemning the incident, Petrov said MoFA deems that this act of demonstrating force and hostility towards Macedonia doesn't comply with Greece's public efforts for good neighborly relations and constructive approach in settling the open issues between the countries of the region. "Furthermore, the open nationalism and chauvinism expressed at an official manifestation is not at least suitable for a NATO and EU member calling itself a promoter of democracy in the region and in Europe", said Petrov.

Commenting the condemnation regarding the outburst of nationalism and chauvinism directed against Macedonia at a military parade in Thessaloniki on Oct. 28 expressed by

deputy foreign minister Zoran Petrov, the Head of Greece's Liaison Office Papadopoulou told ANA-MPA agency she realized from Petrov's statements that "the Government does not want or does not dare to listen to the Greek positions and arguments."

US Ambassador Philip Reeker and his French colleague Bernard Valero stated Friday that they were informed about the incident during the military parade. "We will ask for details, information about the incident", stated the French Ambassador, whose country is currently holding the EU presidency.

On the other hand, Greece's daily "Ta Nea" writes that Greek firms in Macedonia are discriminated by local authorities, thus paying the price for the deteriorated relations between the two countries stemming from the name row with Macedonia, whilst an increasing number of Greek investors are planning to pull out from the Macedonian market. Greek businessmen are complaining about being constantly discriminated by customs and administrative services in Macedonia and that their negative conduct has been more evident recently. Diplomats and economy experts forecast the relations between the countries to further deteriorate, especially in late autumn or in December, when EU will release its critical report on Macedonia.

### **1.9. Council of Europe Initiatives Substantially Linked to the "Name Issue"**

In October, upon the initiative of European Free Alliance-Rainbow, a fresh draft-resolution on "discriminatory laws against ethnic Macedonian political refugees<sup>3</sup>" has been submitted in the Council of Europe Parliamentary Assembly (PACE), - reads Rainbow press release. The draft-resolution, supported by representatives of almost all PACE political groups from 13 European countries, "strongly urges the Greek Government, without delay, to review the above-mentioned laws and end the discrimination resulting from them so that ethnic Macedonian political refugees from Greece can reclaim their Greek citizenship and property". Moreover, the PACE

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<sup>3</sup> Thousands of ethnic Macedonians- -the number is in dispute--fled Greece after the Greek Civil War (1946-49). In the late 1940s and early 1950s, the Greek government stripped these exiles of their Greek citizenship. In 1982 the Greek government enacted an amnesty law (Law No.400/76) permitting repatriation and return of Greek citizenship to these political refugees. However, the ministerial decree ordering these actions stated that those free to return were "all Greeks by genus [origin] who during the Civil War of 1946-1949 and because of it have fled abroad as political refugees." Law no. 1540/85 of April 10, 1985, stated that political refugees could regain property taken by the Greek government as long as they were "Greeks by genus". The phrase "by genus" is interpreted by the Greek government to mean all those who identify themselves primarily as Greeks, and not as Macedonians, regardless of their birthplace or heritage. Those who consider themselves Macedonians, although born in Greece or children of parents born in Greece, have been unable to avail themselves of the opportunity to return to Greece and resume their citizenship and, in many cases, property. Among those stripped of their citizenship were families--wives, children, other relatives--of Macedonians who had fought with the Partisans. No individual hearings were held as to the actions of family members or, in fact, of Partisans themselves. All were stripped of citizenship without the internationally- accepted rights to due process: the presumption of innocence; notice of the charges; a fair hearing before an independent and impartial tribunal; opportunity to defend oneself, including the right to confront witnesses and to present witnesses on one's own behalf, and legal representation. Refugees who identify themselves as "Greek," however, are permitted to return. Human Rights Watch/Helsinki has not been able to determine the exact number of "Greek-identified" political refugees who returned under this law.

competent committee is recommended to "investigate this matter and engage with the Greek authorities with a view to ending the aforementioned discrimination". Rainbow-political party of the Macedonian minority in Greece expresses its gratitude for the draft-resolution support by first signatory Geert Lambert of Flemish political party "Vlaams Progressieven" from Belgium for his continual support in the issues related to the human rights of ethnic Macedonians, as well as to the representatives of Macedonia and Turkey.

### **1.10. Urge for Dispute Settling by European Countries**

“Macedonia's European future is indisputable. Europe is expecting positive dynamics to emerge in the name talks, which is an issue between Athens and Skopje”, stated the French Ambassador to Macedonia Bernard Valero in Tetovo at a ceremony regarding the opening of a Société Générale branch, represented in Macedonia by the Ohrid Bank. He told the Deutsche Welle radio-Macedonian language program that "no one challenges that future, on the contrary, there's general, wide consensus for Macedonia's European perspective, something that is not at all disputable"...“We, and when I say we I speak on the behalf of the French people and all Europeans, sincerely hope that the negotiations will be gripped by positive dynamics.”

DUI leader Ali Ahmeti, who accompanied Ambassador Valero in Tetovo, said his party supported the Macedonian constitutional name and the support wasn't conditioned with a demand for Kosovo recognition: “To condition the support for the name of Macedonia with anything else is not fair”- Ahmeti said. He also commented the positions expressed by certain Albanian politicians and analysts that the members of this ethnic community in Macedonia could allegedly take more radical measures if Macedonia failed to join EU and NATO, emphasizing that Macedonia was the homeland of the Albanians and that problems should be solved in accordance with the will of the majority of the citizens. “The Albanians, first and foremost, belong in this country and they build they future here. We will make all necessary efforts to be updated and all disputable problems to be resolved in compliance with the will of the majority of citizens”- he said. Furthermore, he urged the Greek foreign minister Dora Bakoyanni and Athens to start building neighborly relations with Macedonia.

### **1.11. Chile Recognized Macedonia Under its Constitutional Name**

The “name issue” has triggered some other “under the carpet” diplomatic battles between the two countries. There were pressures to countries that recognized the Republic of Macedonia under its constitutional name to change their position and shift to FYROM usage. Greek media said that this effort has been successful with Mexico, Panama and Congo. chief of Protocol within DR Congo's Ministry of Foreign Affairs, Dominic Kinuhia, told A1 TV that he knew nothing about the Government's decision that altered his country's position on Macedonia's name. In the meantime, as the Macedonian Ministry of Foreign Affairs confirmed, the country has established diplomatic relations with Chile under the constitutional name. This means that Chile will use the reference FYROM in the international organizations and the constitutional name of Macedonia in bilateral relations. All in all, Chile is 124 country in the world which has established

diplomatic relations with Macedonia under the constitutional name. Also, in December the Macedonian Parliament ratified an agreement between Macedonia and Ireland on the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, which is the first document signed by both countries with the constitutional name of the Republic of Macedonia.

FM Antonio Milososki for Radio Deutsche Welle stated that “the national identity, language and the right of self-determination are important to us, but it is also important that 125 countries worldwide have recognized Macedonia's constitutional name. We remain on our stance that only Republic of Greece has a problem with Macedonia's constitutional name, and taking into account this bilateral dimension, we believe that the solution should contain those bilateral frameworks”. “We believe that the arguments favoring the double formula as a possible compromise are relevant, and we do not see any reasons why they could not be reviewed and accepted by a larger circle of politicians in Macedonia, who tirelessly worked on strengthening that position 15 years ago.”

### **1.12. SDSM Position on the “Name Issue”**

Zoran Zaev, the SDSM<sup>4</sup> acting leader in October stated that the party “agrees with a name that will not endanger the national identity, language, culture and national particularity of Macedonia and the Macedonian people“. “We agree to a settlement regarding the replacement of reference FYROM with a name containing a geographic determinant, which would be acceptable for both parties in the talks. The range of the compromise solution should be identical to the one of FYROM. This means that all countries will have the right to choose the name they use in bilateral relations. This solution does not require constitutional change, meaning that the constitutional name would remain in the passports, whereas a compromise regarding the identity, language, culture and national particularity would not be required”, stated Zaev. He voiced hope that the SDSM proposal would help the President and the Prime Minister to overcome misunderstandings, thus successfully completing the name talks. When asked what is the difference between the double formula and the SDSM proposal, Zaev explained that the former means use of the name only in Greece, whereas the latter means use of the new name in the international community, i.e. NATO, EU etc.

The SDSM leader called on involved parties in the talks for serious approach, urged the Greek Government for reason and sense for the region's future, as well as development of good neighborly relations, whereas the international community to accept the SDSM proposal as a compromise that meets requirements of both sides. Asked if SDSM accepts a referendum on the name issue, Zaev stressed that it should be decided by the Government and the Parliament, adding that his party favors a swift solution to the row.

President Branko Crvenkovski on October 7 at a press briefing informed about his recent visit to Brussels, where he met with EU Commissioner Olli Rehn, NATO Secretary General Jaap de Hoop Scheffer, EU High Representative for the Common Foreign and Security Policy Javier Solana, and about the process involving the name dispute

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<sup>4</sup> Social-Democratic Union of Macedonia

settlement. According to Crvenkovski, the negotiation process is put at risk with the double name formula, because it will fulfill the Greek scenario of failed negotiations for which Macedonia is to blame. "Greece loses nothing if the name issue remains open, because for them time is nothing, whereas for Macedonia it is everything"- he added. Crvenkovski highlighted that in Macedonia there's no plan B that will enable long-term versatile economic, democratic and social development, if the country fails to join NATO and EU and practically becomes isolated.

### **1.13. Political Party Leader's Meeting on the Nimetz October Proposal**

State and party leaders failed Monday to unify their position on the name dispute ahead of the October meeting of UN mediator Matthew Nimetz with the negotiators of Macedonia and Greece. "There is neither unified position on the name issue nor on five proposed conclusions" - President Branko Crvenkovski and Foreign Minister Antonio Milososki said after the leaders' meeting. President Crvenkovski showed disappointment of the meeting's results, as Prime Minister Nikola Gruevski and his coalition partners kept holding to their understanding of the double formula (its width of application), considering it the best solution to the name row, which offers no opportunity to Macedonian representatives to take active part in the name talks. Elaborating the conclusions, Milososki said that they reaffirmed Macedonia's commitment to the EU and NATO membership, and the country's active participation in the name talks under the UN. Conclusions say that the "double formula" carries political weight and may be considered as a reasonable compromise. Further on, they give no authority to Macedonian representatives to negotiate on any solution in regard to the national identity and self-determination. The final conclusion says that political party leaders agree for a possible concrete proposal, which would result from the name talks', to be a subject of referendum.

### **1.14. Macedonian Parliament Endorsed a Draft-Resolution on "Name Dispute" Settlement**

In November the Macedonian Parliament endorsed a draft-resolution on settling the dispute over Macedonia's name by 93 votes in favor and one against. The draft-resolution calls for a state strategy on settling this matter to be determined in the shortest possible period. This document implies protection of Macedonia's highest state, national interests, as well as the identity of Macedonian nation, language, history, culture and reaffirms the country's status as sovereign and independent country. It implies that in the process of the strategy's drafting, the opinions of political parties, represented in the Parliament, must also be taken into consideration, including experts and NGO's opinions, which are engaged in international politics. The draft-resolution also urges relevant state institutions for more intensive diplomatic activities at home and abroad, aimed at affirming Macedonia's vital interests and strategic goals. It is also pointed out the need of respecting the fundamental principles of the United Nations and international law.

In his address on the draft-Resolution PM Nikola Gruevski said that "The Parliament should build a state strategy, not focus only on the identity, but also the name and all

other issues. Only as such, the resolution could be accepted, and everything else would be a fresh, unpleasant and harmful game". He said that certain people that have dealt with the problem since then have realized just now there is no strategy and have instead allowed ad-hoc solutions, a day-by-day policy, along with the conviction that time favors us, without foreseeing Greece's moves. "The problem was not only resolved, but it even increased, culminating with Greece's veto to Macedonia's NATO accession, along with the statements by highest Greek officials they would do the same if the European Union gives us date for beginning of accession talks", he added.

The Prime Minister announced that a session dedicated to the name issue was not held in the Macedonian Parliament prior to the Bucharest Summit because Greece swiftly rejected the final proposal of mediator Matthew Nimetz for replacement of the interim reference with Republic of Macedonia (Skopje). According to him, in the new stage following Bucharest, Greece radicalized its position and made moves aimed at distancing the possibility for reaching a settlement. "What Greece wants to achieve is that the compromise includes at least 90 percent of their position, we are to obtain NATO membership and EU accession talks, and EU and NATO would be their compromise, along with the constitutional name used internally. Greece does not even think of making concessions regarding the identity. The issue of identity is important to them as it is to us. The entire problem focuses on the identity, because it springs from the name itself. The thesis that Macedonia should make concessions before everything Greece asks and that all would change through the NATO and EU accession is naive", added Gruevski.

He called on encompassing all aspects of the problem, among which the issue of exiled Macedonians during the Greek Civil War. Gruevski also emphasized it is not good that citizens fear the country is doomed if it is not part of NATO, but also that it is not all the same if Macedonia is or is not an Alliance member. Moreover, PM Gruevski remained on the position that the final name proposal, if acceptable for Athens, would face a referendum.

Finally, he stressed that NATO and EU membership remain the Government's highest priorities. "We are fully committed to the name issue, which has obviously become a precondition for NATO and EU membership, we resume with the talks and call on larger unity within the state. We must not divide ourselves by saying one group favors name and identity and the others favor NATO and EU. We should all favor both and we should all give up building political capital and hunting electoral votes on the issue", he underlined.

In his address before MPs regarding the draft-Resolution for resolution of the name row, President Crvenkovski stated that "a new state strategy is needed regarding the name issue, since there is an entirely different reality following the NATO Summit in Bucharest, radically altered circumstances that require a new, different approach". "Every proposal aimed at building the widest consensus and state unity in overcoming the dispute with Greece and unblocking European and Euro-Atlantic integration is useful. There was a strategy in the past years that has not been entirely made public due to understandable reasons, to which all prior governments and presidents abided by,

regardless of their party affiliation. This strategy was functional and yielded results. The basic principles of this concept were the so-called 'double formula', increase of the number of countries recognizing Macedonia's constitutional name, as well as international establishment and integration in all international organizations - under the constitutional name where possible, and under interim reference FYROM where Greece opposes", said Crvenkovski.

"Pertaining to NATO and EU and taking into account Greece's membership in these organizations and its right to veto when admitting new members, we planned that our progress up to full-fledged membership develops under the interim reference. According to this concept, the right moment for the dispute's settlement with Greece should have occurred when Macedonia was fully integrated in NATO and EU. Therefore, when we have the same possibilities and mechanisms as Greece at disposal and when the accession cannot be used for blackmails and conditioning. The strategy did not exclude an earlier possible settlement of the dispute, if we would to receive a proposal that we consider dignified and acceptable during the talks", added President Crvenkovski.

According to him, the old strategy is not functional anymore and a new platform is needed due to the new reality following the Bucharest Summit. "In Bucharest, Greece carried out an obvious violation of the 1995 Interim Treaty, opposite to all international principles and standards. Due to this bullish violation of international law and mutually accepted obligations, we can initiate certain proceedings before the UN or international courts. I believe that these options should be seriously reviewed. However, we should at the same time be fully aware that this will not solve our problem of blockade to our NATO membership and repeating the same scenario with the EU. Membership in these associations is not possible through a UN resolution or a court judgment, but through a consensual decision by all members, including Greece. This is even more significant by the fact that the Alliance indirectly verified the exiting from force of the 1995 Interim Treaty in its Bucharest conclusion. Namely, it reads that the membership invitation would be extended when a mutually acceptable compromise on the Macedonia-Greece name dispute is reached. Alliance members, including our biggest supporters and friends, stand behind the row's resolution and a compromise as the only way for our NATO integration", stressed the President.

Crvenkovski claims that there is no understanding among NATO and EU member-states for the double formula as a solution to the name dispute. "By accepting proposal Republic of Macedonia (Skopje) before Bucharest, we abandoned the double formula. A possible referendum would have only confirmed or rejected the prior consent and the decision passed by the executive power", he stated. He agreed with the public criticism that different positions regarding the approach in the talks and the manner of overcoming the dispute between the President and the Prime Minister damage national interests.

"We must overcome this situation as soon as possible. I believe that the first step in overcoming differences is to identify reasons for those differences and answer the question which approach enables the largest protection of our national and state interests. I claim that the basic difference between myself and PM Gruevski is not in the approach



and objectives in the name talks, but in the degree of importance and priority we give to EU and NATO integration. I claim there is no serious alternative to Macedonia's European and Euro-Atlantic integration. The PM claims that the Government has an alternative concept for the country's future, in case it is blocked for a long period", assessed Crvenkovski.

He stressed that every decision must be ultimately passed by the Parliament, even if this refers to a referendum decision. "Despite the President's constitutional competence in the foreign policy sector, I cannot resolve this problem without the consent of PM Gruevski. In order to put a stop to this situation, which is already used by Greece as an argument against us, i.e. two negotiators, separate meetings, separate consultations, I would like to inform you that I passed a decision to end the mandate of our negotiator, ambassador Nikola Dimitrov. I agree that Martin Protoger assumes this role in the upcoming period, but I am also ready to consider another individual upon the proposal by PM Gruevski", added Crvenkovski. "Macedonia needs consensus and state unity in the name row process, but even more important is the platform and the goals upon which this unity will be built", underlined President Branko Crvenkovski in the address before MPs.

### **1.15. President Crvenkovski's Dismissal of Negotiator Dimitrov**

In November, Macedonia was left without a name negotiator after President Branko Crvenkovski dismissed Nikola Dimitrov who was appointed special representative of the Republic of Macedonia in the UN-brokered name talks in 2003. Addressing the Parliament during its debate on the Resolution for Determining Name Strategy, President Crvenkovski announced his decision to end the mandate of Nikola Dimitrov "in order to put a stop to this situation, which is already used by Greece as an argument against us, i.e. two negotiators, separate meetings, separate consultations." The newly appointed negotiator, Macedonia's Ambassador to US Zoran Jolevski, has already kick started the consultations with top state officials and is finalising the preparations for his first meeting with Nimetz.

"When it comes to the name issue, personal and professional fate seems irrelevant. However, I cannot but express disagreement with the presented elaboration that on behalf of unity the one who constantly worked on and publicly appealed for unified and non-party national platform on the name issue is being recalled. Only time will tell whether this step will contribute to strengthened unity, as it is being claimed, or will cement the differences"- this was stated for MIA by the former negotiator Nikola Dimitrov, on President Branko Crvenkovski's decision to dismiss him from duty.

"It was an honor to have had the opportunity and responsibility to be appointed special envoy of the Republic of Macedonia considering the name issue and to represent my homeland on this issue that is of highest state interest. Since the very beginning in March 2003, while executing my duty I strictly followed the interests of the nation. Both in times when it had been easy and in conditions where there had been certain differences regarding the promotion of the national interest. At the end, I would like to take a bow, with love before my people and before the citizens of my country and to express gratitude

for the profound patience, inexhaustible hope and support that they give for their country Macedonia”, said ambassador Dimitrov.

### **1.16. Macedonia Filed a Case Against Greece With the International Court of Justice**

On November 17<sup>th</sup> Macedonia filed a motion at the International Court of Justice accusing Greece of breaking a UN agreement when it blocked Skopje’s bid to join NATO in April<sup>5</sup>. “We filed the application to the International Court of Justice. The reason is to protect our rights envisaged in the Interim Accord,” Macedonia’s Foreign Minister Antonio Milososki told media. Greece and Macedonia signed the United Nations Interim Accord in 1995. Under the agreement, Macedonia changed its flag and its constitution, and both countries committed to continuing negotiations on the ‘name’ issue under UN auspices. For its part, Greece pledged that it would not stop Skopje from entering any international institutions as long as it is done under the provisional reference "Former Yugoslav Republic of Macedonia" as stated in paragraph 2 of the United Nations Security Council resolution 817. However, in April, Greece practically vetoed Macedonia’s invitation to join NATO at the alliance’s summit in Bucharest. It argued that Skopje’s use of the name Macedonia might lead it to make territorial claims over the Greek province of the same name. Macedonia is now arguing that Greece broke that part of the accord when it objected to Skopje’s NATO invitation.

Skopje asks from the International Court of Justice to determine whether or not Greece through its state organs and acclaimed representatives has broken its obligation as stated in article 11 paragraph 1 of the Interim Accord that it would not block Skopje’s membership of international institutions if it applies using its provisional name. In addition Skopje asks the court to order Greece to do all the necessary steps to fulfill its obligations from the accord. “We are convinced that the International Court of Justice will help us solve this legal dispute. We are not asking the court to settle this political matter therefore the name dispute is not the matter of our application. We stay fully

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<sup>5</sup> As a reminder: The "name issue" involves a dispute over the last 17 years between the two Balkan polities over Macedonia's right to use its constitutional name, "The Republic of Macedonia". Greece claims that Macedonia is a region in Greece and that, therefore, the country Macedonia has no right to monopolize the name and its derivatives ("Macedonian"). The Greeks feel that Macedonians have designs on the part of Greece that borders the landlocked Republic of Macedonia and that the use of Macedonia's constitutional name internationally will only serve to enhance irredentist and secessionist tendencies, thus adversely affecting the entire region's stability. From its side, Macedonia publicly renounced any claims to any territory of any of its neighbors, stating that the country has a right to decide how to be called. Many people in the country believe that the Greek demands are without precedent either in history or in international law<sup>5</sup>. Also, fact is that Greece is Macedonia's second largest foreign investor. The disparities in size, military power and geopolitical and economic prowess between the two countries make Greek "fears" appear to be ridiculous. In terms of NATO positions, Greece is a member country, but is considered anti-American, while Macedonia is a member of the Coalition in Iraq and Afghanistan and a NATO aspirant. As known, in the alliance's Bucharest Summit, in April 2008, Macedonia was not invited to join NATO. The country in essence was rejected because a mutually acceptable agreement over the “name issue” was not accomplished. For that, Macedonia submitted a complaint for the breach of the Interim Agreement between Greece and Macedonia in which Greece accepted not to oppose for Macedonia to enter international organizations if membership would be under the name Former Yugoslav Republic of Macedonia.

committed to all aspects of the Interim Accord, especially the negotiation process with Greece mediated by the UN special representative,” Milososki was quoted by MIA state agency as saying.

“It is a good and legitimate move that Skopje has taken when Greece has radicalized its position. Greece has obviously broken all its promises. This has led Macedonia to seek alternatives to the UN ‘name’ talks,” political analyst Nenad Markovic told Balkan Insight. If the court rules in Macedonia’s favor it would give the country a considerable instrument for political pressure, Markovic says adding that this could increase international pressure on Greece. It remains unclear how Greece will react to Macedonia’s move and whether it will halt the ongoing negotiations in New York.

UN mediator in Macedonia-Greece name talks, Matthew Nimetz announced that he had received an official information that Macedonia initiated a procedure against Greece before the International Court of Justice due to violation of the 1995 Interim Accord, along with an assurance that the negotiating process would resume.

German MEP Doris Pack supported the Macedonian decision to sue Greece before the International Court of Justice (ICJ) in the Hague, “being one of the options for settling the issues existing between the countries.” – “This option cannot be wrong because Macedonia is trying in every possible way to come to a solution that will allow the country to use its own name. I believe the situation is extremely difficult and I cannot oppose Macedonia for trying in every possible way to win its own right. I’m not sure whether it will be possible with this measure, but I support Macedonia in principle in its efforts to find a solution to the problem. Until the name row is not solved, Macedonia is prevented from making a step forward EU and NATO, because a veto from the neighboring country lingers above that. I can only say that I wish Macedonia a lot of luck regarding its new attempt”, notes Pack. However, she adds, these proceedings last for a long time and I don’t know whether Macedonia has that much time to resolve the issue. Still, maybe this process will help the Greeks to come to their senses, maybe it will prompt Greece to be more friendly towards its neighbor. However, I doubt it because the situation in Greece is not stable. All governments so far failed to make significant steps regarding this issue – neither the socialists, nor the current government”, she stated.

The first official meeting of Macedonian and Greek representatives and co-representatives on the proceedings that Republic of Macedonia instituted against the Republic of Greece before the International Court of Justice (ICJ) due to violation of the 1995 bilateral Interim Accord will be held in The Hague on January 19. The meeting will focus on procedural issues regarding the future course of the process, chaired by ICJ President Rosalyn Higgins. Foreign Minister Antonio Milososki is Macedonia's representative, accompanied by Croatian lawyer Budislav Vukas as ad hoc judge. Greek ambassador to the Netherlands Konstantinos Rallis, ambassador Yiorgos Savvaïdis and Foreign Ministry advisor Maria Telalian are Greece's representatives, along with Athens University professor Emmanuel Rukunas as ad hoc judge.

### **1.17. Latest Statements by President Crvenkovski Regarding the “Name Issue”**

“The Republic of Macedonia should try and make a fair compromise, which will not threaten Macedonia's ethnic, language or cultural identity and integrate into Euro-Atlantic structures”, - stressed Macedonian President Branko Crvenkovski, addressing an international conference "Challenges and Perspectives of the Republic of Macedonia - Difficulties on the Road to Euro-Atlantic Family", held in Berlin in organization of Friedrich Ebert Foundation. “All other measures, regardless of their indisputable legitimacy, may be a waste of precious time which a small country with limited resources, located in the core of turbulent Balkans, cannot afford on behalf of prosperity of present and future generations”, - said the President.

Crvenkovski added at the conference that the first serious blow over Macedonia's strategic goal to become a part of the united Europe didn't come from within, but "outside our borders", mentioning the Bucharest NATO Summit, where Greece blocked Macedonia's integration to the Alliance, because "instead of NATO's regional interest, it solely observed its national policy rooted in history and not within the realistic strategic context." He noted that according to announcements coming from Greece, the country in the near future was trying once again to abuse its position of a member country and to block Macedonia's accession to EU. “My key thesis on the matter is that without clear Euro-Atlantic perspectives, none of the Balkan countries will be able to make progress in terms of the most crucial issues - democracy, economic development and neighborly cooperation”, underlined President Crvenkovski.

## **2. REFORM PROCESSES**

### **2.1. NATO Accession Process Heavily Influenced by the “Name Issue”**

In September, Slovenian Army Chief of Staff, Lieutenant-General Albin Gutman, stated that the Macedonian Army meets all standards required for NATO accession, especially due to the fact that it is similar to the Slovenian one. Commenting on the results of the NATO Summit in Bucharest, at which the Republic of Macedonia did not obtain the long-awaited membership invitation due to Greece's veto, despite the fact that all conditions were met, the Slovenian Chief of Staff stressed it was a political decision related to everything but the Army's capability. "I already said that the Macedonian Army is ready to join NATO, but these are relations between states of purely political nature", he underlined.

Solomon Passy, the former Bulgarian Minister of Foreign Affairs and present Macedonian Government's adviser on NATO integration, at a forum titled "Education for Peace and Security" stated that “NATO and EU accession are top priorities of the Macedonian Government, whilst the dispute over the use of country's constitutional name with Greece is irrational”....“however, it hinders the Macedonian membership to the Alliance, although it was highlighted at the Bucharest NATO Summit that Macedonia has completed its reforms...what is left is the name row to be resolved,” - he added.

“Macedonia should be admitted in all Euro-Atlantic institutions, including here the

NATO, and Greeks should understand that it is more important than "to worry about small linguistic and semantic problems," said Robert Hunter, the former President of the Atlantic Treaty Association said in the statement with Deutsche Welle, Macedonian Language Program. "I think that it is also important for the good NATO partners, Greeks to understand that it is worth having Macedonia in the Alliance than to worry about the small linguistic and semantic problems. Macedonia is Macedonia. It could be an excellent ally and the faster it happens the better", Hunter added on the sidelines of the meeting "NATO Talk Around the Brandenburg Gate" which took place in Berlin.

"Macedonia will be invited to join NATO by the next summit", said Daniel Fata, former Deputy Assistant Secretary of Defense for European and NATO Policy, in an interview with the Voice of America-Macedonian language program. "I was with US Secretary of Defense Robert Gates when NATO announced the decision on inviting only Albania and Croatia. We were disappointed that Macedonia got no invitation", said Fata, who was part of the US President George Bush's delegation at the Bucharest Summit. "NATO is an organization of consensus, which is good and bad at the same time"... "I am optimistic that Macedonia will get the invitation. If I may bet, I would say it would happen before Alliance's 60<sup>th</sup> anniversary in April next year or at the jubilee summit. We never have had an impression that Greece was feeling threatened by Macedonia. The name dispute is not a military but historical issue and should be resolved. Many negotiators have tried to resolve it, but I believe that by the NATO 60-jubilee summit, and the fact that most of the parliaments will ratify Croatia and Albania invitations by that period, it won't be allowed for Macedonia to lag behind. However it will require a consent of the Greek government", - Fata added.

At the recent meeting with Mr. Xavier Solana, Prime Minister Gruevski pointed out that Macedonia has fulfilled all technical prerequisites and expected an EU decision on visa free regime next year. As Brussels' recommendation to Macedonia for the latest UN mediator set of ideas is that the country should carefully present its remarks, PM Gruevski reaffirmed Macedonia's readiness for compromise, but not at any price. "Macedonia has met all standards..and is the voice of wisdom in the region", Jaap de Hoop Scheffer said, expressing hope for the swift name row settlement. At Gruevski-Volker meeting, the US Ambassador to NATO reiterated his country's support of Macedonia' Euro-Atlantic integration, stating that Macedonia, as thus far, should keep moving in the right direction.

"Macedonia expects from the next OSCE chair-country, Greece to resolve challenges and tasks with firm commitment and skill, without being afraid to accept diversities and feelings of the neighboring nation", said Foreign Minister Antonio Milososki in his address at the second day of the 16th session of the OSCE Ministerial Council, in Helsinki. "The OSCE Presidency must not be afraid of accepting diversities and feelings of the neighboring nation. I would like to assure them that Macedonia is ready to provide full support to the promotion of multilateralism as an efficient tool for settlement of regional and global problems, as we did during Macedonia's UN General Assembly chairmanship", stated FM Milososki. He stressed that Macedonia remains firmly

committed to NATO accession and its dedicated partner, adding that the Government would resume name talks under UN auspices.

## **2.2. Annual Meeting of Defense Ministers of South East European Countries**

On October 7-9, Ohrid hosted the annual meeting of Defense Ministers of South East European countries, which is part of the South-East Europe Defense Ministerial (SEDM) Process. US Secretary of Defense Robert Gates, Commander of Allied Joint Force Command in Naples (COMJFCNP), Admiral Mark Fitzgerald, SEE Brigade Commander Virgil Balaceanu, Greek Defense Minister Evangelos Meimarakis and Italian Undersecretary for Defense Giuseppe Cossiga also attended the meeting. It has been announced that US Secretary of Defense Robert Gates is scheduled to meet President Branko Crvenkovski, Prime Minister Nikola Gruevski and Defense Minister Zoran Konjanovski. Ohrid meeting will bring together SEDM members - US, Albania, Bulgaria, Greece, Italy, Macedonia, Romania, Turkey, Ukraine, Croatia, Slovenia, Bosnia/Herzegovina and observer countries - Georgia, Moldavia, Montenegro, and Serbia.

The meeting opened with the address of PM Nikola Gruevski who stressed that dialogue, which initially enabled the process, has contributed to developing trust and cooperation, not only in the area of defense and exclusively in Southeast Europe, but also in the wider region. He reminded that Macedonia, Albania, Croatia and USA signed the Adriatic Charter (A3) as an incentive for regional countries regarding their aspirations for NATO accession, especially B&H and Montenegro, which can benefit from the experience of the three A3 signatory countries. "An additional motif on our commitment to persevere on this path is the attendance of U.S. Defense Secretary Gates, representative of a country whose President clearly told all Alliance members one day prior to the Bucharest Summit that the Republic of Macedonia has met the required conditions for NATO membership and would soon become part of the club. We have waited and will continue to wait on mending the Bucharest injustice, and our troops will continue to take part in peacekeeping operations throughout the globe together with their colleagues from NATO member-states", emphasized Gruevski. He added that Macedonia did not obtain the long-awaited and deserved invitation at the Bucharest NATO Summit due to the well-known reasons.

"Republic of Macedonia is committed to resume the processes and activities that will ultimately lead to its full Euro-Atlantic integration through its full-fledged NATO accession. We will continue to promote Macedonia as a modern and stable European and Euro-Atlantic democracy, through protection and promotion of the country's interests, based on protection of the human dignity of every citizen. We will continue to strengthen democratic capacities and functionality of our multiethnic society, develop political dialogue and finalize decentralization processes in the spirit of the Ohrid Framework Agreement", underlined PM Gruevski.

The United States strongly support Macedonia's aspirations to become a full-fledged NATO member, said U.S. Defense Secretary Robert Gates following the joint meeting

with President Branko Crvenkovski, Prime Minister Nikola Gruevski and Defense Minister Zoran Konjanovski. "As many of you, we were also disappointed from this April's outcome, when Macedonia did not receive an invitation to join the Alliance at the Bucharest Summit. We urge Macedonia and Greece to immediately find a solution to the name issue, which is in the best interest of both countries and the region in general", stressed Gates, "as there is no other alternative in the procedure to join NATO".

"If the name issue was not opened, your country would have been invited to join NATO at the Bucharest Summit"... "Greece sincerely supports the aspirations of all countries for accessing the Euro-Atlantic institutions, as such membership is the only mechanism for providing stability and peace of the wider region" said Greek Defense Minister Evangelos Meimarakis in Ohrid. "We have been working hard in this respect. If it weren't for the name of the host country of this meeting, there would be no talks, but a membership invitation. The issue has been discussed for over 10 years, but it haven't prevented us to come in the country, which is our friend, ally and soon to be our partner. In this respect, we keep cooperating with the country, as many Greek businessmen have been investing their capital here. We feel good here regardless of the name issue", Meimarakis told reporters.

### **2.3. EU Integration Process Stands By**

As it was seen later during the year in the EU Progress Report for Macedonia, in spite of the different statements given by Macedonian government representatives, Macedonia was not assessed positively in terms of fulfilling some of the EU previously set criteria.

In September, at the auspices of the conference "EU and SEE in 2008: Is All Still Well?", Vice Premier for European Affairs Ivica Bocevski supporting the drastic Macedonian speed up pace towards the EU membership, stated: "The essence of debates of Balkan representatives should be the race for best European standards, more investments, better health care, education...", "We will insist for the European dream and idea to come to a logic completion, namely for the Union's vulnerable spot - the Balkans -to finally join the EU, as it and Macedonia may offer a lot to the Union".

"Macedonia obtains assurances by the European Commission that 2009 is the year when Macedonian citizens will be able to travel to EU member-states and the Schengen Zone visa-free", said in late October Vice Premier Ivica Bocevski. "Macedonia is at the finish line from the aspect of the visa liberalization process. We have received confirmation from the European Commission that Macedonia is ahead of all other countries within the process. We are currently the only country that has a national visa center, biometric passports and national center for integrated border management. Now the Union has to pass a political decision", stressed Bocevski. According to him, integrated border management has been fully realized, which is the last prerequisite for visa regime liberalization.

Commenting the eight EU benchmarks fulfillment, Bocevski added: "We have reached a 90-percent completion of benchmarks, and I expect the EC to note serious reform

progress". He said that Macedonia should focus, until the end of the year primarily on the adoption of the changes in the Constitution and the Electoral Code. According to him, most of EU-tagged laws envisaged for 2008 have already been adopted, whereas the remaining are in Government or Parliament procedure. Pertaining to the EU assistance within the CARDS projects, Bocevski underlined there is a 97-percent use, while accreditation of national institutions on IPA funds would be encircled in 2009.

In September, Parliament Speaker Trajko Veljanovski held a meeting with EU Ambassador Erwan Fouere, aiming to present the fulfilled benchmarks in relation to the legislation body. Mr.Veljanovski emphasized on the adoption of the new Rules of Procedures and the efforts made towards its full implementation; constitution of the Budgetary Council and the National EU Integration Council, which have been already put into function; establishment of regular Monday coordination meetings (where a Government official i.e. vice-premier is set to attend); completion of the Council of Public Prosecutors and the structure of the Constitutional Court, etc. Over the course of the meeting, he also highlighted the fact that an opposition representative was elected Parliament's vice president for the first time and that a Parliamentary Channel Sector was formed for strengthening the transparency of the Parliament and its bodies. He also informed Mr.Fouere on the efforts made towards strengthening the President-Speaker coexistence by adopting a modality for overcoming future differences regarding enacted laws.

Parliament in December adopted resolution for priorities on Macedonia's EU accession in 2009. 66 MPs voted in favour and none voted against or abstained. Prior to voting, MPs debated the EC's Progress Report on Macedonia in 2008.

#### **2.4. EU Stabilization and Association Commission in Session**

In September in Skopje was held a fifth regular meeting of the EU-Macedonia Stabilization and Association Committee. The European Commission commended the Macedonian Government commitment to the country's EU-integration, i.e. its progress in judicial, public administration reforms, combat against corruption, police law enforcement, the significant progress in meeting the requirements of the visa liberalization roadmap and the business climate improvement. The Director in Enlargement Directorate-General Pierre Mirel, who led the European Commission delegation stressed that Macedonia should yet do a lot on its road to the EU membership. Mirel gave credit to Macedonia on its progress in harmonizing the legislation with the EU standards, as well as in the spheres of state aid and customs' administration. The European Commission also commended the adoption of Law on Languages, but did not fully approve its manner of passing, namely the urgent procedure at the Parliament.

“We are also pleased with the establishing of the National EU-Integration Council. However, politicization presents a problem in this, as in other countries. Stable institutions are necessary for meeting the political criteria, i.e. the democracy and rule of law. We cannot say that political institutions are functioning effectively,” he commented. “The 2008 electoral incidents were a step backwards in comparison to the election



process in 2006, as ODIHR recommendations were not fulfilled, namely there was a fresh boycott of the Parliament, which adopted a great number of laws under urgent procedure.” Mirel also welcomed the adoption of the Parliament's Rule of Procedures, saying however that it should have been done as a result of a political dialogue - an important issue for the Euro-integration process and its success. He pointed out that it is very important for the next elections to fully comply with the international standards.

## **2.5. EU 2008 Progress Report for Macedonia**

“Macedonia is not yet ready to start European Union membership talks”, stated Enlargement Commissioner Olli Rehn in October. “We will make our evaluation on November 5 but for the moment, I believe, it will be difficult to recommend opening accession negotiations with Macedonia. For the moment, it seems to me that the eight conditions have not been met, nor has the ninth, that is, the elections” said Rehn.

EU Ambassador Erwan Fouere stated that the European Commission report on the progress Macedonia has made last year in meeting the eight benchmarks and the additional ninth, set due to incidents during the parliamentary elections on last June, is an objective, fair review, based on detailed analyses. “For us, all involved parties should consider the report as an encouragement for boosting the reform efforts. We have also recognized the recent efforts, particularly of the Parliament, towards ensuring a climate for constructive dialogue and consensus building. We will also urge all political parties to cooperate in the spirit of partnership”, Fouere said. He also appealed for the report to be utilized for all political parties to work together towards the country's genuine, sustainable development in the upcoming months. He also called on the opposition parties to join the Government's efforts and enable the country to enter the next phase of the EU-pre-accession process. “All political parties bear responsibility (for the EU integration process) and should respond to citizen's aspirations”, he said, calling on civic society and business community to urge the Government and all political parties to invest more efforts in realizing the goal by a sustainable reform process.

Quoting the report's main conclusions, Fouere said that the state should create conditions for free, fair elections, upgrade the political dialogue between main parties and actors, and meet the key partnership priorities. The EC will keep monitoring the progress in these spheres, he added. “Macedonia made progress especially in its economic, judiciary and police reforms, the fight against corruption and visa regime liberalization, but it is still failing to meet the political criteria”, Fouere said. Most of the EC report remarks refer to inappropriate human, financial resources, he said and in this respect praised the great efforts of public servants to move the reforms forwards. The presidential, local elections in 2009 are seen to be a crucial test for the country's democratic potential. “One is the political dialogue between the government and the opposition and here I would add the multi-ethnic relations and conduct of elections. Next spring we will have an important test with presidential and local elections”- he added.

Officially, the European Commission (EC) in November unveiled the report on Macedonia's progress made in the EU integration process throughout 2008. The report

highlighted that Macedonia has made progress especially in the sphere of economy, in judicial and police reforms, in its fight against corruption, in the Ohrid Agreement implementation and in visa liberalization. However, serious remarks are given for failing to meet the political criteria. Remarks, first and foremost, refer to the incidents, which occurred during the early parliamentary elections, the lack of constructive political dialogue amongst the major political parties and the Parliament boycott by some of the oppositional parties. EC, in the report, urges for the establishment of better and sustainable political dialogue. The report did not include a recommendation for date to start membership talks.

Given the judiciary, the report praises its institutional progress with recommendations for improving its independence, efficiency and human capacity. Positive evaluations are granted for the fight against corruption, however it points out that it remains a serious issue in the country. Therefore, a better coordination between the Ministry of Interior Affairs, Public Revenue Office, the prosecution office and other relevant bodies is recommended in tackling corruption. EC welcomes Macedonia's progress in meeting the economic criteria. The country marks a solid economic growth and improved business climate and is only a step towards becoming a functional market economy and in the mid-term it will be capable of facing EU's competitive pressure, the report notes, adding the main concern still rests in the mounting unemployment. Referring to economy, the report is also criticizing the imbalance between export and import.

The report, evaluates that a slight breakthrough was made in the public administration, noting that professional qualifications are not taken in consideration when appointments are made for high-ranking posts. The reforms in police are also positively evaluated, even though political influences are detected amongst law enforcement officials. EC pledges the prison condition to be improved and more effective probes to be carried out involving police conduct.

Considering the visa regime, EC ascertains that Macedonia has made headway in meeting the conditions in this sphere, especially with the application of biometric passports. Depending on the fulfilled conditions, EC could endorse visa abolishment throughout 2009.

In regard to the name row, the report suggests that "actions with unfavorable impact on the neighborly relations should be avoided and efforts towards finding mutual acceptable solution should be stepped up under UN mediation." Country's further progress towards EU could be possible as soon as the Copenhagen criteria are being met, together with the key priorities stemming from the Pre-Accession Partnership. Most importantly, the country needs to ensure free and fair elections and to enhance the dialogue amongst the crucial political parties and actors in order the institutions to function normally and the reform process to be accelerated, EC says.

The Government has already set up an action plan for meeting the Copenhagen Criteria, which will enable Macedonia to start the EU entry talks in the course of 2009. Announcements of the Czech Republic and Sweden - holders of the EU Presidency in

2009 - to set the Western Balkans Euro-integration as one of their priorities is in favor of Macedonia's aspirations.

## **2.6. Macedonia Anticipates Visa-Free Regime With EU in 2009**

Fact is that the existing agreement for easing the EU visa regime, which entered into force on January 1, 2008, has failed to produce the expected results, namely to simplify the visa issuing procedure for several categories of Macedonian citizens. Still, Macedonia has met all political and technical criteria, being the first country in the region to introduce biometric passports, establish National Visa Centre, implement the integrated border management system and score solid results in fighting corruption and crime. Macedonia has also harmonized its asylum, migration legislation with the EU standards. All of these justify the expectations for the EU to lift its visa barrier for the citizens of Macedonia. Meanwhile, Macedonia has annulled visas for the EU members, including the countries of its 'White Schengen List'.

“Macedonia has completed its obligations stemming from the roadmap on visa liberalization, which has been positively evaluated in the European Commission progress report on the matter. The country is a leader amongst the countries in the region, therefore it could be expected Macedonia to be the first to obtain visa liberalization in 2009, without waiting the other countries to meet their obligations” –has been said in the public debate organized by Parliament's Committee on European Affairs on topic "Into EU Without Visas", aiming at promoting Macedonia's ongoing achievements and opening a debate on the problems of the Macedonian citizens due to visa barriers with EU countries.

Vice Prime Minister in charge of European affairs Ivica Bocevski said citizens' free movement, "the idea behind uniting the European countries", should be made available to the countries from the region, including Macedonia. “It's absurd the citizens of Macedonia, who were able to move freely in East and West Europe when it was divided with the Berlin Wall, to face the Schengen regime after it was torn down”- he added. According to him, the country could neither threaten Europe's labor market, nor damage it. - It can only enable prompt progress of the country, free flow of ideas, experiences, while the citizens will be able to see what the European Union is really like. Bernard Valero, France's Ambassador to Macedonia, noted that Macedonia so far has made huge breakthrough regarding the visa liberalization, adding the country was on the right track to obtain visa free regime with EU. However, he refused to predict whether it would be enforced in the course of 2009.

## **2.7. Macedonia to Get 448,8 Million EUR From IPA funds in 2008-2012**

Macedonia will be able to use Euro 448,8 million within the EU Instrument for Pre-Accession Assistance (IPA<sup>6</sup>) in the next four years. The 2008-2012 Enlargement Strategy

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<sup>6</sup> IPA encompasses five components: rural development, transition and institution-building, cross-border cooperation, human resources development, and regional development. IPA funds are approved on the

and progress reports for candidate and aspirant countries, which the European Commission published on Wednesday, reads that Macedonia should obtain Euro 81,8 million in 2009, Euro 92,3 million in 2010, Euro 98,7 million in 2011 and Euro 105,8 million in 2012. According to EC data, Macedonia's available IPA funds in 2008 amount to Euro 70,2 million. Pertaining to the EU candidate-states, most IPA funds are envisaged for Turkey (Euro 3,44 billion), whereas Croatia will acquire Euro 769 million. The goal of IPA is to put the entire pre-accession assistance in a single framework for EU candidate countries - Macedonia, Croatia and Turkey, and aspirant states - Albania, B&H, Serbia and Montenegro.

## **2.8. EU Pre-Accession Funds not Used Sufficiently**

However, due to institutional inefficiency, Macedonia did not use about Euro 160 million of European pre-accession funds in 2007 and 2008. There are Euro 300 million at disposal up to 2013, but agencies for their realization are still not operational, because they are not accredited. "One of the prerequisites for use of EU funds is good preparation of the state administration and establishment of appropriate national agencies for supervision of funds' spending. Unfortunately, Macedonia has failed to accredit these bodies in the past year, so the funds still await and are not at disposal", said Anton Florijan Barisic from Croatia, European expert on local development, after the workshop "EU-Pre-Accession Funds-What Should We Really Do?".

Barisic stated that funds not spent in the current year cannot be used in the following, which is the biggest problem. "European funds foresee about Euro 460 million for Macedonia in period 2007-2013. According to him, the state should work intensively on creating the required institutional conditions, opening space for experts, who would provide assistance for more rational and efficient use of EU funds. "I appeal to institutions to get ready as soon as possible, enabling Macedonian companies to absorb EU funds. If Macedonia utilizes all funds, this would be a sufficient indicator on the standard increase and improvement of the general social-economic image", underlined the Croatian expert. Being an EU candidate-country, Macedonia has the right to use IPA funds through a number of operational programs, thus enabling the state to enhance its capacity in diverse segments. IPA includes five components - institutional development, border cooperation, infrastructure projects, human resources and rural development - but Macedonia currently uses only the first two.

## **3. POLICIES/EVENTS**

### **3.1. Agriculture Development**

In September Macedonia's IPARD Agency, which allocates EU funds to farmers, acquired a national accreditation, expecting to obtain "green light" from Brussels in the next eight months. The European Union's IPA Rural Development Program is aimed to contribute to the sustainable modernization of the agricultural sector (including

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basis of submitted projects in all five areas, whereas potential beneficiaries are state institutions, municipalities, universities, companies, farmers etc.

processing) through targeted investments, at the same time encouraging sustainable rural development and the improvement of EU acquis related to food safety, veterinary, phytosanitary, environmental or other standards as specified in the enlargement package.

### **3.2. Customs Novelties**

The Customs Administration of Macedonia launched a video-monitoring central system for controlling 22 border crossings and 18 internal customs houses. The surveillance mechanism consists of video-monitoring and automatic number plate recognition system based on IP communications. This project was mainly financed by Macedonia's budget and by a donation from European Commission's CARDS program.

### **3.3. Need for Prison Conditions Improvement**

The Ombudsman Ixhet Memeti and EU Ambassador Erwan Fouere stated that “prison conditions in Macedonia are extremely substandard”, so they both called upon the authorities to do everything in their power in order to address these problems. Mr.Fouere added that “the directors of the two prisons in Macedonia are doing their best, but are facing with lack of means”. It was announced that the cited shortcomings in relation to the prison conditions in Macedonia would be included in the forthcoming report by the European Commission.

### **3.4. Macedonian Courts Still Overburdened With Cases**

Over 10.574 old cases opened between 1990 and 2006 in the Macedonian basic courts are still unsolved. Most of them (4.111) are in the Basic Court Skopje 2, 964 in the Basic Court Skopje 1, 2.026 in Kumanovo and 856 in Bitola. Due to the mounting unsolved cases that present a negative image of the judiciary in Macedonia, Justice Minister Mihajlo Manevski at the meeting with presidents of the Supreme, Appellate Courts and those with extended jurisdiction urged for their resolution no later than June 2009.

### **3.5. Ohrid Framework Agreement Implementation**

Vice Premier responsible for the implementation of the Ohrid Framework Agreement Abdulakim Ademi held a meeting with US Ambassador to Macedonia Philip Reeker. It was discussed about the importance of the Framework Agreement implementation, and was received full support by the Ambassador for implementing the agreement and for Macedonia's integration process to NATO and EU. According to Mr.Ademi, the US-Macedonian cooperation was at significant level and it would be preserved regardless of who would win the coming US presidential elections. The US Ambassador said that the implementation of the Ohrid Accord was a top priority not only for Macedonia, but also for the entire international community, including the United States. “The implementation has to resume not only as a fact, but also spiritually. It is an essential element in strengthening the Macedonian democracy and in ensuring prosperity”, stated Reeker, adding the cooperation with the Macedonian Government would resume.

Ademi expressed assurance that the Government is ready to resolve all issues from the Framework Agreement. "The government regards Ohrid Framework Agreement as priority for further development of the country and is fully committed to successfully implement it as soon as possible. We assess the Framework Agreement implementation as a process that builds the system of the state"- he said pointing out that several activities for its implementation mainly in normative part have been undertaken. Ademi said that activities are undertaken for equal representation of minority communities in state institutions.

### **3.6. Leap in the Struggle Against Corruption**

Macedonia holds the 72nd place according to the level of corruption in the world, is said in the latest report of "Transparency International". The improvement is a result of the formal change of the laws and establishment of procedures, but still a lot of work has to be done in order to change the result. PM Nikola Gruevski commented the report saying that Macedonia actually made new jump of 13 positions leaving the other countries from the region behind. "Macedonia now holds the 72nd place compared to two years ago when it was on the 105th place. It is now on the same level with some European states, before the countries from the region like Montenegro, Serbia, Bosnia and Herzegovina, Albania, - some of them NATO`s member –states", - Gruevski stated. Macedonia in just two years jumped 34 positions on the list of the international organization which follows the condition with the fight against the corruption in total 180 states in the world. Last year Macedonia was ranked on the 84th place.

### **3.7. Progress Against Human Trafficking**

"Macedonia makes progress in the fight against human trafficking, but there is necessity for institutional protection of victims, increased efforts in revealing of cases, their processing before courts, as well as their resolution and sanctioning", - reads the conclusion at the public debate "Fight against Human Trafficking - Responsibility of Macedonian Society", organized by the Ministry of Labor and Social Policy. Pertaining to witness protection, Macedonia thus far institutionally took care of foreign nations, but victims-country nationals will also be taken into account in the next two years. Minister of Labor and Social Policy Xhelal Bajrami stressed in the introductory address that Macedonia has adopted a National Strategy, a National Program, as well as number of acts in dealing with this problem and its prevention. "In this context, one must emphasize the cooperation among all participants, including NGOs, which I would call fighters against this evil", said Minister Bajrami. He added that in line with the interest and efforts by the international community for joint action in prevention of human trafficking, as well as implementation of the National Program, the Ministry has intensified, upgraded and enlarged measures for prevention and protection of human trafficking victims, especially women and children.

### **3.8. Waste Management National Plan**

Ministry of Environment and Physical Planning and the Association of Units of Local Self-Government (ZELS) presented Wednesday the National Plan for Waste Management 2008-2014. Deputy-Environment Minister Sonja Lepitkova stressed that the

problem with waste should be resolved in an integrated way, as is the case in EU countries. Lepitkova believes it is important to observe the economic and spatial criteria for construction of a regional center for waste management in 2009, as well as close illegal dumps. "Waste management does not encompass only dealing with it, but also giving emphasis to the economic dimension, to use it in production of heating and electricity, as well as to serve as a renewable energy source", she added. In the next six years, centers for communal solid waste management should be established, regionally based on new or upgraded dumps for non-hazardous waste, closing of illegal dumps, along with improved collection of waste and transporting systems. The National Plan also contains possibilities for use of the Instrument for Pre-Accession Assistance (IPA) within the management of solid communal waste in Macedonia.

### **3.9. Global Gender Gap Report**

Macedonia ranks 53rd in the Global Gender Gap Report for 2008, drafted by the World Economic Forum, sliding down 18 places compared to 2007. Countries are ranked in line with several criteria that encompass economic participation and opportunity, educational attainment, political empowerment and health and survival. By contrast with other neighboring countries, Bulgaria (36), Croatia (46) and Slovenia (51) are higher on the list than Macedonia, whereas Greece (75), Albania (87) and Turkey (123) failed to make significant progress.

### **3.10. Government and GTZ Signed an Agreement on Implementation of Regional Economic Development Program**

A program for regional economic development will be implemented with the financial and technical support from the German Government through the German Association for Technical Cooperation (GTZ). "GTZ will provide Euro 2,8 million for the program's first stage up to December 2010", said Minister of Local Self-Government Musa Xhaferi on the occasion of signing the agreement for the program's implementation with GTZ director in Macedonia, Ulrike Gantzer-Sommer. The agreement should provide institutional, technical and financial support to institutions, which are competent for implementation of the equal regional development policy.

### **3.11. Implementation of the Law on Free Access to Public Information**

The Law on Free Access to Public Information is being implemented despite its shortcomings. Officials of the Justice Ministry, members of the Commission for Protection of Free Access to Information in cooperation with the NGO sector, will work on changing and supplementing the Law in an attempt to improve what has been achieved and to bolster its application in exercising democratic rights. This was concluded on occasion of the International Right to Know Day (Sept. 28). The Deputy Justice minister Ibrahim Ibrahimini saw the Law's implementation as the utmost importance in terms of overcoming anti-corruption activities and that a new page was opened in regard to accessing information owned by state organs, local self-government units and legal entities. According to him, the participation of NGOs should be dominant

especially in promoting the Law's changes, providing adequate training, informing the public on the right to use those information, etc.

## **4. ECONOMY**

### **4.1. Economic Trends**

Macedonia has shown a “decent” GDP growth in 2008, due to the resumption of economy's growth that began last year, which was the highest compared to previous years. As World Bank estimates, growth in Macedonia shall be about 5,5%, there are about 407,7 million EUR foreign investments in the country for the first eight months, but unfortunately the stock market index (MBI-10) fell for over 70%. The specialized consultant agency IDC Adriatics announced that the Macedonian IT market is the fastest growing market in 2007 among all other countries in South-East Europe.

In October, Macedonia's total public debt in the first half of 2008 has reduced by Euro 133,3 million, amounting 23.3 percent in regard to the GDP. According to a Finance Ministry report, the foreign public debt in December 2007 amounted to Euro 1,028 billion, registering a mild drop, reaching 1,020 billion EUR in June 2008. The domestic public debt in December 2007 was Euro 555,6 million, reducing to Euro 429,3 million by June 2008. Prices of industrial products August 2008, compared to the same month 2007, are 13.8 per cent higher. According to the data from the State Statistical Office, the increase is due to the increased prices in the energy group for 17.9 per cent, the capital products for 2.7 per cent, permanent products for wide consumption for 3.3 per cent and the group of non-permanent products for wide consumption for 5.3 per cent.

Macedonia's trade deficit more than doubled to \$1.758 billion (1.299 billion euro) in the January-July period while until October 2008 has reached 2,48 billion USD. The country's exports totaled \$2.489 billion in the first seven months of the year, while imports were worth \$4.247 billion through July. Jovan Pejkovski, an economics professor at the Skopje-based American College, said the trade deficit should not be allowed to remain high for a long period, but has to be balanced, with increasing exports and more foreign inflows. “The exports must rise to narrow the trade gap, which implies finding new markets”, the professor said, stressing it is important the gap be analyzed in correlation with the total balance of payments.

Investment in infrastructure, in spite of the verbal affirmation of the policy, did not achieve a dynamic growth in 2008. Currently, the highway section Tabanovce-Kumanovo (7.6 km length) is under construction, which is a part of the Corridor 10. In October, the Ministry of Transport and Communications informed the public that the Government has approved its application requiring funds from EC-European Commission's pre-accession assistance for investments in the transport infrastructure. The funds amount to Euro 24,7 million and are intended for financing the construction of a highway on Demir Kapija-Smokvica section on national road M-1 (E-75), as part of the Pan-European Corridor 10. By realizing the envisaged project, the part of the Corridor 10 passing through Macedonia will be fully completed. For next year, Macedonia has



planned 40 million EUR only, hoping for a loan of 70 million EUR from World Bank for building and/or reconstruction of local roads. From an energetic point of view, the country delayed all the projects that have been planned for quite some time.

Minister of Transport and Communications Mile Janakieski and Chief Executive Officer of Turkish company "TAV", Mustafa Sani Sener in September signed an agreement for concession of Skopje and Ohrid airports in the next 20 years, along with the commitment on construction of a new cargo airport in Stip. Besides modern airports, the state expects budget revenues of Euro 30-40 million from the concession agreement. The Transport Minister expects an increase of the current annual number of 500,000 passengers to 2-3 million. The Turkish company is to invest Euro 200 million in the first three years. Still, due to the worldwide economic crisis, the Turkish company asked for postponement of the project initiation until August 2009.

Among the heaviest challenges for the Macedonian economy in 2009 shall be:

- slowing down of the economic growth, which is expected to be about 4% next year, due to fall of exports, decrease of domestic and foreign investments and decrease of personal expenditures
- inflation decrease to 2,5% up to 3%, due to the oil and food prices, but also due to decrease of household expenditures
- fall of exports especially in the metallurgy and textile industry, due to demand decrease
- growth of foreign trade deficit, more pressure on the domestic currency
- postponement of agreed foreign investments, for which memorandums of understanding have been signed
- decrease of domestic investments due to more difficult bank financing (loans)
- reform slowdown due to upcoming spring local and presidential elections
- firing of many workers from the textile, leather and metal industry, especially in the first quarter of 2009

However, the Macedonian Central Bank is determined that the denar's stability shall not be questioned.

#### **4.2. Government of Macedonia-IMF Relations**

“Macedonia in the future will cooperate with the International Monetary Fund-IMF in a manner deemed most suitable by the Government”, agreed in September the Minister of Finance Trajko Slaveski and the head of the IMF Mission Mark Griffiths. Following week-long talks in the country, the IMF mission has concluded that excellent results were shown, the economy experienced a strong growth – about 5% in 2007 and 2008. “Two-digit growth of the industrial production was achieved, the number of investments increased, there's mounting workforce offer and there's room for this accelerated growth to resume”, estimated Griffiths, also warning of a certain sensitivity that could endanger growth's sustainability, such as the high inflation rate. He said the Mission considered the relaxation plans for the fiscal policy should be re-inspected. Budget's rebalance this year encompasses significant boost of state expenditures, which will increase the inflation,

especially the deficit of the payment balance account. Taking into consideration that a significant growth has been accomplished this year, the Mission advised the income's surplus to be saved and emphasis to be put on the need of public investments in education and infrastructure. Considering the monetary policy, IMF said there was room for Macedonia to be cautious. "Structural reforms are the safest way towards sustainable economic growth. The Government made a significant breakthrough in improving the business climate by attracting foreign investments and cutting down workforce taxes, so these measures will bolster the employment rate and contribute to increasing the potential growth rate in Macedonia."- Mr.Griffits said.

#### **4.3. Positive Trends in Macedonian Banks**

The total assets of Macedonia's banking system in mid-2008 has amounted to Denar 241,1 billion, which is a 7,8% increase compared to late 2007. This is pointed out in a report drafted by the Council of the National Bank of Macedonia (NBRM). NBRM at its Thursday's session concluded that the banking system in Macedonia in the first six months of this year resumed to develop rapidly and managed to maintain the stability and resistance towards external factors. The main driving force that triggered banks' assets to grow were the deposits of non-financial subjects. The trend of accelerated credit activity of the banks continued with greater intensity in the first six months of 2008. Hence, the total credits of non-financial subjects marked a 19,5% growth. The credits of the population increased most rapidly with a six-month rate of 22,3%. NBRM estimates that despite the significant growth of banks' total activities, their solvency is relatively high, whereas the credit risk has started to slightly diminish.

Skopje-based Investbanka is bought by Austria's Steiermarkische Bank und Sparkassen AG. The new owner promised development, new products, services and employments. "We are a serious bank and use to make long term investments. We are glad that Investbanka has joined our family. Our initial analysis has shown that we are dealing with a stable bank that offers opportunities for further development, ..this is the first Austrian bank that enters Macedonia, and the move is a result of the country geo-political status - a candidate for EU membership and one of the 10 best reformers", Mr. Kerber stated at the press conference.

In the light of the worldwide economic crisis, the Governor of National Bank of Macedonia, Petar Gosev Minister of Finance stressed that Macedonia may suffer indirect damage, which would mean less demand for exports. There will be harder terms for using credit lines, since the interest rates will go up. But same as always, the banks do not use foreign credit lines much, since they have been living off deposits- he explains. The financial expert and professor at the American College, Tome Nenovski, says it is real luck that the Macedonian economy is a minor player on the world market and is not involved in the world securities market. The Macedonian banks are also unaffected by the shakes on the world securities market since they have most traded on the world stocks. According to Nenovski, banks may suffer damage should the banks in which they save their deposits declare bankruptcy.

#### **4.4. SDSM Criticizes the Government on the Economic Policies**

Acting SDSM President Zoran Zaev on the debate on the subject “The global financial crisis – consequences for Macedonia” suggested: cancellation of the tax on the capital gain for the investors, cheaper electricity for the metallurgy that participates with 50 percents in the export of the country, subventioning the transport expenses for the exporters and reallocation of the non – productive budget expenditures via employment, as ideas for surpassing the global financial crisis. “The increase of the illiquidity, cancelled export deals, lack of current assets, temporarily ceasure of the work and dismissal from work of over 1500 employees are just some of the consequences that the Macedonian economy is feeling from the global crisis” - he said. According to him, the fall of the stock exchange index, no-taking of the loans from other banks by the business banks, the non – approval of loans and withdrawal of the deposits from the citizens are some of the indicators that announce that Macedonia too suffers the consequences from the world financial crisis. The government must undertake all the measures in order to protect itself, as well as all of the stabile economies in our surrounding and in the EU.

### **5. HEADLINES**

#### **5.1. Courts Finally Decide on Election Attacks**

In October Agim Krasniki (see previous Barometers) has been sentenced Monday to a six-year imprisonment for grouping to commit crime, and possessing weapons on June 1<sup>st</sup> - the day of early parliamentary elections in Macedonia. The Court ruled that Krasniki and his group attacked the security of citizens and society and contributed to the negative opinion of the international public on the course of election process. Six members of Krasniki's group also got six-year imprisonment, while two were sentenced to five years and three months in jail. Last year, Krasniki was acquitted of charges for masterminding terrorist activities.

#### **5.2. First 100 days of the New Government - Macedonian Government Reforms Estimations**

The Government has realized over 90% of the promised in the program with which it gained the confidence from the citizens. The planned 183 projects and measures and additional 11 projects have been accomplished and already started activities in the reforms in many spheres are intensified, PM Nikola Gruevski stated, addressing the fulfilled government’s promises since formation of the Government’s cabinet 100 days ago. PM said that in the past 100 days the Government worked everyday and committed to resolving citizens’ problems and development of the country and he said that he would not allow losing their confidence.

Gruevski listed non-realized activities calculating that they amount 10% of what was promised and admitted that the Government made mistakes, which were not strategic. PM Nikola Gruevski assessed that Macedonia made significant progress in meeting the 8 benchmarks for country’s EU integration and that the ministers carried out intensive

diplomatic activity. He addressed the results in the fight against corruption and crime, pointing out the "Ashes" operation (against the tobacco mafia) and the accomplished progress for 12 positions at Transparency International's list for fight against corruption.

### **5.3. Macedonian Policy Towards Kosovo Independence Status**

At the beginning of October, Macedonia's Government in coordination with Montenegro's Government, decided to recognize Kosovo as an independent country. This move was a result of careful political assessment and was based on conclusions adopted by the EU General Affairs and External Relations Council on February 12, 2007 and February 18, 2008, as well as on decisions made by the European Council on December 14, 2007- the Governments of both countries said in joint statement. Macedonia and Montenegro have consistently supported the process of negotiations between Belgrade and Pristina, and they consider the plan of UN Special Envoy for the Kosovo Status Settlement to be a good foundation for finding solution that would contribute to permanent stability and to the new European and Euro-Atlantic perspective of the region. The declaration of independence of Kosovo came after the failure of the international community efforts for Belgrade and Pristina negotiations to result in solution for Kosovo status. By recognizing Kosovo, Macedonia and Montenegro joined the list of 50 countries, including the US, Britain, France, Germany, Austria, Japan, Italy

Foreign Minister Antonio Milososki at a press conference stated that diplomatic relations with Kosovo will be established soon, along with signing of an agreement by the Macedonian and Kosovo Governments. "I believe this step will have a positive effect on regional developments. This decision is not aimed at a third state and we expect Belgrade's understanding, although we are aware that their position regarding this issue drastically differs from the positions of 50 countries worldwide. Republic of Macedonia has a rich cultural, historic and commercial cooperation tradition with Republic of Serbia, something which we want to preserve at a high level in the future", he stressed.

After Podgorica and Skopje recognized Kosovo Albanians' unilateral declaration of independence, Belgrade expelled their ambassadors. But Tadic explained that it did not in fact lower the level of the diplomatic relations. Prime Minister Gruevski commenting to the Kosovo recognition, stressed the step was made taking into account state interests. "I am aware that this has caused negative emotions among certain people and this is understandable. However, being Prime Minister and the Government in general, we have a lot more information and analyses, so taking into consideration all these information and analyses, it is in the interest of Macedonia to take this step", - he underlined, adding he does not expect escalation of Macedonian-Serbian relations.

"Macedonian Ministry of Foreign Affairs (MoFA) will respect the decision of Serbian authorities on declaring the Macedonian Ambassador in Belgrade, Aleksandar Vasilevski, as "persona non grata". However, we think that the decision is inappropriate and rushed, considering that the two countries have been nourishing good relations thus far, MoFA spokesman Petar Culev said Friday in a press release. "The move may also be considered as an asymmetrical approach of Serbia's foreign policy to neighboring countries that recognized Kosovo, for example Belgrade did not expel the Ambassadors

of Croatia, Bulgaria and Hungary. Nevertheless, the Serbian Ambassador is welcomed in Skopje to perform his duty and may count on the full cooperation with all state institutions. We fully understand Serbia's current position, but also believe that if Serbia was in same situation as Macedonia, having both Belgrade and Pristina as immediate neighbors, it would have made the decision on recognition much earlier",- the press release reads.

Followed Boris Tadic's message that Macedonia and Montenegro should appoint new ambassadors to Serbia. This message was considered by President Branko Crvenkovski as an opportunity to speed up the process of normalizing the countries' ties and "it should be welcomed and utilized." President Crvenkovski called on the Government of Macedonia in compliance with the law to start its consultations with the President for appointing new Macedonian ambassador to Serbia.

Previously, the process of demarcation of the Macedonia-Kosovo border was progressing in a constructive spirit and in accordance with the work plan. This was concluded by the Joint Technical Commission for demarcation of the border between Macedonia and Kosovo. During the meeting, both commissions adopted and signed the minutes from the previous meeting held in Skopje on 7<sup>th</sup> October 2008, as well as the protocol for the placement of the main border pillars throughout the entire border between Kosovo and Macedonia.

However, as some media reported, masked gunmen on the border with Kosovo, began to remove the stone markers laid some time ago on the borderline. For the incident, interior Minister Gordana Jankuloska stated: "We're not talking about a more serious incident, while on the Macedonian side of the border there are no damages at all. Still, given the high importance of the demarcation process, the event remains in the focus of our attention, even though generally it doesn't influence the Kosovo border demarcation process". She noted that an additional investigation has been carried out at the Macedonian side of the border, but no damages of the stone markers have been found. Later, Jankulovska stated that two persons have been already arrested in connection with the incident involving the removal of one of the stone markers laid on the Macedonian border towards Kosovo, while the case has been submitted to judicial organs.

"Kosovo recognizes Macedonia under its constitutional name, and Pristina will recognize its neighbor under the name Macedonia", said to BBC the Kosovo Foreign Minister Skender Hyseni. "The name Macedonia is not a topic for Kosovo. This means that Kosovo accepts Macedonia under the name it has chosen", he added.

#### **5.4. Amending the Macedonian Constitution and Election Codex, Voting the New SEC**

The initiative of the Government regarding amendments of the Constitution, which would enable the President of the State to be elected without consensus in the second cycle came very surprising for the both the ruling DUI and the oppositional SDSM and DPA. According to the Constitution, in the second cycle of elections, is elected candidate with majority of votes, if more than half of the electors voted. Leaders of the four greatest parties met and discussed about how the Chief of the State would be elected. Justifying

the idea for amending this article as an effort to disrupt the bad tradition of filling boxes and other electoral irregularities, the Prime Minister announced that he will suggest a lower turnout condition for the second round of election, in order the winning candidate to be legitimately elected. “We want Macedonia to have successful elections no matter who will win. If opposite, according to the Constitution, the President of the Assembly will undertake the role of President of the State and competitions will be signed with uncertainty whether the same is going to happen once again. There is no need of getting in such political crisis, in spending money, in new defocusing” – Gruevski announced. Finally all parties agreed that the provision will change, by lowering the requested nationwide turnout from 50% to 40%.

Leaders of four largest parliamentary parties also focused on issues related to the changes in the Election Codex. The meeting is attended by VMRO-DPMNE leader Nikola Gruevski, Ali Ahmeti-DUI, Zoran Zaev-SDSM, and Menduh Thaci-DPA, as well as Justice Minister Mihajlo Manevski.

As a result of that, 85 members of Macedonia's Parliament voted in favor and six against the draft-law on changing and supplementing the Election Codex. “Changes and supplements to the Election Codex will set a solid base for proper elections, but regulations cannot have significant influence without sufficient legal, political culture and will for their application”, Justice Minister Mihajlo Manevski told the Parliament. By adopting the changes, Macedonia will send a good message to Europe and above all to its citizens, Manevski said. “Proposed changes will prevent undesired developments and advance the electoral process, he said, pointing out that citizens must not be held hostages by individuals or groups that violate the fundamental human rights - the freedom of choice and democratic elections. He also emphasized that substantial changes and novelties have been incorporated in the Codex in line with the OSCE recommendations. The changes which were agreed with a consensus between the country's leaders, regulate the voting procedure of Macedonian citizens who are temporarily residing abroad. This novelty of the code will be applied at the forthcoming parliamentary elections. A special emphasis in the changes is put regarding the financing of an election campaign. Changes were made in terms of protecting legal mechanism from illegal financing of election campaigns, defining campaign's start and termination in order the political activities prior to official start of a campaign to be monitored by the Broadcasting Council. The code's novelties also envisage that the Broadcasting Council is bound to enact a program for equal media representation during the election campaign.

March 15 of 2009 is being confirmed as date for the local and presidential elections. Parliament within its 31st session in November passed the decision on enunciating an election of a chairperson, deputy and members of the State Election Commission (SEC). Its reorganization comes as a result of the adopted Electoral Code amendments, which were previously agreed with a consensus by the four major parliamentary parties. The Electoral Code envisaged the opposition to propose a chairperson and two SEC members and the ruling parties to nominate a deputy-chairperson and three members. The amendments, amongst other things, foresee some of Justice Ministry's jurisdictions in connection to election activities to be taken over by SEC.

## **5.5. USA Policy Towards Macedonia – What to Expect?**

“New US President Barack Obama will nourish friendly relations with Macedonia”, former State Secretary Lawrence Eagleburger told Macedonian national TV program “People's Voice”. We wish to support your country to soon join NATO. I am aware that it will not happen immediately, but our politicians will work in yours, Macedonia's favor, Eagleburger said. He considers the Greek policy towards Macedonia as ridiculous and incorrect. “There is no reason to be hard when dealing with such simple issue as the name of your country. Greece's moves are wrong, something that other NATO members should understand. The US will try to persuade Greece”, he said. Similarly, US State Department Deputy Spokesman Robert Wood stated that new US administration would be briefed in detail on number of issues, including the Balkans. He also said that “The US doesn't expect any change of the Balkan borders in the future”.

“After Barack Obama won the US presidential election, no change in the US policy towards Macedonia is expected, including the position towards the recognition of Macedonia's constitutional name. However, the incoming administration will not spend so much energy as the one run by George Bush in settling the name row with Greece, stated Daniel Serwer, an expert with the United States Institute for Peace. “The US have recognized the constitutional name of Macedonia and I expect this policy to resume, said Serwer.

According to him, the debates now will be focused on finding a compromise to the dispute. Hence, Macedonia will be under great pressure to accept some kind of adjective to the name. Despite the fact that Obama, during his mandate as senator, signed several pro-Greek resolutions, Serwer believes USA will preserve its position on the name, unless Macedonia decides to change it. He also deems there won't be any drastic changes in the US policy towards the Balkans. “USA is clearly pointing out that it wants Europe to assume the leading role in the Balkans”, he comments.

On the subject of Balkan politics, interesting is The Times article that comments: Obama should decide whether to include the Balkans in his priorities, meaning swift NATO accession for Macedonia. The newspaper says that US President-elect Barack Obama should decide whether he will follow the Bush line and keep the NATO door open, even for Georgia and Ukraine, or he will reconsider priorities, focusing perhaps on ensuring that stability in the Balkans moves higher up the agenda. This would mean getting Macedonia (although there are still rows over its name) swiftly into the alliance and brokering an end to the interminable impasse between Greece and Turkey over Cyprus.

## **5.6. PM Gruevski meets SSM representatives**

The Federation of Trade Unions of Macedonia (SSM) organized protests in November, to demonstrate the workers' dissatisfaction with the latest amendments to the Labor Law, the non-functional social dialogue, the poor living standard and inconsistent implementation of the law on unemployment insurance for workers that lost their jobs

due to the privatization process in the period 2000-2004. SSM called for urgent annulment of the recent amendments to the Labor Law, and adoption of changes to the Law on Pension and Disability Insurance. SSM also demanded a law on the minimal salary, the working experience (35 years for women and 40 for men) to be considered as a retirement standard along with the age, and to take appropriate measures against the tendency of rising prices of the basic food products. SSM representatives and the governmental team, including Prime Minister Nikola Gruevski and ministers of the economic sector, reviewed the demands of SSM. However, the Government holds to its position that the new (labor) law has been tailored in conformity with the European standards and aims at improving the business climate. For SSM, the law violates numerous conventions of the International Labor Organization. In December, for similar reasons followed a massive strike of the workers of the field of education and culture.

### **5.7. Passing of Laws on a Shortened Procedure- Again**

PM Nikola Gruevski elaborated that the Government has submitted laws that need to be adopted in a shortened procedure by the Parliament, since they are included in the package of measures on tackling the consequences caused by the global crisis, as well as laws in relation to the gross salary process. He stated that the laws within the economic sphere aim to alleviate the consequences of the global economic crisis that are making way into Macedonia, so that was the reason why they need to be adopted in a shortened procedure. The second group of laws is related to gross salaries, which in fact is related to the start of 2009.

### **5.8. State Budget Submitted to the Assembly**

Finance Minister Trajko Slaveski in November officially submitted the 2009 Draft Budget to Parliament President Trajko Veljanovski. Handing over the budget, FM Slaveski said that Macedonia received the most voluminous budget so far of 2.7 billion euros. He stressed that next year's fiscal policy is aimed at resuming the restrictive budget consumption through drastic reduction of non-productive expenditures, on the account of intensifying productive investments in projects of strategic significance for the country, as the only way in coping with possible consequences from global economic crisis and recession. The revenues are planned to Denar 153.21 billion and budget deficit is at the level of 2.8% in relation to the planned GDP. According to projections, more resources for 2009 are foreseen for capital investments in road and railway infrastructure, energy, education, culture, information society and restrictive spending is foreseen in certain points that are non-productive, such as commodities and services. Tax revenues encompass 59 percent of total revenues, which represents a 9.3 percent increase. Pertaining to projections on other macroeconomic indicators, Slaveski said the initiated trend of high economic growth rates is expected to continue, with a real GDP growth of 5.5 percent and annual inflation at 3.5 percent. The projected deficit would be financed through foreign indebtedness, including World Bank loans, domestic indebtedness through issuing of state bonds and other forms of indebtedness.



According to FM Slaveski reforms in the social sphere should reduce the unemployment rate to 31.5 percent in 2009. The amount of over one billion euros is separated for social benefits for the unemployed persons, transfers to funds for pension and health insurance and the Employment Agency in the draft-budget for 2009. This figure is around 60 million euros more than this year. If we take into consideration that for salaries and compensations of the Budget around 407 million euros will be separated it turns out that half of the budget is intended for social expenditures, not in developmental purposes. Parliament at its 41st session in December passed the 2009 Budget with 64 votes in favour and nine against.

### **5.9. President Crvenkovski Delivers Annual Parliament Address**

In December, President Branko Crvenkovski delivered his annual address before Parliament deputies. "Faster and more successful realization of Euro-Atlantic perspectives must be our top priority. Unfortunately, we faced disappointment and unfulfilled expectations in this regard in 2008 - Macedonia did not obtain the expected invitation for full-fledged membership at the NATO Summit in Bucharest, whereas the European Commission Progress Report did not recommend the start of EU accession talks", said Crvenkovski.

According to him, this is a result of external factors, which Macedonia could not influence, but also domestic mistakes."Macedonia met all criteria and standards for NATO accession, which was confirmed by all Alliance members, including the Republic of Greece. The only reason why we did not obtain the invitation is Greece's rigid stance and its lack of readiness neither to accept the offered compromise solution, nor respect the 1995 Interim Accord. Our southern neighbor flagrantly abused its position of a member-state and the principle of mutual solidarity within the Alliance. However, we must cope with the new post-Bucharest reality, also taking into consideration the fact that international relations, besides the fair principles and legal norms, also include interests and proportion of powers, which can be decisive quite often", stressed President Crvenkovski.

He reminded on the inclination of the outgoing U.S. administration towards Macedonia's NATO integration, and its assistance in resolution of the name dispute. "Never in our history as a nation or state we have experienced such open and sincere support from an influential international factor as the one given by the most powerful country in the world - USA", added Crvenkovski.

He also assessed that the decision to hold early parliamentary elections in June was wrong, since precious time was lost.

Regarding the name issue, President Crvenkovski stated that UN mediator Matthew Nimetz tabled a new set of ideas for the row settlement in October, where certain solutions were acceptable for Macedonia, adding that the return to the "double formula" as official position was a mistake.

Pertaining to Macedonia's proceedings against Greece before the International Court of Justice, Crvenkovski believes it is a legitimate procedure, but the crucial issue is whether it is useful, does it bring the country closer or farther from NATO and EU accession. "Even if the judgment benefits Macedonia, there is no efficient mechanism that would make Greece implement the Court's decision", emphasized Crvenkovski. According to him, there won't be any real talks for resolution of the name issue for a longer period, meaning no membership in Euro-Atlantic institutions. "The basic reason for this is Greece's rigid position, i.e. violation of international legal principles and basic democratic values", said President Crvenkovski.

### **5.10. Comments on President Crvenkovski' Annual Address at Parliament**

«Today's address of President Branko Crvenkovski to MPs is a déjà vu experience for the ruling parties, pure political opportunism and populism, a pre-election speech of an opposition politician, while for the opposition ones a realistic reflection of the situation in the country with correct diagnose of the weaknesses and directions for their surpassing. Macedonian public for 17 years has been listening these stories, supported exclusively by a politics of pure careerism and political opportunism. Today' address is a classical definition of populism by living and tailoring a politics based on the fears of citizens, not on dealing with genuine challenges«, reacted Vice-Premier for European Affairs Ivica Bocevski.

Xhevad Ademi, member of the Democratic Union for Integration (DUI) – partner of the ruling coalition, said the President's address was realistic, as this year was not good. He also wished for Macedonia to realize its EU and NATO aspirations in 2009. The opposition social democrats consider that the President's speech was realistic, showing the one and only road Macedonia should take to survive and prosper.

## **6. PARTY DEVELOPMENTS**

### **6.1. SDSM New Acting President**

Strumica mayor and SDSM vice-president Zoran Zaev was elected as acting president at the party's 8th Congress in September. Zaev got abolition by President Crvenkovski for the acts he was accused (see previous Barometers) and he will lead SDSM up to May 2009, when current country's President Branko Crvenkovski returns to the helm. The Central Board unanimously supported the proposal that Crvenkovski returns to the post. "Together with my team, I intend to create an atmosphere where we would not feign unity. I will lead the party in the spirit of daily unity",... "We show our love for Macedonia through our acts. The country does not need declarative love, but one confirmed by actions" Zaev said. He succeeds Radmila Sekerinska, who resigned in June following the party's defeat at the early parliamentary elections.

### **6.2. Former Health Minister Formed a New Party**

DPA prominent member and former minister of health Imer Selmani decided to leave the party and form one on his own. The new political entity that has been formed in October having the ambition to attract ethnic Albanian votes is called New Democracy. Estimation are that Mr.Selmani shall be able to create a successful party, due to his modern image and contemporary approach to many of the current issues the country is facing. He stated that New Democracy is seen as a project that answers Albanians' need for a political alternative that will present values. The party shall serve as a solution to many questions, not only for Albanians in Macedonia but also for other communities that live in the country. He thinks that DPA and DUI sparked conflicts inside the Albanian community or conflict between the Albanians and the other communities. Therefore New Democracy shall be a party for those who had no chance in the existing parties – intellectuals, professors, businessmen, students and ordinary people who have not identified with the DPA and DUI. New Democracy fully respects the Ohrid Framework Agreement. Also, on the “name issue” that the question of identity and the name dispute are two separate issues. Therefore, the solution for the political elites is to find a compromise with Greece without touching the integrity or the identity of the ethnic Macedonians.

## **7. PUBLIC OPINION POLLS**

According to public opinion telephone poll carried out by the Institute for Democracy in cooperation with the Ministry of Foreign Affairs from September 7-10 this year, citizens of Macedonia think that the name of the country should not change because of NATO accession. However, the accession of Macedonia to NATO is supported by 85.2% of the Macedonian citizens, but staggering 69.9% refuse change of the name for alliance membership. When asked what would be the most positive effect of the NATO accession, 19.2% of respondents said the country's stability would be enhanced, while 16.1% believe economy would develop. About 45% of respondents have not changed their position on NATO after the Bucharest summit, 12.8% altered their stance for the worse, whereas 21.3 percent for the better. Moreover, when asked which country is Macedonia's largest supporter for NATO entry, 61.4% said the USA, 22.3% did not have a concrete answer, 8.4%-Slovenia, and 4.8% mentioned Turkey. The survey covered total of 1,113 respondents on a representative sample. Some 23% of the respondents declared that Macedonia should change the name to join NATO, and 7.6% did not reply.

About 29% of Macedonian citizens expect resolution of the name dispute with Greece after a few years, whereas 23% believe the name row will never be resolved, show results of telephone poll that Skopje agency "Rating" carried out for magazine "Forum" in period September 12-14. Name "Republic of Northern Macedonia" is not acceptable for over two-thirds of citizens, whereas 46% of respondents say the Government is not to blame for the name row standstill. About 43% believe Macedonia moves in the right direction, two-thirds have confidence in Prime Minister Nikola Gruevski, and twice less in President Branko Crvenkovski. Unlike ethnic Macedonians, 45% of ethnic Albanians assess that the country moves in the wrong direction. About 53% of ethnic Albanians accept name "Northern Macedonia", whereas 62% claim the Government is to blame for the name row standstill.

If elections are to be held tomorrow, the ruling VMRO-DPMNE would win 38% of the citizens' votes, SDSM - 9%; DUI - 12%; DPA-5%; New Democracy - 1%, according to a poll of the International Republican Institute (IRI). The public opinion research, conducted on September 12-17, included 1,108 respondents. Sixty one percent of respondents said Prime Minister Nikola Gruevski deserved to be re-elected against 27%. For 32% Gruevski is the favorite politician, followed by Ali Ahmeti - 7%; Branko Crvenkovski - 6 %, Imer Selmani & Arben Xhaferi - per 3%; 27% favor nobody.

Grading the parties from 1-5, citizens gave 3,26 to VMRO-DPMNE; 2,2 - SDSM; 2,03 - DUI; 1,94 - LDP; and 1,7 - DPA. The grades for institutions are: Government - 3,15; President - 2,46; Prime Minister - 3,43; Opposition - 2,1 and Parliament - 2,56. Media got 3,27. Vast majority of 90% supported Macedonia's NATO membership and 93% of respondents favored the country' EU membership.

Fifty percent of Macedonians at the age of 15-74 have used computers in the first quarter of 2008, 41.5% had access the Internet, whereas 78.7% used mobile phones, said the State Statistical Office in October. Compared to the same period in 2007, the computer use has increased by 9.1%, Internet-11.8% and mobile phones-11%. According to data, 45.6% of households in Macedonia used computers in the first half of 2008, and 29.4% had access to Internet at home. Broadband Internet was available to 78.6% of households having Internet access, which represents a 34.9% increase from the same period last year. ADSL technologies were most represented, used by 39.5% of households.

## **8. FUTURE POSSIBLE DEVELOPMENTS**

The year 2008 will be generally remembered for the disappointment of the Republic of Macedonia in Bucharest, the first Parliament's dissolution and early elections, the failed attempts for resolving the »name dispute«, and finally the European Commission's report on Macedonia's progress towards the EU. Fact is that in 2008 Macedonia was put farther from the EU integration processes, partly by its own fault, but also due to the Greek pressure and Brussels reserved stance. As a logical continuation of this year's events and situations, next year is expected:

1. Name row with Greece shall remain status quo for most of the next year, although negotiations may resume
2. Possible NATO membership status and/or some progress in the EU integration process (launching EU entry talks), if there is an agreement reached for the "name issue"
3. Introduction of free visa regime, which if does not occur shall bring enormous disappointment among Macedonian citizens
4. The country shall have to put a lot of efforts in organizing free and fair elections in spring, without the problems the country faced last time; if the contrary occurs, the country shall find hard time persuading EU that is able to get a negotiating date in 2009

5. There will be more than evident economic difficulties that will be a result of the global economic crisis
6. The whole political climate shall start to prepare itself for next year's local and presidential elections; may happen that some parties may use or abuse some current issues (perhaps induce some interethnic uneasiness) in order to capitalize in the next elections
7. There may be some uneasiness in Macedonia as a result of possible undesired situations regarding Kosovo and its status (possible territorial division, etc)