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The second half of 2012 was not a period that could be said that important policy and national issues remained simmering under the surface. On the contrary, political expressions of the positions and action coming from various political actors had their articulation either publicly, on the streets as a manifestation of demonstrating political will, revolt, strike, or at the state institutions as is the Assembly of the Republic of Macedonia. It is the legislature the place where seriously upsetting events took place at the very year-end which will have deep consequences in the political life of the country during the whole of 2013 and beyond. Local elections are due to take place in March 2013 but it will be no surprise if Macedonia has early national elections as well. The "name issue" again apparently showed no significant political developments, but media indicate that in 2013 there may be finally seen a breakthrough, if Nimetz's suggestions would finally become a point of agreement. Still, the issue demands favorable climate and timing for reaching a common agreement in both Greece and Macedonia, preconditions that were not met so far.

1. DEVELOPMENTS ON THE "NAME ISSUE"

1.1. New Greek Government - Old Name Barriers

"We closely monitor developments in Greece and we expect what all others do from Greece - responsible behavior over undertaken commitments", President Gjorge Ivanov told journalists in June regarding the room for talks on the name issue after the parliamentary elections in Greece. "Greece has commitments to Macedonia through the Interim Accord, in the framework of the United Nations and in context of the International Court of Justice ruling. If it conducts in a responsible manner, a solution is possible. Greece needs to accept this new reality called "The Republic of Macedonia", where Macedonians live, speaking the Macedonian language. The Greeks are still living with a view from the 19th century: they have created this myth of their existence, from a time when you couldn't check the facts, when there was no Internet, and they are still trapped by the perception that they have created themselves", Ivanov said, adding that he expected the new government in Greece to respect the reality and to be open for cooperation. Similarly, Prime Minister Nikola Gruevski welcomed the formation of the new government in Greece in June. He said he expected the government to be committed to resolving the name dispute and to stop using the financial crisis as an alibi in the process.

The stagnation in the Macedonia-Greece name talks will last, Heinz-Juergen Axt, professor at the Jean Monnet Department within the Duisburg-Essen University and Balkan connoisseur, told Deutsche Welle in June, while expressing skepticism over EU undertaking an initiative to overcome such a situation. According to him, the victory of Samaras' New Democracy may prevent the Euro's break-up, but it will surely not mark the end of the 20-year-long name row. On the contrary, taking into consideration the situation Greece is in, it is not

excluded that the name problem is literally "set in concrete". He does not believe that EU, being preoccupied with its own problems, would launch an initiative over the name issue. "I fear that the solution could take not months or a year, but years! This comes as a result of several circumstances. First of all, Greece is incapable regarding foreign affairs issues due to the financial crisis. Secondly, the European Union and euro-zone partners deal exclusively with issues related to the euro. Thirdly, an increasing number of states will ask to be included under the euro umbrella. Taking all of this into account, I am quite skeptical that the EU would produce an initiative that is necessary in order to overcome the stagnation in the name talks", says professor Axt.

1.2. Bulgaria not Agreeing on Name "Northern Macedonia"

Speaking about the "name issue", Bulgarian Prime Minister Boyko Borisov stated that Sofia does not agree that Macedonia's name has a geographic identifier as possible solution to the Skopje-Athens name row, since it would provoke territorial pretensions towards Bulgaria. According to him, options such as "Northern Macedonia" are absolutely unacceptable, since from a geographical point of view, it includes parts of Bulgaria and can thus cause territorial pretensions. In contradiction to this position, Macedonian Prime Minister Nikola Gruevski welcomed another statement by PM Borisov where it was said that Macedonia should become NATO member.

1.3. Joseph Daul: Name Problem is Necessary to be Resolved Immediately

Addressing the General Assembly of the International Pan-Europa Union in Strasbourg in June, French MEP Joseph Daul, and Chairman of the Group of the European People's Parties in his address stated that "We cannot block Macedonia's admission in the EU only because of the name issue". Later in the statement for Deutsche Welle seeked the name problem to be immediately resolved: "If the name problem is not resolved prior to start of EU talks, during the talks we will always face with this problem and we will excuse ourselves that because of it we cannot go forward. That's why I wish this problem to be resolved immediately. Europe now should present its position as the EU-Macedonia Joint Parliamentary Committee did, which seeks start of talks during Cypriot EU Presidency".

French MEP Alain Terrenoire, President of International Pan-Europa Union said that it is a typical false problem, which was put on first plan, and he sincerely regrets about this, because Macedonia is called by everyone Macedonia. "Everyone will continue to call it Macedonia even those who are opposing today. There are no other means to call it otherwise than Macedonia. Even if we add other name, which would be more complex, at the end we will call it Macedonia in everyday language. Then I wonder why all this, except to hinder the unavoidable" he said.

Slovenian MEP Jelko Kacin stated for Deutche Welle that "it is unrealistic to be expected Macedonia to start accession negotiations, without previously solving the name dispute". He said that the former Greek PM Jorgos Papandreu made

steps to agree part of the issues, but Gruevski postponed the agreement for internal political purposes. "The result of that is – Macedonia is still out of EU and NATO"...."if Macedonia continues with this approach – and Phillip II the Macedonian is not the right approach – that does not lead towards turn and creating a better climate and preconditions for mutual trust".

1.4. MoFA Sends Protest Note to Greek Ambassador Over Stickers

In June, the Ministry of Foreign Affairs (MoFA) handed over a note of protest to Greece's ambassador to Macedonia, Alexandra Papadopoulou in relation to the case involving stickers put on new vehicle registration plates owned by Macedonian citizens when entering Greece, urging this "illegitimate practice" to stop, MIA reports. The protest note says that the new vehicle registration plates are in compliance with EU and international standards and that Greece's move is not in line with the obligations stipulated by the Interim Accord, MoFA sources say. Greek border authorities have been placing a sticker reading "Recognized by Greece as FYROM" written in Greek and English over the new Macedonian registration plates to cover the MK sign on them.

This conduct by Greek border organs, they add, is against the 1995 Practical Measures Memorandum referring to the implementation of the Interim Agreement, which serve to facilitate the movement of people and goods. In accordance with the Memorandum "upon entry of a private vehicle into the Republic of Greece, Greek organs can place a self - adhesive sticker, not bigger than the distinguishing signs used in international transport (oval stickers in line with international standards) on the back or front windshield." The Memorandum, MoFA says, does not envisage measures considering registration plates. The ministry also reacted over the use of the acronym FYROM on stickers handed out by Greek customs officials, which is also against the Interim Agreement.

1.5. Spokesperson Gjorgjiev: Macedonia Proposes Concrete Meetings and Initiatives

Macedonian Government addressed the Greek government in an effort to "intensify, not only the communication, but also the cooperation on multiple levels" as a reaction of Athen's claim that it is time for substantive progress, not only for taking photos. Aleksandar Gjorgjiev, the Government's Spokesperson, at a press conference, regarding current events related to Macedonian – Greek relations emphasized the Macedonian government behaves responsibly and committedly to the relations with Greece and the dispute which is imposed by Greece, as it is an important issue that should be resolved aimed at enabling our integration and realization of strategic determination in order to improve situation of the citizens at all levels. He called Greece on constructive relations and channeling energy in positive direction.

He suggested realization of initiatives, which would be useful both for citizens and companies of the two countries. The initiative for signing a declaration for friendship and cooperation from 2008, establishment joint committee which will include representatives of the Interior Ministries of the two countries, border

police and customs from 2009, as well as agreed regulation of economic cooperation by signing double taxation avoidance agreement from 2009 are only part of the initiatives from Macedonian side, for which Greece responded negatively or gave no answer. Gjorgjiev expressed hope that approach to such initiatives will be changed and European spirit will be showed and at the same time would mean practicing good-neighborliness. Aimed at concrete improvement of conditions for cooperation of citizens and businesses of the two countries, and led by EU principle for free access of people, services, goods and capital, Macedonia proposes opening new border crossing Nikolik – Dojrani as significantly important for the business, Gjorgjiev said. Also opening of Markova Noga – German border crossing and reactivation of Seovo border crossing which is an initiative of the municipalities of Gevgelija and Aksiopoli (Bojmica) is also proposed.

After publishing the suggestions from the Macedonian government for cooperation with Greece, the Greek port-parole Gligoris Delavekouras on a briefing with journalists said that many of the offered ideas have already been realized and have given results. As an example was given the cooperation between customs and police authorities which as said is visible in practice, as well as the meetings between the Macedonian vice-prime minister Teuta Arifi in charge for the Euronitegration process with her counterpart and the one between the Defense Minister Fatmir Besimi and his Greek counterpart at the time Fimitris Avramopoulos. He accused the Macedonian government for leading a non-compromise politics which does not allow dynamics in mutual relations. According to Delavekuras, it is necessary to stop the negative campaign which poisons the public opinion in Skopje and prevents reaching a solution.

"Skopje wants to have a serious partner in Athens, in order relations between Macedonia and Greece to be realized and a solution to be found for the name issue. Stated the Foreign Minister Popovski in an interview for the Bulgarian national radio. Whoever shall be the future government, in Macedonia shall have an exceptionally dedicated and responsible relationship towards surmounting and leaving the disputes and divisions in history in order to build brighter common things that will unite us - he said. Greece for a very long period has built an image based on blocking of its neighbor in its integration. I wish that we could have taking back that and that image not to have existed. Unfortunately one cannot change the past. What we can change is the future. For the future I think that for Greece would be best especially in conditions of a serious economic crisis which faces Europe to build an image of a constructive partner who supports the region for its euro-integration efforts and not to block it. I think that adding elements in such an extremely irrational dispute which is used for blockade explanation/justification is unproductive....a position has been built 20 years ago that politically Greece may profit from the obstructions towards Macedonia, and based on that a myth has been built that independent Macedonia presents a threat for the security and territorial integrity of Greece. That cannot be defined differently than as stupidity, and it is especially valid today as we function in the same security system together" he added.

Macedonia has a will for settling the name row, nourishing friendly relations with its southern neighbor, helping instead of hindering and outwitting each other in the European, world institutions, Prime Minister Nikola Gruevski told reporters in July. The energy must no longer be wasted on accusations and blaming each other, Gruevski said. There are two options: for the relations to develop as thus far, something that has been imposed by Greece and we have been forced to accept. The second option I would recommend to Greece, is for us to promptly meet on the table, start talking to find a solution to and settle this dispute on the satisfaction of both parties, naturally in consultation with the citizens of the Republic of Macedonia, namely on a referendum, the PM said.

"While opposition has this leadership I have no intention to talk with it in order to form a consensus about the name" - said PM Gruevski on"X-O" on channel 5 - "At least while Branko Crvenkovski leads SDSM". According to Gruevski the Greek tactic is to buy time with the "hard negotiator" VMRO-DPMNE until comes to power the "soft" SDSM. "For us is important to secure a good solution, acceptable for most of the citizens, which shall be sustainable on long term" said the PM. However, reactions are that as noone can determine who will be the collocutor from the Greek side - by the same token one cannot determine based on liking or disliking who will be the collocutor from the opposition side. Commentators say that regarding this issue they do not see major differences in the position –opposition opinion, as they both have the same ideas about a possible referendum, protection of identity, not changing the constitutional name.

1.6. Ban Ki Moon – Nimetz Visit in Skopje and Thessaloniki In July

In end-July Ban Ki Moon and Matthew Nimetz visited Greece and Macedonia and met with both sides' leadership. As there was not a previous coordinative meeting among the Macedonian political leadership, estimations were that one cannot expect anything spectacular from the meetings. It is said that at the meeting PM Gruevski was convincing Nimetz that he is dedicated to the process, that the Macedonian side has a constructive approach in the negotiations and that it is ready to proceed with a dynamic dialogue in the interest of finding a solution. He also wished for a same constructive approach from the Greek side.

The visit did not raise the expectations that it will provoke an essential progress in the name issue negotiations. Ban Ki Mun stated that he will personally intercede in favor of solving the issue and several times named the state under its constitutional name- Macedonia. Experts think that these messages are part of the diplomatic professionalism of a clerk, but as the agenda was including meetings of the Macedonian key political figures with Matthew Nimetz as well, seems that it was not all just mere rhetorics. Almost all political parties in the country greeted the visit and asked for intensifying contacts between the two sides until the final closure of this issue. Some briefings say that the Macedonian side was asked to say which of the proposed alternatives was more acceptable.

Macedonia is ready for resuming of dynamic talks in favor of reaching a mutually acceptable solution to the name dispute if Greece is capable to find ample room

for talks and decision, and if Athens fails to do that, it should respect the ruling of The Hague-based International Court of Justice (ICJ) and the 1995 Interim Accord, namely to stop hindering Macedonia's EU, NATO integration processes. Prime Minister Nikola Gruevski said at the meeting with UN Secretary General Ban Ki-Moon. Referring to the Hague ruling, Gruevski underlined that the respect of the rule of law was a must for everybody and appealed for appropriate valorization of the ICJ decision. In spite of the various ideas, such as new Macedonia's application for UN membership under the constitutional name, opening of fresh procedure before ICJ or exercising other UN mechanisms, Gruevski said at the time being he was being focused on prompt finding of a solution to this long-lasting dispute under the UN mediation. "Such outcome requires from Greece to demonstrate will and determination, which is not the case at the moment", he said. Gruevski also mentioned the 2008 report of Gay McDougall, UN Independent Expert on Minority Issues, which refers to the situation of Macedonian minority in Greece. The report was made on a request of the UN Secretary General as a result of a letter PM Gruevski had sent to Ban Kimoon asking the world organization to monitor Athens' compliance with the UN recommendations for and commitment to respecting the rights of Macedonian minority in that country and those of displaced Macedonian nationals after the Greek Civil War.

"You have a goal to join the EU and NATO and I know that your goal is hindered. It is imperative to settle the name issue. I am committed to assist, mitigate the settlement of this issue. You can count on the UN and at the same time I will encourage the premier, the president of the state and the speaker to be united and committed to name row settlement". This was stated by UN Secretary General Ban Ki-moon in his address before members of the Macedonian Parliament, PM Nikola Gruevski, ministers, representatives of the Macedonian Academy of Sciences and Arts, the judiciary, religious community and the diplomatic corps in the country.

The UN head said that he was accompanied by his personal envoy Matthew Nimetz during his visit to Macedonia and he was scheduled to arrive in Greece in order to resume talks in relation to this issue. Ban Ki-moon praised country's progress, saying that "there is a vision not to look back in the past, but to look forward the bright future." "I see great breakthrough, dynamics and commitment to overcome all issues and to move forward," he said recalling that in 1991 when Yugoslavia was on the brink of conflict, Macedonia had chosen and laid down an example of peaceful establishment of borders.

The UN Secretary General said he had no dilemma that this country was committed to peaceful multi-ethnic society. "You have amended your Constitution, allowed crucial development of the decentralization, double voting and several languages to be used and you have opened your gates and your hearts for thousands of refugees amid the Kosovo crisis," Ki-moon noted. You are a young diplomacy, but your achievements have been already acknowledged, the UN chief stated referring to Macedonia's chairmanship with

the UN General Assembly in 2007. Ban Ki-moon in his address also focused on the key objectives of the United Nations, such as support to countries in transition, challenges facing women and young people, sustainable economic development and fulfillment of the Millennium Goals Development Goals. He commended the country and the government's favorable policies with respect to meeting the Millennium Development Goals aiming to eradicate global poverty.

After meeting with President Gjorge Ivanov in Ohrid, the UN chief said he would engage personally with Greek authorities over accelerating the process of the name row settlement and that he would work on the respect of the International Court of Justice ruling. "We will invest maximum efforts in talks with Greek authorities. Immediately after the visit, I will send my special envoy Matthew Nimetz to Greece in order to brief authorities over the talks held here. I will personally try to contact Prime Minister Samaras in order to help in the acceleration of the process. It is unfortunate that two neighboring countries have not managed to fully use their potentials for regional cooperation, reconciliation and development. The UN will do everything in their power to facilitate the process. This is a long-standing problem. We are aware of the International Court of Justice ruling and will take into account all aspects", said Ban Ki-moon.

"The only solution to the name issue is for both sides to reach agreement and demonstrate will to close the problem. I hope we can move in the right direction", said UN mediator in the name talks Matthew Nimetz after meeting with Greek negotiator Adamantios Vassilakis in Thessaloniki. Nimetz briefed Vassilakis on the talks he had alongside UN Secretary-General Ban Ki-moon with Macedonia's top officials over the past two days. Regarding Ban Ki-moon's statement that he would personally engage in the name row settlement, Nimetz said the UN Secretary-General has had a role in the process since the very beginning. "UN Resolution 817 and the Interim Accord stipulate that crucial issues must be discussed under the UN auspices. The SG has an important role in this process, appointing his envoys for the issue", added Nimetz.

Greece was not impressed with Gruevski's statements after the meetings. "Greece has repeatedly and tangibly proven its readiness to find a solution on the name issue within the framework of the negotiations, as set down in the resolutions of the UN Security Council and as underscored in the International Court of Justice ruling, the Greek Ministry of Foreign Affairs" said in response to the press release following the meeting of Prime Minister Nikola Gruevski with UN Secretary General Ban Ki-Moon. "Mr. Gruevski welcomed the formation of a new Greek government with insulting attacks and unfounded accusations. For our part, we will not enter into the mindset of the artificial straining of relations that Mr. Gruevski is trying to provoke for domestic political reasons. We are stating the obvious: that for the purpose of achieving a solution, Greece is seeking a credible and sincere collocutor. The Skopje side will have to show this in practice", reads a written statement of MoFA Spokesman Gregory Delavekouras. According to him, "the ongoing, tiresomely repetitive agitprop for domestic consumption, contained in the press release from the PM's Office,

shows that Mr. Gruevski did not utilize the meeting with the UN Secretary General to make progress. In fact, he attempted to misappropriate the meeting. Once again, he attempted to promote the familiar propaganda regarding ineffectualness or unwillingness of the Greek side".

1.7. Dimitras: No Recognition of Macedonian Minority Unless Athens is Pressed by International Community

No Greek government will recognize the Macedonian minority until the country is pressed by the international community, says Panayote Dimitras from the Greek Helsinki Monitor in an interview with the Macedonian Radio Television. "There is not a chance that a government led by Samaras does anything over the issue. This is a taboo topic for all Greek governments. The rejection to register a home of Macedonian culture, despite a judgment by the European Court, is another proof that Greece does not intend to enforce decisions regarding Macedonian associations. Greece will not give in until it is forced by the international community", says Dimitras.

Regarding Greece's failure to respect international recommendations and obligations, he says the EU does not care about human rights, regardless of them claiming the opposite. "Greece will fight to the very end, until it is forced by some 'troika' for human rights, such as the one for economic issues. Greece probably has the worst record among EU members regarding human rights and minority rights", he adds. Pertaining to Greece's veto on Macedonia's NATO and EU accession, Dimitras says EU gave Greece that right. "Since the very beginning, EU member-states gave Greece the right to veto Macedonia's EU accession under the constitutional name and under any other name, including fYRoM. Now it is very difficult for members to change this until one day the European Parliament majority passes a clear resolution that would force the European Council to change its stance or impose pressure", underlines Dimitras.

The Greek foreign policy at the moment is trying to fix the broken reputation of the country but despite this, the attention of Athens diplomacy is still put on main foreign policy enemy, towards a 2-million citizens neighbor whose membership in EU and NATO is being hindered with all means by Athens, reads the article titled 'Sin of Greece – history of a (almost) forgotten exile' published in German daily the Frankfurter Allgemeine Zeitung.

As Deutsche Welle - Program in Macedonian Language reports the daily analyses the Greek-Macedonian dispute from historical point of view. The reason for excitement of Athens diplomacy when Macedonian minority is mentioned should be sought in the past. Ethnic expulsion happened in Greece in 1949, which is not really worked out until present day. Almost one century ago, in the First Balkan War Greece occupied large part of historical region Macedonia from Ottoman Empire. The other part, the so-called Vardar Macedonia finally belonged to Yugoslavia and only a small piece ('Pirin Macedonia') to Bulgaria. The Greeks were a minority in large parts of the newly occupied territory. Especially the northwest border area towards Yugoslavia was populated by

Slavic peasants. Majority of them remembering their oppression in Greece in the Greek civil war stood on the side of the communists and paid dearly for that. Tens of thousands had to run and were not allowed to ever return, Frankfurter Allgemeine Zeitung reads. The article also notes that diplomatic dictionary became tense recently due to request for respect of the rights of the Macedonian minority in Greece which was pointed out by PM Nikola Gruevski at the meeting with UN Secretary-General Ban Ki-moon in Skopje.

1.8. Serwer: US did not Exert Enough Pressure on Greece

Ahead of the UN General Assembly where Macedonian delegation will ask ruling of the International Court of Justice to be respected and Macedonian integration processes to be unblocked, US analyst Daniel Serwer said that a step forward could be achieved with the pressure made by the US, MIA reports from Washington. Greeks have good diplomacy; good lobby in Washington and Americans so far did not show preparedness really to be strongly involved in this issue. If the US president recommended the Greek prime minister that resolving of the dispute with Macedonia is an absolute condition for further US support to Greek financial issues, then we would have different situation. But the US did not do this. Maybe they have their own reasons for not doing it but it is a fact that they did not do it, said Serwer who is professor at John Hopkins University in Washington and one of the leading experts of the US policy towards the Balkans.

1.9. FM Poposki: Greece to Benefit From Macedonia's NATO and EU Accession

Greece could enjoy huge benefits of Macedonia's membership to EU and NATO and the fact that Athens in part of these families is expected to be a motivation for the Greek government to offer assistance in the process and to stop being a stalemate. We have to turn back to sensible reasoning. The past 20 years showed that the arguments for the imposed dispute are groundless because Macedonia neither is a threat for Greece nor there is a risk of territorial or security threats toward the country. These messages were presented by Foreign Minister Nikola Poposki at his first official meeting with the Greek counterpart Dimitris Avramopoulos, which took place on the sidelines of the 67th UN General Assembly next week in New York. At a press briefing on Friday, Poposki said talks would focus on underlying the fact that Macedonia wanted to eliminate a possible abuse or misinterpretation of facts that it was seeking ways to provoke or looking for excuses in order to hinder any progress in name talks.

"I don't think we should create any expectations. Firstly, the meeting needs to take place and to derive conclusions from it on the preparedness of our neighbors for a rational and sensible approach with a mutual interest in the issue and then to draw conclusions. Our policy is clear, we want to build bridges and tear down all barriers that have been artificially erected for being some kind of threat for them," FM Poposki said. According to him, the UN-brokered name talks have never ceased, but its 20-year existence has made us to forget where the problem began. "When the issue was imposed, the circumstances in the Balkans

were different than today. Nowadays, given the fact that 20 years have passed, it is 20 times safe to say that there is literally no risk for Greece of any nature in terms of the independence of Macedonia. This is the message we want to convey to all those having the influence in settling the imposed dispute," Poposki stated.

President Gjorge Ivanov was also attending the 67th General Assembly of the United Nations, where he delivered an address at a general debate on Sept. 27. The Macedonian President in New York met with UN Secretary General Ban Kimoon and with his special envoy in the name talks, Matthew Nimetz. The President reaffirmed the request for unblocking Macedonia's integration processes for membership in the European Union and NATO, by respecting the judgment of International Court of Justice and the international commitments, while also requesting the process led under the auspices of the UN chief for overcoming the difference over the name to be unblocked.

"The judgment of International Court of Justice (ICJ) related to name dispute between Macedonia and Greece, is important and should be considered carefully", UN special envoy in the name talks, Matthew Nimetz, said after the meeting with President Gjorge Ivanov. Nimetz announced that his next step will be to organize a meeting between two negotiators-Zoran Jolevski and Adamantios Vassilakis-most probably in a month. He also considered visiting the region again, MIA reports. Nimetz also stated that besides with Ivanov he also met with Greek FM Dimitris Avramopoulos and he got assurance that the two parties are prepared for talks. Avramopoulos assured him that significantly heavy financial situation in Greece does not mean that this country has no capacity to work on resolving the name dispute.

1.10. Kofi Annan: Macedonia was Prepared for a Solution, Greece did not Want it

The former UN Secretary General Kofi Annan stated that the name dispute between Macedonia and Greece is the only example in the history of a country its name to be denied by its neighbor and that Athens was not prepared to resolve this issue. "It is a shame that this issue is dragged out for so long"..." Macedonia and Greece were close to a solution of the name dispute during his mandate, and Macedonia was prepared to accept the solution, but Greece refused to accept it. Two countries are holding talks on name dispute for certain period of time. Special envoy works on this issue, and he is being longestserving envoy. The two countries at certain point were close to reach a solution, but the proposal failed. It seems that Macedonia is prepared to accept the solution which includes the word Macedonia in it, but I am not sure that Greece is prepared on this. The talks are to continue, there are also other priorities and challenges in the region. I cannot tell whether this will help in resolving the name issue or will complicate it, because I am not so close to this problem now. But I think that it is a shame that this issue is being dragged out for so long time and I hope that a way out will be found", Annan said, answering journalist question during his address at the event in the Brookings Institute in Washington.

1.11. Reeker Welcomes EC Recommendation, Urges Macedonia and Greece to be Active in Surpassing Name Dispute

The US Deputy Assistant Secretary Philip Reeker welcomes the progress of Macedonia in the dialogue with the European Union and the EC recommendation for opening accession negotiations. He urges Macedonia and Greece to be active in resolving the name dispute underlying that by this Macedonia is ready to receive an invitation for NATO membership.

At the press conference with journalists from the Western Balkans countries, Reeker said that the Western Balkans continue to be a priority for the United States, that is in the Bureau of European and Eurasian Affairs, MIA correspondent reports. "We support the Euro-Atlantic aspirations that Macedonia has long aspired to. I don't think anyone has done more to prepare Macedonia to help them along the way. And as NATO has said, Macedonia is ready to receive an invitation for NATO membership. We very much supported that effort, and we have continued to urge Macedonia and Greece to find a way forward. We've offered ideas and suggestions over many, many years on how we believe those countries can move forward, but ultimately, the two of them have to do it. And so our message remains very much the same, very consistent, both to Athens and to Skopje on the need to find a solution as soon as possible. Active engagement is necessary. The United Nations offers, through the good offices of Ambassador Nimetz, a process for facilitation, an ongoing effort to settle this issue, which will, of course, allow Macedonia to immediately receive an invitation for NATO membership", Reeker said answering question on reports in the Greek media last week that - they are basically saying that the Greek Government is under enormous pressure from Washington to settle down the name dispute.

Reeker also welcomed the High-Level Accession Dialogue Macedonia has been participating in with the European Union, with Brussels: "That's reflected in the progress report for Macedonia and the recommendation, once again, by the European Commission that Macedonia should begin negotiations, begin accession talks toward membership – full membership in the European Union. And of course that's very much a part of the U.S. policy as well, and our assistance, our diplomacy, has all been directed at helping Macedonia move in that direction on the path of full Euro-Atlantic integration" he said.

1.12. Response to Greek Memorandum in Line With State Interests

By the year-end Greece sent to the Macedonian Minister of Foreign Affairs a one page Memo of Understanding (MoU) tackling the name issue. Some analysts say that the last sentence of the memorandum in which stands that every suggestion should contain clear and definite name which shall not leave ambiguities regarding the difference between the territory of Macedonia and regions in the neighboring countries is not disputable (i.e. is acceptable). The second part that reaffirms the Greek position for erga omnes solution, needs further clarification, i.e. explanation whether it concerns external or internal name usage, whether it refers to the countries that have recognized Macedonia under its constitutional

name, etc. Others, estimate the Memorandum as controversial, or as a mean of communication for Greece to indicate that positively reacts to foreign factor pressure to show goodwill for putting an end to this issue. The Macedonian reply which was at a much bigger length, had three points: Macedonia is ready to discuss, the country has an "archive" memory and knows which are the obligations taken by both sides, especially regarding the Interim Agreement and what's more if one calls upon relevant documents, they should reflect both sides' positions. Impressions are that both correspondences reiterated the positions of the two sides, showing that each party is moving on its own, different track.

"The European Commission wants to open talks with Macedonia for EU membership and it tries to do it in different ways", George Papadakis, Greek analyst and journalist said in the interview with eNews. He said that Greece wants to simulate a constructive party in the name dispute due to its difficult position. "Greece also proposed memorandum of understanding but it is about a desperate attempt by the Greek side to act out constructiveness. Such pathetic methods bring nothing more than ironic smile by the international community. Everyone already understands who wants and who does not want to resolve name issue, it is certainly that Greek side does not want, Papadakis said. He said that the memorandum only includes obligations towards Macedonia requesting to accept erga omnes name, and there are not obligations for Greece despite the judgment of the International Court of Justice which is in favor of Macedonia. Papadakis said that Macedonia responded well to "ridiculous test memorandum"- with many words of good will and general principles. Nevertheless, anything can be expected in December when Macedonia will wait start date for EU membership talks"..."It is certain that Greece makes excuses to once again block the start of talks. Memorandum was intended for the Greece to be given another chance and reason to show that they are doing something and that Macedonia is the one that refuses. I want to believe that Macedonia has chance to get approval by all 27 EU member states for the start of membership talks", Greek analyst and journalist said in the interview with eNews.

Macedonia's response to Greece's Memo of Understanding (MoU) politely welcoming the communication and reiterating Macedonian red lines, was seen by the US Ambassador Paul Wohlers as generally good, positive and solid step forward to resolving the open issues between the two countries. "It doesn't offer responses to all issues, which has been expected. It is not a start of some kind of a negotiating process, but just a MoU. When sending Greeks clearly said that it is not a 'take or leave' document, but one open for discussion. It is good for Macedonia and Greece to nourish a dialogue, as it is the way to move forward to resolving the issues," Wohlers said. He hailed the invitation of UN Envoy in the name issue Matthew Nimetz to Macedonian and Greek negotiators for meetings in the New York on November 19-20.

"The US strongly supports the UN-mediated process and Nimetz, and will support everything that will come out of it, namely everything the two parties will agree upon. We strongly support Macedonia's EU, NATO integration," Wohlers

said. Macedonia has no better partner than the US, the Ambassador said, pointing that his country's foreign policy in regard to Macedonia will not be a subject of changes. We have been sharing a long history of partnership and it will continue. The US will support the Republic of Macedonia on its road to EU integration, own prosperity"..."The name issue is a bilateral one and should be settled between Greece and Macedonia. It is the only obstacle to (Macedonia's) NATO membership," Wohlers said. Asked to comment a possibility Macedonia to get a date for opening of the EU accession talks, Wohlers reaffirmed the US support to that effect. In regard to possibility Macedonia to hold early parliamentary election along with the local ones, the US Ambassador said it was up to political leaders.

1.13. Media Speculations: Nimetzs' New Proposal

The weekly "Gragjanski" in December was stating that the last proposal of the UN Mediator Matthew Nimetz is based on the composed name "Northern Republic of Macedonia" which is to be applied in all international organizations and forums: UN, EU, NATO etc. The constitutional name would remain for internal use and for the bilateral relations with countries that would wish to further use it. The Mediator offered in the space under citizenship would stand "citizenship of the Northern Republic of Macedonia", and the same formula has been anticipated for the language "official language of the Northern Republic of Macedonia". Governments of both countries are currently silent regarding these news, which is considered as a positive signal. It is expected that Mr.Nimetz will travel to both countries in January to obtain opinions on the proposed ideas, followed by other diplomat's involvement. It remains to be seen what kind of events shall follow in the first half of 2013 in order to have this issue at long last closed.

2.NATO INTEGRATION PROCESS

2.1. Supports for Macedonia's Euro-Atlantic Integration

Deputy Assistant Secretary for European and Eurasian Affairs Philip Reeker reaffirmed in June in Sofia the US support of Macedonia's Euro-Atlantic integration. Reeker held talks with Vice-Premier for European Affairs Teuta Arifi at sidelines of the conference 'The Balkans in the Globalized World: Fostering the Region's European Agenda'.

On the occasion of the meeting between Norwegian Prime Minister Jens Stoltenberg and his Macedonian counterpart Nikola Gruevski, the Norwegian PM stated: "Macedonia should become full-fledged NATO member and I hope it will also be the case with the country's EU status"..."We appreciate our cooperation with Macedonia within international missions, such as the one in Afghanistan, where Macedonian surgeons saved the lives of Norwegian soldiers. We support Macedonia's accession to NATO and urge for faster solution to the name issue," Stoltenberg said.

2.2. Vershbow: Macedonia Already Acting as Ally

NATO Deputy-secretary general Alexander Verbshow cemented the position regarding Macedonian invitation for NATO membership, confirming that not only that the Hague ruling does not change anything on the position taken for Macedonia in Bucharest, but also in order to happen that, a "consensus for the consensus" must happen. "NATO is an organization in which decisions are brought with consensus. In this moment there is no plan B because for changing a decision brought by consensus on a summit another consensus is necessary" said Verbshow. He estimated that Macedonia already behaves as an ally so NATO wishes the country to become a member as soon as possible - "That will happen as soon as you solve the problem with the name in UN, for which there is a consensus in NATO". Both Macedonian Defense Minister Besimi and Minister of Foreign Affairs Poposki declared that the country stands firmly on the effort for Macedonia to become a NATO member-state and that strategic goal has not been changed after the Chicago summit. Ambassador Verbshow praised the fact that there was no change in country's defined strategic agenda, underscoring that integration of the region into Euro-Atlantic structures was the most adequate way to guarantee prosperity: "The plan for 50-percent troop deployment is amazing. Furthermore, we fully appreciate the regional approach especially in terms of the Balkan Regional Approach to Air Defense (BRAAD) initiative," he said.

"We are continuing to meet all the objectives stipulated in the membership action plans (MAPs). The fulfillment of the 12 MAPs represents another proof that makes the blockade absurd. We will continue to act as NATO member-state, but we expect the Alliance to acknowledge this together with the country that has put barriers on our accession. We will definitely all benefit from this", said FM Poposki. According to him, Macedonia is open for dialogue and good neighborly relations, but expects this from the other side too.

Defense Minister Fatmir Besimi referred to issues involving the defense budget and long-term plans for 50-percent troop deployment in line with the Long-Term Development Plan. Considering Macedonia's integration into NATO, an emphasis was put on the consensus between political parties in the country and on the overwhelming public support for NATO membership.

2.3. US Diplomat Volker: Greece Announced Breaching of Interim Accord one Year Before Bucharest NATO Summit

Before the Bucharest NATO Summit Greece altered its position an decided to breach the Interim Accord, estimating that the further implementation of this document would be harmful for its interests, US diplomat Kurt Volker said in July in Washington.

Volker, former US Ambassador to NATO and Principal Deputy Assistant Secretary of State for European and Eurasian Affairs, considered that the 2011 ruling of the Hague-based International Court of Justice (ICJ) in favor of

Macedonia presented a good opportunity for settling the (name) dispute. However, he said, some of NATO members didn't wish to do that, believing that Greece has no capacity to deal with this matter in a period when it has been facing negotiations for coming out of the fiscal crisis. "When we were reviewing Macedonia's accession to NATO in 2008 one year before the summit in Bucharest, Greece made it clear that it didn't need a solution to the name issue before the summit. Greece reasoned that the Interim Accord slowly but gradually was de facto solving the dispute in favor of Macedonia, which for (Athens) meant that the problem would never be resolved. Therefore, they said no, we would not do this anymore, there must be a solution. This (decision) blocked Macedonia's invitation (for NATO membership) and since then the negotiation process had gotten off the track," Volker said at a conference on Cyprus' EU Presidency.

The event was organized by the American Hellenic Institute (AHI), which promotes Greece's interests in the US, MIA correspondent reported from Washington. Volker considers that the name row has been hindering the development of Macedonian-Greek cooperation, which will bring benefit to everybody. "It will bolster the trade exchange, investment activities, stability and overall prosperity and therefore the ICJ ruling was a good but wasted opportunity due to the situation in Greece", Volker said.

2.4. Macedonia's NATO Admission as Part of Wider Plan for the Region

Greece should allow admission of Macedonia into NATO under provisional reference and all countries from the Balkan region should agree to ensure highest human rights standards for its minorities, US analyst Daniel Serwer writes in July. Serwer, who is former US special envoy to Bosnia, presented several proposals for securing stability in the Balkans mainly intended to avoid danger from Balkan borders redrawing.

The Macedonia "name" issue is unique. I can't think of another situation, current or historical, in which a country wants a neighbor to change its name. It is also a zero sum problem: if Athens gains, Skopje loses, and vice versa, Serwer said adding that best possible solution is Greece to implement 1995 interim accord and to accept 2011 International Court of Justice decision and to accept admission of Macedonia into NATO under provisional reference. Serwer pointed out the calls of redrawing of borders as main reason for concern in the region and considered that name issue resolving should be part of larger regional package which will disable this threat, which according to Serwer is current in all countries in the region and in Cyprus.

"This question could lead to an unending series of partitions along ethnic lines, something some of my colleagues in Washington do not fear. I do. Ethnic partition is a proven formula for precipitating violence, death and destruction on a grand scale. All those folks who agree on governing themselves find it difficult to decide where to draw the territorial lines, which is what leads to ethnic cleansing and war. The question is how to stop it, because once it starts it will spread from Kosovo and Macedonia at least as far as Bosnia and even Cyprus, with de jure

division of the northern Turkish Republic from the rest of the island", Serwer assessed.

"These measures should be explicit and far-reaching, including implementation of the Ahtisaari plan in northern Kosovo, with additional details required worked out in talks between Pristina and Belgrade, admission of Macedonia into NATO as "The FYROM" in accordance with the 1995 interim accord, with explicit guarantees to Greece on its border if Athens wants them, negotiation of EU membership only within a framework determined by central governments (in particular in Bosnia and Kosovo), a fixed time frame for a negotiated end to the de facto division of Cyprus, a region-wide agreement that each state will ensure the highest human rights standards for its minorities, with periodic verification by the Organization for Security and Cooperation in Europe" Serwer said adding that Germany, Britain and US should support this initiative.

2.5. US Ambassador to NATO Urges Respect of ICJ Ruling

The meeting of the Macedonian delegation with the North-Atlantic Council (NAC), held at the NATO HQ, focused on Macedonia's 14. Membership Action Plan (MAP), MIA reports in September from Brussels. Foreign Minister Nikola Poposki and Defense Minister Fatmir Besimi attended the meeting, which included ambassadors of NATO member-states headed by Secretary-General Anders Fogh Rasmussen. US Permanent Representative to NATO Ivo Daalder stressed that although the International Court of Justice (ICJ) ruling did not change the decision from the Alliance summit in Bucharest, the Hague judgment should not be ignored, serving as momentum towards finding a mutually acceptable solution to the name issue.

FM Poposki told the meeting that Macedonia has been on NATO's menu for 13 years, instead of being at the table, adding "We want our place at the table!". "NATO membership eliminates tensions and conflicts among member-states. We expect this in our case too. Macedonia's NATO accession would be beneficial for all regional countries, including Greece. All member-states confirmed that Macedonia has waited for too long on the NATO doorstep, giving their support towards overcoming this situation", stressed Poposki. "NATO membership eliminates tensions and conflicts among member-states. We expect this in our case too. Macedonia's NATO accession would be beneficial for all regional countries, including Greece. All member-states confirmed that Macedonia has waited for too long on the NATO doorstep, giving their support towards overcoming this situation", stressed Poposki. Greek Ambassador Tryphon Paraskevopoulos said Macedonia should become a full-fledged NATO member as soon as possible, saying his country could give a push to the process, so that a decision over membership is not passed at a summit. However, he added that a solution to the name issue was a must.

2.6. Gruevski: NATO Membership Status Quo Must be Broken

Prime Minister Nikola Gruevski on the sidelines of the 58th annual session of the NATO Parliamentary Assembly in Prague on November 9-12, held an informal

meeting with NATO Secretary General Anders Fogh Rasmussen to share views and information regarding the reforms implemented by Macedonia and its Euro-Atlantic integration. "The Republic of Macedonia is implementing reforms and it has also met the NATO membership criteria prior to the summits in Bucharest and in Chicago. 80-90% of the people in Macedonia support country's bid to join NATO as well as the reforms and standards enjoying endorsement by the allies" stated the PM Nikola Gruevski in his speech at the plenary session on the final day of the NATO Assembly.

"Macedonia contributes to global peace by partaking in NATO-led missions and it will keep doing so until it is necessary," Gruevski noted. Macedonia's recognized commitment to global peace and security has been always acknowledged by the allies. Oftentimes our partners say that Macedonia is a de facto NATO member, especially due to its contribution to NATO-led missions and operations, he said. "Understandably, this is for us a great recognition, still it is no consolation for us or a substitute for our rightfully deserved place on the table of the North Atlantic Council in Brussels," Gruevski underscored. We are ready, he added, to participate in the mission in Afghanistan even beyond 2014, as well as in new missions for training and support for Afghan forces.

"However, the process of becoming a NATO member is too long. Even the International Court of Justice in the Hague has confirmed that we are right involving the specific case," he said, pointing out that Macedonia had been implementing reforms in relation to public administration, judiciary and fight against corruption in a bid to improve the country's economic policy by attracting foreign investments and opening new jobs, as well as that the country was attempting to overcome the hurdles and improve its relations with the neighbors by launching various bilateral projects. "We are doing this because we believe that improved neighborly ties are favorable for the whole region of EU and NATO," Gruevski stated, expressing his hopes that NATO would extend a membership invitation to Macedonia. "Evidently, this status quo must be urgently broken," the PM pledged.

3.EU INTEGRATION PROCESS

3.1. High-level Dialogue to Create Fresh Dynamics

Macedonia on March 15 launched an informal substantial high-level accession dialogue with the European Union, which was supposed to be comprehended as the country's pre-accession preparation and as a substitute of so far not determining a date for start of the negotiation process with EU. The outcome of the first March meeting was a list of six conclusions and an annex of concrete targets defining a roadmap involving their fulfillment in five key areas - rule of law, public administration reform, media freedom, electoral reform and strengthening the market economy. High-level dialogue continued in May and September and then in the discussions were added the "good neighborly"

relations" which are part of the Copenhagen criteria, but the European Commission was previously avoiding including them in the mentioned "problematic" areas.

"I see great commitment and hopefully all promises will be fulfilled in a manner agreed between the Government and the European Commission. We have seen a clear progress and because we're just starting the process, deadlines are approaching. It is easy to estimate whether it has been done or not", EU Ambassador to Macedonia, Aivo Orav said in June in an interview with Radio Free Europe. He mentioned that a lot of things should be done by June 30 and that there are over 140 targets, which should be met by the Government. "I hope the Government will meet them and I've seen a strong breakthrough. If it fulfils them, the country's progress report by the European Commission will be positive. It will be almost impossible the country not to be given recommendations for start of negotiations. After that, everything will be in the hands of member states, because they have the right to decide whether entry talks should be launched or not. If I continue talking, it will be solely a speculation," Orav says.

"The situation in Macedonia is changing in favor of the European agenda, something that Athens should acknowledge and reflect on the name row settlement", EU Enlargement Commissioner Stefan Fule says in an interview with Prague-based Radio Free Europe in July. He hoped for solution to Skopje-Athens dispute over Macedonia's constitutional name to be found by the end of this year. "For years Macedonia has been an EU candidate country, which is also the case with the recommendation for launching the accession talks"..."Enlargement is a process. It is difficult in this process to tell to a country you will wait here. It will be harmful for the reforms in the country, as well as for the entire region. I sincerely hope that politicians in Skopje and Athens are aware of that and will be able to do the right thing - find a solution and not allow for this awkward situation to continue. It doesn't mean that we have been idle. I wish luck to the politicians and encourage them to be brave and dedicated to reaching such a compromise solution," Fule said.

He was very pleased with the results of Skopje-Brussels high-level accession dialogue. Skopje's efforts, he said, should be also acknowledged by Athens. "I see some changes. I see that part of the nationalist rhetoric has been once again replaced with the EU agenda, which is good. I see than Macedonians are reviving their intention for joining the EU. I hope it will have favorable impact in the country, but also believe that it should be notified in Athens by all Greeks, and thus to reflect on finding a solution to the name issue. I hope that such solution will be found this year, which will lead to an appropriate reaction of the EU Heads of State, namely a positive decision for launching the accession talks," Fule says. Macedonia, he adds, "is becoming aware that the EU integration is a long reform process, which is not for the benefit of Brussels, but for all of its citizens. The EC has always accentuated good-neighbourly relations. Maintaining good-neighbourly ties, as well as resolving all open bilateral issues, is also of great importance for us."

Although Macedonia according to the signed Pact for stabilization and association enters into its tenth year, there is still no decision to enter into the second phase. Under the lines it is understood that it does not happen due to the Greek blockade. The other recommendations were in the frames of the five key areas that were included by EU in the high level dialogue that is lead with Macedonia, to which was added that status of Roma. Fule suggested that it would be a good step forward if is adopted the law by which there will be decriminalization of slander for journalists and if concerning regulation will be according to international standards. He also supported the fact that changes in the election laws have been directed to OSCE for estimation, with the general position that many things that have been commenced in Macedonia some results have begun to be accomplished but there is still work to be done until October. In the meeting's conclusions was cited that there is still need for progress in all areas indicated in the high level dialogue, for which the government is encouraged to reach the set goals. It is requested to further the political dialogue in the country and to strengthen parliamentary control over the work of the government. For the media, other than the decriminalization of slander is requested to begin the other issues that raise concern in order to provide the citizens accurate, objective and balanced informations. Seeked are quarterly reports regarding results from the struggle against corruption, new methods for struggle against the conflict of interests and amendments by which shall be improved the regulation on tapping. As adequate is estimated the macroeconomic policy of the government in time of crisis, but is seeked a strengthened role of the regulatory bodies, improving the rule of law and strengthening the capacities of public administration.

"The European Commission (EC) will adopt the enlargement package during Cypriot Presidency with the European Council in which Macedonia will be included which means that your country will be put on the agenda at the EU Summit that will be held in December", Anca Paduraru, Press Officer in EU Enlargement Commission told MIA correspondent from Brussels in July. Although Cypriot initial agenda during the EU presidency did not include Macedonia in the EU Enlargement agenda but only Montenegro, Serbia and Turkey, asked whether EU forgets Macedonia, Paduraru said that enlargement package which will be adopted by the Commission during Cypriot Presidency where the country will be included, will serve as a basis for decisions of Council in December for future EU Enlargement strategy.

"We don't want to comment statements of politicians and media reports", European Commission spokesperson told MIA correspondent from Brussels to his question whether he read the statement by president Gjorge Ivanov who said that he "will not accept any reports of the international institutions for the Republic of Macedonia where our identity entries are excluded." It is still unclear if the EC in its Report in October will use "Macedonian" although according to EC sources, a way is being sought how to insert it in the document, which is announced to be positive for fourth time in a row and that the EC will give new recommendations for start of Macedonia's EU accession talks.

3.2. MEP: Name Issue Cannot Hinder Macedonia's EU Membership Talks

President of the Progressive Alliance of Socialists and Democrats in the European Parliament, Johannes Swoboda said in July that the European Union must not allow the name issue between Macedonia and Greece to take root and to hinder Macedonia's negotiations with the organization. Speaking to MIA's correspondent in Strasbourg, MEP Swoboda said that both parties could be criticized in the name row, because the Macedonian side "is not doing what it was supposed to do regarding the matter" and on the other hand "the Greeks are not so innocent either.".."If Greece was in a better economic state, the European Council and the European Commission next year would have to re-launch the initiative of finding a solution in a mode in which both sides would sit on the same table to find a solution to the name row, thus enabling EU membership talks to start despite the name differences." According to him, Greece first of all needs to have a premier, who is on a sick leave, while the country also faces other issues. "However, it is time negotiations between the two sides to continue next year and to find a solution. The EU cannot accept the idea that this name dispute is taking roots preventing the talks with Macedonia, the Austrian MEP concluded.

Slovenian MEP Ivo Vajgl said that Greece should be told not to close the door of an EU candidate country, which is Macedonia in this case. "At the end of the day, Greece needs to be told, and I have done this on several occasions, that at the moment the country is Europe's problem and that it is not the one being able to close the door of new EU aspirants. The Greeks have gotten their concessions and bonuses in the past and some of them were not deserved. A bonus is always awarded to those that are already inside, which is very simple,".."Still, I believe it is not possible negotiations with Macedonia to be launched without previously solving the name dispute," the MEP said. Moreover, he endorsed the move advocated by Macedonia - the name row with Greece to be settled in the manner applied by Slovenia and Croatia.

German MEP and Macedonia's friend, Bernd Posselt said that efforts were being made in the European Parliament a recommendation of the EU-Macedonia Mixed Parliamentary Committee, urging a date for negotiations with Macedonia to be set during the Cypriot presidency, to be put into effect. "I fully agree with this resolution and efforts are made for EU entry talks to start by year's end or in early 2013," Posselt stated.

3.3. Fule-Ivanov Meeting on Macedonia Reform Progress

"We are working and fulfilling the tasks under the High Level Accession Dialogue (HLAD), which has been producing results and contributing for the spirit of reforms to be felt throughout the country. On the basis of that, we hope for a positive progress report, hoping at the same time that the process of the Euro-Atlantic integration of our country will be unblocked. We know that decisions in this respect are being made by consensus, but we hope that the results we have achieved will make possible for a date to be finally set for start of our accession negotiations," Ivanov said. According to MIA's correspondent from Brussels,

Ivanov said that Fule commended Macedonia's progress in many spheres, such as the implementation of the Framework Agreement, judicial reforms, freedom of speech in media etc.

Ivanov and I have discussed the recent developments in Macedonia, with the President giving me a full update, Fule said. "I welcomed the efforts of the President and of the coalition partners to resolve the open questions and to find a way forward. I underlined that the government should move on and focus on the opportunities ahead. In particular, the government needs to deliver the key reform measures which are set out in its Roadmap, in the framework of the High Level Accession Dialogue. Action to further strengthen inter-ethnic relations is needed, on the basis of the full implementation of the Ohrid Framework Agreement. Freedom of expression should be strengthened through the decriminalization of defamation. The electoral framework should be revised, in line with international and European standards," Fule said.

Referring to the regional co-operation and good neighborly relations, Fule said they were reminiscent part of the process of moving towards the EU. "Maintaining good neighborly relations, including a negotiated and mutually accepted solution to the name issue, under the auspices of the UN, is essential. Regarding the name issue between the country and Greece, I reiterated full support for bilateral meetings and exchanges as well as the UN process. President Ivanov informed me about the steps the government has taken in this regard," the Enlargement Commissioner said.

3.4. Van Rompuy: Success is Achievable Once Name Issue is Solved

"Success is achievable once the name issue with Greece has been solved", President of the European Council Herman Van Rompuy told Macedonian President Gjorge Ivanov in September at their meeting in Brussels, MIA reports. Interlocutors discussed the European perspective for Macedonia, which has obtained candidate status since 2005. "We agreed on the importance of maintaining a strong focus on the EU track and achieving further results in the High Level Accession Dialogue with the European Commission," Van Rompuy said. "While welcoming the important reforms already made, I encouraged further efforts, in particular on freedom of expression, electoral reform and interethnic relations. Domestic stability and reconciliation remain of utmost importance in the former Yugoslav Republic of Macedonia, as in the rest of the region. This is why the EU gives weight to the implementation of the 2001 Ohrid Framework Agreement. The EU remains fully supportive of the spirit and the letter of this Agreement, which is an essential element of democracy and the rule of law," the President of the EU Council said after meeting Ivanov.

The name issue was also discussed at the meeting in which the relevance of good neighborly relations for the accession process was highlighted. "I encourage both countries to find a negotiated and mutually acceptable solution," Van Rompuy stressed. "It is my hope that all countries in the region, including

your country, Mr. President, continue to advance towards the EU. The future of your country lies in Europe," Van Rompuy told Ivanov.

3.5. EP's Committee on Foreign Affairs Adopts Resolution on EU Enlargement Strategy

The European Parliament's Committee on Foreign Affairs in September adopted a draft-resolution on the EU's enlargement policies, criteria and its strategic interests for the period 2012-2015. In the resolution, the enlargement process and EU's relevant strategy is reviewed without looking into individual cases of some candidate countries, because they are treated in separate reports. The draft-resolution highlights that "enlargement must remain a credible process and as a result it is important the EU to fulfill its promises and to create conditions ensuring that future enlargements will be successful".

EU members are urged to maintain the momentum of the enlargement process by reaffirming the European perspective of candidate countries or aspiring candidates. The resolution envisages countries to be assessed according to fulfilled criteria and the Copenhagen criteria to remain "the core of the enlargement policy." The resolution welcomes the new accession approach giving priority to issues related to judiciary and fundamental rights as well as justice and internal affairs. The document also urges independence of the judiciary system and freedom of the press to be ensured both on paper and in practice.

MEPs gave special importance to good neighborly relations in the EU integration and the enlargement process since "a number of candidate countries and potential candidates still have outstanding issues with its neighbors", thus the EP urges "all parties involved to work openly toward finding solutions to bilateral tensions where these issues need to be settled before joining the Union."

The EP Committee on Foreign Affairs also adopted an amendment calling the EU to support efforts in settling open bilateral differences in compliance with the provisions of international law. An amendment proposed by MEP Andrew Duff asking the reference "Former Yugoslav Republic of Macedonia" to be replaced with "Macedonian state" was not passed. The final version of the resolution was expected to be adopted at the upcoming plenary session of the European Parliament.

The adoption of a draft-resolution on the EU's enlargement policies, criteria and its strategic interests for the period 2012-2015 will have a positive effect over Western Balkan countries, according to Slovenian MEP Jelko Kacin. "I think this is a constructive approach enabling many things. Now we can hope that Serbia will become a driving force and will stop acting as a brake for the entire Western Balkans. It will surely raise the ambitions in other countries in the region and could bring the whole region together in mutual cooperation, which is also the best argument that the EU needs to expand," MEP Kacin tells Deutsche Welle. The Slovenian liberal says it is crucial that the European Commission now has

the right to open the most difficult chapters 23 and 24, which will allow countries in the region to make swift headway.

3.6. FM Poposki: Macedonia is Constructive Toward Neighbors

Foreign Minister Nikola Poposki rejected the claims by the spokesman of Greece's Foreign Ministry, Gregory Delavekouras that Macedonia was non-constructive having disagreements with all of neighbors. "I don't think it reflects reality. Perhaps it is based on the wish of creating certain perception. What Macedonia is doing in terms of its foreign policy is quite constructive and European... Attempts aimed at creating a negative climate in relation to good neighborly relations are counterproductive. The sole parameter serving to asses one's conduct in neighborly ties are concrete gestures i.e. to respond to initiatives and to join them," Poposki said.

He added that Macedonia hadn't yet received any answer regarding its initiatives, meetings or concrete projects, which "is the first step towards demonstrating constructiveness." "Macedonia approaches its neighbors with constructiveness and by building bridges. We want to lift the existing barriers," the FM noted. He didn't comment Greece's instructions on how to name Macedonia and referred to the judgment of the International Court of Justice "being the only relevant document on the issue." "It is very clear and I would urge everybody to read it before imposing a certain position regarding the use of a name."

Asked about Bulgaria's "red lines" that might hinder Macedonia's EU integration, FM Poposki said it was absurd EU members to hinder countries integrating into the EU. "We want to build constructive relations with all neighbors. Our objective is to be part of the EU together with them. This is the approach with which we can establish a better climate in the region. No one benefits from creating conflict situations and I think it would be unjust if an EU country hinders the integration process of its neighbor. The benefit will be mutual and our relations will be established in this context," Poposki urged.

Given the visit by EU Enlargement Commissioner Stefan Fule, who arrived in Skopje to attend the third round of talks within the High Level Accession Dialogue, the Minister said that the most important message sent by Macedonia was that the country was behaving like a serious and credible European partner and like a country that had met the criteria, thus deserving to start negotiations. EU Ambassador Aivo Orav said he expected Fule's visit to be successful.

3.7. Fule Expects Positive Report and Gruevski Start of EU Accession Talks

EU Enlargement Commissioner Stefan Fule expects the European Commission's progress report on Macedonia, due to be published in October, to be positive taking into consideration that the country has done a lot in the process of implementing the tasks stemming from the High Level Accession Dialogue (HLAD). "Earlier on several occasions, the EC based on the progress report has recommended the member countries to set a date for start of membership talks with Macedonia. This year there is no doubt that a lot has been done in reform

implementation within the Macedonia-EU high level dialogue," Commissioner Fule said after meeting with Prime Minister Nikola Gruevski. "However," he noted, "it is fair to say that decisions on launch of negotiations are made by all members of the EU and it is a political decision. Therefore, I emphasized that the implementation of what has been adopted so far must resume by December 2012. And therefore I say that the High Level Accession Dialogue between Macedonia and the EU and the issues covered so far and the results from it will help EU countries to treat this issue constructively".

PM Gruevski expects the EC report to acknowledge the efforts and dedication of the government in implementing tasks and reforms and to be assessed accordingly. "Start of EU entry talks as soon as possible is still our primary goal. Such decision will preserve the credibility of the EU enlargement process and will provide certainty of our Euro-Atlantic process,"... "The past six months, he added, have been marked by an impressive interaction between Macedonia and the EC, whose dynamics and essence have positively affected the key reforms and Macedonia's accession process. "I wish and I hope that we will join forces in order this momentum to result in a date to be fixed by the EC for start of EU membership talks as soon as possible," Gruevski said. Considering current developments within the ruling coalition, Gruevski stressed that relations were complex and that the coalition partners were facing challenges and that efforts were made to overcome them.

Commissioner Fule urged that greater significance should be given to political stability, rather than ethnic foundation, by political parties. The Ohrid Framework Agreement, he added, creates an opportunity and lays a foundation for all ethnic communities to live together. Also, he raised the issue of good neighborly ties with Gruevski for the first time: "The message I conveyed to PM Gruevski and his colleagues is that Macedonia should remain committed to improving the relations with all of its neighbors with constructive approach, taking into account the sensitive issues of the partners," the EU Commissioner said. PM Gruevski said that Macedonia wished for and made efforts to establish good ties with all of its neighbors, however "the issue cannot be seen solely through the dispute with the constitutional name imposed by Greece". Still, he added, we remain committed to finding a prompt solution to the issue by boosting the UN-brokered talks and by having direct bilateral contacts, which haven't taken place in the past year unfortunately. Macedonia also remains committed to improving the cooperation with Greece in all spheres, the PM said.

Regarding the possibility name issue to be solved after EU negotiations start, EU Enlargement Commissioner Stefan Fule in an interview with Radio Free Europe said it is an unrealistic option. "Firstly, I know that the possibility of leaving the difficult issue for the end of the process is unrealistic. Believing to go ahead and when everything is done to begin focusing on the name issue hoping it would be easier - this is a very dangerous concept, it won't work. Everything is up to the members of the Union, I wouldn't want to prejudice on what will happen in December. EU members are clear when it comes to their position about the

name issue and what needs to be done. We haven't made the first steps yet, we haven't adopted the progress report, and the crucial recommendations lay there. I expect EU members in December to act in line with the recommendation. I hope that they will take into consideration the positive elements emerging from the High Level Accession Dialogue. But I will say again that it would be naive to believe that all this could happen, that positive decisions could be reached, parking the name dispute somewhere in an abandoned parking lot at the end of this long road," he said.

On the other hand, Radmila Sekerinska SDSM MP and former vice-premier for Eurointegrations comments in her interview, that now for the first time the Commission recommends date for start of negotiations without previously having solved the name issue. She says that this is a message which means that Macedonia cannot seek anymore an alibi in the alleged negative energy from Brussels or in the name problem with Greece, but should have to present leadership, readiness for compromise and then to start real reforms which shall not include party interests, meaning that the country is given space the issue to be solved in the early phase of the negotiation process. "As Fule says there is one big difference this time, as EC for the first time expresses interest and will not treat the bilateral Greece-Macedonia problem as something which is out of its competence, but for the first time proactively is included in the dilemma how to start negotiations with the issue still unsolved. EU estimated that it should go forward, as there were delayed reforms as noted in the previous report, followed by a raised criticism against the EU in the country and finally interethnic relations have worsened. Intention is the process to be deblocked in order negotiations to take place, expected to start when the name issue will be solved. As she states, some of the remarks given in the report were deburdened from the harsh terms, as the "game" is bigger and it is seen as given one big chance for Macedonia as a country (previously were mentioned the areas of judiciary which has been particized and filled with party employments, and media that were linked to politics emphasizing the pressure over the freedom of speech, while there was pressure over politicians, public service is transformed in a government instrument and quality of cadres was dubious, etc)¹. As Sekerinska estimates, EC hopes that it is possible some things to be mended without negotiations, although critics found a closed door, as there is no sense of reality – "if EU says progress is progress, it is serious".

3.8. Bulgaria Announces 'red lines' as Well

The government of Bulgaria adopted a report, which is to serve as a basis for passing a document laying down the foundations of Bulgaria's policy towards neighboring countries. Bulgarian Foreign Minister Nikolay Mladenov elaborated the reason for preparing the document, saying that there was a need to permanently determine Bulgaria's interests and positions with regard to its neighbors following five years of EU membership and eight years of NATO

¹ Still, the report retained the estimation that "corruption continues to be a serious problem and although there is change in the legal framework, there is no change in its implementation."

membership. "Bulgaria is open toward its neighbors and supports the enlargement of the European Union, but it won't allow anyone to interfere into its history and identity. It is not the politicians' job to try and interpret history. All attempts have led to a crash and it is more important to look ahead," he said at a government session, adding that the document should contain some 'red lines' that cannot be crossed in bilateral relations. The issue involving the history of Macedonia was mentioned as one of the red lines toward the country, however it wasn't directly pointed out by the Bulgarian minister.

Bulgaria supports Macedonia's Euro-integration, but not at any price, said country's Foreign Minister Nikolay Mladenov BTA reports. "There are certain conditions that need to be met from our point of view, in order to resume the materialization of our support in the way it has been demonstrated for 20 years now", he stressed adding that Bulgaria is the country with most interest in Macedonia's EU accession by meeting criteria. "Our support is constructive and based on the general position that all Western Balkan neighbors should be part of the EU. At the same time, Bulgaria strictly adheres to the membership principles and criteria, including the development and support to good neighborly relations. Bulgaria has no territorial pretensions to any neighbor, but we believe that our neighbors should also not have minority pretensions towards Bulgaria, since everyone is free to declare himself as he wants in the country", stressed FM Mladenov. According to him, it is important that Bulgaria and Macedonia celebrate holidays and history together in order to build a joint future.

"I am convinced that we can make more efforts to strengthen the European dimension and good neighborly ties between our countries. It can be attained by respecting each other's sensitivity to certain issues", Foreign Minister Nikola Poposki says in a letter addressed to his Bulgarian counterpart Nikolay Mladenov. In the letter, Poposki says he is satisfied with the established level of cooperation in several areas of mutual interest, MoFA informs. Agreeing that history should be left to historians, he proposes a joint commission of historians to be established to review historical issues "which will be a step ahead in advancing the relations between Macedonia and Bulgaria." Poposki suggests to his Bulgarian counterpart forces to be joined for cross-border cooperation aimed at laying the grounds for a common future for the citizens of both countries.

3.9. Trilateral Meeting Tackling Relations With Macedonia

Commenting Macedonia's EU membership prospects, Bulgarian Foreign Minister Nickolay Mladenov said that official Sofia has no problems with Macedonia but with the nationalistic rhetoric of some of the political leaders there. "Our wish is to return to the principles which were laid down in 1999 by the then Prime Ministers of Bulgaria and Macedonia and which largely closed all possible issues between the two countries," he said at a news conference he held jointly with his counterparts of Greece and Romania, Dimitris Avramopoulos and Titus Corlatean.

The three top diplomats met in Sofia for the 8th trilateral foreign ministerial meeting of Bulgaria, Greece and Romania. The process of enlargement of the EU into the Balkans was on the meeting's agenda of the meeting. Mladenov said that this process was important for Bulgaria, Greece and Romania, and enjoyed their firm support, national news agency BTA reported. "Let us take these principles (in Bulgarian-Macedonian relations) and reconfirm them today, but this time reconfirm them with action too," said Mladenov. He expressed conviction that in normal dialogue, "if it is Skopje's wish to have one, the two sides will agree about how exactly they can achieve that."..."This will take to a political level what we see in the everyday life of people from the two countries: stable good human contacts, trade, tourism, family ties. We have time to walk this road and the Bulgarian side is fully ready to show utmost constructiveness in this dialogue," the Bulgarian FM added.

Comments of official Sofia in regards to Macedonia for the last few weeks are tardy and present Bulgaria in a negative light not only before our southern neighbor, but also in the eyes of European partners, national BTA news agency cited Bulgarian MEP Kristian Vigenin as saying at a press conference organized after his two-day visit to Macedonia. The most negative scenario would be for Greece to unblock its relations with Macedonia, while at the same time the Macedonia-Bulgaria relations to worsen, Vigenin said.

He added that the position of Bulgarian President, Rosen Plevneliev on Macedonia was not a position of a statesman but rather a pre-election campaign. In practice the Bulgarian Government is avoiding the declared goal for pro-active policy in Western Balkans and for over three years has been doing nothing essential in regard to the problematic issues in its relations with Macedonia, Vigenin said. He calls for urgent intensifying of Skopje-Sofia dialogue ahead of the EU Summit this December, when a decision on launching of Macedonia's EU accession may be made. "Exchange of open letters is not a constructive approach, but a show for the public," Vigenin said. He considers that the two countries should set up a group of political experts, which will identify the open issues and offer action plan for their overcoming.

3.10. UMD Denounces Bulgarian FM's Statements Over Historical Movie

The United Macedonian Diaspora (UMD) denounced the statements made by the Bulgarian Foreign Minister Nikolai Mladenov, where he suggested a future Bulgarian veto of Macedonian EU membership due to a Oscar-nominated Macedonian film, which criticizes Bulgaria's historical collaboration with the Nazis. 'The Third Half' is a true life-story drama set in Macedonia during the WWII period of Bulgarian occupation when Sofia's fascist puppet regime enabled and assisted Hitler's plans to destroy the Macedonian Jewish community. Today, the Bulgarians claim they saved most of their Jewish population from the concentration camps. However, they fail to mention that, after Bulgaria joined the Axis in March 1941, 98% of the Jewish population in then Bulgarian-occupied Macedonia was exterminated, with most being sent to the Treblinka concentration camp in Poland. In addition, UMD believes that Bulgarian officials

should acknowledge their country's historical collaboration with Nazi Germany more truthfully. "Bulgaria owes a sincere apology to what remains of the Macedonian Jewish community for their unspeakable fate in WWII. The Bulgarian state must never deny its involvement in the Holocaust, and Brussels should reaffirm that freedom of expression is a European value," said UMD Board Member Trajko Papuckoski.

3.11. MEP Kukan: Time for Macedonia to Start EU Accession Talks

Member of European Parliament (MEP) and Macedonia shadow rapporteur Eduard Kukan believes it is time that the European Union and member-states take a step forward and launch negotiations over the country's Union accession. The Slovak MEP told MIA's correspondent from Brussels that the progress in reforms is obvious, whereas recommendations by the European Parliament and the European Commission should be followed, meaning that the EU Council should give Macedonia a date for beginning of accession negotiations this December.

"Taking into consideration developments in Macedonia, I believe there is visible effort and progress in the engagement towards meeting EU-related reforms. I salute the High-Level Accession Dialogue between the EC and the Macedonian Government, and the results achieved thus far. It is important that this engagement actively resumes", says Kukan. He stresses it is time for progress with regards to Macedonia's EU aspirations. "I believe it is maybe time to go a step further and launch Union accession negotiations. The EP has clearly recommended the opening of talks in recent years", says Kukan. Pertaining to the candidate-states, the Slovak MEP says each country is assessed individually.

"I would not go into speculations and compare Macedonia's situation with other regional states, taking into consideration each is assessed according to own merits. However, I share the Commission's opinion of recent years that negotiations with Macedonia should have been launched by now", added Kukan. The Slovak MEP regrets that the EP has no mechanism that could limit EU member-states into blocking the accession of candidate-countries. "The EP can only provide its opinion, a political statement that the EU Council can either accept or not", underlines the Macedonia shadow rapporteur.

3.12. Ivanov, Orav About Expectations for EU to set Start Date for Accession Talks with Macedonia in December

Macedonian President Gjorge Ivanov expects European leaders at the EU Summit in December to take into consideration the four EC recommendations and to set start date for accession talks with Macedonia. "For four years we have justified arguments for start of accession talks and for four years we are hoping for something that we deserve. I hope that this year the European leaders will take into consideration these recommendations and will support the prosperity and development of our country instead to agree with a member state which is making us problems to us and to entire region, Ivanov said in the interview with weekly magazine "Gragjanski."

Regarding the adjective "Macedonia" which was once again used in the EC Progress Report, Ivanov said that he is not absolutely satisfied but underlines that it cannot be denied that a progress is achieved because formulations "people of the state" or "language of the state" which were mentioned in the previous reports and were extremely humiliating for the Macedonia, are now gone in this year's seventy pages.

Aivo Orav - the European Union Ambassador to Macedonia when asked about Macedonia's progress made in 2012, he stated that this year's progress report is indeed about a headway, since many thing have been improved. "There have been and I've also heard a lot of criticism from some people that many challenges have been noted in the report and yes, it's true. If it wasn't so, if there was no criticism or noted challenges, then the country should have to start the negotiations tomorrow. The country has a lot ahead before opening the negotiations and I believe that the report shows that there is good opportunity for opening the process. The (European) Commission presented such a recommendation, but it is up to the Council of member states to decide whether it is time for start of talks or whether something else needs to be done," Ambassador Orav notes. He also said he is not able to say how realistic it is for the Council of EU to approve a date for negotiations with Macedonia.

Asked whether there is an opportunity for Macedonia to start negotiations without a name row settlement under a condition the issue to be closed in the early stages, the Ambassador says that if the recommendation is being read in this manner, then it still means that finding a solution to the dispute is the main condition. "However, there must be a solution as soon as possible, even as soon as today. The EC recommendation for launching negotiations means that this process and the process of solving the name issue should take place simultaneously with the name row to be closed in the early stages. This is a chance for the country, even though the decision hasn't been approved by the member countries yet. It is important to keep pursuing reforms and to commit more to building good neighborly relations. It is a great challenge for the government at this point," says Orav.

It is essential to keep pursuing reforms, the Ambassador urges. "Whatever happens in December, the reform process must be pursued. It is in the interest of your country, of the citizens. If you manage to harmonize your legislation with EU's, then it means that one day once you start the negotiations, it will be much easier for the country to proceed. If everything was closed, you could open negotiations in one chapter in the morning and close them in the evening. It is understandable that politicians find it hard to make these reports, but the work must be done," Orav emphasizes.

3.13. EC's Recommendation for Start of Entry Talks Increases Chances for Name Row Settlement - Says Sannino

We believe that our recommendation for opening of accession talks will boost the chances for solving the name issue. We are also convinced that your European

perspective is real, stressed the European Commission's Director-General for Enlargement, Stefano Sannino in an address at the regional conference "Sustainable Reforms - Towards EU 2020 Objectives", held in Skopje. "I believe our recommendation will yield positive results also with respect to the recent contacts made in New York. This process (of name talks) was relaunched and I think it is important to move forward and maintain the established dynamics, since it is of essential significance, Sannino said. The work done by Macedonian institutions and its society additionally confirm that everyone "has contributed", according to him. "Therefore, it is important to underscore the role played by the government, especially its president, who pushed forward this dialogue with the European Union."

The European Parliament adopted a resolution on the Enlargement: policies, criteria and the EU's strategic interests for 2012-2015. MEPs believe the document will be beneficial for EU integration of Western Balkan countries. MEPs Bernd Posselt (Germany) and Monica Macovei (Romania) called for Macedonia to be allowed to start the EU accession negotiations, MIA reports from Strasbourg. "The High-Level Dialogue with Macedonia is a solid instrument, but it cannot replace the accession negotiations," Macovei said. Macedonia should be evaluated according to its achievements, she said, pointing out that the country deserves and may immediately start the EU entry talks. A date for launching Macedonia's EU accession negotiations must not be postponed once again, Posselt said. "Greece's blockade to this country must come to an end," he said. Posselt and Macovei gave their statements at a debate about the EP draft resolution on the Enlargement: policies, criteria and the EU's strategic interests, submitted by Greek MEP Maria Eleni Koppa.

The resolution, adopted by vast majority, says the EP considers that the Copenhagen criteria continue to constitute a fundamental basis and should remain at the heart of enlargement policy; stresses that full and rigorous compliance with these criteria is imperative, that due attention should be paid to the social implications for the candidate and potential candidate countries, and that the Union's integration capacity must be taken fully into account.

The document also calls on the EU to support efforts to resolve outstanding disputes, including border disputes, before accession; in line with the provisions of international law, the UN Charter and the relevant UN resolutions, as well as the Helsinki Final Act, encourages all parties to disputes whose continuation is likely to impair implementation of the acquis or endanger the preservation of international peace and security to engage constructively in their peaceful resolution and, if appropriate, in case of not being able to reach a bilateral agreement, to refer the matter to the International Court of Justice or to commit themselves to a binding arbitration mechanism of their choice or else work constructively within an intensive mediation mission; reiterates its call on the Commission and the Council to start developing, in accordance with the EU Treaties, an arbitration mechanism aimed at resolving bilateral and multilateral disputes. The document welcomes the high-level accession dialogue with the

Macedonia, but notifies that this initiative must in no way replace the formal negotiation procedures.

3.14. FM Poposki: Unrealistic to Expect Decades-long Dispute to be Solved in Several Days

It is unrealistic to expect that the 20-year-long name row is solved in the following days, says Foreign Minister Nikola Poposki in an interview with Deutsche Welle. "What we said is this has been one in the series of discussions of countries' representatives with mediator Nimetz and we saluted this fact. With regards to the opinions by Mr.Nimetz and the possibilities for future progress, we need to perceive all elements and then present a stance that reflects our views. At this time I do not believe we can assist Mr.Nimetz with any assessment of his positions. Pertaining to the timing, I do not believe it is realistic to expect settlement of a 20-year-long dispute in the following days, whereas creating of such expectations is not beneficial", says Poposki over expectations from the December EU Summit after the latest round of name talks in New York. Quizzed on developments if Greece again blocked Macedonia, the FM stresses the country's approach is clear - to become EU member.

"We have been increasingly prepared by each coming year since obtaining the candidate status in 2005. This year we delivered most results compared to the past, meaning our record is clean. The message we are sending to our partners in the European Union is that Macedonia has the capacity to act as member-state even before launching formal membership talks. With regards to EU's credibility, I believe no serious European has interest in continuation of the failure to reflect assessments in the decisions passed by the Council. We need to focus on the common benefits, demonstrate capacity and contribute to the European idea. We expect the same from all member-states, which need to demonstrate their true commitment to this goal in the decision-making process", says FM Poposki.

3.15. EC Report Under Discussion

EU Enlargement Commissioner Stefan Fule was making last attempts in December to obtain a date for launching of Macedonia's EU entry talks, considering the European Commission's four recommendations in a row to that effect, MIA reports from Brussels. Following the EC recommendations, it remained up to the EU members whether they would accept them or not. It was recommended for the fourth time that Macedonia should start negotiations for EU membership, with the remark this start not to be further delayed, which shall be of benefit not only for the country but for the whole region. Intention is the country to consolidate the reforms tempo and sustainability, as well as strengthening interethnic relations.

The ministers discussed the issues of EU enlargement and the Stabilization and Association Process, while they were to adopt Conclusions stating the Council's position vis-à-vis the EC communication of October 10 on the enlargement

strategy and main challenges, and the progress reports on candidate countries and potential candidates. The Council was expected to reaffirm the EU's commitment to take the enlargement process forward on the basis of agreed principles, in line with the renewed consensus on enlargement approved by the European Council in December 2006 and the Council Conclusions of December 2011, with each country being assessed on its own merits. With respect to the Western Balkans, the Council was expected to reaffirm its commitment to their European perspective, with the aim of promoting stability, peace and the rule of law in the region and the continent. By making progress in economic and political reforms and fulfilling the necessary conditions and requirements, the Western Balkans candidate countries and potential candidates could progress towards EU membership, each in accordance with its merits.

Although the European Commission and Fule were insisting on a date for beginning of negotiations and screening on chapters 23 and 24 for Macedonia, under the Greek pressure and partly by Bulgaria, at the end ministers only asked the Commission to prepare a special report in spring next year, referring to the good neighborly relations and solving the name issue. If this report shall be positive, then the Council during the Irish presidency shall decide whether it shall accept it and negotiations may start. In fact, it was understood that the "award" came together with the "price", as now it is clearly set that the European Commission strongly insists that Macedonia should get negotiations, but also that the name has officially become a precondition, although it is not a precondition for the negotiations start. The European Commission is ready to start the Government's request to have parallel negotiations for the name and for EU membership, however there should be a strict time-frame in which the name issue should be resolved. Commenting the outcome, Fule stated that Macedonia "has got something by not losing anything"... and that "if the Commission in spring issues a positive special report and the Council adopts it in June 2013, then it is possible the same month to start negotiations for EU membership", hoping that this ambitious language shall be understood as a possibility for finding a mutually acceptable solution for the name and to be closed this chapter. "There is a momentum created this year linked to the enlargement and these conclusions create conditions for this momentum to continue and to strengthen next year. I urge you to read the conclusion well and you will see that a clear framework has been created that if the former Yugoslav republic of Macedonia delivers reforms, including the area of good neighborly relations and the name issue, there will be a very good perspective. Based on the report of the European Commission, the Council shall adopt the decision for start of the accession negotiations during the next EU Presidency" Fule emphasized.

As for the European's Commission Report titled "The Former Yugoslav Republic of Macedonia 2012 Progress Report issued in November – Enlargement Strategy and Main Challenge 2012-2013", some of the basic estimations and findings are: "The functioning of Parliament and political dialogue have been maintained. Dialogue needs to be further strengthened, including on inter-ethnic issues. The parliament is discussing government proposals for improvement of the legislative

framework for elections, following the OSCE/ODIHR recommendations on the 2011 elections. The proposals aim to strengthen the Electoral Code, in particular by increasing transparency of campaign and political party financing and addressing gaps and ambiguities in the existing Code. The government has also proposed amendments of the Law on financing of political parties. The Voters' List is in the process of being revised. On-going efforts will be necessary to fully address the recommendations of the OSCE/ODIHR, in particular as regards the separation of state and political parties, prevention of intimidation of voters and audit of the Voters' List. The 2011 amendments to the Law on Languages were implemented. The Committee on Interethnic Relations continued its activities and held five sessions, including one on inter-ethnic incidents and tensions which arose in the first half of the year. The Committee on Labour and Social Policy continues to discuss the scope of the government proposed Law on Defenders concerning support to victims of the 2001 conflict. A mutually satisfactory solution should be found which facilitates reconciliation, on the basis of the recent government report on the Ohrid Framework Agreement.

Overall, the functioning of the parliament and political dialogue have been maintained. The parliament has consistently supported the accession process, including the High Level Accession Dialogue. The implementation of the Law on Languages and of the rules of procedure has progressed. The government has adopted proposals to for improvement of the framework for elections which are being considered by Parliament. On-going efforts will be needed to fully address the recommendations of the OSCE/ODIHR. Continued efforts are needed to develop the capacity of the parliament and political dialogue needs to be strengthened.

Cooperation within the government coalition has continued and has been successful in putting the accession process at the centre of the political agenda. The government has effectively coordinated the implementation of the HLAD on the basis of its own Roadmap. The government responded with maturity to interethnic tensions and needs to build on this to further strengthen inter-ethnic relations and reconciliation, including on the status of victims of the 2001 conflict. The coalition partners should pursue their dialogue in order to find solutions and ensure stability. In the field of local government, progress on decentralization needs to be accelerated, in particular as regards the financial framework.

There was some progress as regards public administration. Services to citizens were improved and e-government has been gradually introduced. Steps on fundamental reforms of the administrative framework and public and civil service have been launched. Additional efforts are needed to guarantee the transparency, professionalism and independence of the public administration. In particular, respect for the principle of merit-based recruitment together with the principle of equitable representation needs to be ensured.

As regards the judiciary, legislative and institutional safeguards are in place, but further efforts are needed to guarantee independence and impartiality in practice. Progress has been made, notably in reducing the backlog of cases. Further efforts are needed to create clear and transparent grounds ensuring proportionate dismissal procedures and to improve significantly the

implementation of merit-based judicial appointment and career development. The AJP should be further supported in its key role in the development of a professional and highly-skilled judiciary and prosecution service.

The legislative framework is in place and capacity has been strengthened slightly, but greater efforts are needed as regards implementation of existing laws. Steps have been taken to improve verification capacities and enforcement powers of the authorities. However, there has been little visible progress in terms of end-results. A track record of handling high-level corruption cases has yet to be established. A more proactive and coordinated approach by supervisory bodies and enforcement agencies is needed. Collection and analysis of statistical data should be improved to focus efforts where they are most needed. Corruption remains prevalent in many areas and continues to be a serious problem. The functioning of the legal system has continued to gradually improve. However, weaknesses related to lengthy procedures, corruption and difficult contract enforcement are continuing to hamper the business environment.

Civil and political rights are broadly respected and some further progress was made. The ongoing reform of the prison system needs to be pursued. Significant efforts are needed to improve management of the prisons, in particular for juveniles. The dialogue between the government and journalists on issues relating to freedom of expression was deepened. The government adopted a proposal to decriminalize defamation through a Law on Civil Liability for Insult and Defamation. The Criminal Code needs to be revised in line with this approach. The Broadcasting Council has begun to enforce legal provisions against concentration of ownership and conflicts of interest with the political sphere. There are widespread concerns about lack of pluralism and self-censorship and the Broadcasting Council needs to demonstrate that it is following a non-discriminatory and transparent approach. Continued efforts are necessary to address related challenges such as transparency of government advertising and the labour rights of journalists.

Some progress can be reported in the strengthening of social and economic rights. The Macedonian institutions have taken a more proactive role on behalf of children's rights, notably juvenile justice and street children. Social dialogue has developed through the Economic and Social Council. The Commission for Protection against Discrimination is engaged in processing complaints although its resources are limited. The Anti-Discrimination Law needs to be fully aligned with the *acquis*, notably as regards discrimination on grounds of sexual orientation. There is a need for better protection of the rights of women, including those in vulnerable groups, as well as further efforts to increase their participation in the labour market and in political life. Social integration of people with disabilities remains weak.

Some progress was achieved in the area of cultural rights and minorities. A review of the Ohrid Framework Agreement was launched which includes recommendations for addressing the on-going challenges. This momentum needs to be maintained through concrete follow up. Tension between communities following violent incidents caused concern. The government responded with maturity and needs to build on this by further strengthening

interethnic relations and reconciliation. Concerning the Roma, several measures were taken, notably to address the issue of persons without documents and to integrate IDPs and Roma refugees. However, implementation of existing strategies and inter-institutional cooperation needs to be significantly strengthened. Several institutions mandated to promote the rights of the communities lack financial and administrative resources.

The policy mix continued to be directed towards stability. Monetary conditions were supportive to growth, while taking into account the country's policy of a *de facto* peg to the euro. Public spending was kept largely in line with revenue. However, budgetary planning and the management of public expenditure have deteriorated markedly and the quality of public spending has remained weak. Unemployment continues to be very high, in particular among the young, posing a persistent major policy challenge. Macro-fiscal risks are mainly related to external shocks, such as a further decline in external demand, higher import prices and/or a drop in current transfers.

Some progress was made in the area of public procurement. Alignment of the legislation on concessions and public-private partnerships with the *acquis* is advanced, with exception of remedies and defense procurement. Use of e-auctions is mandatory.

Administrative capacities in the field of remedies and of concessions and public-private partnerships remain weak....Alignment with key *acquis* in the area of financial market infrastructure remains to be achieved. Overall, in the area of financial services, alignment with the *acquis* is moderately advanced. Progress can be reported on the information society and media, notably in the area of electronic communications and information society services. In the case of audiovisual policy, the activities of the Broadcasting Council increased, but a non-discriminatory approach needs to be ensured. Adoption of a media law in line with EU acquis remains a priority. The country partly meets its priorities in the area of the information society and media. Overall, preparations in this area are moderately advanced.

The independence of the public service broadcaster (MRTV) is provided for in the Law on Broadcasting Activity. MRTV has initiated some reforms under new management to increase its efficiency and quality of the offer. Further significant efforts remain to be undertaken to ensure that the MRTV fulfils the public service mission, inter alia by providing balanced and pluralistic news coverage. The drafting process of new media legislation, aligning it with the audiovisual media services directive advanced, but the inclusiveness and transparency of the process still need to be ensured. Little progress can be reported in audiovisual policy. Parliament enacted amendments to the Broadcasting Law that provide for higher broadcasting fees and extend advertising times in the public service broadcaster's program's. Collection rates for the broadcasting fee has started to increase and provide for proper funding of the public service broadcaster and of the Broadcasting Council. The Broadcasting Council increased its monitoring activities and the transparency of its work, but concerns about its independence remain. The total number of cases of illicit media concentration investigated increased. Efforts were made to enforce legislation on copyright and on media

ownership and concentration, but these still remain insufficient. The removal of the license for the TV station A2 did raise questions and identified weaknesses in the legal framework and practice for imposing sanctions. The Broadcasting Council needs to review its practices and legal framework in order to address these concerns. The Broadcasting Council lacks resources to monitor and enforce the law at regional and local levels. Content monitoring activities remain weak and insufficient.

Some progress was achieved in the area of agriculture and rural development. Continuing advances have been made towards setting up the integrated administration and control system. Further alignment with the *acquis* is required. Administrative capacity remains a concern throughout the sector. Overall, preparations remain moderately advanced.

Some progress was made in the energy sector, in particular on enacting legislation implementing the 2011 Energy Law. A number of implementing acts have still to be adopted. Full liberalization of the electricity and natural gas markets is yet to be achieved. Some progress was made on renewable energy. Preparations in this area are moderately advanced.

Progress has been limited in the field of taxation. Efforts are still required to harmonize the national legislation with the *acquis*, to reinforce the fight against tax fraud and tax evasion and to address IT and staffing capacity. Overall, preparations in the area of taxation are moderately advanced.

Little progress has been made in achieving an efficient and inclusive labour market. Very high unemployment remains a major challenge, in particular concerning women and young people. Social dialogue has improved but the role of social partners needs to be further strengthened. Poverty remains high and inclusion of Roma, people with disabilities and other socially excluded people is limited. Further efforts on anti-discrimination are needed. The overall administrative capacity needs to be significantly strengthened in order to push implementation forward. Overall, preparations in this area are not very advanced Progress was made in the area of the judiciary but key issues remain to be addressed Little progress was made as regards the independence and impartiality of the judiciary. Although basic safeguards are in place, including the role and composition of the Judicial Council, further efforts are needed in practice to guarantee independent, high-quality decision-making by courts. Improvements are needed in the evaluation and promotion system, where the current emphasis on quantitative rather than qualitative assessment criteria creates the risk of formalistic decision-making. The current grounds for dismissal of judges are not sufficiently clear, precise and predictable, which could pose a potential threat to judicial independence. The Law on Free Access to Public Information remains deficient. The exceptions to access to public information are vaguely worded, leaving scope for arbitrary interpretation. The sanctions set out in the law are unclear and are not applied in practice. Political parties are excluded from the list of holders of information. Limited and uneven progress was made in the area of fundamental rights.

Further improvements are needed as regards merit-based judicial appointments, precise and predictable dismissal grounds and correct use of statistical tools. In

the area of anti-corruption policy, the legislative framework is in place and capacity has been strengthened slightly but greater efforts are needed to develop a track record of investigations, prosecutions and convictions as no progress has been observed in this regard. As regards fundamental rights, some progress was made in the area of freedom of expression, notably towards the decriminalization of defamation. The relevant institutions need to become more effective in promoting and safeguarding fundamental rights in practice. The Ohrid Framework Agreement remains an essential element for democracy and rule of law in the country. Preparations in the field of the judiciary and fundamental rights are moderately advanced.

The Report gives the general impression that the country "sufficiently fulfills the political criteria", although unofficially diplomats in the country say that it is far from ideal. As one of them commented for a weekly magazine: "this is probably the only way to turn all of the society's attention towards reforms instead of empty political-populist rows, which result may be bad interethnic relations, raise of incidents and at the end possible instability". Out of the High Level Dialogue points, the ones for which the Commission is mostly concerned are the rule of law and the freedom of expression, including media freedom. Remarks are that media are financially weak; that the public service (MRTV-the national TV) is partycized; various regulatory bodies are insufficiently strong; there are low journalist professional standards coupled with bad working conditions and low salaries; there is no control over the length of the judicial procedures; there is political influence over the judges and there is a dubious system of judges' appointments. Still, the Government representatives repeatedly were stating that this is the most positive report ever. It remains to be seen what the following 2013 reports shall determine, having in mind the latest Assembly events that took place on December 24th named by the opposition "the Black Monday".

4.ECONOMY

4.1. Economic Trends

Published data regarding the economy are worrisome, as there was a first quarter downfall especially in the areas of construction, industry and electrical energy supply for about 10% in each area separately. Domestic businessmen were not optimists for the second quarter as well, complaining: "there is general lack of money (cash), companies are non-liquid because the state owes them money that are still not returned, banks are very cautious-it is a chain reaction of non-liquidity"..."agricultural producers cannot sell their products, while markets are flooded with foreign products"..."the state should do what foreign financial institutions suggested, - settling the debts towards the firms and to become invest oriented".

In the first quarter the Macedonian economy registered -1.4% growth with a further falling tendency, although at first the government projected a 4% growth

and the budget was built accordingly. Industrial production in the first five months of the year shows a downfall of 7,5% in relation to last year's trend. Export of Macedonian products fell for 5,9% in the first three months compared to last year. Unemployment was raised for 0,4% in the first three months of the year. As serious remarks were given for such projection, including the World Bank and IMF, the Government blamed it to the world economic crisis, the worldwide shock oil prices, the food and the EU debt crisis, stating that everybody will have negative trends or at most growth of 1%, while Macedonia "shall have growth of 2%". As that prognosis was proven unreal as well, consequently official justification was that every positive growth, even the positive zero obtained was a great success during this economically hard year.

Although last year according to data from the National Bank of Macedonia foreign direct investments amounted to 300 million Eur, which is an improvement compared to the previous two years, in the first quarter of this year FDI are only 64,2 million Eur. However, already in April there was a minus of 33,6 million Euros, as foreign companies' profit has gone to their countries of origin. FDI further noted a total drastic fall of over 80% in the first 10 months of this year, reaching the amount of 50,6 million Euros.

The metallurgy sector fought with the crisis, while it employs 15% of the workforce in the country. Orders from abroad have decreased 20-30% in the first quarter, and were expected by the end of the year to further fall. VAT income has especially decreased, while along the year the state showed lack of capacity to pay the VAT returns to domestic enterprises. Credit activity constantly fell, while deposits became bigger than the credits taken. Electricity production in the first five months of this year fell for 5,7% compared to last year, indicating that less demand for electrical power means fall of production.

30,4% of the citizens of Macedonia live in poverty or practically every third citizen. Experts believe that this is alarming, as there was only a 0,5% decrease of the poverty index compared to last year. Over 48,5% of the poor live in households of five or more persons. The level of unemployment is 40,7%, that is 46% of all the poor are unemployed persons². There is a raise in poverty among couples with children, where from 28,9% in 2010 it raised to 35,1%. Among young people, that is the citizens up to 39 years of age in 2010 unemployment was 32,1% while last year was 40,9%. Opposition stated that in 2007 there were 29,4% of poor, in 2008 was 28,8%, in 2009 mounted to 31,1% and in 2010 30,9%.

It is believed that in conditions in which are dried out the options for international sources of financing, at first by a message obtained from IMF followed by Deutche Bank, that the Government has not much a maneuvering space for creating new debts. Opposition experts noting that national economy is in

² The government decided to make new offers to the unemployed in the country, as unemployment level is high and in average individuals are waiting for 8 years in average to be employed. In procedure are changes for the Law on employment and insurance in case of unemployment.

constant fall, suggested the government to accept at least one measure suggested from the opposition (SDSM) and that is to temporarily renounce its income part from the fuel prices and not to allow under any conditions to raise again the price of electricity, as the only way to prevent the dynamic price raise and inflation. Still, in July have been announced the new raised prices of electricity (for 10%) and central heating (for 3%).

4.2. PM Gruevski "Road Show" Economic Activities

Since the beginning of March until today around 300 foreign companies were informed about the investment possibilities in Macedonia. The Government's planned road show around the world for economic promotion of the country comprised visits to many countries, including Turkey, Singapore, Japan, Russia, Catar, India, Malaysia and China, followed by the Scandinavian countries. Mostly investment hopes are aiming the offered beneficial conditions (facilitation for opening a business, favorable tax and other benefits for the companies), the lowest expenditures for doing business in Europe and promoting the economic sectors development possibilities in the fields of energy, gasification, car industry, agriculture, tourism, infrastructure etc.

4.3. Economic and Political Cooperation With Russia

In June, Premier Nikola Gruevski met with Russian President Vladimir Putin at the International Economic Forum in Saint Petersburg. The meeting was estimated as an impulse for the countries' economic cooperation, especially regarding the idea for Macedonia's inclusion into the South Stream energy project (the gas pipeline to pass through Macedonia) and the gasification project in the country. On the occasion, hopes were expressed that the project shall be launched by the end of the year. PM Gruevski added that talks were also focused on future cooperation and relations with Gazprom company.

Vice PM Zoran Stavreski, from his part stated that the visit to Russia was of exceptional political and economic significance expected to yield a fresh signal in relation to countries' political and economic relations. "The meeting is expected to provide a new signal not only to the countries' political relations, but also to their economic ties in coming years. It is an additional confirmation that Macedonia is welcomed in Russia at the highest level and that doors are opened in Russia for the development of political and economic relations, for which we are particularly interested," Stavreski noted. Macedonia's delegation launched its Russia visit in Moscow, where the country's investment opportunities were presented before approximately 100 Russian investors. Very important was the meeting with the enterprise "Gazprom" for the project gasification of Macedonia (project "South Stream"), that is to be realized with the Russian clearing debt of 60 million USD. According to the plans, "South Stream" needs to be constructed in 3 years, to end by the end of 2015, and to start working on its full capacity by 2018. For Macedonia, construction should cost 25 million Eur.

Although energy project endeavors seem to be an attractive pre-election trump card on the political competition agenda, reality shows that the most favorable

pipeline and gas taps which were previously planned to pass through Macedonian territory have already surpassed Macedonia. Most probably, the country shall only obtain connections from its neighbors which shall be ending in Macedonia. Government promises prior to elections included power plants, thermo plants, hydro plants, cleaning and regulating waters, gasification, roads, highways etc, which priorities gave way to other non-rational budget expenditures.

4.4. GCR: Macedonia Preserves Last Year's Competitiveness Rank in Spite of Crisis

The Global Competitiveness Report (GCR) 2012-2013, issued by the World Economic Forum, ranks Macedonia at the 80th place out of 144 countries. It means that Macedonia has preserved its Global Competitiveness Index (GCI) of the last year in a period when all economies in the region register decline, Vice-Premier Vladimir Pesevski told reporters³. In regard to Macedonia, the report notifies improvements in indicators, such as total tax rate/profits; days to start a business, macroeconomic environment; goods market efficiency and functioning of institutions.

Better results in comparison to last year have been also registered in regard to ease of access to loans, availability of financial services, business impact of rules of FDI, quality of port, air-traffic infrastructure. The first three are a result of the Government's anti-crisis measures, namely cutting of taxes and regulatory guillotine, while for the last two credit should be given to Turkish TAV, Pesevski said. Substantial improvements have been notified in terms of availability of research and training services; primary education enrollment; property rights; intellectual property protection; transparency of government policy-making; soundness of banks and wastefulness of government spending.

Downward trends are related to inflation - annual change; firm-level technology absorption; university-industry collaboration in R&D; cooperation in labor-employer relations; capacity for innovation; willingness to delegate authority; degree of customer orientation and buyer sophistication.

On the other hand, EBRD decreased the projections for growth of the Macedonian economy from 1,3% to only 0,5% for 2012. This is the largest correction compared to any other country from the region compared to the projections from May this year. In the latest edition of "Regional Economic Possibilities" the Bank says that Macedonia has had a surprisingly strong economic growth in the first half of 2011, due to the high export and foreign direct investments, but this growth has significantly slowed down in the second half of the year due to the European debt crisis. The Bank says that weak environment shall further influence negatively the Macedonian economy and that GDP fell

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³ Montenegro goes down for 12 places, Albania - 11; Greece - 6; Croatia - 5, while Macedonia only for one, as this year report includes two new countries.

1,4% in the first quarter of 2012, while total yearly growth is expected to fall compared to last year.

4.5. Expatriates Boosting the National Economy

Social security of Macedonian households is greatly supported by expatriates who send money to their families and relatives from abroad and it is visible that the sums are quite significant for the Macedonian economy. Namely, only in the first half of this year were sent 735 million Euros, which sum signifies a 25% increase compared to last year. About 150.000 families are recipients of these money, while the estimated Macedonian citizen's diaspora is about 470.000 persons, or 22% of the total number of inhabitants. The World Bank classifies Macedonia among the 30 countries out of which people are emigrating.

4.6. GFI: Illegal Money Flow from Macedonia?

In the period 2000-2010 from Macedonia are taken out 4,61 billion UDS reports "Global Financial Integrity" an NGO seated in Washington. By this, Macedonia is on the 76th place in the world according to the amounts of money that "escaped" the country in an illegal manner in the so called "tax heaven" states in a competition on 143 developing countries. This rank shows that were taken out disproportionally big amounts for a small and poor country like Macedonia. GFI states that these sums do not refer exclusively to money obtained by corruption or tax evasion, but also in this sum are not comprised the organized crime, narcotics, weapons, prostitution or human trade. Report authors state that their estimations are pretty conservative and that real amounts are far bigger.

4.7. Opposition Reactions to the Government Debt

During the second half of 2012 the government was constantly taking loans to cover the projected policies, among which are: 75 million Eur with interest of 6,8% from Deutche Bank (instead of the 250 million Eur primarily requested by the Macedonian Minster of Finance); and 87,5 Million Eur picked on the domestic market (instead of the planned 103 million) and others. SDSM MPs on a parliamentary debate asked the Government to immediately declare the size of debt the state institutions have on basis of non-paid requests and the debt the state has on basis of non-returned VAT tax, and to stop the constant debt raising at the domestic banks and other financial institutions. These suggestions derive from the opinion that the Macedonian economy is found in a state of unprecedented non-liquidness, due to the non-capability of the government to pay off on time and regulate its debt towards the companies. This problem gets worrisome dimensions and threats to completely suffocate the national economy - said Marjancho Nikolov, the president of the Assembly Committee for Financing and Budget. "Even half of the active companies in the country (37.754) are blocked. The total number of blocked accounts of private firms taking into account the month of May this year has reached the figure of 58.131" he said, citing data from the National Bank. "While companies in Macedonia suffocate with non-liquidness, the Ministry of Finance drew additional 70 million euros from the domestic market, through issuing state bonds by which additionally stimulated the heavy non-liquidness of the economy-says the opposition. He repeatedly asked the government to cease with spending on advertisements, facades, willows, golden fences and monuments, and to use those money for settling the debt towards domestic companies" he added.

4.8. Law on Cash Payment Under Debate

SDSM MPs did not manage to persuade their VMRO-DPMNE colleagues to lower the high fines foreseen by the Law on cash payment and abolish the measure prohibition of carrying out activities when minor irregularities are disclosed. "Instead of placing 3000 euro fines on small shop owners and closing down of their shops for minor irregularities, inspectors should first warn owners and give them a deadline within which they will search for a solution to the problems. About a month ago we witnessed the closing of around 60 shops in one day in Prilep, and each owner paid 3000 euro," says SDSM MP Goran Sugareski. If there was no possibility of lowering the fines SDSM suggest at least rating of offences according to gravity and company dimensions. "The changes in the Law on cash payment proposed by SDSM were not accepted since the strict measures protect disciplined taxpayers from unfair competition" say from VMRO-DPMNE. VMRO-DPMNE MP Gjorgji Kodzobasiev considers that the fines should not be lowered: "The fines foreseen by the Law on cash payment are not there to collect money, but to keep taxpayers from frauds. Thus we increase the financial discipline and decrease tax evasion".

4.9. SDSM Economic-Social Committee Findings

Vanco Uzunov, the President of the SDSM Economic-Social Committee at a press conference stated that statistical data show that Macedonia is in recession. "Contrary to the Government claimings, EU and the Eurozone although they have a slower growth, they are not in recession, which ultimately are good news for Macedonia as well. However it is not good for the state, the government, the citizens and the national economy the fact that in a condition of recession we behave as it does not exist. Instead of healing our national economy, we behave as it does not exist. Therefore the government must admit the new circumstances and adjust itself to them. In the new budget rebalance it must admit the recession and the GDP growth projection to set it accordingly- 0%, 0,5% or eventually to 1%. Also, it must urgently stop all non-productive expenditures or all expenditures which do not help in any way for overcoming the recession. By all means should immediately stop all advertisements, all campaigns, public enterprise sponsorships etc., additionally must stop all orders for new monuments, facades or other similar big expenses, which at this moment deprive us from the possibility to deal with the crisis. The government should also publicly state what are the exact debts it has toward the domestic economy in terms of non-refunded VAT or on basis of used but non paid goods and services from the companies. There is a large group of impoverished citizens for which the recession coupled with the massive new high prices is a matter of survival. Therefore, the Council suggested to those families to be given vouchers of 2000 denars monthly for obtaining food produced in the country." he said.

4.10. New Loans Follow

While fierce discussions on the Budget were evolving, the Government obtained additional loans at the domestic market. Through an auction of government bonds were collected 34,2 million Euros, out of which 24,4 million Euros of which were disbursed as tax returns to the national economy and the private sector, while 10 million Euros were transferred in the state Budget. A couple of days before, through an unannounced auction of government bonds with denar or foreign currency clause the state got 100,7 million euros. In addition, one week before the government got other 46,2 million Euros, which means that in total only for eight days banks credited the state for 187 million Euros⁴ (the total sum amounts 2,37% of GDP). After the "Black Monday", without the opposition participation, the Assembly Committee for Budget and Financing decided to get the World Bank loan of 50 million USD and additionally in an Assembly procedure got the new loan from Deutche Bank of 250 million euros. In sum, all the loans taken by the Government in this very short period of time touches a total of over 400 million Euros.

5.HEADLINES/POLICIES

5.1. Ivanov: Regional Cooperation Aimed at Surpassing Prejudices

By taking over the Chairmanship-in-Office of the South-East Europe Cooperation Process (SEECP), the Republic of Macedonia remains committed to principles of good neighborly relations, regional cooperation and reconciliation through European and Euro-Atlantic integration. Among the priorities of the Macedonian Chairmanship will be cooperation in the sphere of economy, agriculture, culture, tourism, science, education, cross-border cooperation and environmental protection" said in June President Gjorge Ivanov said in his address at the Summit of Heads of State and Government of the South-East European Cooperation Process (SEECP) being held in Belgrade, MIA reports. Macedonia in June 2013 will host the Summit at which, as he said, main focus will be on two current and closely connected issues of global importance: disaster risk reduction and climate change adaptation.

The SEECP was launched in 1996. The basic goals of regional co-operation within SEECP include the strengthening of security and the political situation, intensification of economic relations and co-operation in the areas of human resources, democracy, justice, and battle against illegal activities. It is the intention of the SEECP to enable its members to approach the European and Euro-Atlantic structures through the strengthening of good neighborly relations and transformation of the region into an area of peace and stability. SEECP member-states are Albania, Bosnia and Herzegovina, Bulgaria, Greece, Macedonia, Romania, Serbia, Turkey, Croatia, Moldova, Montenegro and Slovenia.

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⁴ On January 8th 2013 the Government should pay off the debt for the Euro bond of 147 million Euros.

5.2. Macedonia's High Ranking for its Activities Against Human Trafficking

The annual State Department report, which puts Macedonia in a group of 32 countries that have fully complied with the standards in combating human trafficking⁵ for Interior Minister Gordana Jankuloska is a recognition of country's efforts to eradicate the crime and also an obligation to keep making other efforts. Macedonia joins Austria, Belgium, Canada, France, Finland, Germany, Italy, the Netherlands, U.S., Great Britain... and is better at tackling the so called modern slavery than neighbouring countries which are ranked in the second group of countries that have partially fulfilled criteria (Albania, Greece, Serbia, Kosovo and Bulgaria).

"The latest report for us is a recognition for all the efforts we have made. It notes that the government uncompromisingly persecuted perpetrators and actively examined the complexity of human trafficking. The success is even greater taking into consideration the fact that our neighbours are included in the group of countries partially meeting standards in the fight against human trafficking," Jankuloska told a press conference on Wednesday. She noted that efforts must continue, because Macedonia "is subjected to risks, i.e. it is a source, a destination and transit country of trafficking in human beings."

5.3. Australian Census Data

According to the Australian Macedonian Human Rights Committee Inc. media release from 23 June 2012 referring to the 2011 Australian census data, there are almost 100.000 Macedonians living in Australia. In the six months prior to the 2011 Australian census held on Tuesday 9 August 2011, the Australian Macedonian Human Rights Committee (AMHRC) prepared instructional leaflets in both English and Macedonian, for the benefit of the Macedonian community. The material related to the questions on ancestry, language, country of birth and religion.

The first data release of the Australian Bureau of Statistics (ABS) in relation to the 2011 Census showed that: The data on the question of ancestry showed that there were 93,570 persons of Macedonian ancestry in Australia (compared to 83,978 at the 2006 census); The data on the question of language spoken at home showed that there were a total of 68,849 persons in Australia who spoke the Macedonian language at home (compared to 67,833 the 2006 census); and regarding the country of birth showed that at the 2011 census there were a total of 40,222 persons born in the Republic of Macedonia (compared to 40,656 at the 2006 census).

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⁵ The State Department has ranked 186 countries in three tiers. This placement is based more on the extent of government action to combat trafficking than on the size of the problem. Tier 1 includes countries whose governments fully comply with the TVPA's minimum standards for the elimination of trafficking. Tier 2 is comprised of countries whose governments do not fully comply with the TVPA's minimum standards but are making significant efforts to bring themselves into compliance with those standards. Tier 3 are countries whose governments do not fully comply with the TVPA's minimum standards and are not making significant efforts to do so.

5.4. Defamation Decriminalized – Opinions Vary; Freedom of Information Under Doubt

Decriminalization of slander (defamation) was followed by diverse and often opposed opinions on the matter, especially focusing on the dilemma whether the new suggested policy and measures are suitable to the deed intended. Namely, a significant number of journalists wondered whether the new decriminalized fines/penalties were so highly set that practically through the threat of these penalties practically impose self-censorship to the already impoverished journalists/professionals who would not prefer to be dragged through the courts and finally severely fined if proven guilty. The debate took six months so finally the government and the Journalists' Association reached an agreement for the suggested legal reforms for slander decriminalization. The draft was taken under consideration by the council of Europe as well. "Reporters without frontiers" say that penalties imposed for offence and slander should be proportional otherwise badly paid journalists shall not be able to fight against widely spread selfcensorship if one compares the anticipated penalty which is ten times higher than the level of their average monthly salary. According to the Law, journalists shall not be charged by the criminal law, but they could be sued in front of the civil court, where will be proved whether the journalist was right. The judge shall not be able to determine average penalties if proven guilty, strict is the penalty of 2.000 Eur for the author of the text, 10.000 for the main editor and 15.000 Eur for the media owner. If during the judicial process, the sued journalist agrees to apologize or issue a denial, then the judge has to stop the procedure immediately and the process ends without being pronounced the high penalties. Also, if the journalist investigates a corruption scandal and does not obtain an answer from the authorities, although according to the Law for access of public information has a right for that, shall not be subject to an indictment. "Reporters without frontiers" pleaded for the fines to be appropriate to the Macedonian salaries.

"Decriminalization of slander is the most significant step towards the EU standards for which we are striving and a good example that by open and argumented approach progress can be achieved"- said PM Gruevski regarding the agreement between the Government and the Journalist's association. According to him, in this solution best practices of the countries of the region have been taken under consideration, including the advice of the special Council of Europe advisors.

Still, the daily "Vest" issued a completely blank page, while in its corner was sad that "from now on this is how newspapers headline news will look like". Its chief editor stated that "this was a visionary expression of opinion what the future of journalism shall look like under this Law which needs to be applied in conditions of having corrupt judiciary, absence of the rule of law, political and economic abuse of power for media pressure".

On the other hand, the Journalist's Association which negotiated with the Government, replied to the numerous critics that "journalists got all the points that have requested, while critics for self-censorship come from those who have not

read the draft law or do not want their commodity to be disturbed"....and that "they do not wish to be a scapegoat in the row between media and the non-likeminded people".

One year after closure of the opposition A1 TV and few national daily newspapers, "Reporters Without Frontiers" repeated their deep concern for the freedom of information in Macedonia, concluding that the country entered in an endless turbulence, where media appear and disappear in a way completely non-allied with the market needs. At the same time, journalists still work in conditions of economic insecurity in media which are financed from unclear sources. As the organization states, the reason for taking the license of A1 TV which was previously given by the Radio-diffusion Council is absurd and dishonest. Also there are two recent events that increase the concern related to the freedom of information, and the first one is taking the license from A2 (justified with the insufficient program broadcasting) which enhances doubts regarding political impartiality of the Council which body was put under government control with the July 2011 reforms, and the draft law shortcomings for decriminalization of slander, due to the high fines prescribed in the law in exchange with the imprisonment penalty.

The decision of the Radio-diffusion Council to take the license of A2 TV (in the public seen as an effort for continuation of the closed A1 TV) transferred this program to the online portal "Libertas". The move was justified with "incompatibility with the Law for Radio-diffusion", but it was heavily criticized by the Macedonian Journalist's Association. The Association claims that the decision undermines the freedom of media, as the reasoning was "disrespect of the program scheme" which was used as a motive for the banning of A2, the association stated that it is a dangerous decision and if this approach continues we shall have no media.

As one of the EU remarks is that as soon as possible in Macedonia should change the media ownership structure, for the media which their owners or close members of the family are having political functions (members of parliaments etc) and find themselves in office. Article 11 reads: "political parties, state organs, organs of the state administration, public enterprises, municipalities, bearers of public functions and members of their families cannot perform radio-diffusion activity, neither be founders, cofounders or to acquire shares in the property of the radio-diffusers". Owners of TVs "Channel 5", "Sitel" and the radio "Channel 77" have not yet asked at the Radio-diffusion Council to change the ownership structure of their media. The Council however, interpreting Article 11 of the Law on Radio-diffusion decided that until September 30th ends the timeframe set for this change. Until then should be appointed new owners of TVs and radio stations, that is members of their families, should renounce their public functions. If that is not done by that time frame, the Radiodiffusion Council shall take their

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⁶ According to Law bearers of public functions (not only those elected on national or local elections, but including all bearers of public functions like the Judicial Council, Public Prosecutors Council etc) and their families cannot be owners or co-owners of media.

permit for performing radio-diffusion activity. In addition, the Radio-diffusion Council intended to form a registry of all names and surnames of bearers of public functions, for which shall be in charge the radio-diffusion committee.

EU Commissioner for enlargement Stefan Fule commented that "he is not happy that good news for slander decriminalization are degraded by the not so good news as the taking of the A2 license". Unofficially it is said that the Commission shall open this issue with the Macedonian government. Similarly reacted the US Embassy: "We understand that the Radio-diffusion council voted for taking the license of A2 due to disrespect of the of the demands for program format conditions. We agree that all media should respect their obligation deriving from license possessing...but we see that A2 is the first upon which this request has been executed..." The Macedonian Media Institute stated that the breach of Article 63 of the Radio-diffusion law does not represent a basis for taking the license. According to MMI this article does not contain an explicit norm that disrespect of the program format can be a basis for taking the license.

5.5. The Hague Cases

After the 2001 armed conflict ended with the Ohrid Peace Agreement, the so-called Amnesty Law was passed. But the exact interpretation of this law remained the subject of dispute. Ethnic Albanian political parties have understood the law as granting complete immunity to all who took part in the insurgency. But others consider that the four cases referred to the ICTY for suspected war crimes should be exempt from the immunity provision, and that the alleged perpetrators should still face investigation.

Some respected rights groups like Amnesty International agree with the position that by applying the Amnesty Law to these four investigations (see previous Barometers) there is fear that the victims of the armed conflict may not receive justice⁷. Representative of the families of the kidnapped Macedonians, who spoke under condition of anonymity, said the police and the government had kept

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⁷ Macedonian police in October 2001, a few days before launching the first operation to uncover mass graves and exhume bodies, said the kidnapped Macedonians were killed and then buried in three graves in the vicinity of Tetovo. In one of the largest, they said, were the bodies of six people. In the second, three to four people were buried, while the bodies of an additional two people lie in the third grave. "According to witnesses, the bodies of the killed people are at the bottom of this grave. The whole tomb has been covered with garbage from the nearby village in order to cover the massacre," police said at the time. Although the exhumation operation was launched with the agreement of international officials and local people, police and investigative teams came under gunfire when they arrived, killing three of the policemen. Under tight police security, forensics experts later discovered the remains of the bodies in one of the locations, after which the operation had to be suspended for safety reasons. Since 2001 no other attempts have been made to investigate the other locations where witnesses had indicated that the rest of the 12 kidnapped Macedonians were buried. Despite results confirming that these were the bodies of four of the missing Macedonians, their families refused to collect them. And so, 11 years after the conflict ended, they are still lying in refrigerators in the Institute of Forensic Medicine in Skopje. As for the remaining eight bodies, no one has given any orders for the completion of their exhumation, although police claim to know where they are buried in the Tetovo region.

promising that the case would be resolved in its entirety - and the bodies of the other missing persons would be found and a joint funeral organized for all of them. "Now, since the law on amnesty was passed for the so-called Hague cases, it is clear that they lied to us," a member of one of the families said.

Now, as Macedonia marks the 11th anniversary of the signing of the Ohrid Peace Accord, which ended the conflict by granting greater rights to the Albanian community, the families of kidnapped Macedonians want the state to bring some closure to probably the most painful issue still lingering from that time. They want to see the completion of the halted investigation, a thorough search of the other sites named by the police and the discovery of the remaining bodies. "There can be no reconciliation unless all these painful issues are solved," one woman, whose son and husband were kidnapped, said. "I have nothing against the amnesty, but the law must apply to all. We do not want anything else, just to know where the bodies are." In 2005, the Tetovo Court declared the missing persons dead and the families received compensation of 10,000 to 20,000 euro each.

Families of kidnapped Macedonians seeked final closure by the Constitutional Court on the motion they filed in November 2011, disputing the Macedonian parliament's decision on "the authentic interpretation of the Amnesty law". The July 2011 decision relates to four war-crime cases that the International Criminal Tribunal for the Former Yugoslavia, ICTY, returned to the Macedonian courts in 2008. As a result all four cases were annulled by the Macedonian justice system. The cases concerned atrocities allegedly committed by former ethnic Albanian rebels of he now disbanded National Liberation Army, NLA, in the 2001 armed conflict.

Regardless of the outcome, my husband who was kidnapped by the NLA in 2001 in the Tetovo region will not come back," Dimovska says, adding that "..I cannot accept that the state can just suspend international law and allow those who abducted our dear ones to remain unpunished,". In July and August 2001, in the Tetovo region 12 men were kidnapped while walking into town or working on the fields. She recalls that Parliament passed a law saying that the defendants should not be tried for war crimes in Macedonia.

In November, the Constitutional Court brought a majority vote decision by which the motion has been rejected. The Court decision was moving more in the formal side of the matter stating that there was practically not a difference between the original Amnesty law and the Interpretation of the same law that was adopted by the Assembly in 2011. The dissenting judge was claiming the opposite, by stating that there is a huge difference among the legal effect of the Amnesty law compared to the later adopted Interpretation, as after putting in effect the latter in the general amnesty were comprised cases which should not have been included, as for certain types of crimes jus cogens (international law principles are compulsory applicable), thus making the Interpretation legally invalid.

5.6. The Process of Lustration Undergoing a Third Legal Change

In March 2012 the Constitutional Court abrogated 13 articles of the Law on Determining an Additional Condition for Performing a Public Function (the official name of the Lustration Law). The Court remained and repeated the previous position that lustration should not be applied after 1991 when the new constitutional order containing contemporary rights and standards was established, as well as the scope of groups of citizens who had to be subdued to this process should be more limited (lustration of previous officials, journalists, members of non-governmental organizations, and religious communities representatives should not take place), stating that by their lustration authorities are interfering into private and semi-private organizations, questioning moral integrity and dignity of individuals. By this intervention, the process was not to be applied for former officials, if they are not pretending to get a new official position at present times for which they are obliged to submit a statement for not being previously involved in informing activities. The Court was convinced that in general the lustration law as such is not questionable, arguing that by the lustration process "the future should be protected and not the past".

After this second abrogation of the second version of the Lustration law, the Assembly enacted a third version of Law, suggested by a group of VMRO-DPMNE MPs, for which version there was no consensus obtained by the opposition (as it was the case with the first version of the Law). For the opposition, this version of the law, is to be just a tool in the hands of the power for political settling of accounts with the political non-likeminded persons, instead of generating social reconciliation. VMRO-DPMNE MP Silvana Boneva tried to make the opposition change its mind stating that with the change in Article 4, as it reads, is eliminated every doubt that anyone may abuse the law: "The Committee for verification of facts determines non-collaboration with the organs of state security if data are incomplete, that is if from the material obtained collaboration cannot be determined". On the other hand Liberal Party MP Ivon Velichkovski said that his party initiated the introducing of the first version of the Law in 2006, and that although he is pro-lustration, he does not support it in the manner prescribed in this version of the Law. He expressed conviction that the government shall use the law for selecting candidates for councilors and mayors for the next local elections⁸. The new Law also anticipates that the identity of the lustrated persons shall be published, without previously having a possibility of complaint or a legal procedure for appeal of the persons concerned. In addition, the new law also aims to lustrate the persons who obtained state capital during the process of privatization and who currently own at least 5% of the capital, including persons related to them. Regarding this article, opposition accused that by this move the government wants to make reprivatization. Finally, again, regardless of the twice given abrogating Constitutional Court decision, the time

⁸ The Commission shall ask from all state institutions to inform who are current and past bearers of official positions and for all these persons the Committee should seek information by the four institutions in charge for the process which should give an answer within 15 days. That is practically impossible, as it concerns tens of thousands of people.

frame of lustration duration in the new version of the Law, is included the period up to 2006.

The main initiator of the first version of the Law and Liberal Party leader Stojan Andov thinks that this last version of the Law has nothing to do with the primary idea. "The first draft law was created by me and there was a consensus for it of 93 MPs. Now we have a situation in which for some the law is suitable and for others not, so the issue is brought to outvoting process. It is practically in the hands of the power"-he said. According to him, the adding in the law that 'oligarchs" should be lustrated brings to mixing and equalizing the private and public sector, which could be very symptomatic. That also means that some (until 2006) shall be encompassed by the law and lustrated while others not (after 2006). He thinks that if there was abuse during privatization, it is a criminal deed which can be processed in a different manner, otherwise the law becomes a tool for pressure upon people. He also believes that publishing, that is disclosing the collaborators' names should be done only by a court decision.

Criminologists stated that the law will represent a new type of inquisition: "Instead of promoting independent judiciary, large part of the decisions shall be dedicated to quasi-inquisitions in which the accused cannot defend himself, that is the accused cannot submit evidence and there is no standard procedure for proving whether their cooperation would be taken as wrongful or not. Other experts had many remarks on the practical application of the Law as soon as it came into effect. Some say that publishing the names of the people who were collaborators with the secret services on the web site may not be in accordance with law, without previously publishing the basic data regarding what was the collaborating nature of the relationship that was established with these persons by the secret services. Also, it turns out that anyone may initiate a lustration procedure against another person, as Article 2 of the Law other that the four state institutions states that dossiers may be presented by individuals and firms as well. "The law permits that, but main issue is whether owning the documentation from the secret service, unless it is a dossier which was accessible in accordance with the law in the year 2000, presents a basis for initiating responsibility for abuse of the official position of those who submitted these documents"-experts add. Others comment that by this law the country falls back into the times of 1945 when everyone informed about everyone, instead of sticking to the recommendations of the Council of Europe which are far from what is now happening.

Executive Director of the Foundation Open Society Macedonia Vladimir Milchin sent an open letter to the President of the Republic George Ivanov, asking him as a long-term professor at the Faculty of Law and considering that he would intercede for maintaining the constitutional order in the country, not to sign the decree of the Lustration law, since there have already been two abrogating decisions from the Constitutional Court in April 2010 and April 2012. However, that was proven an unfruitful effort. Further, OSI in accordance with the Law on free Access to Information directed 240 questions, out of which mostly to the Lustration committee (118) but also to the Intelligence Agency, the State

Archives, the Office for Security and Counter-intelligence concerning the future practical functioning of the lustration process: what shall be the access to documents; is there a direct review of the original documents or just copies; in what way is determined whether the person voluntarily or under the use of force became a collaborator with the state organs; how is determined if damage has been done to someone; etc, for which no answer was obtained.

Before this version of the Law came into force the Helsinki Committee and the Foundation Open Society Macedonia announced that shall submit initiatives to the Constitutional Court for the third time. The Helsinki Committee representative stated that this Law does not respect the standards set by the Council of Europe which suggest that this law makes sense only if it manages the past in order to protect the future but should not serve as revenge. Although normally it would be expected that the Constitutional Court shall remain on the same position as twice before, fact is that the personal composition of the court has in its major part changed so the outcome is presently dubious⁹.

Media and other members of the Committee commented, and later they were proven to be right with their estimations, that the president of the Committee for Verification of Facts (Lustration Committee) Tome Adziev will continue his old practice to selectively choose who should be lustrated. Followed a couple of months in which the Committee could not be praised for its work, as the selection of people who were lustrated as well as the approach to the cases in question did not show objectivity in the approach. There were fierce differences between the majority of the Commission from one side and the opposition representatives from the other and by the year-end two of them belonging to the opposition resigned.

The Committe also looked at papers of former inspectors, for which there are suspicions that were issuing orders for suvreillance of citizens on ideological-political grounds. Part of the Committee members found it unclear why there is such a selection of who is to be lustrated, especially because some of the persons concerned were deceased. It is announced that at the beginning of 2013 shall be lustrated 137 new names, many of which asre distinguished intellectuals. Ivan Babamovski, former high functioneer in the Ministry of interiors and professor at the Faculty for Security, obtained a letter from the Committee in which he was informed that »there are data regarding his cooperation with the organs of state security«, which was considered absurd, as he was practically working in the security service, which means he cannot be »a collaborator to himself«. He believes that the Commission is playing the role of an executor, hiding the information from the public on who should be a stool pigeon (question is who is the decision-maker that determines who should be next for lustration); that does not work in accordance with Law; and that the committee usurps the

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⁹ When the three newly suggested Court members were suggested in the Assembly by the Committee for Election and Appointments, opposition criticized that the party in power suggests its supporters who will vote according to the ruling party liking, while neglecting the professional-legal principle.

right to a court access. Babamovski believes that the ruling party is using the law in order to deal with its political oponents. He stated that today the security strucures of the country do not protect the interests of the Republic of Macedonia and the citizens, but "the interests of a ruling arogant structure which is alienated from the country's and people's problems "...and that..." in order to maintain the social integrity and sovereignity of Macedonia we shall need the special services which today are completely blown to pieces "...

The Constitutional Court from its side, prior to deciding on the matter, seeked an amicus curiae expertise for the Law from the Venice Commission to whether and/or to what extent the Law is in conformity with the European Convention of Human Rights. Main conclusions of the Commission are the following:

a) Introducing lustration measures a very long time after the beginning of the democratization process in a country risks raising doubts as to their actual goals. Revenge should not prevail over protection of democracy. Cogent reasons are therefore required. As the purpose of lustration is to bar people with an anti-democratic attitude from office, and as the possibility of positive changes in the attitude and conduct of a person should not be underestimated, applying lustration measures to acts dating back to 21 to 68 years (or even 31-78 years by the time the Lustration Law will expire) may – if at all – be justified on the basis of the most serious forms of crime, in particular massive and repeated violation of fundamental rights which would also give rise to substantial custodial sentence under criminal law.

Applying lustration measures in respect of acts committed after the end of the totalitarian regime may only be justified in the light of exceptional historic and political conditions, and not in a country with a long-established framework of democratic institutions, as a democratic constitutional order should defend itself directly through the implementation of the rule of law and the safeguards of human rights protection. Political, ideological and party reasons should not be used as grounds for lustration measures, as stigmatization and discrimination of political opponents do not represent acceptable means of political struggle in a state governed by the rule of law.

As concerns the duration of the lustration measures, it should depend on the one hand on the progress in establishing a democratic state governed by the rule of law and on the other hand on the capacity for a positive change in attitude and habits of the subject of lustration. A fixed duration for each lustration measure should be provided in order to avoid discriminatory treatment of persons in comparable situation on the basis of when the lustration measures are adopted.

- b) The application of lustration measures to positions in private or semi-private organizations goes beyond the aim of lustration, which is to exclude persons from exercising governmental power if they cannot be trusted to exercise it in compliance with democratic principles. The contested connection with the totalitarian regime must be defined in a very precise manner.
- c) The absence of the person concerned from the procedure before the Commission on Verification of the Facts is at variance with his or her defense rights, notably the right to equality of arms. The procedure before the Verification

Commission and the appeal procedure should be regulated in great detail in order to comply with the principles of the rule of law and due process of law.

d) The name of the person who is deemed to be a collaborator should only be published after the final decision by a court, as only in case collaboration is finally proven may the adverse effects of publication on that person's reputation be considered to be a proportionate measure necessary in a democratic society.

5.7. Health Sector Cumulating and Escalating Problems

During the second half of the year, health sector problems became a subject of vigorous confrontations both in the Assembly as well as between the medical personnel and the Minister of Health. Nikola Todorov as former Minister of Education and current Minister of Health managed to get in a conflictous situation primarily with the doctors (especially with the central clinic specialists) but also with the other medical personnel due to his ideas to impose new (for manyinsufficiently tested and elaborated) health policy working principles - "salary according to performance" and other accompanying regulation in this domain which were characterized by those concerned as unrealistic. As he was stubbornly insisting in continuation of the previously set idea, it arouse massive reaction strikes that lasted for months. Opposition accused him that it is not possible with legal means and draconic measures to heal the sick health system. At the beginning, the Minister was trying to ignore it, following opposed media statements then to obstruct it by obtaining strike prohibiting court judgment¹⁰, then to relativise the point and the meaning of the strike, then pressures were made through government controlled four parallel trade unions, then it was tied to turn the patients and the public opinion against the strikers, but as it escalated, finally protesters reached their goal by achieving together with the other professional trade unions to sit and discuss their differences, coming to the basics of a joint agreement, which is planned to be added to the Medical Trade Union Collective Agreement, for overcoming the situation with the Minister. Namely, the application of the concept "salary according to performance" is to be postponed for a couple of months and in the meantime suggestions for the model improvement shall be seriously considered and included in the regulation in order the concept to be adjusted to the realistic working circumstances. In addition, the trade unions demanded cessation of the offensive TV advertisements released for this policy campaign and a gradual salaries raise up to 20% in the next couple of months. However at the beginning of 2013 there is still no agreement signed, as the striking party claimed that the terms of the agreement have been onesidedly altered by the Ministry of Health.

Previously, on the Assembly day for MPs questions, the SDSM MP Mende Dinevski asked how it is possible for the Minister of health Nikola Todorov to take advantage of the cold weather and the increased heating bills as "unpredicted expenses", to present them as increased debts of the public health institutions.

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¹⁰ The Independent Trade Union was given to court in order to block the strike using as a justification that negotiations are still on.

"SDSM publicly expresses concern for the financial state in which are found the public health institutions. The Minister finally admitted that debts in the public health sector are increased, mentioning five unjustified reasons why they are increased and monthly grow for 1,5 million Euros. How Todorov justifies expenses to be increased, and with that the debts as well, as concluded agreements for medicaments were higher than the present ones, - isn't there a financial plan in the budgets of the Public Health Institutions for the set prices of medicaments?"-asks Dinevski. According to him, debts in the health sector increased for 80%, while Todorov justified himself that there were unforeseen expenses for the new medical equipment. "Also, the last reasons for the big financial debts are comical and offensive for the citizens, that population was getting old and that were increased the preventive citizen's examinations. Mr. Minister, all five reasons are justifiable only according to you, but we would like to remind you that they fall into the category of regular financing and managing with the health system. Patients must have heating, medicaments must be provided, there must be investments for new equipment, the population is getting older because it is a natural process, while preventive examinations exist because citizens have awareness for their health"...."you shouldn't use patient's health for covering your inability to manage the health money. Real reason for the financial crisis in the health domain are the expensive monuments, intense advertising campaigns, non-productive expenses, budget health decrease for 10 million Euros. Here debts are hidden, and not in the patient's health and their need for medicaments and heating." He asked once again for the Government to stop building expensive facades, fences and monuments and to provide in that way the 10 million Euros for the needs of health.

5.8. MoFA Condemns Setting of Macedonia's Flag on Fire in Tirana

The Ministry of Foreign Affairs (MoFA) strongly condemned the act of vandalism in Tirana, namely setting of Macedonia's flag on fire in the city center, and called the authorities to find and bring the perpetrators to justice. "We consider that this uncivilized act is not in favor of the Macedonian-Albanian friendly relations, especially considering the fact that this event took place after the official visit of Macedonia's Prime Minister Nikola Gruevski to Albania, during which the two countries reaffirmed the good-neighborly relations, mutual trust and friendship. Hence, it is very important to not allow for the relations, which we wish to be developed in European spirit, to be harmed," MoFA said in a press release. Macedonia's Embassy in Tirana asked an official explanation from Albania's Ministry of Interior. The Ministry of Interior also summoned Albania's Ambassador to Macedonia Arben Cejku for talks on the matter. MoFA expects for Albania's relevant institutions to take most urgent measures for disclosing and bringing the perpetrators to justice. It also expects for Albania's authorities to strongly condemn this act of vandalism, which provokes intolerance and deeply hurts the feelings of the citizens of the Republic of Macedonia, the press release reads.

5.9. Albanian Independence & Flag Celebrations

The future of Macedonia and Albania is within the European Union, the Prime Ministers of both countries, Nikola Gruevski and Sali Berisha respectively, agreed in November in Tirana. The two countries will cooperate in turning the common goal – the EU membership – into reality, Gruevski said at a joint press conference. Albania, Berisha said, supports Macedonia's EU integration and believes that the country deserves to start the accession talks. He reaffirmed his country's support of Macedonia's accession to NATO, saying that in spite of being out of the organization at the moment, it is actually a part of the Alliance. The PMs expressed satisfaction with the good bilateral relations and advocated a respect of minority rights and freedoms, emphasizing the role of ethnic Albanians living in Macedonia and Macedonians in Albania in developing the ties between the two countries. Gruevski and Berisha also addressed the economic cooperation, Corridor 8, possibilities for infrastructure connection in terms of energy, rail and highway networks.

By the month's end, Albania celebrated 100 years of independence with a military parade, festive cavalcades and an 18-ton cake. Previously, similar grand festivities were organized in Macedonia and Kosovo as well, where prominent Albanian politicians attended and gave ardent speeches which upset the Macedonians. Prime Minister Sali Berisha had spoken of "Albanian lands" stretching from Preveza in Greece to Presevo in Serbia, and from the Macedonian capital of Skopje to the Montenegrin capital of Podgorica. Remarks of Macedonians were addressed against the Minister of Interiors for the non-reaction especially towards the excessive demonstration of dominance, openly stated and supported ideas of "national unification" (which in the minds of non-Albanians imply territorial ambitions) and excessive use of the ethnic Albanian flag over the Macedonian one in Macedonia itself¹¹. Largest remarks were given against PM Gruevski who during these festivities decided to go on an economic road-show in USA.

Due to the expressed stance, celebrations were soured by Albania's neighboring country officials who canceled plans to attend. Greek Foreign Minister Dimitris Avramopoulos promptly cancelled his visit to Tirana. A ministry statement said comments like Berisha's "do not contribute to creating a climate of friendship, confidence and good neighborly relations." Berisha's spokeswoman, Erla Mehilli, said the prime minister was speaking in a historical context and "in no way expressed any territorial claim towards our neighbors in the south, north or east." Separately, Macedonian President Gjorgje Ivanov called off his visit after Macedonian Prime Minister Nicola Gruevski's car was hit with an egg during the recent trip to Tirana. Serbian official from Kosovo Oliver Ivanovic said: Greater cannot be created without а war. Greece, Macedonia, Montenegro and Serbia must react to such dangerous aspirations."

¹¹ Lifting of the 6 meters Albanian State flag on a 35 meters mast in Kichevo in the presence of DUI leader Ali Ahmeti and Albanian Ambassador to Macedonia, Arben Cejku, which was seen as a provocation against tolerance and coexistence.

"The United States of America does not support the redrawing of national borders in the Balkan region and any efforts to that effect are counterproductive and destabilizing. Albania's political parties and leaders should focus on what they claim is important: Euro-Atlantic integration", US Ambassador Alexander Arvizu in Tirana said at the 15th International Conference on Security in the Western Balkans. "Talk of an illusory 'Greater Albania' is a distraction from the very real problems that Albania faces today, and the voters shouldn't fall for it," he said.

Recently the United States has observed an unfortunate rise in nationalist rhetoric here in Albania, especially in the weeks leading up to and following the 100th anniversary celebrations, the Ambassador said. "This rhetoric contrasts sharply with the overall constructive role that Albania has traditionally played in the region, notably with ethnic-Albanian populations. The Government of the Republic of Albania and political parties – this includes the opposition – have typically issued clear, responsible messages encouraging ethnic-Albanian populations residing outside the country to work with their governments to resolve their issues," he said. Recently, the US Ambassador said, various political actors in Albania have sought to use negative messages centered on ethnicity for their narrow political ends. This is a dangerous game. Ethnic tensions, once aroused, are difficult, if not impossible to predict or control. It is imperative that responsible individuals refrain from inflaming ethnic sentiment, whether inside or outside Albania. In addition to potentially destabilizing the region, nationalistic rhetoric and actions damage Albania's reputation. Because of various controversial statements and assertions made in the lead-up to the 100th anniversary celebrations. two neighboring countries nia and Greece) canceled their participation in this historic event. "This may seem like a minor consequence, a footnote to some, but it sets back relations, hinders communication and cooperation, and makes resolving other outstanding issues that much more difficult. And we, the United States, take note of it," Arvizu said.

He fiercely condemned the recent call by the Red and Black Alliance for an Albanian-Kosovo unification referendum. "It serves neither the country's Euro-Atlantic integration aspirations, and undermines the progress achieved in regional stability and peace, and movement towards European integration," he added. The US Ambassador also condemned the recent intimidation of ethnic Macedonian minorities in Liquenas by some misguided individuals, saying that such behavior is completely unacceptable and should be rejected categorically by all Albanians. Albania's PM Sali Berisha, who was announced as a speaker at the Atlantic Council conference, cancelled his participation at the last minute.

The United Macedonia Diaspora (UMD) strongly criticized Macedonia's Deputy Prime Minister for the Implementation of the Ohrid Framework Agreement (OFA), Musa Xhaferi, for his comments expressed on September 25, at an event at Johns Hopkins University, in Washington, D.C., hosted by Balkan expert Daniel Serwer. UMD attended the event.

"Several times during the discussion Xhaferi alluded that the solution to the interethnic tensions in Macedonia would be to federalize the country. He stated that the greatest dilemma that had come out of the OFA is the guestion of whether the country would be better off decentralized or federalized. He further noted that, thus far, this dilemma has not been clarified, and expressed his personal doubts that the OFA fulfilled the needs of the people. UMD strongly condemns any aspirations for federalization of the Republic of Macedonia. Any calls for the re-division of the country are dangerous, as they advance the "Greater Albania" agenda, and further exacerbate the existing tensions between the Albanian political element and the Macedonian majority community. "Xhaferi's musings about federalization represent a common theme from the ethnic Albanian political leadership in the country, who see the OFA as only a stepping stone to fundamentally compromising the country's unitary character and political integrity," said UMD Chairman Stojan Nikolov. "It is inflammatory for Xhaferi to falsely portray Macedonia as a bi-ethnic state. As a civil servant in the government of the Republic of Macedonia, his civic duty is to promote the country's unity, not to promote irredentism. Macedonia is a diverse and multicultural society that strives to protect the rights of all minorities that live on its territory," stated UMD's President Meto Koloski. Koloski added: "The minister's comments about federalization are simply testing the waters, to gauge the West's tolerance for such ideas. However, the region's future is not redrawing borders along ethnic lines, it is in shared economic prosperity, free trade, and respect for diverse cultures."

5.10. Hungary Recognized Macedonia Under its Constitutional Name

Hungary is the 134th country in the world to recognize Macedonia by its constitutional name. UMD thanks Prime Minister Viktor Orban, his government, and the Hungarian people worldwide for their continued strong support and friendship. The Macedonian community in Hungary largely originates from Aegean Macedonia in current day Greece, and mainly consists of Macedonian children refugees and their descendants who fled during the Greek Civil War in the 1940s.

5.11. Government Expenditures Criticized

"Skopje 2014" is characterized by the opposition as "orange (the VMRO-DPMNE party colour) money laundering machine", and it called for a assembly debate named "Information for continuation and intensifying of the over-the-top lavish and criminal spending of people's money in the insane project "Skopje 2014". Debate took place in mid-July, which evolved under mutual offenses, accusations and tasteless comparisons.

SDSM MP Jani Makraduli talked about the squandering spending, warning that the project destroys the Macedonian identity and called upon to cease the construction of monuments, as it was stated by the majority of polled citizens in the latest "Rating" poll. The ruling party clamed that in the project the least that was built are the monuments, as if one counts the new constructions through

which rent money will be saved for the state institutions, which soon will move into their new homes. Position MP Blagorodna Dulik said that annually the state gives 1,8 million Euros for rent, and those money will be saved with the new buildings that are built. Makraduli on the other hand, by counting the tourist income that comes in the city annually, counted that the "Warrior on Horse" shall be paid off in 51 year, while the whole project shall be paid off in 1.750 years. Incredibly high honorariums for the artists who made the monuments were also mentioned, like for Valentina Stefanovska, the author of "Warrior on Horse" who earned 2,6 million Euros.

It is said that indicative tricks that have been used in order everything to be "in accordance with law" were corruptive tenders and annexes. Firstly, an agreement would be concluded after which are emerging "unplanned and additional expenditures", for which the agreement should be built onto and widened with even six to seven annexes. Only for a couple of monuments (Warrior on horse-meaning Alexander the Great monument, Goce Delchev, Dame Gruev and Nikola Karev on horses, King Samuil and Metodija Andonov-Chento the built-on price difference is one million and 231 thousand Euros). As the debate on budget rebalancing was going on during the second half of the year, in addition, the Government decided to install and build projects worth 18 million and two hundred thousand Euros. For the other government "habit" of intense advertising the opposition now mentions the favored firm "Republika" through which most of the best advertising deals are performed.

Critical media comment that at least two points regarding the financial workings of the ruling party are disputable – government campaigns and the project "Skopje 2014". It is said that for these priorities the government manages to cover all financial details with unprecedented easiness and persistence.

5.12. State Administration Outnumbered

At the Parliament was presented and discussed an economic program sent by the Ministry of Finance to the European Commission, in which among other things stands that the state administration reaches the figure of 165.000 employees. Compared to 2009 when this figure was 115.000 persons, opposition complained that the figure was raised for 50.000 newly employed, while in the private sector the number of employees fell for 40.000 persons.

SDSM MP Radmila Sekerinska, criticized that the country remains hostage of a policy that insists to put under the state administration umbrella as many party supporters as possible. The result is increase of the state administration for about 50.000 persons. She informed that according to the data obtained by the Ministry of Finance for the Pre-Accession economic Program 2012-2014 sent to the European Commission, 482.000 persons are employed in the private sector, while in the other sectors are 165.000 persons. In the same column, two years before present time, there are other figures: 514.000 worked in the private sector and only 115.000 in the other sectors. Evidently, there is a difference of 50.000 who now work in the other sectors in which by definition are the public sector and

civic organizations. "What's more, it is indicated that about 30% of the employed have no adequate education and are party soldiers".. "Having in mind that the number of employees in the civic sector does not exceed a couple of thousand persons, it is evident that the difference in figures is owed to the largely increased number of state employees. Therefore it is estimated that the starting point for administration reforms has largely worsened. Still, this figure guarantees at least 50.000 faithful voters with their families included for the ruling parties" she said at the Assembly debate.

At the end of 2010 the Government adopted a strategy for reforms in the public administration as well as an action plan in which are anticipated plans for 2011. The Dean of the Faculty of Law for the media commented that the figure of 128.000 persons employed was in 1999, and even now the official figure is about 130.000 persons but there are numerous persons who work by obtaining a temporary agreement. "About 65% of the budget goes on salaries, which means that it has no developmental tendency. 300.000 work in the real sector, then there is such an administration, plus 280.000 pensioners and 100.000 social welfare recipients we conclude that one employed covers three persons- he said.

From 2008 to 2011 in the state administration were employed 9000 ethnic Albanians, not counting the current calls for employment, as DUI praised itself. Currently the percent of employed Albanians is 17%, by which trends is approached the fulfillment of the Ohrid Framework Agreement regarding equitable representation. The party said that at the same time the figure of employed ethnic Macedonians has been decreased for 5,14%.

From its side, VMRO-People's Party on a press release stated that the ruling party (VMRO-DPMNE) is particizing the state administration, but instead of becoming more efficient, it is continuously intimidated, under pressure and blackmailed. The party asked for a TV duel with the minister for Informatics and administration Ivo Ivanovski in order to talk about the surmounting problems and manipulations with the administration.

5.13. The Memory of Late President Gligorov not Equally Appreciated

There will be no state award by the name of Gligorov established, as the Assembly ruling majority decided. The idea was suggested by SDSM, in order to be proclaimed on September 8th and to be awarded for dedication in the development of independence, multietnicity and multiculturalism of the country and international affirmation of Macedonia. Confrontation between position-opposition was fierce on who revises history and who divides the citizens. VMRO-DPMNE expressed reserves on the personality and deed of Kiro Gligorov, the first president of independent Macedonia, seeking his merit for Macedonia "to be proven, as some Macedonian citizens still have doubts about his role". SDSM MP Vesna Bendevska ironically commented that if Gligorov does not merit then what is then the merit of Simeon Radev - the Bulgarian Minister who in Bucharest in 1913 signed the partition of Macedonia, for the officials to

make him a monument and to have the idea to put him on the façade of the new Ministry of Exteriors.

5.14. Protests for Renaming Skopje Streets

During the summer, the ruling majority in the Council of the City of Skopje at its session brought a decision for renaming a significant number of well known Skopje streets which bore names that apparently were not desirable or preferable to the current local authorities that hold majority in the City. In total, 29 streets and two bridges in Skopje changed their name. In front of the barrack where the meeting was held were gathered supporters and members of the opposition SDSM party, but also ordinary citizens who fiercely protested against the decision, making noise and obstructing the meeting. The revolt had the danger of escalating, as exclamations were "traitors", "Bulgarians", etc and some of the protesters damaged the barrack's entrance, but opposition MPs and the police helped the atmosphere to calm down.

Within the city council session as the opposition suggestion for postponing the issue, opposition councilors demonstratively left the session, as they "did not want to participate in the shameful act which shall be written with black letters in history"..adding that .. "This decision will last only 9 months, only until the next local elections". SDSM members of the city council were especially raged for taking out the name of Stiv Naumov - a Second World War young hero who was in the leftist movement at that time and putting the name of Todor Aleksandrov, who is a historically controversial personality for a bridge and a street instead. Opposition also believes that it is a shameless act to name a street at the Skopje periphery by the name of the first president of the independent Macedonian state Kiro Gligorov. They pleaded for expert help in this field instead of making hasty decisions. Shortly afterwards, when SDSM councilors left the council session, it was decided that Leningradska street shall bear the name of Stiv Naumov, which in fact was a forced solution due to the opposition negative reactions. Banning the name of Stiv Naumov from the important street in Skopje, raised a protest organizes by the Fighter's Association and the SDSM party at the center of Skopje. Opposition protested that by a simple amendment the party on power gave to Stiv Naumov a little alley, indecent to compare it with the previous road from which this name was taken. Similarly, former Leninova street was now renamed in Aminta the IIIrd.

5.15. Church Lectures Politicians and the Journalists

At the extraordinary session of the Holy Synod of the MOC-Ohrid Archbishopry, Church authorities openly stood behind the Government in the demand not to change the constitutional name of the country. As it was stated, the Synod gave support to the Government to endure in the battle with the southern neighbor in the name dispute, because Macedonia and the Macedonians as estimated by the Church "are the meaning of our past and future". The Macedonian Orthodox Church without mentioning a concrete name called upon the "loudest speaker of

the unheard forgeries and lies of the Macedonian truth to apologize to the Macedonian public": "MOC must express its astonishment for by the frequented statements of individuals and parties, by which not only is hit upon the linguistic and national identity of the Macedonian people, but through saying extreme lies that reach inhuman limits, is undermines every effort and every sacrifice of our ancestors but also of our contemporaries, for independent and prosperous Republic of Macedonia. We call upon our people not only to stay deaf to these greedy-debtor emissaries of the 19th century propagandas, but in a legitimate, righteous and democratic way to "award them" with final oblivion and to show them their place in the definite past". Church authorities pointed out that they support the integration of Macedonia in the world democratic organizations, but only if they are founded upon positive and lawful rules and not by losing our proper linguistic, national, historical and cultural identity.

This reaction provoked a public discussion on whether MOC has gone too far with mingling with the affairs of the state and politics. Some think that by this reaction is brought in question the secular character of the state, which is constitutionally guaranteed while others think that the Church has the constitutional right for free speech and opinion. Some theologists think that this move has both bad and good connotations. On one hand it is good and expected that the MOC is close to its people and strives to maintain the sense of national identity, language and culture. On the other however, no religious community, which includes MOC, must not mingle in political affairs or lecture political parties on how they should behave. Although no names are mentioned it is clear to whom the message is directed (our remark: to Ljubco Georgievski, the leader of VMRO-People's Party) and it is not correct to be mingled in statements, opinions or positions of certain political parties or leaders regardless whether they belong to the position or opposition. As one may also read between the lines, impression is that the Church calls upon the people for whom to vote on elections and who should be punished, as the Church should "maintain its unifying role".

From his part, Ljubco Georgievski reacted in writing on this MOC Synod statement: "In the last 3-4 years the government of VMRO-DPMNE through state engineering performs an active change of Macedonian history and a complete revising of the Slavic roots in antic-Macedonian ones. If they take out the Slav roots from the history of MOC it will remain only as a cymbal that jingles. At the same time can bishops from MOC understand that antiquization is in fact dechristianization of Macedonia? Antiquization is alienation from the word of Christ and returning to polytheism and paganism. The fact that MOC due to its poltronic behavior towards the government was tacit for putting the monument of Alexander the Great on the place where only St. Climent the patron of Macedonia should stand is the most miserable paganism. Paganism is that in every newly built Macedonian church is drawn the sun- which is a symbol of Amon Ra. I want to call upon the bishops of the Holy Archiereic Synod to publicly seek forgiveness from St. Climent for their 3-years living as deviators of his vows "- said Georgievski.

Political analysts estimate that MOC has already many times in the past in public called for public lynch, throwing anathema, stirring up hatred among the believers towards some politicians, adding to the political settling accounts with the non-likeminded people, and that is also done with the latest issued statement.

5.16. "BENELUX" Ideas?

After the policy suggestion for creating a new regional union by the example of Benelux, there were many reactions. This idea was published on the internet site of Eurobserver, by the Austrian Gunter Fellinger and the Kosovar Ekrem Krasnici as a mean for the mentioned countries to "advance political and economic relations and to speed up entering in the EU", motivated by the possibility of creating a market of about eight million persons, which will be especially important for small national economies. According to the authors of the idea, at first, an agreement should be signed by the governments of Albania and Kosovo, after which will be included Macedonia and Montenegro. Albania and Kosovo "should unite forces and build constant cooperation structure" and a secretariat which is going to apply measures and then to follow invitations for Macedonia and Montenegro. Some estimated that it is a good, but very old idea, others as "already seen thing", while Serbian commentators named it "test balloon from the Albanian lobbyists" meaning the idea of "Greater Albania". Commenting the issue, the chief of the Macedonian diplomacy Nikola Poposki said that "there are but always the problem was how they operationalized"..."what we need is an increase of the number of projects like for example the free movement of people by use of biometric IDs or as creating a common market of energy which will happen in 2013"-he said. When we talk about regional initiatives they should not be overthrown immediately, because in Europe there are many alike reminding of the Vishegrad group, the Scandinavian countries or the Baltic ones. Other experts say that one should see the essence of this suggestion. If it is an attempt to solve the Albanian question then it will not be successful, pointing out that such suggestions should derive from leaders and not from some "cuisines or think-tank organizations".

Diplomatic sources from Brussels say that this initiative is practically issued by the European Commission which aims to help Kosovo to come out of international isolation. Slovenian media mention that this project should be operationalized more precisely by the end of the summer. The enlargement portparole stated that in general European Commission supports regional cooperation because it enhances exchange between the countries, adds to stability and good neighborly relations.

After the enlargement port parole hailed the idea, at the ninth meeting of the Council of Stabilization and Association followed a journalist question to the enlargement Commissioner Stephan Fule whether Brussels is the initiator of creating a Balkan Benelux, to which he replied "Definitely is not my idea". "Countries in the region are the ones who should determine the framework for cooperation" he said adding that if he is for regional cooperation, his answer will be positive. The Macedonian Foreign Minister Poposki was more categorical,

stating that there is no opportunity to create a Benelux and that our goal is the whole region to become part of the EU, pointing out that by the same measure that Macedonia wishes to cooperate with Kosovo and Albania wants to cooperate with Serbia, Greece and other countries of the region putting the issue in a wider South-European context.

5.17. Macedonian Trade Unions Criticized

Commenting the situation domestic trade-unions are and the stance they take for the current harsh economic situation in the country, media mention that Zivko Mitrevski is the President of the Macedonian Union of Trade Unions for almost two years. It is said that this is a period in which there was not a single strike or protest, not even for Labor Day - May 1st and not a single press conference on social-economic topics or an open reaction to the Government whatsoever, commenting that this is what makes Macedonia Trade Union "unique", as its leader believes that the best way to protect worker's rights is to intensify the dialogue with the Government, as the most original way to protect worker's rights. Mitevski stated that the social dialogue is the best strategy claiming that the social-economic council which is under the Government has never functioned better.

In spite of this opinion, critics state that fact is that the Government constantly changes laws from the social sphere by damaging the workers by diminishing their rights, there are frequent firings due to the economic crisis, bankruptcy firms wait for months for their salaries, real worker's salary is about 200 EUR - and it is very difficult for one to survive with that sum, prices are constantly going up, standard of living is under every decent level, people are waiting for their fist employment for about eight or more years, there are no foreign investments, salaries are being late for the larger part of the employed, poverty level officially reached 30%, unemployment level is almost the highest in Europe etc.

5.18. Anticorruption Committee Subdued to Critics

"The Anticorruption Committee is a branch office of the ruling parties and not an independent regulatory body", - accused the opposition at the Assembly discussion, while looking at the Commission's 2011 report. Position MPs decided to remain silent on these attacks. For the opposition was absurd how in the 2011 Report possible to be stated that there were only three criminal denunciations sent to the Public Prosecutors' office and only for the SDSM party, the manager of A1 TV and for "Plus production", for money abuse during the last election campaign. This, according to them, is a prove that the committee fights selectively against corruption. "Is this all you managed to work on? Did the Anticorruption committee manage to look at the financial hole of 3 million Euros of VMRO-DPMNE for the election campaign?" asked opposition MPs, as by law this kind of accounts must be closed immediately after elections. Others commented that there is "annex-corruption" in the country, especially in the Ministry of Culture where the basic concluded agreements are built up with tremendous money with annex-agreements to the main agreement as well as

outrageous sums that are spent for advertisements, for which the Anticorruption Committee does not act at all.

5.19. Election Lists in Preparation

At the press conference organized by the State Electoral Committee, Bedredin Ibraimi, the president of the working group dealing with the checking of the voter's list, announced that currently in the voter's list are inscribed 1.749.038 citizens, out of which 1.686.130 are living in the state while 62.908 are abroad. However, this figure is not considered as definite and shall depend by the issuing dynamics of the new biometric personal documents. As he said "the working group recommends in the future to be continued with this methodology, because remain 126.895 citizens in and out of the country who have not obtained new biometric documents". Previously, opposition suspected that these persons are the "phantom number" that is dragged on in all election rounds, which may be a source for manipulation. For that reason it was seeked the lists' updating in order to be ready for the local elections next year.

5.20. Law on Defenders of the Country During the 2001 Conflict

DUI and DPA opposed the draft law concerning the participators (defendersmeaning the persons who have been actively involved in the state armed forces), victims and their families of the 2001 conflict, supported by SDSM and VMRO-DPMNE, claiming that in it should be included the former NLA fighters as well. As there was no agreement between VMRO-DPMNE and DUI on the issue practically the suggested draft law divided the assembly MPs along ethnic lines and at a certain point seemed that it threatened the existing government coalition. The discussion on the draft was practically blocked by thousands of amendments submitted by DUI and DPA to the Assembly Labor and Social Policy Committee where the reading was supposed to take place, and by the length of the MPs discussions. This delay showed that there was no political will or possibility for the law to be introduced. DUI's MP Dzevad Ademi said that the draft was non-democratic, anti-Albanian and contrary to the Ohrid Agreement. DUI even threatened that they will block all the other laws that come as a Government suggestion, as well as complete paralysis of the institutions. SDSM MP Radmila Sekerinska said that her party shall support the draft, believing that the law is neither against the Ohrid Agreement nor anti-Albanian, but wondered why VMRO-DPMNE poses this issue at this exact moment, avoiding the same suggestion offered by SDSM in 2008 with the justification that the then draft would have burdened the budget for 300.000 Euros. By year end, discussions over the draft law are still pending, as the Committee for Labor and Social Policy after concluding that are being unable to continue their work transferred it to the President of the Assembly.

5.21. State Budget Passed Violently by Year-end

By the year-end the draft Budget was discussed at the Finances and Budget Committee (headed by an opposition MP), which is one of the two committees

together with the Legislative Committee (headed by a position MP) where the draft ought to be passed. Viewed as an opportunity to compel the position to arrange a more moderate and adjusted to the economic crisis budget, the opposition parties submitted thousands of amendments and fiercely attacked the lavish budget plan. SDSM MPs stated numerous times that they are determined to stop the introducing of this Budget if their suggestions are not taken under consideration.

SDSM MP Radmila Sekerinska said that the budget shows "irresponsible and squandering behavior - opposition shall not allow Macedonia to get deeper in debts and let poverty grow. Six years this has been seen by the opposition. VMRO-DPMNE wants to spend the 200 million Euro in question on the upcoming local elections. We do not destroy the budget if we say that for the services agreed money should be decreased for 20%; also to decrease 20% of the advertisements and honorariums...stop to Skopje 2014, stop to purchasing furniture..". "If in 2002 the debt was 1 billion and 700 million USD in September 2006 the government of SDSM left 1 billion and 200 millions debt, or 26% decreased debt. After 7 years, today Macedonia owes 2 billion and 420 million USD that means doubled debt, not to speak about the total amount of debt. And what have we done with these money? Only 7 km of highway, 0 km railroads, not a single energy plant" she said.

Sekerinska further commented: the World Bank says that Macedonia has the highest level of youth unemployment, what's more it is raised for 9%; in Europe and Central Asia Kosovo, Albania and Macedonia are with the highest poverty levels; 20% of the Macedonians ceased to buy medicaments and do not go to the doctor; 40% do not pay their bills; Stavrevski was saying that the state does not owe to the firms, that debts are paid constantly, but evidently that was not true. She pointed out that VMRO-DPMNE must cease with party organized protests for the alleged citizen's dissatisfaction, quoting the following party message to its supporters which was meant to avoid showing who the organizer standing behind the event is: "Tomorrow in 11.15 in front of the party headquarters, and in 11.30 in front of the Assembly. Do not wear party markings, it should look like a pure citizen's gathering".

SDSM MP Vesna Bendevska at the committee's discussion said that the stealing of this government has come to an end: "opposition will not allow to steal preposterously from the hungry 630,000 citizens". She said that the budget suggested by the opposition there are no money only for furniture, cars, monuments, baroque facades"..."we will not allow a single dollar or euro to be put in another debt the citizens and then the money obtained from corruption to evaporate".

VMRO-DPMNE MP Ilija Dimovski said SDSM wants to block the budget and to create chaos, but they will not let them to do so; and that in the last 7 years the government returned 700 million Euro foreign debt which was made during the SDSM rule.

Realizing that the Budget is stuck in the parliamentary bodies, the Assembly President Trajko Veljanovski called the MP Assembly groups for four times in an effort to reach an agreement about the manner in which the Assembly Committees shall lead the amendments discussions for the 2013 Budget. The Minister of Finance announced that he accepts 44 amendments out of the submitted 1225 by the opposition (SDSM, DPA and NDP). However out of the demanded total budget cuts of 205 million Euros these 44 amendments were in a total sum of 3 million Euros. Veljanovski suggested the Government to reply in writing for all the amendments, after which the Committee for Legal Issues and the Committee for Financing and Budget to prepare minutes which shall be returned to the Government, after which the Government is to submit the Budget to the Assembly at the plenary session on December 24th. Alternatively, Veljanovski suggested the Assembly majority to express its opinion on the amendments accepted or rejected by the Government. The SDSM coordinator Igor Ivanovski stated that by these suggestions the Government prepares a political putsch. VMRO-DPMNE accused the opposition that by refusing constructive suggestions opposition wants to create chaos in the Assembly and the state. DPA did not go at the coordination meetings as they suggested 400 amendments stating that "the Government is not sincere in its intentions to agree on the amendments".

Commenting the Assembly events, SDSM leader Branko Crvenkovski in an interview stated that opposition does not want to arrive to citizens protests on the streets, but he is not afraid of it. "If democracy is not allowed in the institutions, then by the legality of things, democracy shall erupt in the streets" he said, "if there are no restrictions on luxury expenses and whims of this government, then opposition shall not allow the budget to be voted against the procedure as legally prescribed in the Assembly".

The SDSM on the social networks posted a flyer explaining their suggestion for cutting budget expenses for 204 million Euros. Cuts are suggested for the government campaigns, per diem payments and traveling of 106,3 million Euros, from "various transfers" cuts of 26,1 million Euros and lessening the non-productive capital expenditures for 24% or 72,4 million Euros, that is for buying new cars, furniture, administrative expenses. Freezing of expenses is suggested for the project Skopje 2014 and postponing the non-priority capital expenditures. Expenditures which remain intact are money for pensions raise, social transfers, subventions, public administration salaries, money for new buses, ambulance vehicles, gasification, infrastructure and water supply- stands in the opposition flyer distributed.

Finally, the Assembly President Trajko Veljanovski without lawfully obtaining signatures from the president of the Budget committee concluded that "there are no conditions for work in the committees and that they are not working" and directly sent the draft Budget back to the Government. After adding minor corrections, the Budget was resent to the Assembly, making the Government determined to pass it at any cost on the 24th of December.

Again, SDSM MP Igor Ivanovski stated that "it began to be applied that party-police putsch in the country, a scenario which is against the Constitution, the Law on Assembly, against the Assembly Book of Rules, and TV is the executor of this scenario".

Opposition MPs stayed overnight in the Assembly waiting for the parliamentary session on the 24th of December to begin, determined not to allow the Budget to pass. In the morning, through a different entrance position MPs entered the Assembly hall and got their voting cards. The opposition MPs were let in later, without obtaining their cards voter's IDs.

In front of the Assembly were gathered two groups of supporters- the opposition and the government ones. Opposition accused that the Government wants to initiate conflict between their supporters and the opposition. It was said that the government supporters were mostly gathered among the state administration, while the opposition had the party coalition leaders for "Union for the Future" protesting against the "smuggling" of the Budget in the Assembly. Media reported that the police throughout the country was trying at any cost to prevent the opposition supporters to arrive in Skopje. NSDP leader Tito Petkovski said that they have tried to fight with democratic means, not threatening with obstructions, not seeking violence. Coalition leaders SDSM and VMRO People's Party lead by their leaders were directed to the Assembly and oppose the "party-police putsch of the government" that yesterday on a session of the government tried to find a way how to sneak the Budget again.

As it became clear that the President of the Assembly Trajko Veljanovski was not able to conduct the Assembly session due to the physically shown determination by the opposition MPs to impede the voting of the Budget, he was withdrawn from the hall, after which media were violently chased out of the gallery where they regularly follow the Assembly sessions. Then started the violent kicking out of the opposition MPs from the Assembly hall with the direct presence and command of Gordana Jankulovska - Minister of Interior and the gesticulation instructions of the Finance Minister Zoran Stavrevski, directed to Assembly security and special police forces which were not part of the regular Assembly security, deployed in the Assembly intentionally. Female MPs were also kicked and pulled on the ground including a pregnant opposition MP who was recording the event with her mobile phone. Three deputies were reported injured as opposition MPs were kicked out of the plenary hall.

After that, the Budget was passed in a locked Assembly hall, in 15 minutes without debate, by obtaining 64 votes (out of the total of 123) coupled with an applause by the present position MPs. "Everything we did today, we did for the good of the people and the state", said parliament speaker Trajko Veljanovski on Monday, after the ruling parties adopted the budget.

Outside, being informed what is happening in the Assembly, opposition supporters and their leaders tried to break the cordon and help their party comrades, however they managed to feel the police club on their shoulders. The

situation in front of the Assembly at times became difficult, as the two opposed groups were heated up and ready to engage in fight. The police intervened in preventing it. According to media reports 18 people were injured in the protests in front of parliament. In a press release, the police said that 11 police officers reported injuries. It also said it arrested several people. While stones flew between opposing rallies in the streets in front of parliament, dramatic footage showed scuffles between deputies in the parliament.

5.22. Events Following the "Black Monday"

In a speech outside the parliament on Monday afternoon, the leader of the opposition Social democrats Branko Crvenkovski accused Gruevski and his VMRO DPMNE party of totalitarian rule. "As of today Macedonia got its own [Slobodan] Milosevic", said Crvenkovski. "If he wants to be Milosevic, he will also get his October 5th" he said, referring to the massive protests in Serbia in October 2000 that toppled the Serbian strongman. "Since today there is no parliament..." Crvenkovski said calling people to prepare for massive "civil disobedience". Get ready, we start from tomorrow, there is no turning back! We will wage this battle till the end! We will do everything to protect democracy, constitutional order and the country!"

The president of Journalists' Association (ZNM), Naser Selmani said that the government has reached "the bottom of its irresponsible behavior". About the incidents in the parliament, the police said that even though the security were the ones that were physically and verbally attacked by some legislators they managed to keep their calm and establish order in the assembly. "Interior Ministry keeps working towards securing the institutions and the public order, as well as towards adequate processing of all involved in the incidents", the ministry concludes. The European Union and United States representatives in the country expressed concern about the incidents.

Opposition protests followed across the country, in an attempt to raise the citizen's awareness that after the tragic events of December 24, the constitutionally and legally set parliamentary democracy has been tarnished and that democracy can only be pursued by resorting to civil disobedience on the streets. These protests are regularly held to this day in all bigger cities across the country.

Contrary to this the Government stated that SDSM MPs and Crvenkovski suspended the democracy, exchanging common sense with violence, provocations and toppling of a legitimately elected power, behind which stand citizens who gave their vote on legal elections.

PM Nikola Gruevski on his New Year statement called the opposition to return to Parliament and to take part in the next local elections, which as he said must be fair and democratic. He also called the opposition "bearer of nondemocratic act" for which "the country's reputation is lost" due to the 24 December events when opposition MPs were violently thrown out from the Assembly.

5.23. Journalists' Reactions on "Black Monday" Events

Protesting against the event, the Journalists' Trade Union stated that "Closing an Assembly session and the violent throwing out of the journalist teams by the police and security from the place where are followed parliamentary sessions means hindering their work and professional engagement, and in the same time means prohibition of truthful and objective informing about events that are of public interest...this throwing out is an up to now unknown precedent in the journalist profession".

Follows the Joint Statement of Association of Journalists of Macedonia, Independent Union of Journalists and Media Workers in Macedonia, Macedonian Institute for Media, Media Development Centre, Center for Civil Communication, Civil - Center for Freedom, Media Diversity Macedonia, NGO InfoCenter of 26 December 2012, Skopje:

"On 24 December 2012, the journalists covering the work of Macedonian Parliament were forcibly expelled from the main hall gallery and obstructed to follow and report on the parliamentary session on which the State budget for 2013 was to be adopted. This event, (documented on many photographs and video materials), is brutal breach of the right of the journalists to report on the issues of public interest. Having in mind that the Budget had incited wide and heated political debate and tensions in and out of the Parliament building, this act of the parliamentary security is act of censoring the information flow to the citizens.

We would like to emphasize that removing the journalists from the Parliament by force, was against the Rules of Procedure of the Assembly of the Republic of Macedonia. The parliamentary session on which the budget was to be adopted was open for the public, because the Assembly did not decide otherwise - to work without the presence of the public (Article 2, 225, 227 of the Rules of Procedure of the Assembly of the Republic of Macedonia). Furthermore, the decision to close the parliamentary session for the journalists is against the Constitution of the Republic of Macedonia, where the Article 70 stipulates that "The meetings of the Assembly are open to the public. The Assembly may decide to work without the presence of the public by a two-thirds majority vote of the total number of Representatives." The procedures described were not followed in the here mentioned case, neither the journalists were informed why they are banned to follow the parliamentary session.

This violent act also breeched the Article 16 of the Constitution which guarantees the freedom of speech, public address, public information, free access to information and the freedom of reception and transmission of information, and prohibits the censorship. The Article 10 from the European Convention for protection of the human rights and fundamental freedoms, as well as the Article 19 from the Universal Declaration for human rights were also violated, despite

the Macedonian Parliament ratified both documents that thus become part of the domestic legislation.

We would like to stress once more that the true capacity of the democracy in one country is measured through the statute and the security of its journalists. Information which is important for the public can be reported professionally only from the journalists who are not intimidated nor discouraged by a single decision to be knocked out or prevented to perform their work. The attack over the journalists represents an attack over democracy. Without free journalism the public remains deft, mute and helpless to react on the misuse of the power.

This is why we appeal to all international institutions and organizations devoted to protect and promote the professional and free journalism, to react and require response and accountability from the institutions who allowed the shameful act against journalists to happen." reads the statement.

5.24. US Ambassador Open Letter on the December 24 Events

The US Ambassador Paul Wohlers published an open letter on the American Embassy web-site addressing the events of December 24. Follows the letter in its entirety:

"December 27, 2012

As a long-time friend of Macedonia, I have been pleased to see this country grow and develop over the years. I was therefore deeply disturbed by the politically driven clashes of recent days. The violent incidents that took place in and around Macedonia's parliament on December 24 have no place in a democracy. Indeed, that a parliament must always be a place for peaceful political discourse is at the very foundation of a strong and democratic nation. The ejection of journalists from the building was also disturbing, as they were thus prevented from performing their vital service of keeping the public informed of developments. The ability of an independent media to cover political events in a balanced and open manner and the right of the public to be informed about factual events are crucial to a mature democracy.

Democracy can be difficult. Even with our hundreds of years of experience, we in the United States are seeing this right now as our opposing political parties struggle to reach agreement on our national budget. Here in Macedonia, significant questions were raised legitimately about whether parliamentary procedure was followed in adopting the budget. Those concerns can and should be raised and discussed within the context of the democratic process. Denying the right of all MPs to participate in the plenary session is undemocratic. As the late President Boris Trajkovski famously declared, while people have differences, the important point is that all citizens and elected officials use democratic and legal avenues to solve those differences.

The legitimate avenues to solve differences do not include aggressive or provocative actions or violence. Macedonia deserves better. Its leaders – both

those in government and those in opposition – have a solemn responsibility to their citizens to behave in a way that does not undermine public trust in the country's democratic institutions. Citizens have the right to demand better of their leaders. A mature political dialogue free from incendiary remarks and wild accusations is vital – in the words of the great American civil rights leader Martin Luther King: "Let us not seek to satisfy our thirst for freedom by drinking from the cup of bitterness and hatred."

The multifaceted partnership that the United States enjoys with Macedonia includes joint efforts to create jobs, reduce corruption, renovate schools and restore the rich cultural sites here in Macedonia and to promote peace and security worldwide through the joint efforts of our brave soldiers in Afghanistan. We are proud of that partnership and we want Macedonia to succeed. We cannot want that success more than the country's own leaders. To address political differences in a constructive way will require real courage. To look beyond the narrow interests of a political party and advance the best interests of the entire country will require vision. It can be done. As we look ahead to a new year, I look forward to seeing the serious leadership from all sides that can spell success for this wonderful country."

6.PARTY DEVELOPMENTS

6.1. Gruevski: SDSM Promotes old Rhetoric, old Faces and Hypocrisy at Rallies

Prime Minister Nikola Gruevski considers that SDSM at rallies promotes old rhetoric, old faces and hypocrisy. "We have heard that SDSM began rallies promoting candidates and sleeping in the farmhouses. I do not know whether they say to farmers that SDSM at the same time proposes in the parliament reduction of pensions, reduction of social aid, decrease of wages in public sector and reduction of subsidies for farmers. I am not aware whether they reminded them that several years ago they had mocked VMRO-DPMNE calling us peasant government with church conservative character because we have given a lot of money to agriculture, high subsidies. But I assume they did not say this to farmers, Gruevski said in June. Regarding the rallies he said that nothing new can be noticed but old rhetoric, old messages and people who spent many years in executive power but have not produced a single work worth mentioning.

6.2. Gruevski Expects Victory in Next Year's Local Elections by Overwhelming Margin

VMRO-DPMNE leader and Prime Minister Nikola Gruevski in June in a welcoming speech delivered at a ceremony marking 22 years since party's establishment said VMRO-DPMNE would win the local elections slated for 2013 by an overwhelming margin. "Local elections will take place next year. Allow me to tell you something that's neither news nor a surprise for many. We will secure a landslide victory. I am convinced in this because I'm convinced that the citizens

appreciate what we are doing," Gruevski said. Citizens, he added, are aware that we are trying hard to improve things and they appreciate that. They make a difference between politicians - who is delivering standard poetic speeches with no substance and who is working hard living the fate of our fatherland and its citizens. This ruling party, he continued, has experienced 22 years filled with various feelings, ups and downs, victories and failures. "We have been faced with serious challenges, global and continental crises, blockades, blackmails, ordeals which have made us that much stronger." "VMRO-DPMNE on its 22nd birthday is a party without stereotypes. It's a party with principles, an organization without vanity and prejudices, with a focus and willingness to work, with politics based on ideas and clear objectives," Gruevski noted.

In another statement, PM Gruevski announced that VMRO-DPMNE will issue a call in which party members as well as supporters could express their interest to be candidates for the mayoral office. At the same time, the ruling party will collect proposals amongst the citizens for programmes which might be realized by the candidates for mayors. "This is our attempt to provide space, access to us for possible and capable candidates...By issuing a public call, VMRO-DPMNE will enable citizens to submit their priorities, ideas and proposals for the programmes of each candidate for mayor by VMRO-DPMNE," he concluded.

Experts say that Gruevski although in power he behaves both as government and as pseudooposition, what's more like out-of-the-parliament opposition, antisystemic, radicalizing opposition in an invented battle between the Good and the Bad...we have a government hungry for power behaving as it is powerless when it gets in touch with reality; we will never face with such an irresponsible government which has arrived to the point to act as irresponsible opposition.

6.3. SDSM Working Summer

During the summer months SDSM continued their "Working summer" party project under the motto "Raise a Voice for the Future" where party officials and activists visited many cities throughout the country where were promoted the candidates for mayors, but also were visited numerous rural municipalities¹², as was stated by the SDSM MP Andrej Petrov. "Every weekend the highest party leadership visits over 40 inhabited places, where it meets with about 10.000 citizens, and weekends end with meetings where we have attendance of additional 5-10.000 citizens. Freely estimating, we can tell that in the first four weekends we visited over 150 inhabited places, where we directly met with 80.000 citizens. But maybe more important than the figures are the results of those meetings. In spite that in each of the meetings first citizen's complaint is that they are under pressure, under fear and threats, so they are increasingly loudly expressing their dissatisfaction, they are increasingly encouraged to express their opinion, they are increasingly determined to raise their voice"-said Petrov.

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¹² Like Novo Selo, Bosilovo, Gradsko, Rosoman, Karbinci, Nagorichane and many others

"We also obtained many decisions, suggestions, proposals, remarks on our suggestions and offered solutions. We got a realistic picture of the citizen's mood, of their desire for a better life, better standard of living and most importantly their desire for better future, perspective and for their need Macedonia to become a better place for living." All these remarks, suggestions and solutions are tidily structured, noted and we are already in a good road to structure our program for the upcoming local elections. It shall be a program from the citizens for the citizens.....We shall visit if necessary whole Macedonia in order to encourage citizens that it can be better, that Macedonia deserves better. Activities shall be crowned with a big popular meeting in Skopje where we expect the whole country to raise its voice" he added.

Due to the large interest by many municipalities to be visited by the opposition meetings during the "working summer", SDSM postponed the main Skopje meeting on September 2nd for October 28th. There were some municipalities in which it was clear which candidate for mayor will be promoted, while in other municipalities there were at least two potential good candidates, so the party activities are to continue in that direction. What's more, some municipalities were interested to organize the same visits and meetings in their communities as well, in order to talk about their local problems. The party estimated that by this prolongation they will further raise their campaigning effect.

At the Eastern Macedonia local rallies was said that in the last six years VMRO DPMNE did nothing for that region of the country, as there aren't as promised roads or airport, fact is that in this region live the poorest people in the country, where unemployment is the highest, where moving out of the region is the most intense, as there is no youth nor future.

At his speeches throughout the country, SDSM leader Branko Crvenkovski made the following points: "..they made this country a country of political prisoners, they behave toward the state institutions as they are their private-party ownership, they made the Assembly a mute voting machine, the President of the Republic is VMRO-DPMNE's port-parole, the administration is an obedient party army, the judges are executors of the party orders". Crvenkovski accused VMRO-DPMNE of false patriotism, as it amnestied the Hague cases although they were categorized as crimes against humanity. "There is poverty, unemployment, expensive basic needs and raised prices of food, low living standard, economy in recession, fall of industrial production, fall of agricultural production, low foreign investments. Macedonia is a country with democracy in regression, endangered media freedom, particized administration and politically dictated judiciary, a state with huge state crime and corruption. We have completely and permanently blocked Euro-Atlantic integration process, disturbed interethnic relations, lost international reputation and credibility, land without defined strategic goals, without perspective and future" he said, stating that now is not the time for neutrality, for lounge or café debates, nor the time for acting as not-interested, or making the Macedonian mentality usual complain "they are all the same". He viewed the upcoming local elections as a referendum whether this government will stay or fall.

Commenting the party on power attacks concerning his role in the transition period, Crvenkovski held a press conference in front of the "Kozjak" dam, to show – as he said- "what was built during the SDSM rule and to show on what people's money were spent in the past, compared to today". He added that "Kozjak" brings an annual profit of 15 million Euros; it started the construction in 1994 when SDSM was on power and finished in 2005 when again SDSM was on power and cost 173 million USD, criticizing that the current government did not invest at all in energy capacities, and instead is spent on monument, triumphal arches and other unproductive things. Still, VMRO-DPMNE never fails to react on all the SDSM summer activities, mentioning the mistakes the party made locally during its period of rule.

6.4. Gruevski Reactions on the SDSM Summer Activities

PM Gruevski stated that citizens on the upcoming elections shall punish and defeat the announced joined opposition. "While the opposition talks about fronts, as if they are in 1945, we talk about projects, we talk about fulfillment of promises, we talk about dedication and responsibility, stated the PM at the X/0 program on Channel 5 TV. It will be my special pleasure from one side Crvenkovski, Andov and Tito Petkovski and on the other Georgievski and Stojance Angelov and the remainings of the party of Ljube Boskoski. Maybe and Menduh Tachi. All together in one pile to hear what citizens think. In one pile. To see what have they done, what confidence they have, how much people do value what they have done in their lives and to see whether people forget or not" – said Gruevski. Answering to the challenge to participate in a TV duel with the SDSM leader, he said that Branko Crvenkovski should be prepared for a duel with history: "with me he has daily duels if you think of political competition and continuous getting out to elections and being defeated. He should prepare himself for a duel with history".

Answering these comments, SDSM replied that PM Gruevski is showing great nervousness caused by the SDSM "working summer". "Anyway, we cannot help him"... "What worries the public is that today as well as in yesterday's interview, Mr. Gruevski preposterously and arrogantly demonstrates lack of personal democratic capacity. In his media presentations the PM insists on talking more on Branko Crvenkovski and SDSM, without offering a single solution of citizen's problems. Since yesterday it is clear why Nikola Gruevski persistently runs away from a TV duel. He in his political career never accepts to answer to questions which he did not commission in advance. SDSM remains dedicated to direct contacts with citizens, to listen to their problems and we continue to offer solutions for the future – stated the largest opposition party. Mr. Gruevski may freely continue to emanate with his narcissism and to continue to behave as an opposition party leader instead of a Prime Minister of all citizens who should solve problems", SDSM party stated.

6.5. Opposition Coalition in the Making

During the summer, opposition leaders and former political rivals Branko Crvenkovski (SDSM) and Ljubco Georgievski (VMRO-People's Party), met and discussed in forming a joint opposition coalition for the upcoming local elections due to take place in March next year. As declared, three were the basic reasons for the joint onset: crisis of democracy, economic catastrophe and international isolation of the country. They also called upon the Albanian opposition parties to join as the created coalition was not aiming to discuss the existing differences, but to talk about the common positions. Crvenkovski and Georgievski stated that in the past they had worked successfully together, like for the 1991 independence referendum and the joint participation in a coalition government in 2001 when priority was for the country to avoid a large scale interethnic war and country's dismantlement. Joint conclusion was that the Macedonia is found again in such a serious challenge. As Georgievski said¹³, today is hard to defend the position that democratic principles are existing and applied; international isolation of the country these days is even more enhanced by having Montenegro formally overpassing Macedonia with the idea of a Balkan federation like the Benelux example; there is a complete economic debacle which results in demographic catastrophe, etc. Both leaders stated that they do have differences over historic figures like Todor Aleksandrov, but in spite of that, they have no differences in opinion whatsoever when is Nikola Gruevski and his politics in question.

According to both collocutors, this beginning of cooperation shall result to a formal pre-electoral coalition. "We feel mutual obligation to make everything we can for the state to return into normal track, to be free and democratic and in such a milieu everyone to appear in front of the citizens and seek their confidence, so some shall be on power, some in opposition, but the state shall be on the right track" — said Crvenkovski. Georgievski said that the possible widening of the opposition block with the Albanian parties depends on the Albanian opposition. "For now we agreed to talk not about our differences, but about our joint positions and there is enough space for the Albanian parties to join. Both leaders concluded that political duels in the past take a significant place in the Macedonian democracy, which in the last six years during Gruevski's

¹³ In his interview for the weekly Fokus in July, Ljubco Georgievski stated that "there is still no formal coalition, but that the parties declared a wish for its creation so even if there no coalition formed, there will definitely be a very close cooperation between the parties. That is because the country has problem with Nikola Gruevski, as the basic principles of democracy have been disturbed, the atmosphere is worse than the period of the end of the communist rule. Second, the country is in a complete international dead end due to the manipulations of the government regarding the name issue. Third there is striking non responsibility in leading the economic policy regardless the government advertisements which should persuade us that today's 8 billions are less than the one billion debt from 2001. This kind of encumberment did noone in our history, not in communism not in the transition period. It is unacceptable and however this is sold as a success story." He claims that in the last 7-8 years his party membership (VMRO-People's Party) has been mistreated by VMRO-DPMNE in a much fiercer manner than the ideological opponents. Thus, his membership is ready to cooperate with SDSM and Crvenkovski. He believes that the true reaction among the undecided voters shall follow as soon as the position reacted so fiercely to this cooperation, it means that they have reached their goal.

rule was not the case (as he persistently avoids duels with his political opponents). Both parties claim that they will swallow their vanity and their ideological differences as main goal is "to change this damaging and against the interests of a people power".

"This coalition will last only in the next two elections-local and parliamentarian, as goal is the democracy in Macedonia to offer richness of ideas"- Georgievski says. "My goal in this moment is at last to fight for the basic democratic principles to move Macedonia towards the Euro-Atlantic integration...even after that I see the real battle"-he says. In spite of the efforts of VMRO-DPMNE to dismantle the ideologically like-minded parties and consume them, Georgievski believes that in the next elections his party will not only gain again the 60.000 votes it got in the last elections, but this figure will increase to 80.000.

On the question with what VMRO-DPMNE stepped on him and made him make this coalition, he replied: other than the first three mentioned, for me there are 2-3 additionally unacceptable things. That is antiquization, which for me presents a mockery of the Macedonian history; here is also the non-understandable effort to falsify the history of independent Macedonia and of VMRO-DPMNE in the last 20 years, while we are all still living witnesses.

On the other hand, VMRO-DPMNE reacted very negatively on this meeting, ironically referring to both of them as "immoral politicians that are worn out and run down by time, who now seek means for their political survival".

After a series of mutual consultations with other political actors as well, the joint coalition was named "For Democratic Macedonia". Other partners include the so called "Pelister Coalition" (Liberal Democratic Party lead by Andrej Zernovski, "Dignity" lead by Stojanche Angelov and United for Macedonia - the party of the imprisoned Ljube Boskoski¹⁴). At the meetings was repeated that due to the catastrophic situation Macedonia is found, strategy imposes to be examined all possibilities for mutual cooperation in order to pressure the government and correct its policies.

As an opposition political leader from the ethnic Albanian block, DPA leader Menduh Tachi met with SDSM leader Branko Crvenkovski at the beginning of July in an effort to arrange their future cooperation. At first they announced that if they conclude an informal Macedonian-Albanian coalition support, victory is expected in 80% of the municipalities in the first round. This informal cooperation will mean that Macedonian opposition (SDSM) shall not go with candidates in dominant ethnic Albanian municipalities and vice versa DPA shall not nominate its candidates in municipalities where the main battle is lead between Macedonian parties. Practically this means that DPA shall support SDSM candidates in Ohrid, Bitola, Resen, Kumanovo, Krushevo as well as in Skopje and in Skopje municipalities Gazi Baba, Butel, Centar and Karposh. In return, DPA shall get support in Struga, Debar, Gostivar, Tetovo and the Skopje

¹⁴ See previous Barometers

municipalities Cair, Saraj and Studenicani, as well as in Lipkovo, Tearce and Zelino. It was said that if this agreement is not concluded, it is definite that cooperation shall take place in the second round of voting. In case the opposition wins at the local elections, DPA is to support SDSM claim for early parliamentary elections as it believes that the Government shall lose its legitimacy and should be obliged to call on early elections. As Tachi stated "the government policy worsens interethnic relations in the country while with the project Skopje 2014 Nikola Gruevski revives the conflict with the Greeks", adding that DUI is not capable in preventing the damaging anti-Albanian policy¹⁵.

Regarding the existing differences Crvenkovski said that the most serious one is on the Framework Agreement. "For us it is a consistently applied foundation which is immanent for the functioning of the state. DPA on the other hand, thinks that it's widening and upgrading is necessary. "But differences are part of a process of mutual cooperation. I'm an optimist" Crvenkovski said. "DPA has 17.000 votes in Skopje, SDSM has 6.000 votes in Tetovo and Gostivar, 5.000 in Struga. I do not expect that the Government shall greet this cooperation. I'm convinced that we carry democratic capacity and transparency. We have many mutual positions regarding the risky rule of this political elite. Considering the Albanian demands to be equal citizens we share different opinions, but this is a topic for discussion as well"-said Menduh Tachi. Both sides stated that expect a new negative campaign by VMRO-DPMNE, which however cannot deny the fact that a big unification is taking place which as a process commenced and cannot be brought back. However, in spite of these improved relations DPA finally decided not to join this coalition, due to the disagreement about some joint mayoral candidates.

On the call for unifying forces, Rufi Osmani's NDP Party said that will not join the Crvenkovski-Tachi coalition. Instead, on the upcoming local elections shall join the parties of Kastriot Hadziredza and Bardul Mahmuti. Whether there will be cooperation on the second round, it remained to be seen.

From its part, DUI stated that prior to local elections the party shall not create coalitions with any party whatsoever, including VMRO-DPMNE. According to DUI, that would mean "disturbing and undermining the principle of making the government be created by the winners of the two ethnic campuses, regardless when in question are local or parliamentarian elections". Some analysts say that this position derives from the fact that the Albanian community is dissatisfied from the moves of the current government, so DUI is not willing to take risks and lose their voter's support.

6.6. December SDSM Central Committee Meeting

At the December SDSM Central Committee Meeting a couple of important conclusions were brought regarding the current political momentum. Opposition sent a message to the party on power that it will no longer talk to itself and that

¹⁵ DUI replied to the accusations with the same manner and tone.

shall not bring suggestions only to be refused and to have absolutely no effect. SDSM estimated that their budget suggested cuts were estimated as mature and responsible move; their determination in opposing the lavish expenditures may escalate to radicalization; they initiated a procedure for pressing charges against party lustrators and those who break the Constitution and the law; the party clearly stated to the government that if in the next three months requests for fair and democratic elections are not fulfilled (changing the election regulation and the voter's lists according to OSCE/ODIHR recommendations) then next elections shall be boycotted.

7.RESEARCH, POLLS, RATINGS

7.1. "Rating" Public Opinion Poll

Follow research data obtained by a phone poll, ordered by the daily newspaper and the weekly magazine "Fokus", performed by the agency "Rating", in the period of 7-12 July 16.

On the question "In general, do you think that things in our country are moving in the right or in the wrong direction", 33% replied "in the right direction" 64% thought that the country is moving "in the wrong direction" while 3% did not know. The ethnic breakdown showed that over half or about 57% of the Macedonians though that the country is moving in the wrong direction, while the Albanians gave the same negative answer in 85% of the cases, indicating much greater dissatisfaction than the average.

On the question "Compared with last year, would you say that the financial condition of your family...." 24% of the polled replied that it has improved, 68% that it is worsened while 8% did not know. Ethnic breakdown on this question showed no indicative differences.

Regarding the unfavorable economic conditions in the EU and whether this reflects the unfavorable economic conditions, 47% agree that these two trends are in interaction, about 50% disagree with this position, while 3% gave no answer.

About 65% of the polled think that the backlog in the domestic economy is due to the mistaken economic policy of the government, 33% disagree with this estimation, while 2% gave no reply. These answers also show significant differences in the ethnic data breakdown as 56% of the Macedonians and 89% of the Albanians believe that the backlog in the domestic economy is due to the mistaken economic policy of the government, while 42% of the Macedonians and 9% of the Albanians disagree.

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¹⁶ Total number of the polled citizens is 1.560, obtaining a representative sample and margin of error of +- 2,9%.

The statement "the Government should cease spending money on monuments" was supported by 81% of the polled, while 18% disagreed. Viewed by ethnic affiliation, this statement was supported by 79% of the polled Macedonians and 86% of the polled Albanians.

The policy of renaming the streets of Skopje and other cities is supported by 35% of the polled, while 61% estimated it negatively. There are differences in terns of ethnic affiliation regarding the obtained answers, as renaming the streets was positively evaluated only by ¼ of the polled Macedonians (or 23%) but largely supported by the Albanians (67,5%). About 73% of the polled Macedonians negatively estimated this policy as well as 30% of the Albanians.

On the question who could replace the leaders Gruevski (VMRO-DPMNE) or Crvenkovski (SDSM), results were the following: As a person who could most successfully replace Nikola Gruevski are mentioned: Antonio Miloshevski 12,5%, Zoran Stavrevski 9,3%, Nikola Todorov 8,9%, Gordana Jankulovska 5,9%, Sasho Mijalkov 3,7%, Mile Janakievski 3,5%, Vlatko Gjorcev 2,6%, Marjan Gjorcev 2,3%, 25,8% didn't know who to suggest and 23,4% replied "noone". As a person who could most successfully replace Branko Crvenkovski are mentioned: Zoran Zaev 18,3%, Radmila Shekerinska 18,3%, Vladimir Buckovski 9,2%, Stevo Pendarovski 7%, Andrej Petrov 3,6%, Igor Ivanovski 2,9%, Ana Daneva 1,4%, Gordan Georgiev 1%, don't know 22,7%, and "noone" 14%.

One year after parliamentary elections, VMRO-DPMNE is still ahead of SDSM, but figures show that the difference in support is steadily decreasing. Undecided remain 40% of the polled, but if one considers the global party picture in terms of party blocks, conclusion is that the result currently is pretty even. VMRO-DPMNE (position) gets 21,9% support, SDSM (opposition) 18,8%, DUI (position) 7,1%, DPA (opposition) 4,6%, NDP (Rufi Osmani) (opposition) 2,6%, LDP (opposition) 1,2%, VMRO People's Party (opposition) 1,3%, other 3,5% undecided 39%. Analysis of the other issues in the poll indicates that the dissatisfaction of the current government activities is growing among the undecided respondents.

7.2. Gallup International: Macedonians Most Religious in Europe

Macedonians are the most religious nation in Europe, shows global survey of the Gallup International Religiosity and Atheism Index, which was carried out in Nov. and Dec. 2011 among 52.000 respondents in 57 countries in the world. Ninety percent of the polled Macedonians responded to be religious. After nationals of Macedonia the most religious in Europe are Romanians (89%), Moldavians (83%), Poles (81%), Serbs (77%) and Italians (73%). According to Global Religiosity Index, Macedonians are on fourth place. The most religious are nationals of Ghana, Nigeria, Armenia and Fiji, Gallup survey reads. Survey finds that only 1% of the Macedonians consider themselves atheists.

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