

# **BAROMETER**

Current Events and Political Parties Development in the Republic of Macedonia

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Dr. Natasha Gaber-Damjanovska

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# 1. DEVELOPMENTS ON THE "NAME ISSUE"

It is an already established practice that talks regarding the name dispute between Greece and Macedonia are officially on the hold during the election periods in either or both countries. Due to the presidential and expected early parliamentarian elections in Macedonia and the EU and local elections in Greece, the first half of 2014 has shown only some diplomatic dynamics and statements from both sides on various meetings and occasions. However, impression is that unofficially, through discreet diplomatic contacts there are some talks that tackle the problem, although it is rather unclear whether there is political will, leadership and energy from both sides to close the matter. Fact is that the "name issue" is the most important long-standing impediment for the Republic of Macedonia to progress in its Euro-Atlantic aspirations, which directly or indirectly and in many perplexed ways affects the country's internal and external politics. There is high probability that the country will not obtain NATO membership again, at the net NATO Summit in September.

#### 1.1Debate on the "Name Issue" Process

At a round table focused on the name dispute hosted by the Institute for Democracy "Societas Civilis", Foreign Minister Nikola Poposki commented on a recent poll stating that the fact that Macedonians increasingly doubt whether the dispute with Greece will ever be solved, it actually reflects reality. "People feel that in the current situation there is no space for a solution to the "name" dispute, which would open the doors to EU and NATO, and that perception reflects reality," he said.

According to the survey carried out in November-December 2013 and presented at the event, pessimism is growing about a likely solution to the dispute, as is resistance to any compromise with Greece that would require a change of name. Although 54% of respondents wanted a solution within one year, only 9.6 per cent expected this to happen in that period. Almost 30% of the respondents said a solution would never happen. About 27% said they expected a solution within five years while 21% expected it in six to 10 years. A large majority, 62% of the polled, said they opposed any compromise involving a change to the country's name (compared with the 2011 results where this answer had 45% support).

"While in 2011 there were certain hopes of a small window for a name solution... it is becoming apparent that in 2013 this window is closing," the head of the survey, Saso Klekovski, from MCMS, told the debate. Antonio Milososki, VMRO-DPMNE former Foreign Minister said that Macedonia should suspend its participation in the long-standing UN "name" talks. "They should resume only after Greece officially states its position regarding the applicability of the ICJ ruling, because meanwhile we are spending valuable energy without any results," Milososki said. Milsoski's standpoint corresponds with that of President Gjorge Ivanov who, in his annual address last month, said that conditions were approaching for Macedonia to consider such a step.

The analyst and university professor Stevo Pendarovski, a former advisor to presidents Boris Trakovski and Branko Crvenkovski (and later the SDSM presidential candidate), focused on the need to build a wider political consensus within Macedonia on the name issue. "Having

a parliamentary majority does not give you the right to think that only you are entitled to discuss key issues," Pendarovski said, accusing the government of leaving the other political parties in the dark regarding the issue. "I would like to see us building consensus on key issues before we encounter bad things," he added.

According to the survey, questions about Macedonia's identity remain "a red line" for most Macedonians when it comes to the name talks, as over 70% of the respondents said they were against any kind of additional definition of Macedonia's identity and language. A majority of 54% of respondents said the core problem was Greece's refusal to accept the existence of a Macedonian state, identity and language.

Political analyst Rizvan Sulejmani said that it was "disappointing" to see such a large percentage of people opposing a possible compromise solution. He criticized the government for boosting nationalism with populist projects, such as the costly "Skopje 2014" project instead of working towards a solution of this key diplomatic dispute. "This shows that something is definitely wrong and that we are slowly turning into a nation where rational thinking is discarded and where emotions and fears lead us," he said.

# 1.2 EP Draft Resolution under Preparation

As known, during the first six months of 2014 Greece holds the EU presidency, so Greek Deputy Prime Minister and Foreign Minister Evangelos Venizelos had contacts with Macedonia in that capacity. The European Parliament's Rapporteur on Macedonia said the Greek presidency of the EU should be seen an advantage in solving the Greek-Macedonia name dispute, not an obstacle. Richard Howitt MEP urged Greece to show leadership at the helm of EU to solve the dispute that is impeding Macedonia's EU membership prospects. "I am asking both countries to go further by seeing it as an opportunity for both sides to make genuine and sincere efforts to resolve the name issue, and to work towards a solution for EU talks with Macedonia to begin," Howitt said.

The European Parliament's Foreign Affairs Committee adopted a draft resolution on Macedonia, prepared by Howitt, which reaffirms calls for a start to EU talks with Macedonia. While 48 MEPs voted for the draft, only four voted against. The resolution went before the European Parliament in February. It called on Greece to use its leadership position to overcome the stalemate over Macedonia's EU accession hopes and "inject new impetus" into solving the name issue. Despite repeated recommendations by the European Commission, the EU has not started talks with Macedonia, nor has it been invited to join NATO, owing to the dispute with Greece over its name.

While presenting the priorities of the Greek presidency with the European Union to the same committee, Greek Deputy Prime Minister and Foreign Minister Evangelos Venizelos pledged not to discriminate against Macedonia during Greece's EU presidency. He said he was ready to visit Macedonia in the capacity of his country's EU presidency but reiterated Greece's red lines regarding the bilateral "name" dispute. "I am ready to visit the region in the next few days, including Skopje, without any difference or discrimination," the Greek official said, adding that this would be a good opportunity for discussion with the Macedonian authorities. Venizelos repeated Greece's demands over the name issue, noting

that Athens supported a compound name for Macedonia that would include a geographical qualifier. He also insisted that any agreed compromise name would have to be used universally, not only bilaterally, and that Macedonia should change its constitution to incorporate it. But Venizelos also insisted that problems with the rule of law, democracy and human rights were the main obstacles blocking Macedonia's path, not the "name" issue.

In an interview last month for the Austrian media outlet *Die Presse*, the Macedonian PM Nikola Gruevski, accused his Greek counterpart, Antonis Samaras, of deliberately impeding Macedonia's progress and of avoiding direct talks with Macedonia. "There have been no direct talks for over a year-and-a-half because the other side does not want a solution to the dispute and does not want to talk," the Macedonian leader said, adding that the climate had worsened significantly since the new Greek government took office in mid-2012.

# 1.3 US Urges for 'Flexibility' in the 'Name' Dispute

Macedonia and Greece should show 'additional flexibility' in solving the long-standing 'name' dispute, US Deputy Assistant Secretary of State Hoyt Yee said during his visit to Skopje. Yee, who is on a two-day visit to Macedonia, said he would like to see both sides looking towards the future instead of dwelling on the past, in order to solve the impasse that is hampering Macedonia's European and Atlantic integration. "We prefer to look forward, not backwards, to see what's possible this year when great attention is going to be focused on the region as Greece is holding the EU presidency," Yee said after speaking with President Gjorge Ivanov and Prime Minister Nikola Gruevski. He added that "It is important for all parties that wish for a solution to the matter to think well about the possibilities, as well as the urgency of finding a solution,". When asked about the possibility of direct involvement by the US or the European Union in solving the name dispute, Yee said he saw their role more as providers of encouragement to both sides.

#### 1.4. Venizelos Statement before the French Senate

Greek Deputy Prime Minister and Foreign Minister Evangelos Venizelos before the French Senate, the Committee on Exteriors and Defence while presenting the priorities of the Greek EU presidency behind closed doors, stated that the problem which Greece has with Skopje is much smaller than the "ideological" one, which Macedonia has with Bulgaria for the "fake national identity". He said that Greece is ready to accept a compromise, since his country is the first investor in Skopje, while Skopje is the number one tourist investor in Greece, so Greece can approach the country to EU and NATO. "With FYROM there should be a compromise for the country's denomination because several territories already bear this name: Central Macedonia with Thessaloniki as capital, Bulgarian Macedonia, Albanian Macedonia. We suggest a definitive compromise, which refers to the name, for every use, erga omnes",..."large problem of this country are the relations among the ethnic communities" he added.

"The Albanian community is significant, 35% speak Albanian language"...."there is also the pseudo-Macedonian language which according the Bulgarian government and the Bulgarian scientific community is a Bulgarian language"- Venizelos commented. Another problem according to him is the "ideological one"- "there is an ideological problem for the fake

national identity, between Skopje and Sofia" estimating that the problem between Greece and Macedonia is much smaller than the one Macedonia has with Bulgaria, as "there are big linguistic and historical issues between Slavic minorities...noone talks Greek in FyROM". He also added that "the Albanian community is completely open, she agrees with us about the name, it is more insignificant regarding the ideological and the historical problem" stated Venizelos in front of the French Senate. "Copenhagen criteria and internal problems like democracy, rule of law, human rights, big open issues with neighbours, including Bulgaria, issues connected with European values which are to be respected by every country-candidate for EU membership".

At another occasion, addressing the Greek Parliament, Venizelos stated: "The Greek stance on the name issue is responsible and moderate- it is important that that state improves its good neighborly relations",..."the situation is clear — it is negotiated for a name for international use, we are not dealing with the question whether the name of the state shall be for bilateral use but for international use, as decided in the UN Security Council".

# 1.5 Meetings That Took Place in the First Half of 2014

Greek Deputy Prime Minister and Foreign Minister Evangelos Venizelos said he felt more optimistic on the "name" dispute after meeting Macedonian leaders by end-February. "I have the impression that the government, the political system and civil society in Skopje are ready to participate in a dialogue not only on the name issue but also on the enhancement of bilateral cooperation," he said. During his stay, Venizelos met President Gjorge Ivanov, Prime Minister Nikola Gruevski, Deputy Prime Minister for European Integration Fatmir Besimi as well as Foreign Minister Nikola Poposki. He also spoke to Ali Ahmeti, the head of the Democratic Union for Integration, as well as to the head of the main opposition Social Democrats (SDSM) Zoran Zaev. From his part SDSM leader Zaev pointed out that Greece's hard position on the matter does not bring to a solution. Arriving in a double capacity both as an EU and a Greek official, Venizelos added that he was under the impression that his Macedonian interlocutors "understand very well that Greece is the real gateway towards the European perspective and the Euro-Atlantic destiny of this country."

Still, despite repeated recommendations by the European Commission, the EU has not started talks with Macedonia, nor has it been invited to join NATO, owing to the dispute with Greece over its name. After almost two decades of negotiations the UN talks have failed to yield a compromise solution. Venizelos said that both parties had expressed willingness to intensify "name" talks under the auspices of the UN. Speaking in Greece's capacity as president of the Council of the European Union, Venizelos meanwhile insisted that the main obstacle to Macedonia's European perspective was not the "name" dispute alone but its "obligation to fulfill the Copenhagen criteria, and especially the major criteria of compliance with the principle of good neighborly relations" - with Greece and Bulgaria. We are waiting for some material, concrete and tangible steps in this critical field of good neighborly relations," Venizelos said, adding that this "is a general European, international obligation". Venizelos traveled to Skopje as part of a three-day tour of the Western Balkans aimed at encouraging countries to pursue membership of the European Union.

In December 2012, Bulgaria joined Greece in preventing Macedonia from obtaining a start date for EU accession talks. While Greece justified its blockade on the grounds of the

bilateral dispute over Macedonia's name, Bulgaria said it could not support a country that had failed to nurture neighborly relations. Macedonian President Ivanov meanwhile repeated the government's own line, which is that the key obstacle facing Macedonia in the European integration progress is "still the name issue". He said he had urged Greece to allow Macedonia's EU accession talks to start alongside continuing efforts to resolve the name issue. "Allowing parallel movement of the process for resolving the bilateral [name] issue and the process of accession negotiations... would benefit not only Macedonia but Greece as well, and the entire region," he said.

Macedonian FM Poposki on invitation of the EU High Representative for External Affairs Catherine Eshton and the vice-PM and Foreign Affairs Minister Evangelos Venizelos was invited in April at the informal meeting of the ministers of exteriors of EU member countries with the country candidates for EU. "Today we spoke mostly about respect of international law, which is our field because we respect it at home and towards our neighbours, and we apply it in our external policy. Our hosts are weaker in that field and we are ready to assist them to start to apply what they speak about. Most sincerely and most openly we think that that is good for us and for the region and for EU"..."the Hague ruling is a reflection of the highest UN instance from a legal point of view so of we speak about respect of international law, this should be the main pillar"- Poposki said after the meeting.

During election times by the end of March, followed an unexpected meeting in New York of the two sides by initiative of Mediator Nimetz. Media say that circles in Washington talk about a possible new initiative for solving the name issue this year prior to the next NATO summit in September. Among other things, this effort is viewed as a tool for pressure over Moscow in the frames of the Ukrainian conflict, as there is fear of possible Balkan crisis. Experts estimate that Nimetz's move is part of a new scenario by NATO to do everything it can to include Macedonia because the confrontation between Moscow and Washington is now open, and it is normal to expect greater Russian activity and influence in the Balkans. To prevent this, the West must secure all countries that are uncertain (about their allegiances) in some ways. The last round of talks was held last October after which Nimetz said that "substantial differences" remained between both sides. Nimetz declined to divulge his suggested formula for a compromise name that he put forward in April, but reports have indicated that it was "Upper Republic of Macedonia".

Mediator Nimetz called for a new round of talks on May 6 in New York, for which the two sides accepted the invitation. After the meeting, Nimetz announced that will visit the region this summer.

Edward Joseph from the Johns Hopkins Center for Transatlantic Relations emphasizes that the name dispute is a serious stability and security problem. It creates real tension, what's more the spirit of NATO and EU has been breached as a country member exploits the consensus rules to impede the progress of an aspiring country. However, he believes that it would be wrong to raise expectations for the upcoming NATO summit.

NATO chief Anders Fogh Rasmussen said in Washington that the Crimean situation would likely have an impact on the Alliance's admissions policy - but things should become clearer after NATO ministers meet at the end of June to discuss this issue. He also re-emphasized

that NATO membership for Macedonia will happen after a solution on the name dispute is achieved. Greek media say that Greece is currently without its traditional supporters, USA, EU and UN as they put pressure to close the name issue until the NATO summit so Macedonia could become an Alliance member.

# 1.6. Name Issue Used in Elections Repeatedly

As the presidential election race drew closer, the Prime Minister has accused the opposition of echoing Greece's line in the Greek-Macedonian dispute over the country's name. As campaign steamed up, the ruling VMRO-DPMNE party accused the opposition of holding standpoints on the sensitive issue of the country's name issue that betray national interests. The opposition has meanwhile accused the ruling parties of taking too hard a line on the name issue, and of excluding them from any discussion about it. PM and VMRO DPMNE leader Nikola Gruevski, has gone so far as to say that the opposition Social Democrats, SDSM, sound like Greek politicians on the name issue. Speaking at a party rally in support of VMRO DPMNE's candidate in the presidential race, the incumbent head of state, Gjorge Ivanov, the PM said: "I see how easily the SDSM throws different names (for the country) on the table, how easily they speak against us, and hold us to blame for the name dispute not being solved and for Macedonia not entering the EU and NATO, although we fulfill all the requirements. "Do I hear Venizelos speaking, or the opposition?" he asked. It looks like Venizelos is speaking, not a Macedonian presidential candidate. Only the Greeks say such things. I do not believe this is coincidental," Gruevski added.

Stevo Pendarovski, presidential candidate of the opposition, replied that Gruevski was the only political figure in any position to negotiate with Greece, and so potentially "sell" the country's name, making it absurd to accuse the opposition of treason. "A name solution should not be a matter of government, family, ethnic or personal consensus," Pendarovski said. We should start solving the name issue by first building a national consensus on it," he added.

In reality, taking a tough line in the dispute with Greece over Macedonia's name and identity has proved a winning formula for Gruevski who has held power since 2006. During the ongoing presidential campaign, Gruevski's political protégée, President Ivanov, has followed this line, building up an image of himself as a resolute defender of the country's disputed name and identity. Political analyst Suad Misini said that populism over the "name" question serves Gruevski's party as the equivalent to a "nuclear political weapon" in the fight against the opposition. It is being deployed in the election campaign to weaken its opponents who have had difficulty in formulating an understandable 'name' strategy for a mass audience, he noted. By doing that, Gruevski profiles himself as "the saviour who will protect Macedonia from the enemy and from domestic traitors", Misini adds.

DUI's leader Ali Ahmeti in June had an interesting statement in which he announced: "We have never been closer to the name solution compromise and now it is needed for sides to sit on the table with international mediation"..."but to be achieved that, is needed serious and as speedy as possible dedication by the international community".

Opposition analysts (Ljubomir Danailov-Frckovski) commenting on the name issue stalemate and the reasons behind it, estimate that VMRO-DPMNE unfortunately managed to develop the worst of the types of nationalisms in world history theories and practices and that it is the nationalism of a victim, or right-wing utopia of a reactive nationalism, based on xenophobia and fear. As an outcome, the public gets what it hears in all up-to-now campaigns and in the meantime as well, and this is the reason why a consensus cannot be reached for any position in international politics and internally on an interethnic level. Such nationalism possesses a "death drive", which ends in paradox, abolishing its own assumptions and collapses in a huge betray of the Macedonian national interests. Frckovski believes that the ruling party does not succeed nor manages to set for solving the most burning national problems which historical timing poses, in order to allow the country to move forward. He believes that the authorities are blocked, because they do not know how to handle the issue, they redirect the blame to others, refer to referendum (which is rejection of the political responsibility) and do not negotiate because are insecure and fear the process. As a consequence, Macedonia continuously falls on the rating ladder. He believes that isolation shall have consequences on the internal stability and interethnic relations within the country, as Macedonia does not have money or serious investments, while strategic priorities are mere rhetoric. Frckovski describes VMRO-DPMNE and its leadership as parasites feeding upon the nation's problems, fears and sufferings. The paradox is development and enrichment of the party and weakening of the state, its institutions and the nation, until its demolition in self-cancellation.

# 2. EU and NATO INTEGRATION PROCESSES

"Our strategic goal even after holding the elections remains NATO and EU membership, stressed FM Nikola Poposki after the meeting with the US Secretary of State John Carry held in the auspices of the conference "Towards Whole and Free Europe" held in Washington DC. Still, predominantly independent and opposition media and experts estimate that Brussels and Washington are frustrated due to the long term repeating of critiques on the development of Macedonian democracy and election process, which obviously the government does not want to solve as the situation suits its election performance. As already seen and read in many reports, this behavior is an impediment to the democratic and economic development, which threatens to become part of the political culture.

The international community representatives start from the fact that Macedonia is a sovereign country which does not need help from outside. That will only be necessary if there was internal instability which would be a regional threat. As this is not the case, analysts say that the government abuses its comfortable position and shows no major concern for the outside critiques. Still, the EU searches for answers how to respond to the dirty elections and to let authorities know that they are not naïve and see well what is going on. Corruption cases are noted as well, but this remains to the Macedonian judicial system to process. Post-electorally, much attention was given on two things: the SDSM decision for boycott and forming the government in regards whether DUI shall be in it or not. It is known

that EU as a principle never supports institutional boycott, even when it is known that government is corrupt and institutions are under her control. If the boycott continues, Brussels and Washington is expected to seek for the government to open a dialogue with SDSM. On that occasion should be opened all problems and issues opened by OSCE and to seek mutual solutions. Still, little are the hopes that the offered hand will be in a manner favorable for the opposition. One of the options for which many diplomats are standing behind is not to be repeated the EU recommendation for determining a date for start of the membership negotiations. At the same time, it is considered in what way EU, the European Commission and Skopje should continue its dialogue, and whether the High Level Accession Dialogue is still a good instrument for that.

Already, EU countries announce that the upcoming country report shall not be good, as it shall include all the problems, but are aware that their word has less and less influence. At the same time, hopes are lost that the country will ever solve the dispute with Greece. It is said that diplomats who meet with the government do not hide their disappointment and use sharp words to transfer the message. "To us is left only the hope that the message is understood and that one day the government will apply it" – they say. Analyst Mersel Biljali stated that "definitely we (Macedonia) have been pronounced as patient who does not want to be healed and they will let us until we hit the ground, but how that is going to be reflected, is also a big question, while the other option is that still there is an opportunity for us to be helped.

There were expectations that EU Enlargement Commissioner Stephan Fule is going to come to Macedonia in June, in the frames of the fourth round of the HLAD (High-Level Accession Dialogue). However, this visit was cancelled, although he will be touring the region in more or less the same time. Similar message is indirectly conveyed by the EC President Jose Manuel Barroso, who will be paying a farewell visit to Belgrade and Tirana, but not Macedonia. EU Ambassador in Macedonia Ivo Orav stated that EU closely follows the situation in Macedonia and that they agree with the OSCE/ODIHR report, which they analyze it in details. He called upon all political parties' leaders to engage constructively in reforms which will promote the process of Euroatlantic integration.

# 2.1. Foreign Affairs Committee Vote on Progress of Macedonia, Montenegro and Bosnia & Herzegovina

Foreign Affairs Committee MEPs voting in January once again called on the Council to set a date for starting EU accession negotiations with "the former Yugoslav Republic of Macedonia". They also backed plans for further talks with Montenegro and called on EU leaders to show more commitment to Bosnia and Herzegovina. Concretely on Macedonia, MEPs again call on the Council to set a date for the start of EU accession talks, stressing that further delay could create an unreasonable disparity in the region, potentially posing further risks to good inter-ethnic relations. They underline that bilateral issues should be addressed as early as possible in the accession process and preferably before the opening of talks and ask for more concrete results in establishing good neighbourly relations between Athens, Sofia and Skopje. Greece is called up to show leadership in order to be overcomed the stalemate of the EU road of Macedonia and to establish new stimuli in order to solve the name dispute.

The committee also expressed regrets on the deterioration of the country's reputation in relation to media freedom. It is said that safeguarding freedom of expression, with media free from political interference, is a vital challenge of the country and the committee called for more consultation and dialogue about the current media law, as well as efforts to rebuild trust between the government and media. The resolution drafted by Richard Howitt (S&D, UK) was passed by 48 votes to 4, with 6 abstentions.

### 2.2. European Parliament Passes the Resolution on Macedonia

With 486 votes in favor, 55 against and 29 abstains, European Parliament in January passed the resolution on Macedonia (6 February 2014), proposed by the country's rapporteur, British MEP, Richard Howitt. This resolution calls on the European Union Council to confirm the date for the start of negotiations for the accession of former Yugoslav Republic of Macedonia in the EU. The resolution states that the bilateral problems must not be an obstacle for the start of talks, although they must be solved before the accession process. Good bilateral and neighborly relations, according to the proposed text, must exist in a constructive spirit and based on the EU principles. European Parliament said that the fact that Macedonia wasn't issued with a date for the start of negotiations, increases frustrations inside the country and lead the country to an impasse, something which may cause problems and tensions. Greece is required to use its EU presidency in order to encourage the process of integration and the creation of a positive climate for the solution of bilateral differences in the spirit of European values. According to the European Parliament, Greece must use its position to draft incentives which will solve the current problem. On the other hand, Skopje is required to continue with the reforms and put an end to policies or practices which may be an obstacle for its European future.

European Parliament notes that if the date for the start of negotiations is constantly annulled, then this situation will be unpredictable and it will have serious consequences in the domestic and regional stability. The resolution insists that all candidate countries must be treated based on merits. EP assesses that Copenhagen criteria have been fulfilled sufficiently for the country to start its negotiations.

The resolution has also mentioned relations with Bulgaria, praising the bilateral meetings which have discussed topics relating to history, population and mutual respect. Another sensitive domain is also the freedom of speech and media, where there have been concerns about the lack of the freedom of media and punishment of journalists. Amongst others, the resolution also criticizes the lack of integrated education and calls on the promotion of the use of both languages and to condemn all types of ultra-nationalism.

The Resolution states that the country "is encouraged to consolidate reforms and reverse policies and practices which could still constitute obstacles for its European future, and to secure real progress on key areas as set out in the European Council conclusions, and more specifically the statements on the enlargement and stabilisation and association process; considers that starting negotiations with the EU represents a positive step towards resolving current disputes with the country's neighbours, while also generating further reforms to improve the situation in the country".

A regret has been expressed, given the positive recommendation of the Commission and its positive assessment of the results of the High Level Accession Dialogue while also warning of the risks of backsliding, the fact that the European Council chose not to repeat its December 2012 decision in which it concluded that it largely shared the Commission's view, anticipated a possible decision to open accession negotiations during the following presidency, and noted that the Commission would undertake all the necessary preparatory work to enable this.

It is emphasized that continuing to delay the opening of accession negotiations entails an increasing and unpredictable cost for the country as well as for regional stability; calls on both the government and on the Commission to produce a quantitative analysis of the potential social and economic costs, as well as of the domestic and regional political impact and the risks arising from the Council's failure to set a date for the start of the accession negotiations;

EP insists that all candidate and potential candidate countries should be treated on the basis of their merits ...with special emphasis on the importance of opening Chapters 23 and 24 on justice, democracy and human rights which will enhance progress on the very issues which are of particular concern to some Member States and to endorse the opening of the screening process for these Chapters. Intention is to help the country better address the imminent challenges facing any candidate country such as further enhancing the effectiveness of the rule of law and reforming the judiciary and public administration, as well as strengthening interethnic cohesion.

EP stresses that good neighbourly relations and regional cooperation are an essential pillar of the country's EU accession process, including a negotiated and mutually acceptable solution to the name issue under UN auspices; bearing in mind the Albanian minority within the country and also the sensitive bilateral issues with other neighbouring countries, particularly Greece and Bulgaria, reiterates its position, sharing the view of the Commission in this regard, that bilateral issues should be addressed as early as possible in the accession process, in a constructive and neighbourly spirit and through an intensive and open dialogue in the spirit of the common European future, and preferably before the opening of accession negotiations; recalls that gestures, controversial actions and statements which could negatively impact on good neighbourly relations should be avoided; asks for more concrete results in terms of cooperation in order to establish good neighbourly relations between the three sides (Athens, Sofia and Skopje) that good neighbourly relations and regional cooperation are an essential pillar of the country's EU accession process, including a negotiated and mutually acceptable solution to the name issue under UN auspices; bearing in mind the Albanian minority within the country and also the sensitive bilateral issues with other neighbouring countries, particularly Greece and Bulgaria, reiterates its position, sharing the view of the Commission in this regard, that bilateral issues should be addressed as early as possible in the accession process, in a constructive and neighbourly spirit and through an intensive and open dialogue in the spirit of the common European future, and preferably before the opening of accession negotiations; recalls that gestures, controversial actions and statements which could negatively impact on good neighbourly relations should be avoided; asks for more concrete results in terms of cooperation in order to establish good neighbourly relations between the three sides (Athens, Sofia and Skopje).

At the same time it is emphasized that any continuing failure of the European Council to make progress in relation to the country's EU accession will jeopardise the credibility of the EU enlargement process, at it will undermine the climate needed to encourage EU-related reform measures.

EP expressed belief that the failure of both parties to find a mutually acceptable, fair and just solution to resolving the name dispute over a period of nearly 20 years also calls into question the credibility of the framework for achieving this goal, for which it is vital to make efforts; notes that this is despite the best efforts of the UN mediator and the genuine political will of both parties to find a solution; reiterated, however, its view that bilateral issues should not be resorted to in order to hinder the European accession process. EP welcomed, in this regard, the proposal for a composite name with a geographical qualifier put forward by UN Envoy Nimetz, and believed that this is a good basis for a compromise, provided that Macedonian nationality, identity, culture and language are not called into question. Greece is invited to use its Presidency of the EU, together with all interests in the Commission, the Council and Parliament, and in the country itself, to inject new political impetus into genuine and sincere efforts to find a mutually accepted solution to the name issue without further delay; notes the decision of 5 December 2011 of the International Court of Justice regarding the application of the interim accord of 13 September 1995; takes the view that the country's leadership and the EU should consistently explain to the public the benefits of a solution once agreed ahead of the referendum on the issue to use its Presidency of the EU, together with all interests in the Commission, the Council and Parliament, and in the country itself, to inject new political impetus into genuine and sincere efforts to find a mutually accepted solution to the name issue without further delay; notes the decision of 5 December 2011 of the International Court of Justice regarding the application of the interim accord of 13 September 1995; takes the view that the country's leadership and the EU should consistently explain to the public the benefits of a solution once agreed ahead of the referendum on the issue.

EP insisted that the full implementation of the recommendations of the parliamentary committee of inquiry following the events of 24 December 2012 and compliance by all parties with the Memorandum of Understanding are both indispensable to returning the country to a Euro-Atlantic perspective; took pride in the role undertaken by the Commissioner for Enlargement and Parliament itself in helping broker the 1 March 2013 agreement, but recognised that it is the responsibility of the political parties themselves to establish constructive mutual dialogue and cooperation and to reject the use of boycotts, in the interests of enabling full, independent legislative oversight of government and upholding European democratic norms; emphasised the importance of both government and political parties working towards improving relations in order to maintain political stability.

In the document were welcomed the conclusions of the OSCE/ODIHR Electoral Observation Mission to the effect that the spring municipal elections were efficiently administered; was shared the concern expressed regarding balance of media coverage, blurring of state and party activities in relation to the use of administrative resources and reported irregularities concerning registration of voters from Pustec, Albania; was endorsed the Government's commitment to comply with the OSCE/ODIHR recommendations for electoral reform in full;

was emphasised the need for further efforts to increase transparent financing and accountability of political parties; was urged action to avoid the blurring of state and party activities during election campaigns and secure cross-party agreement for an audit of the voters' register.

EP stressed the need to ensure the professionalism and independence of the public administration through policy improvements at all levels; noted that the law on public employees and the law on administrative servants were approved by the parliament at first reading on 8 January 2014; considered it important that a new legal framework enshrines the fundamental principles of transparency, merit and equitable representation; called on the government to continue with the necessary reforms in this respect, as also in the fields of public expenditure and public procurement, since this will have positive effects on the quality of governance.

EP urged a deepening of democracy through further decisive steps towards budget decentralisation, regretting the reduction in the budget during the past year but looking forward to the survey report on the state of decentralisation and welcoming the increased share of revenue in the core budget of the municipalities through further actions to strengthen respect for local self-government, especially in cases where the parties in control at local level are not in power at national level. It also regretted that more progress has not yet been achieved with regard to integrated education and that funds have not been allocated to implement the Strategy on Integrated Education. There are suggestions to establishing of a civil registry, as a temporary solution to partly overcome the lack of a census.

EP regrets the deterioration of the country's reputation in relation to media freedom; shares the Commission's concern that the safeguarding of freedom of expression with diverse and pluralistic media free from political interference remains a vital challenge for the country; points out, in this regard, that the lack of media pluralism is partly a result of government advertising; stresses the need to ensure the independence and sustainability of the public service broadcaster, encouraging the authorities to adopt safeguards in media law in this respect; believes that the current media law should be the object of further consultation and dialogue, so that such important reforms are agreed only if there is broad support across the country's journalistic community; points out that more efforts are needed in order to restore and rebuild trust between the government and the media community; supports the initiative of the country's Media Institute, with EU support, to publish a 'White Book' on enhancing civil society-media relations; stresses the need for greater efforts to protect the rights and independence of media workers; emphasises the need for transparency regarding media ownership.

It is also noted that the new Lustration Law, but also the concerns expressed by the Venice Commission and the Helsinki Committee regarding its constitutionality and potential misuse. EP encourages the strengthening of the mandate of the Data Verification Commission by transferring all necessary documents from the intelligence and counterintelligence services to that commission's premises on a permanent basis.

EP regrets the modest progress of, and expresses its concern regarding the severe delays in, implementation of the second government Strategy for Cooperation with Civil Society and

its action plan; is concerned at the lack of commitment to it and the lack of transparency in budget support to civil society; believes that the Open Government Partnership to which the country has pledged can provide an appropriate framework for improving the situation; welcomes and encourages the use of indicators to assess civil society participation, as outlined in the Commission's communication of 12 September 2012 on 'The roots of democracy and sustainable development'.

Regarding the judiciary, EP commends the country for the reforms previously undertaken which have brought the national legal framework into conformity with international standards; urges the country to increase the transparency of the Judicial Council in order to minimise perceptions that it works under influence and pressure; invites the Commission to consider and analyse respect for European Court of Human Rights judgments in relation to the country, in its future Progress Reports. It also welcomes the activities aimed at improving the professionalism, independence and efficiency of the judiciary, namely the recruitment of graduates of the Academy for Judges and Prosecutors to those posts, the maintaining of the positive clearance rate of the courts in the first half of 2013, and the further reduction in the backlog; calls for the unification of jurisprudence in order to ensure a predictable judicial system and public trust.

Regarding corruption, EP calls in particular for the reinforcement of the State Commission for the Prevention of Corruption, the Anti-Corruption Unit of the Ministry of Interior, the Basic Public Prosecutor's Office for the fight against organised crime and corruption, and the State Audit Office in budgetary, material and human resources; emphasises further the need to focus on high-level corruption cases and to make greater use of orders for seizure and confiscation of assets, and urges continued efforts to establish a track record for convictions in high-level cases; calls on independent civil society organisations and media to expose corruption and champion independent and impartial investigations and trials; welcomes the continued UNDP-supported efforts of the State Commission for Prevention of Corruption to strengthen the preventive aspect of the fight against corruption by introducing comprehensive integrity systems in nine pilot municipalities; supports the national authorities' intention to complete the amendment of the Law on Prevention of Corruption, expand the integrity system concept nationwide, and provide systematic institutional protection for whistleblowers.

EP expressed its concern at the widespread and lengthy use of pre-trial detention and the conditions in which detainees are held; notes instances of disproportionate policing in relation to demonstrations; calls for efforts to maintain public order to be proportionate and to respect the right of free assembly.

Other remarks encompass gender issues, the situation and problems of Roma, interethnic relations, the issue of discrimination, the economic trends, the right of the child, social issues, protection of the environment, energy issues etc. What is not said in the report, but it is felt directly, is the general impression that the positive energy through which he was trying to push Macedonia towards obtaining a date for negotiation is not the same as before. However the country's rapporteur MEP Richard Howitt deserves a big credit, as he did his best. Macedonia got a resolution in which was reflected the prevailing disposition towards the country, so in the text disappeared the most important element - that the

country is wronged and waits for too long on EU doorstep without its fault. Greek and Bulgarian amendments were accepted easily, although Macedonia got by the EU Parliament request to start negotiations "without delay". EU warned again on the risk for the country to go backwards, announcing that will reassess again the blockade damage. The only encouraging signal is the position that UN negotiations lost in their credibility after 20 years and although there is no hint that the format will change. In this Resolution, MEP Howitt included a new qualification- ultranationalism intended to make a difference from nationalism and patriotism.

#### 2.3. SDSM Duo Zaev-Sekerinska in Brussels

Upon invitation by Stephan Fule in Brussels travelled the SDSM leadership duo Zoran Zaev and Radmila Sekerinska. The goal of the visit was to inform the Enlargement Commissioner first hand on the talks on the name issue and to complain that the Gruevski government did not consider to inform the opposition on this important process; to be informed firsthand about the European Commission reform expectations from Macedonia and to let Commissioner Fule know that the opposition which collected 370.000 (33%) votes on the 2011 elections should be included in the processes which will mean a lot on the way of the country's Euroatlantic integrations. Zaev and Sekerinska stated that they are satisfied from the visit and mentioned a couple of ideas for which talks were held but not on the name issue, but on the possibilities for cooperation increase with Greece and Macedonia. However pro-government media estimated this visit as a kind of national treason, mixing in government affairs and activity for which is weakening the national cohesion. Immediately after this visit the Government intensified even more the campaign against Zoran Zaev under the motto "Zaev Cannot be Trusted" for which spent enormous sums of money, by advertizing the campaign in various media, electronic and printed, billboard etc.

#### 2.4. European Commission new Approach on Balkan Economies

The European Commission decided to start a new approach for the Balkan economies. This initiative was announced by Enlargement Commissioner Stefan Fule from London, at the conference of the European Bank for Reconstruction and Development. EU believes that no Balkan country has a functional market economy, as unemployment is high especially among young people and competitiveness is influenced by the politicization of decisions which should be market oriented instead. It is believed that credible reforms are necessary for supporting the public and private sector.

According to the European Commission plan, a public finances reform is necessary, as well as reform of the institutions dealing with the labor market and the administrative burden that are an impediment to businesses. All this cannot be accomplished without the rule of law that will give confidence to investors. The Commission intends to enter into structural reforms in macroeconomic, taxation and fiscal policies. Every country should prepare a draft plan for public finances management which can be supported by the European Commission.

#### 2.5. European Commission Plan on Media

The European Commission prepared a strategy for securing media freedom for the countries-candidates for EU membership, meaning West Balkans and Turkey in which is included Macedonia as well. Announcing that on this issue shall be focused the regular progress reports, or in other words it shall become a benchmark, EC announces that it shall use all its power given through the Eurointegration process to produce progress, noting that from now on the engagement shall be a long-term one. There will be financial aid up to 2020 focused on three goals: to create a freedom of expression, to strengthen the journalists' associations and to improve the internal media management. What's more, national parliaments shall take the responsibility on media freedom, instead of having media rubber-stamping the parliament's decisions. Public service media cannot use both budget money and have commercial advertisements, and it must secure real pluralism of opinions. It is estimated that the economic crisis assisted the fall of professional and ethical standards in journalism, while media clientelism and politicization increased.

# 2.6. Shazimarkakis Requests Change of EU Policy Towards Macedonia

German MEP Shazimarkakis of Greek origin, in his letter to the European Parliament Martin Schultz, criticized the Macedonian authorities by stating that PM Gruevski instead of helping his country to advance (meaning in the EU integration process), he is regressing, - there is no freedom of expression, there are problems with the neighbors, and with the ethnic communities in the country as well. The problems in relation with the EU resulted with cancelling of half of the anticipated meetings of the commission. "Skopje has advanced technically, but not politically...In Greece we know what offenses we got regarding cultural heritage, but the same commenced with another neighboring country- Bulgaria, while recently he started to offend the Albanians. And now when Gruevski won again, I think that we as EU should change our policy"-stated Shazimarkakis. "I think that a strong message is to be sent to PM Gruevski and such a thing may be achieved by withdrawal of the status of country-candidate for EU membership and to start the whole process anew, when both the country and EU shall be ready" — he stressed, adding that the project "Skopje 2014" is an effort to rewrite history in a nationalistic way, while one of the reasons for taking the candidate status is the December 24 event.

#### 2.7. EU and USA Common Message After the Elections

EU and USA representatives have given credit to the citizens for using their voting right at the presidential and parliamentarian elections on April 27 and called upon all political parties' leaders to engage constructively in the reforms which shall promote the Euro-Atlantic integration process. EU and USA remain partners in these efforts — is said in the mutual statement.

The statement emphasized that there is no legal request for ministers and remaining state officers temporarily to withdraw from office until they are candidates in the election race, which brought to abuse of the state resources and provoked a conflict of interests among official duties of ministers and their role as candidates. However, in the report is said that exception of this is the article 9 from the Election Codex which anticipates that from the moment when they are confirmed as candidates, the authorized officials at the Ministry of Interiors and Ministry of Defense government duties are temporarily on hold. "This

provision aims to prevent abuse of state resources and to avoid the conflict of interest in which are embedded the double role of an official who is both employed in the key ministry and is a candidate in this period. This is especially true for the Minister of Interiors who has authorizations linked to the election process. In spite of such a provision, the minister did not withdraw herself from the office regardless of being personally involved in the election race. In addition, the report quotes article 32 from the Law on Interiors which states that the minister is an authorized official, which means that it should put its function on hold while in election campaign.

# 2.8. US Intelligence Deems Macedonia and Bosnia, 'Volatile'

For the first time in recent years, US National Intelligence has bracketed Macedonia in the same 'volatile' category as Bosnia and Herzegovina. The head of US National Intelligence, James R. Clapper, named Bosnia and Macedonia as countries of concern at the hearing of the Senate Intelligence Committee, on the most significant security threats for 2014. "The situation in Bosnia-Herzegovina and ethnic cleavages in Macedonia are particularly volatile," he said, speaking about the Western Balkans.

Regarding Macedonia, he blamed problems partly on the Macedonian authorities. "The Macedonian Government continues to push programs geared to promote ethnic Macedonia nationalism at the expense of the country's Euro-Atlantic integration," he said. Clapper added: "The longer that Macedonia's EU and NATO membership paths remain stalled over the country's constitutional name dispute with Greece and poor bilateral relations with Bulgaria, the greater the risk that ethnic tensions will increase". This is the first time in more of a decade that US intelligence, in its annual report on security threats, has described Macedonia as volatile. Last year, the report warned that disputes between the ethnic Albanian and Macedonian communities might become more polarized, and mentioned the name dispute with Greece and chilled relations with Bulgaria as points of concern.

#### 2.9. Rasmussen Urges Macedonia to End Name Dispute

NATO Secretary General Anders Fogh Rasmussen told Macedonian leaders in Skopje that the key condition for joining the alliance was solving the long-standing dispute with Greece over its name. He was meeting Macedonian Prime Minister Nikola Gruevski and other leaders in Skopje on a regional tour aimed at underlining support for Balkan countries. "NATO's door is open. As we agreed at the Bucharest NATO Summit in 2008, you will receive an invitation to NATO once a mutually acceptable solution to the name issue is found," the Secretary General said. "So I urge you to continue your efforts to strive for a solution. The time is now." At the joint press with Gruevski, Rasmussen said NATO appreciated Macedonia's participation in peacekeeping missions, but that the country now needed to take "tough decisions" and show "bravery" if it wished to join NATO. Prime Minister Gruevski told his guest that he wished to see his country as a full NATO member. "Macedonia has the same main interest in joining NATO and the name dispute is the only obstacle to the Euro-Atlantic integration of Macedonia," Gruevski said.

The NATO chief's visit comes ahead of the NATO summit in September in Cardiff where it is

unclear whether there will be much progress on enlargement with any of the four current aspirant countries: Macedonia, Montenegro, Bosnia and Georgia. The last round of UNsponsored name talks took place in April in New York. However, the UN mediator in the dispute, Matthew Nimetz, conceded that no significant progress was made. Although the talks were deemed a mere formality, their unusual timing amid Macedonian general and presidential elections and ahead of the Greek local elections was linked to NATO's concerns about the region in the light of the recent crisis in Ukraine. Nimetz then said it was time for both sides to "seriously" reconsider ways to resolve the bilateral dispute, having in mind "the situation in the world and safety concerns". Nimetz has said that he plans to visit Macedonia and Greece at the end of July for another round of talks.

#### 3. ECONOMY

#### 3.1. Economic Trends in Balkan Countries

Data indicate that there is insignificant improvement of the standard of living for Macedonians, Bulgarians and Albanians, stagnation for Serbs and Bosniacs and worsening for Croats and Slovenes from 2007 onwards, as statistics note. Although world and European economies recuperate, in the last five year period the Balkans had suffered tremendous consequences. Best measurement can be performed through measuring the GDP per capita expressed through the purchasing power of the citizens (PPP) of the region with the one in European countries. It shows that the Balkan states for five years are unmoving economically, for which fact citizens' standard suffers. IMF data show that GDP measured through Purchasing Power Parity in Macedonia in the period 2007-2012 grew from 26 to 27%, while in Bulgaria growth is the same (1%) and 3% in Albania. In Serbia and B&H this indicators is at the same level as in 2007 while Croatia fell from 52 to 46% and Slovenia from 81 to 72% although both countries are much closer to the German standard than the others.

In the CIA book of facts, Macedonia is registered to have a gross domestic product of 10.800 USD per capita and by that is being listed in the group of poorest countries in Europe, ranked at the 113 place of the total of 228 states. Behind Macedonia are only Bosnia&Herzegovina (8.300), Albania (8.200) and Kosovo (7.600).

According to official data, Macedonia in the last period has continuous increase of the average salary (up to 345 EUR) and decrease the number of unemployed to 28,7%. Still compared to other countries Macedonia is still a country with the largest percent of unemployed and the lowest salaries in the Balkans. Numerous domestic experts in the last period have noted that the unemployment rate in Macedonia is not realistic and that is for sure less for several percents, having in mind the widespread gray economy. They say that an economy growth of over 7% will bring to significant decrease of the unemployment rate in the country and to reach the average level of EU unemployment in 25-30 years, which is a very long period of time. Unfortunately, the economic recession forced employers to

decrease the number of employed and government to decrease the number of employed in the administration, which is not the case in Macedonia regarding administration.

EBRD in its last report prognoses growth of the Macedonian economy for 3% in 2014 which is for 0,3% more than last year. Compared with the other countries of the region, only Kosovo will have bigger growth than Macedonia (3,5%). For a sustainable recovery EBRD recommends furthering structural reforms, dealing with the economic crisis problems, as well as with the high non-functional credits loans and the long-term unemployment.

The anticipated economic growth is supported by the Central Bank of Macedonia as well. The Governor Dimitar Bogov presented the upbeat forecast to Macedonian business leaders as the country looks set to defy earlier fears that its economy was struggling to regain vigour after the recession. At the start of the year, he warned of possible zero growth in 2013, but later revised the forecast to 2.3 percent. At the start of the year, he warned of possible zero growth in 2013, but later revised the forecast to 2.3 percent. Bogov has already told media that "growth for 2013 has been revised upwards to 3.3 per cent" and that "next year we expect growth to reach 3.7 per cent and for 2015 the growth is forecasted at 4,4 per cent". He said that this prediction is due to positive results in the first two quarters of this year, which saw an increase in exports from companies which had invested in new factories and heightened private spending. After two consecutive quarters of negative growth in 2012, Macedonia only exited recession at the end of last year. The latest figures exceed earlier predictions.

Prime Minister Nikola Gruevski boasted that this was also due to the government's efforts to attract investors and because of increased spending in capital investments. "The trend is improving. The economy has been more vibrant. Although risks still exist, owing to the European debt crisis, the perspectives for Macedonia are better and hence the central bank made the corrections," Gruevski said. This year, like last year, Macedonia has boosted spending on capital investment in order to keep industries going. The government said this policy will again be reflected in the budget for next year. Still, the World Bank in its report on 2013 predicted another difficult year ahead for the whole of South-East Europe, forecasting only very slow recovery in the region's economies.

# 3.2. Opposition Criticizes Unfavorable Economic Trends

In January Macedonia took a loan of 24 million USD by the World Bank for support of development of skills and innovations. The goal for this project is to improve transparency in the resources division and to promote responsibility in high education, improve relevancy in the high technical schools and support of innovative capacities in the country. Macedonia also took a 97 million Euros loan from the Council of Europe development bank aimed to serve for modernization of the health system and improved access to it. In total, in only two days the Government indebted for 114,5 million Euros. Including February, the total debt of the central government is 2,8 billion Euros or 35,2% of GDP which is almost 33 million Euros more than in January.

European Commission in its spring report concluded that the Gruevski government has no clear strategy on fiscal consolidation and that it is possible further increase of the budget

deficit. It anticipates that the debt will grow this year and reach 37,4% while next year will be 38,9% of GDP. According to the European Commission, the general budget deficit of the government in 2013 was 4,1% of GDP, a level higher than the previously projected 3,6% and the revised 3,9%. "The ambitious public investments program, pensions increase and the other transfer of payments as well as further anticipated increase of salaries in the public sector, indicate that shall continue pressures upon the total expenditures. Generally, the deficit may widen in 2014 and to continue, if spending continues after elections" is said in the prognosis.

As the World Bank announced, Macedonia shall obtain 50 million USD but after the elections. However, the government was in a hurry, as it brought in February the Law for indebting at the International Bank for Reconstruction and Development-World Bank, a loan to improve competition development policies. Opposition warned that such laws are adopted by a country after the loan giver has approved the loan and not before that. Economists indicate that international institutions have a reason to be careful with loans for Macedonia, as the government has the bad reputation for spending on unproductive purposes. Example is the loan for the highway Demir Kapija-Smokvica for which EBRD approved a 220 million Euros loan, for which there is already a financial scandal with the Greek firm "Actor" revealed by the opposition. Largest experience for such crediting had IMF in 2011 when before parliamentarian elections the government drew 220 million Euros from the open credit line which was supposed to be used only if there are external influences which may endanger the economic stability of the country.

Opposition MP said the government was pushing Macedonia ever deeper into the red while hiding the size of the debts it was running up. Opposition SDSM in Parliament accused the government of hiding the real size of the country's debt. "If we take the data from the last government report on public debt management for 2012, we will see that public debt is over 3.3 billion euro, which is 45 per cent of GDP," MP Marijanco Nikolov said. He said this meant that the government had breached its own limit, by pushing debt over 40% of GDP. "Ever since 2009 the Finance Ministry has not published any data on the size of the public debt on its website. The published data refer only to the debt of central government, which is only part of the public debt," Nikolov added. "Over the past five years, the debt of central government alone has practically doubled," he continued, citing Finance Ministry data to note that a debt of 1.3 billion euro in 2008 had grown into to 2.7 billion euro by the end of 2013. AN MP from the ruling VMRO DPMNE party, Vlatko Gjorcev, denied that the government was hiding any data, accusing the opposition of being selective in presenting facts. "Why do you ignore that GDP has grown from 4.8 billion euro in 2005 to 8.1 billion euro and that exports in the last few years have doubled?" Gjorcev asked.

The opposition also accused the government of transferring its debts to state-owned public enterprises (the roads fund, health fund and other) - and then writing off millions of euros in debts from the companies. Opposition MPs calculated that only in 2013, the ruling parties passed laws transferring 720 million euro in debt to state-owned enterprises, while since 2008, parliament had passed laws scrapping some 220 million euro in debts owed by state enterprises. "You have been hiding and artificially reducing the debt only to be able to show that Macedonia is less indebted country... and take more loans," Nikolov said. According to available data, Macedonia ran up a fresh debt of 313 million euro in 2013 in an attempt to fill gaps in the budget.

Public enterprises are among the biggest debtors in Macedonia, according to the latest 'shame list' of debtors released by the Public Revenue Office. Three public enterprises, "Makedonija pat", "Makedonski sumi" and "Komunalec - Gostivar", are among the top ten debtors in Macedonia, according the report of the Public Revenue Office. Together they owe the state around €11 million. The list reveals that some 3,500 state and private companies as well as individuals owe the state a total of €200 million. The debt figures that the Revenue Office revealed cover overdue VAT, income and personal income tax, social and health insurance, excise and customs duty. The Revenue Office says it is publishing the list to encourage greater fiscal discipline.

"Portalb" reports that according to the European Commission regarding the budget deficit (that is the public debt), it shall not be 3,5% as the Government projected, but 4,2%. EC believes that this is due to the unclear source of budget savings for consolidation support. Prognosis is that this year the government debt shall be 38,7%, while in 2015 shall be 40,8% of GDP. IMF on the other hand, expects positive economic growth rates, which in the upcoming years may reach 4%, but at the same time expects raise of the indebtedness including the public enterprises for which the state guarantees. Public debt shall rise from 41% to 49% of GDP in the period 2013-2018 - says IMF. In three years Macedonia should return almost 1 billion Euros.

Analysts compare the economic performances of the country from 2002-2006 when SDSM was on power and the period from 2007 to 2014. Regarding the public debts, it is said that already is very hard to make a comparison, as methodologically it cannot be found a common comparative denominator, as at present it is not presented as a total figure the municipalities and the public enterprises debts. Another reason is the transformation of the Roads Fund, as well as the fact that it is unknown the level of unpaid financial obligations to the service providers for the budget financed institutions. However, in spite of these difficulties, it can be noted huge difference between the former government and the present one. Main difference is that when the present opposition was on power, public debt is decreasing and has stable and controlled managing, while when VMRO-DPMNE is on power, public debt has a tendency of continuity. It is known that in 2006 the current ruling party inherited a debt of 1,6 billion Euros or 32% of GDP, but if one presently includes the public enterprises and the Roads Fund figures will be much worse than the official ones.

The level of deficit is another huge difference, which should be controlled efficiently by having in mind the economic power of the country. Considering that aspect, Macedonia was recommended to hold its deficit between 1-2% but at present it has reached in 2013- 4,1%. The foreign currency reserves during the current opposition rule were continuously growing, while when VMRO-DPMNE is on power the amount fluctuates. Between 2002-2006 the level of reserves has increased for 2,5 times, which showed the power of economy to create security for foreign partners that the country is able to fulfill its obligations. Instead, from 2006 there was decrease in 2008 in comparison with 2007, same as in 2013 in comparison with 2012. Foreign currency reserves compared to last year they are lower for 280 million Euros, say data from the National Bank of Macedonia. In January this year foreign currency reserves have decreased to 1,98 billion Euros, that is less for 284,3 million Euros than last year. Trade deficit in 2013 increased to 2,3 billion USD. The complete trade

exchange in 2013 was 10,3 billion USD, out of which 4,2 billions belong to export, while 6,5 billion USD are import. Macedonia mostly traded with Germany, Greece and Great Britain.

# 3.3. The "Economy" of Elections

The SDSM prominent party member and economics professor Vanco Uzunov presented data by which he elaborates how PM Gruevski buys elections through use of citizen's money. According to him, for buying off the national elections in 2011 and the local elections in 2013 the government used the budget transfers for social aid. He claims that this is obvious if one looks at the Ministry of Finance official page. In 2010 and 2012 there were no elections, so no month during those years shows big deviations over the average monthly social aid transfers. In 2011 however, monthly expenditures for social transfers in all months of that year in average were about 390 million denars, while in May, the month before the elections budget expenditures for social aid were 891 million denars or 2,3 times bigger. In 2013, three months before local elections the monthly budget expenditure in December 2012 was almost the double from the average monthly one in the same year. Similar goes with the agricultural subsidies. Therefore, Uzunov asked: whether among other things, preelectoral campaign of the ruling party in 2013 was financed with budget money and whether were spent budget money for preelectoral advertisements in certain media. Having in mind these things, SDSM suggested amendments to the Election Codex.

# 3.4. One Working Hour – Less Than one Euro

A public call for workers by a German investor in Kavadarci raised negative reactions in the public, as the offered salaries for CEO workplaces and managerial jobs that demand faculty education or higher skilled knowledge were no more than 8.050 denars (130 EUR) for about 160-180 working hours monthly. In that way was discovered the "effect" of foreign investments upon the standard and quality of living of people who work for brands and companies economically active worldwide. Public anticipations were that workers will be paid "decently" and that will have good collective agreements and worker's rights same as the company's country of origin. Instead, persons seeking for a job were very disappointed, wondering at the same time what was promised and what were the incentives guaranteed to the investors by the government, having in mind the expensive road shows and advertisements in the foreign media for investing in Macedonia.

On the other hand, the legal framework in Macedonia is adjusted to allow such unfavorable conditions, including the official minimum salary level in the country, while the investors have been previously agreeing the investing arrangements on the highest government level, in order to be more beneficial than the country of investor's origin. Moreover, foreign investors acquire numerous privileges which are not available to the domestic ones. Foreign investments are completely profit tax free for ten years, pay only 50% of the personal income tax for five years, the land has been rented for free for a period of 99 years with a symbolic sum of one EUR per square meter. VAT and customs fees are not paid for the import of materials, turnover tax is exempt, utilities for gas connection, sewage, water system and construction land regulation are not paid. These last expenses are remunerated to the municipalities by the government budget. The government pays 500.000 Euros for constructing buildings for an investment of about 15 million Euros to achieve employment of about 100 persons. The Budget also covers 25-50% of the expenses for professional

education of workers. These benefits would not be perceived ac problem if they would have been equally offered to domestic investors as well. This is why the much praised by the Government foreign investments in public are perceived as a debacle.

# 3.5. CCC Survey on "Suspicious" Macedonian Procurements

Macedonia last year signed almost 50 million euro worth of public procurement contracts that were not transparent, according to a Center for Civil Communications (CCC) survey of the quarterly monitoring of public procurement procedures for the period July-September 2013. CCC says that in the first nine months of 2013, Macedonia signed contracts worth almost 50 million euros by means of negotiation, without any call for bids. "Most of these contracts were signed directly because...only one firm answered the bidding calls, so eauctions could not be organized," says Sabina Fakic (CCC). That is an indicator which showed the value of non-transparent contracts had increased.

Over the three-month period, these contracts were worth 21.3 million euro, which the CCC said was an increase by 52% compared to same period last year. The CCC said the main problem in Macedonia remained poor competition; one in three of the tendering procedures they monitored ended with the contract going to the only bidder that applied. This trend implies "a major risk of signing procurement contract for higher prices than the actual market prices," it said. The report showed that in the third quarter of 2013, one tender in four was unsuccessful. The most common explanation was that the contracting authorities did not receive any bids that were acceptable or adequate.

# 3.6. World Bank Notes Economic Growth in Macedonia

The latest report of the World Bank says Macedonia's economy grew last year by 3.1 per cent of GDP, well above the regional average of 2.2 per cent growth in 2013. "The growth in Macedonia compared to other countries is quite strong. Macedonia had the strongest growth in the first half of 2013 and finished with the second highest growth rate in 2013," Doherty Demland, from the World Bank, observed. "The biggest driver of growth was the recovery of the industry and good agricultural year," Demland said, projecting quite strong economic growth which in order to be sustainable long-term strengthening of structural reforms is important. According to the World Bank, Macedonia can expect a growth of 3% in 2014 and 3.5 per cent in 2015. In regional terms, growth this year is predicted to average 1.9 per cent. For 2015, growth of 2.6 per cent is forecast. Speaking about Macedonia's public debt, the World Bank said it remained within acceptable frames, but the country needed to keep an eye on its budget spending. The report says the countries of Southeast Europe in general have begun a slow recovery from the recession that struck them during 2012. In 2012, Macedonia had two consecutive quarters of negative growth, largely as a result of the European debt crisis. The country only exited recession at the end of 2012. The World Bank said that even with high economic growth, countries in Southeast Europe would need decades before their living standards converged with those of the European Union. Even if the regional economies grew by 6 per cent a year, which is highly unlikely, it would take more than two decades before living standards in the region and the EU were equivalent.

The IMF survey of Macedonia's economic parameters, which should reveal its ability to repay its debt on time, lead its checkup of the regular post-program monitoring, "aimed for countries that have significant remaining obligations towards the Fund after the expiry of their arrangements". The checkup comes when the size of Macedonia's public debt is a major source of contention. Earlier this year, the government and opposition expressed radically different views about the size of debt. Opposition Social Democrats accuse the government of pushing Macedonia deep into the red and of hiding the real size of the public debt, which they say may have reached or exceeded 44 per cent of GDP. The government of Prime Minister Nikola Gruevski insists that the opposition has exaggerated the problem. Macedonia's state debt by the end of December 2013 was 34.3 per cent of GDP, Finance Minister Zoran Stavreski said in February, adding that "this is the fourth lowest level of debt in Europe". However, what Stavreski calls "state debt" refers only to the debt owed by central government, which the Finance Ministry website puts at €2.7 billion. This figure does not include, among other matter, the debts of the municipalities, of many public enterprises and companies in central and local ownership and of the central bank. According to the Law on Public Debt, they all combine with the central government debt to form the public debt.

In late February, the IMF's executive board assessed that Macedonia needs "further improvements in public financial and debt management, building on the progress to date". In connection with this, the IMF "encouraged the authorities to monitor a broad concept of public debt encompassing off-budget spending by public enterprises". The IMF also said that Macedonia's "central government debt - although still moderate at a projected 36% of GDP - has increased by about 15 percentage points since the beginning of the global financial crisis, in the context of growing broader public sector operations". The government's financial strategy for the next two years envisages stabilising public debt at around 36% of GDP by the end of 2016. The strategy notes plans to invest in new roads and railroads as the main reasons for a further rise in the debt level.

#### 3.7. South Stream Pipeline Facing Difficulties

The halt to construction of the Russian-led South Stream gas pipeline poses no immediate threat to Macedonia's gas supply, experts say. As believed, Macedonian industry is not in danger of suffering from a shortage of gas as a result of the halt to construction of the South Stream pipeline in the region. The pipeline, set to transport Russian gas through the Black Sea to Bulgaria and then to Italy and Austria, transiting several Balkan countries, is facing difficulties. The project was initially scheduled for completion in 2018, but souring relations between the EU and US with Russia over Ukraine have brought the project into question. Bulgaria and Serbia said they had suspended work on the pipeline after the US and EU complained that it would tighten Russia's grip on Europe's energy supplies. Macedonian experts say the existing gas pipeline that brings Russian gas to Macedonia through Bulgaria is enough to satisfy the country's needs for some years. The existing pipeline has a capacity of 800 million cubic meters a year but Macedonia is using only about 160 million cubic metres, most of which goes to several big companies. Even the planned gasification of households in the capital, which it is estimated will add another 130 million cubic meters a year, will not be a problem in the mid-term. Macedonia and Russia signed an agreement to cooperate on construction of the Macedonian leg of the South Stream last July.

Macedonian Finance Minister Zoran Stavreski says that his country has to be adaptible. "This means that we will seek opportunities to join other gas transport corridors in the region so that we have another, alternative solution, should it be that South Stream cannot be built within the predicted timeframe. However, we remain dedicated to South Stream and if the possibility for the realization of the project opens up, we will do our part," Stavreski said.

### 3.8. Infrastructure Projects Forge Ahead

Macedonia is expected to issue a tender for a firm to build and operate the planned new highway from Skopje to the Kosovo border. This is a move by the Macedonian authorities after Kosovo issued a tender for a consortium to build a 65 km highway from Pristina to the Macedonian border. The Macedonian tender will be offered soon after the March presidential elections, the Transport Ministry said. The 13-kilometer stretch will come with an estimated cost of some 70 million euro. The Transport Ministry recently signed a consultancy contract with the International Finance Corporation, IFC, to prepare the tendering procedure. Kosovo is one of Macedonia's main trading partners and is one of the few countries with which it has a trade surplus, especially in agricultural and oil products. The volume of trade between the two countries reached some 300 million euro in 2012.

Construction of a long-awaited rail line to Bulgaria will start in February, and should be complete by 2022. Macedonia's Vice Prime Minister in charge of finance, Zoran Stavreski, said the construction of the first section of a new railway running eastwards to Bulgaria will start in February. "Construction of the railway along with the planned construction of the highway from Skopje to Stip are the most important projects for reviving the economy in eastern Macedonia," Stavreski said. The first section, from the northern town of Kumanovo to Beljakovce, should wrap up by 2017 and the other two remaining sections should be finished by 2022, the authorities say. Ever since Macedonia proclaimed independence in the early 1990s, it has been trying to build new transport connections, including a railway line and a highway running eastwards towards Bulgaria and westwards towards Albania. The east-west route, which forms part of the pan-European Corridor 8, should provide Macedonia with a much needed alternative to the existing north-south highway and to the railway - part of Corridor 10 - connecting the country to Serbia and Greece. Transport links to Bulgaria are among the priorities that both countries agreed in this year's bilateral talks on improving stained neighbourly relations.

#### 4. PRESIDENTIAL AND EARLY PARLIAMENTARIAN ELECTIONS

# 4.1. Election Codex Changes

Opposition SDSM greeted the reached political compliance on the Election codex, believing that the party forced the government to accept their crucial demands that coincide with the OSCE/ODIHR recommendations. According to SDSM MP Cvetanka Ivanova, the party expects the orally agreed items to be voted at the Assembly without additional amendments. Key test will be the upcoming presidential election-she said- adding that the diaspora vote issue will be completely agreed before the next parliamentary elections. She informed that there compliance for separating the state from the party, as it is forbidden to start constructing projects or putting in function capacities built with budget money during the campaign period. For disrespect of this decision the law anticipates prison sentence of 6 months to one year. It is forbidden to make payments of subsidies, salaries, pensions, social benefits and other material reimbursements from budget money which are not regular monthly payments as well as paying annual transfers from the budget. Every public official who will dare to make such payments shall be fined with imprisonment of 3 months to 5 years. The Minister of finance has the duty to publish all financial payments during the election period with a review of all planned and realized budget expenses. Disrespect of this rule brings imprisonment of 6 months to 1 year. Regarding voter's lists it is agreed for the Ministry of Interiors to update the lists four times annually. There should be a special list of people who are abroad on election day. Parties can demand correction of the voter's list. Donations are limited to 50 thousand Euros, including media. Media should ensure balanced media presentation. Reporting of the regular state and municipality activities must not be of benefit to any political subject. Journalists, editors and presenters must not participate in preelectoral party activities. It is forbidden to have paid political advertising from the day of scheduling the elections to the starting date of the campaign. From the day of scheduling elections until election day it is forbidden to have advertisings financed from the state, municipality or public enterprise budget. Advertising is limited to 12 minutes during the campaign in one hour of TV program. There is publicly determined price list which cannot be changed. Macedonian national TV during the campaign must ensure equal access in the information program one third for events in the country one third of events in the government and one third events in the opposition. For disrespect of this rule follows dismissal of the director. The Assembly channel shall secure three hours free advertising for the position and three for the opposition. The European Commission spokesperson Peter Stano greeted the steps undertaken for Election Codex improvement, as the amendments were part of the election reforms, the HLAD dialogue with the EU and part of the March 1<sup>st</sup> agreement between the position and opposition.

#### 4.2. Macedonia Urged to Regulate Political Advertising

Experts in Macedonia called for an outright ban on broadcast media donating advertising time to political parties in a bid to tackle partisan coverage. As the country gears up for elections, media experts said that more needs to be done to limit the coverage gifted to parties by broadcasters. Dejan Georgievski, the head of the Media Development Centre

NGO, says that a recent change to the electoral code that limits the sum media can give as donation through discounts to 50,000 euro is a "step forward compared to the previous elections in which media appeared as to be the biggest donors to political parties". But he said that "despite this restriction, media outlets appearing as election campaign donors seriously questions their independence, impartiality and professionalism". "Our stance is that media should not be allowed to appear as donors and that this should be explicitly stated in the electoral code," he added. At last year's local elections and at the early general elections in 2011, the TV stations with national broadcasting licenses were listed as the biggest donors to political parties, particularly to the main ruling VMRO DPMNE. They were listed as donors of services and advertisement time worth several million euro. "Discounts varied from zero to 90 and even 100 per cent. There should be no such things. It is not the same if a media gives campaign advertisement space to one party for free and ups the charges for another one," explained Mirjana Dimovska, a member of the country's Anti-Corruption Commission. According to the law, media and political parties are obliged to submit reports to the electoral authority and to the Anti-Corruption Commission after the election campaign detailing how much they have spent on advertisements. According to the available data from the Anti-Corruption Commission, the TV stations have still not collected over 70 per cent of the money they supposedly earned for party commercials during the 2013 local elections. This raises suspicion that this money was in fact never intended to be paid and should instead be accounted for as media donations to political campaigns.

# 4.3. Media Duties and Sanctions During Election time

For non-balanced reporting, political advertizing over the determined time, informing for activities of public officers in function of the campaign or journalists participation in the party campaign, media can be fined from 1.500 to 3.000 Euros. For the first time on these elections printed media shall be followed as well. For disbalanced informing the Media Agency may seek dismissal from the Macedonian national Television (public service).

"Election process" is defined as the time between bringing the act for start of elections to publishing the final results of the elections held. Novelty is the change made for the authorizations of the current Media Agency (former Radiodiffusion Council) which has new duties in following both electronic and printed media. It can monitor media reporting linked with the campaign and to intervene immediately and sanction the media that break the Law. All media, including the public radiodiffuse service who decoded to cover the campaign have to do that in a just, balanced and non-biased way, by allowing equal access to all political actors, campaign participants in all forms of political presentation of the competitors. Minors cannot be used in the campaign. Article 75-b anticipates that "reporting on regulate activities of the state organs, municipalities organs as well as the state institutions and organizations, as well as the activities of other legal persons which according to law have public authorizations, in the readiodiffusers programs in the period of the day of start of elections to their termination cannot be in function of election media presentation of no entity".

Price lists for paid political advertizing should be determined by the media, must be sent to the State Election Committee, State Audit Commission, State Anticorruption Commission and the Agency for Audio and Audiovisuel media services, in order to be publicly published and must not change during the campaign. Paid political advertizing should be marked as such and clearly distinguished from the other content of the media program. Special authorization of the Council/Agency is the hate speech monitoring during election campaign reporting. Agency can sanction media when they break the law by publishing any hate speech which is included in the basic journalist standards.

### 4.4. Parliamentarian Elections Achieved Through Dissent on the President

Already at the beginning of 2014 the ruling party showed intensifying activities which indicated that not only presidential elections for which the regular term was approaching were at stake. Known as the party that is prone in calling on early elections whenever it estimates that it may score well, VMRO-DPMNE's practical policy moves were indicating the future steps. Among other things, solving the demands of the severed workers whose problems have been dragging for years and solving the issue of professional soldiers (guaranteeing employment after finishing 45 years of service age in state institutions) indicated that the government is "fishing" for future gratitude by the voters. Formal justification for elections however, was easily found elsewhere.

The largest ethnic Albanian party DUI announced that is ready to leave the coalition with VMRO-DPMNE if there is no agreement for a mutual consensus candidate for the future President of Macedonia. The leader Ali Ahmeti explicitly stated that Ivanov is not the consensus candidate decided by their party. "A consensus candidate will reflect the will of all citizens" and will "form a cohesive centre in society who will unite all ethnic, political and other layers," the DUI spokesperson, Bujar Osmani, explained without naming names. DUI's MP Ermira Mehmeti stated that if VMRO-DPMNE gives an opportunity for a new mandate to Gjorge Ivanov then "all options are open", not précising whether DUI would give support to the opposition candidate. The Vice Prime Minister, Musa Xhaferri, a senior figure in DUI also sounded favourable. "Early general elections can provide a way out of the situation that the government coalition is in," Xhaferi said, referring to the dispute between the DUI and VMRO DPMNE over fielding a joint presidential candidate. New government crisis created by DUI demanding to agree with VMRO-DPMNE on a consensus presidential candidate seemed as a good justification for calling the early national elections.

Media speculated on the possible VMRO-DPMNE candidates: Srdjan Kerim (former Minister of Exteriors and diplomat), Gjorge Ivanov (the so far President of the Republic), Sasko Kedev (a cardio surgeon who lost at the presidential elections against the SDSM candidate Branko Crvenkovski) and Vlado Popovski (former minister in SDSM governments, currently VMRO-DPMNE member and Skopje municipality councilor) etc. After long considerations, VMRO-DPMNE initially through written suggestions by prominent public figures decided to support the Ivanov's candidacy, as opposed to the personal promotion ambition of Jove Kekenovski, a VMRO-DPMNE older member and university professor who intended to compete on the party convention as candidate for the function. VMRO-DPMNE from its side also held a Convention in which the two candidates were Gjorgi Ivanov (the so far President) and Jove Kekenovski (university professor). Although it was openly visible that the party largely supports Ivanov's candidacy, it followed its standard procedure for nominating a presidential candidate at a party convention. Mr Kekenovski showed dissatisfaction for the open in advance support for his counter-candidate in the sense that he is already chosen

(decided). He complained that the convention loses its sense that way. At the convention, election of Gjorge Ivanov was at the background, which fact could be seen from the leader's speech. Main accent in the speech was the accepting of DUI's suggestion for early elections and Gruevski's demand to the citizens to support him to obtain 62 MP seats. The PM was obviously convinced for his victory, but seeked for an absolute majority. Ahmeti from his side, demanded from his voters to obtain 25 MP seats.

Opposition media wondered how the PM could possibly know, as according to polls data the position-opposition difference is not big. "Only under an undemocratic rule elections victor can be known in advance. This indicates that intention is the state power to be used for winning the elections. The thesis "for not to be blackmailed" falls in water as it anticipates that such was the situation until now, regardless if the ruling party wants to present itself as unbendable and non-negotiable in its firm positions"- media say. The ruling party had managed to obtain 63 MP seats in 2008, but nevertheless both parties created a coalition then and it is very unclear and perplexed to explain which political decisions were after that moment made by "agreement" or by "blackmail".

Regarding SDSM there were a couple of names for which rumor was that they may be the opposition presidential candidates, among which were Ilinka Mitreva (former Foreign Affairs Minister), Denko Maleski (professor at the Faculty of law and former Foreign Affairs minister), Petar Goshev (former Governor of the National Bank of Macedonia) and Stevo Pendarovski (university professor and former advisor to both presidents Boris Trajkovski and Branko Crvenkovski). After nationwide consultations with the party base, the party decided to nominate Stevo Pendarovski.

It is widely understood that presidential elections may not be a real challenge for ethnic Albanians to vote, especially at the second round, as a constitutional condition determines for the turnout to be at least 40% of the total number of voters in the country. But they will not be motivated to go and vote at the second round, nor to bring citizens temporarily working abroad at home only to vote for President of the Republic. Still, in case of having only presidential elections, risk is that they may fail and automatically the door for early parliamentarian elections will be opened anyway. Therefore, requested turnout may be reached only if early national elections, as a better incentive, coincide with the second round of presidential elections. Other than the turnout issue, is known that as DUI is not willing to offer support for Gjorge Ivanov to be reelected for President, so under discussion was if these 60-70.000 votes' strength that DUI can deliver will be transferred to the opposition candidate or abstain from voting. In a situation where this votes' strength may be decisive, even abstaining from the voting process may be interpreted as indirectly allowing one of the second round qualified candidates to win.

Finally, all major Macedonian political players agreed that early parliamentary elections should be held on April 27, in parallel with the second round of presidential polls. After all parties gave their consent to the idea of early general elections, parliament dissolved unanimously. "We accept the challenge," said PM Nikola Gruevski, at the party convention, after DUI asked for early elections. The junior ruling Democratic Union for Integration submitted the early elections initiative to parliament because it said VMRO DPMNE had ignored its idea for a joint presidential candidate. The main opposition party SDSM gave its

consent, although it accused the ruling parties of faking the crisis in their coalition just to have an excuse to set early general elections. "The country has completely deteriorated. The punishment for these policies will be delivered by the people at the forthcoming elections," the head of the SDSM, Zoran Zaev, told media. For PM Gruevski, who has held power since 2006, this will be the third time he has challenged the opposition in an early general election. The announcement of the polls, although somewhat expected, has overshadowed the presidential race in which there four candidates are running.

### 4.5. Presidential Election Campaign Starts in Macedonia

The campaign for the April 13 presidential vote started, where three hopefuls were competing against incumbent Gjorge Ivanov, who was seeking another term in office. Ivanov launched his campaign with a rally in the town of Ohrid, the party's traditional election launch venue. Ivanov ran under the election slogan "The State Above All", positioning himself as a proven defender of the country's interests. Same as five years ago, starting his campaign in Ohrid, Ivanov stated that with clear conscience and mind will seek again the voter's confidence. He promised to work with the same dedication for the good of the country. .."Deep are our roots in this country, five years ago I got your trust, I have realized more than what I have promised in my program then. I was the voice of the people, I have realized over 450 meetings with presidents, prime ministers, ministers and over 100 formal or informal visits and forum participations. I have dedicated my mandate in opening new horizons for Macedonia. I all I did was not alone, therefore I want to give credit to the Government for the efforts taken"- he said. He emphasized that in this period he had large support from PM Gruevski and from the ministers, and in his mandate he spent a lot of energy and attention to the challenge- the imposed question on the name issue. "We hear for 23 years that we are not a good neighbor, that we have territorial aspirations, that we are an invented nation, that we have an invented language, 23 years we are asked to give up our own identity. One can give up of what he was given or acquired, but not of the identity we have. In spite of all the pressures, we endured and we shall endure"-he said. He added that he shall not accept change of the Constitution which has for a goal change of the constitutional name of the country. Still, it was obvious that his convention was overshadowed by the presence and speech of PM Gruevski, who practically opened the field for early parliamentarian elections.

Ivanov stated that he will not accept change of the Constitution in order the constitutional name to be changed without first to hear the citizen's position at a referendum. "I shall not accept any ideas or suggestions which will endanger the uniqueness of the Macedonian culture, Macedonian identity, Macedonian language, Macedonian model of coexistence. I will not allow Republic of Macedonia and its citizens to be impersonal. Macedonian citizens have the right to decide on key national issues and shall not allow decisions on the name dispute without previously citizens to have their say on a referendum-said Ivanov. He described his program as a program of continuity in the positions of the state interests, with new energy and perspectives for Macedonia.

During the whole campaign, impression was that Ivanov is praising the government projects which in reality do not coincide with the authorizations he has as President of the Republic. Some media ironically commented that: "it is good that VMRO-DPMNE remembered that

exists a president of the state, thanks to whom we found out we have foreign investments, roads, subsidies, pensions, social aid, pavements or village paths etc"...."Ivanov's presidential campaign lead by VMRO-DPMNE associates on campaigns in the business world lead for a bad product which due to bad quality it can hardly be sold, and that is why an aggressive marketing is needed, that goes to all or nothing". Ljubco Georgievski (VMRO-People's Party) also stated that his party will not support Ivanov, as he is remembered in the past only for his gaffs, while he is a laughing stock for the international diplomats. He also said that he believes that these are the last direct presidential elections and that the next President of the Republic shall be elected in the Assembly, which according to him is a good model acceptable for the citizens. According to him, other than president, a vice-president should be elected in order to satisfy the appetites of the other ethnic communities. Nano Ruzin, the LDP vice-president stated that for Macedonia is better Ivanov to withdraw its candidacy. "Instead of the wishes and goals expressed in 2009, he presented to the public strange theories, mystical suppositions which he proclaimed to be scientific discoveries, which coused laughs and irony. What's more during his mandate he behaved as the president of one partry- VMRO-DPMNE and not the whole population of the country. He did not react on the events of December 24 1012, a big question is whether he constituted the Security Council but fact is that there was not a single meeting although he has a constitutional obligation for that. He did not contribute to the development of democracy and inter-ethnic relations, and had no capacity to improve relations with Greece and to contribute to solving the name issue."- Ruzin said, believing that Ivanov lost the dignity and the level of a president of a country.

Ivanov's main opponent, Stevo Pendarovski (SDSM) officially started his campaign at a party convention in Skopje, under the slogan "Macedonia Deserves a President", underlining his criticism of Ivanov who according to the opposition has been little more than a cypher for the governing party. He thanked for the expressed trust and support, stating that he is honored to be a candidate of a wide civic movement which is supposed to bring the necessary change in the country. He identified SDSM as the only organized force that can change Macedonia for the better, stating that Macedonia goes in a direction in which it alienates itself from its surrounding and the world. "On everyday basis it is increased the number of workers who are fighting for their bare existence, young who are leaving the country for a better life, children who are victims of violence in schools and buses for which the state offers no real solution, journalists who are tried in set up judicial processes" ... "If we wait for the hunger to overweigh the fear then it will be too late for real change"..."Politics that pressures people is dishonest and immoral. Passivity is not a solution for our problems" he added. His concept encompassed: returning the dignity and importance of the position President of the Republic as in the last year it went through a degradation without precedent, to become again guardian of the Constitution, protector of citizens and unificator of the nation; opposing the abuse of power and protecting the citizens from the pressure of those who lost contact with reality, opposing breeches of human rights, obvious degrading of democracy, robbing fatherland and deepening divisions in the country; returning Macedonia in normal tracks, becoming a full EU and NATO member, as no law which shall be brought by the Assembly shall be supported without reserves if it is in contradiction with the highest standards in democratic countries. "These elections are not ordinary presidential elections, they are much more than that – they are a test for maturity of our country and people" he said, emphasizing that he will strive for the

interests of all citizens of Macedonia regardless ethnic affiliation. He asked for massive civic mobilization on these priorities.

"Equality, liberty, justice, these are the principles of which I will not back up. These are basic values for which I shall not make compromise with any political force. I come out with a clear concept of how to realize the mutual goals. Instead of the so far paleness I offer an actively engaged president who will use all his constitutional powers for protection of the citizens of Macedonia, who deserve that" – he said. He called upon that Macedonia does not deserve to be a slave to someone's unreasonable fears and frustrations. "We have no internal enemies, all citizens want better life, regardless of political stances and ethnic affiliation. Macedonia can solve all its problems with internal cohesion and in a union with the strongest in the world"-he added.

Stevo Pendarovski's position on the name issue is that the government and the opposition must build a common position on the issue and stand behind it. Macedonia must have red lines. A compromise is possible only if are included all relevant political players as it was the principle of the Framework Agreement. There is no dilemma that the future of Macedonia is in the West, but the price must be agreed jointly. He said that DUI's request for a consensus presidential candidate is in fact seeking a coalition presidential candidate and the row between Gruevski and Ahmeti are just a scenario. He emphasized that his target are not the parties from the Albanian block, but his target are the citizens. "Macedonia shall either be a country for all, or there are bad omens for all. I do not court anybody and I have no intention to do so. I shall approach every person regardless of his ethnic background and shall tell him: we either shall make some sort of minimal state cohesion or there is no happiness for anybody"... "I wouldn't scare people that if we are not part of EU and NATO we shall fall apart and the like. But, for sure I know that if we do not have an image of a stable country, investor shall not come, nor shall be able to prevent thousands of young people to leave Macedonia"- he stressed.

He emphasized that the Republic of Macedonia for each one of us is the most important party. "New danger hung over the people's unity, we witness a internal Macedonian schism that we never had. The political project divided the Macedonians. The ruling power has given itself the right only her to think about the future, the government settles accounts with everyone, but this division must stop and enever to be repeated again. We don't have any more citzens to lose, this immigration of the young must stop" - said Pendarovski.

Iljaz Halimi, the presidential candidate of the opposition Democratic Party of Albanians, (DPA), said he would focus on direct contact with the electorate rather than on massive rallies. Halimi is a former deputy speaker of parliament and the only ethnic Albanian running for the presidency. He stated that no one must put pressure upon the Albanians and call on boycott. "I shall be president of all citizens without dividing them by ethnic or religious affiliation. Shall strive for balanced economic investment in all parts of Macedonia. Shall not incite divisions. As supreme commander of the armed forces I shall settle things at the Ministry of Defense and in the special army forces I shall seek equal representation of the Albanians. Shall not impede denationalization of property of the Islamic Religious Community" — he stated. DPA leader Menduh Tachi said that DPA shall be a contemporary, civic party which will fight for every vote for Halimi. Addressing to DUI he said that they have been six years in government but there are no money and no perspective for the people.

The small, newly-formed opposition party GROM, has put forward Zoran Popovski, a university professor, as its presidential candidate. The party also opted for promotion through social networks and direct meetings. Zoran Popovski said that he focuses to the citizens as such as opposed to political parties. He said that he will protect the name and identity of our state but not disturbing relations with our neighbors. He sees the function of president as to be the factor of reconciliation among political parties and strives to return of the debate in the Assembly. He believes that Macedonia needs new unifying force for the citizens who should unite for solving the key problems in the state: poverty, unemployment, dignity of the state, entering into EU and NATO. He stressed that he will not allow unreasonable budget expenditures, but only the ones directed towards improvement of the citizens living standard.

# 4.6. PM Gruevski Warns Against Poll Boycott

PM Gruevski told Albanian parties that they would be making a mistake if they boycott the April presidential elections. He warned against the idea, stating: "I hope that Albanian parties will not do that. If they decide to do it, I think that they would realise that they had made a big mistake," Gruevski said, without elaborating further. An ethnic Albanian NGO called Wake Up has called for an Albanian boycott of the forthcoming elections due to the refusal of Gruevski's main VMRO DPMNE party to take up the DUI's Idea for a 'consensus' president agreed between Macedonian and Albanian parties. "We call upon other organisations from civil society, the Islamic religious community and the Albanian-language media to actively engage in preventing the election of Macedonian president whom Albanians do not recognise," the NGO said in a press release. "No Macedonian president can claim to legitimately represent the country without the votes of the Albanians. We say that in the future the president should be chosen in parliament with a double majority of votes [from both Macedonian and Albanian MPs]," the NGO added. The call for boycott reflects a rift within the government coalition's ranks. The NGO's close links with the DUI were evident at last year's local elections, when the party endorsed the longstanding head of Wake Up, Artan Grubi, as candidate for mayor of Skopje.

In spite of the warning, DUI launched a campaign for a new presidential election model in Macedonia. The campaign slogan, "No to a One-sided President", advocates scrapping direct elections for the post of President - and the main Albanian and Macedonian parties in parliament agreeing on a consensus candidate. The DUI spent 20 days of the campaign informing voters that the current election model is unjust and marginalizes Albanians, who make up a quarter of the the country's population. "Only a wide ethnic and political consensus can ensure the multiethnic character of the presidential position," party spokesman Bujar Osmani said. Every other way excludes Albanians from this process, and is an anti-democratic, anti-European and unacceptable way," he added. "The newly elected president elected this way, whoever that may be, will remain illegitimate for the DUI," Ahmeti told a recent meeting of the party's youth wing in Skopje. Unlike the DUI, the main opposition party in the ethnic Albanian bloc, the Democratic Party of Albanians, DPA, has nominated a presidential candidate - the former deputy speaker of parliament, Iljaz Halimi. However, the party said it might urge its voters to abstain in the second round on April 27, if it felt that the rival DUI was engaging in "undignified trading" with VMRO DPMNE.

### 4.7. TV Presidential Debate Didn't Meet Expectations

A long-awaited TV head-to-head between Macedonia's four would-be presidents was widely deemed a turn-off - after candidates bored viewers with their lengthy monologues. One week before the first round of Macedonian presidential elections, all four presidential candidate took part in an unexpected debate hosted by state television. The hour-and-a-half debate on issues ranging from Macedonia disputed name to the economy failed to catch fire, however, and was dogged by long monologues that were deemed monotonous by many viewers and observers. "The debate did not live up to expectations. The candidates did not use their opportunities to respond during the first few questions, which was unacceptable, especially for the candidates challenging the current head of state," a communications expert, Marko Trosanovski, said. "It was monotonous and did not stir interest among people. The journalist failed to inspire the candidates who were fairly courteous to each other, not letting a real debate take place," Jove Kekenovski, another analyst, told 24 Vesti TV. Expectations had been running high as the televised debate was the first face-to-face confrontation between the incumbent President, Gjorge Ivanov, who is running for his second term for the ruling VMRO DPMNE party and his main challenger, Stevo Pendarovski, from the opposition Social Democrats, SDSM. Iljaz Halimi, candidate of the opposition Democratic Party of Albanians, DPA, as well as Zoran Popovski, running for the new opposition party, Civil Option for Macedonia, GROM, also took part.

Still, many doubted the debate would take place. A policy of avoiding direct debates with the opposition began with the current Prime Minister, Nikola Gruevski, when his VMRO DPMNE party took power in 2006. The opposition regularly called for TV debates over the years, but Gruevski's party usually responded that there was no need for them, because VMRO DPMNE presented its policies to the people every day.

### 4.8. State Election Commission Facing Difficulties and Dilemmas

The head of Macedonia's election commission, DIK, Nikola Rilkoski, said the body cannot dismiss doubts that a large number of fictional or deceased voters remains on the electoral roll. This is because the check-up is still in the hands of the police and the state statistical office, he says, so the commission has no way of overseeing what they do. "We will be able to vouch for the accuracy of the electoral roll only once we are allowed to do the check-up ourselves," Rilkoski told Balkan Insight. The electoral roll has been a matter of controversy in Macedonia for some time. The OSCE, which has monitored Macedonian elections in the past, has described it as unusually large for a country of just over 2 million people. The OSCE said it suspected the roll contained numerous fictional and deceased voters and urged officials to check the list. The opposition SDSM say VMRO DPMNE which has won seven consecutive elections since 2006 - parliamentary, presidential and local - has an interest in concealing fictive or deceased voters on the electoral roll.

However, the ruling party has denied that non-existent votes are kept on the roll, and used to tip election results in the government's favour. Rilkoski, who was appointed to his post last November on the proposal of the opposition, said the government had ignored the commission's call to undertake the checks itself. The government spokesperson, Aleksandar

Gjoriev, declined to comment on Rilkoski's claims. According to him, however, the electoral roll is "clearly under the jurisdiction of the election commission, as prescribed by the law, and only they can confirm its validity".

At the first half of March, SDSM called upon Gordana Jankulovska, the Minister of Interiors to delete the non-existing voters in the voter's list. They also asked who in the ministry checqued the fact and issues IDs for persons that in concretely pointed out addresses where even 74 persons are "living" in one flat, who originate from Pustec, Albania. These Pustec voters appeared at the local elections last year under suspicious circumstances in the voter's lists and most probably are still present. SDSM in the last period made an in-field research by which concluded that there are about 3.000 inhabitants of Pustec who are voters in Centar municipality, in Ohrid, Resen and Kichevo. SDSM claims that these people obtained their IDs from the Ministry of Interiors by being inscribed that their living place is on a false address, for which someone in the Ministry should bear responsibility. The SDSM said it believes at least 26,000 listed voters do not belong on the roll because they are either dead, or have fictional residencies in the country. The party said it suspected non-existent voters were being kept on the roll, and would be used to tip election results in the government's favour.

Macedonian police minister dismissed opposition claims that fake IDs and addresses are being handed out to people in preparation for the general and presidential elections. MI Gordana Jankuloska insisted her ministry was "clean" and was playing no role in management of the electoral roll. The opposition party also cried foul when police said they would continue issuing IDs to people in a shortened procedure, even after the official checkup of the electoral roll ends on March 30. The police insisted that this move is necessary to ease voting. "The police are manipulating the public because issuing IDs in shortened procedure only makes sense during the public inspection of the electoral roll," the SDSM secretary general, Oliver Spasovski, said. The Ministry conducts all activities prescribed by the law with maximum professionalism," Jankuloska replied, dismissing opposition claims as "self-promotion attempts". The Police Ministry is the only institution in Macedonia that keeps an operational registry of citizens' IDs, which is the basis for the country's electoral roll. However, Jankuloska insisted that the content of the electoral roll is exclusively in the hands of the State Electoral Commission, DIK. "As for the electoral roll, I cannot answer whether someone will be erased or added, based on complaints, because I am not a member of the DIK," she said.

The electoral roll has been a matter of controversy in Macedonia for some time. The OSCE, which has monitored Macedonian elections in the past, has described it as unusually large for a country of just over 2 million people. In local elections held last March and April, allegations of irregularities linked to the electoral roll also marred the vote. The SDSM then accused VMRO DPMNE of attempting to rig the elections in Skopje and in other areas by permitting organised voting by Macedonians from Albania who were allegedly given fake Macedonian residency permits by the Police Ministry and brought in to vote.

The Transparency Macedonia monthly report in March states: "election list is a special story" it is said further..."The number of voters on these elections has been decreased regarding the last ones for 12.500 voters. All relevant sources indicate population deflux of

several hundred thousand. But, that is why here is the Ministry of Interiors that published its data: issued biometric IDs 1.934.323, then issued passports 1.857.909. These figures show a difference of about 150.000 votes. This numerical relation is impossible and it is clearly seen that voter's list is explicitly over-dimensioned and represents an object of a flagrant doubt in its validity. But this is not all- MI claims that there are citizens without biometric documents and that this figure is about 125.000!" states the report. Therefore, it is said that it is seriously doubted the legitimacy of the whole election process and its results.

What's more media report that according to the latest accessible data from the Health Fund (annual report 2012) in the country there are 1.744.237 beneficiaries. Having in mind that the unemployed have the right for health insurance, including children up to 18 years of age, then remains a very small group of people who are not covered by the health service. More precisely, the number of health beneficiaries is more close to te possible accurate number of people living in the country. This figure coincides with the World Bank estimations that 450.000 citizens moved out of the country in the last 10 years.

But the voter's list has 1.779.572 registered voters, so how this is possible? According to the State statistical Bureau the country has between the age of 0 to 17 years 436.483 inhabitants. That means that if it is correct that in the country there are 1,7 million citizens, while 436.000 are young up to the age of 18, then the voter's list should have about 1.300.000 voters. This indicates that the 470.000 voters' difference may be "phantom" voters (dead, non-existent, brought from abroad only for election day etc).

### 4.9. Party Programs for the Parliamentarian Elections Campaign

For campaign purposes, VMRO-DPMNE prepared an election program, which is said that it represents an "audit" to the citizens for the work done and contains the Government program for the next four years. The Program contains numerous as said spectacular successes and realized projects on 258 pages, referring to 1.376 projects out of which it is claimed that 1009 are completely realized, 329 are in the process of realization and remaining are 38 to be realized. VMRO-DPMNE also lead a positive campaign by praising itself how many roads, water pipelines, sewage systems, schools and other capacities have been built in the period they are on power. Also there were massive employments in the state administration including a state organized lottery by which 1.600 socially endangered cases got employments. Announced are employments of 400 policemen and 294 pedagogues and psychologists and 400 persons from the ethnic communities. Parents who have children with disabilities are promised to get 4000 denars monthly and the immobile persons 7000 denars, administration will get a raise as well as the pensioners. With the program "Chequed" in which are included new 2.046 projects is anticipated the VAT decrease from 18 to 5% of the cattle food, baby products, school materials, decrease of interest rates of the government project "Buy a Flat, Buy a House". It is planned to be opened 64.000 new workplaces and unemployment to fall from 28 to 22%. He announced at least 30 new factories in the free industrial zones. Also, it was promised in order to help the most vulnerable category of citizens a once otpis od debts of citizens for electricity, heating, banks, radiodiffuse tax. The opposition Social Democrats "has never had the courage to welcome a single successful project," party leader and Prime Minister Nikola Gruevski complained at the presentation.

However, critics say that there is no explanation how are spent billions of Euros citizen's money and future debts of the poorest citizens in Europe, as the final account is missing. "From the numerous trees (projects) one cannot see the forest...if one distinguishes only a couple of priority projects according to which in the world is measures the success of a government, the "audit" could be written in a couple of pages together with the account for every dime spent...here cannot be found democracy, freedom, human rights and rule of law, equality of citizens before law, cannot be found trade-union / workers rights, media freedom fell on a shameful level, the rule of law measured by many foreign reports is endangered by selective justice and worrisome inequality" - they say. The second real measure for any government success is the quality of life described through many parameters, by scientifically confirmed UN criteria or specialized independent agencies, which apply scientific methods and in which Macedonia is the last country in Europe by backing up for several places in the last eight years, although this ranking list is not published in the country for a very long time. "If all political actors in the country have had a consensus agreement that Macedonia has no other alternative for its future than the Euroatlantic integration and europeization of the country, then it cannot be denied that Gruevski and VMRO-DPMNE up to now offered only justifications why aren't we in this company and why all our neighbors have already surpassed us and why are we alone in the Balkans. All main infrastructure projects have barely begun or not started at all, as in the last eight years were not a priority. What Gruevski failed to do up till now, he plans to do next through future loans. On the other hand, "Skopje 2014", his major project does not fall into priority category of the economically productive, artistically valuable and original works"analysts add.

Opposition criticized VMRO-DPMNE for its audit, characterizing it as an audacious manipulation of the citizens, primitive and arrogant, which is sold as unique accomplished value forcibly imposing it upon all other citizens. Opposition considered the audit as intentional contamination and poisoning of the citizens by twisting the real values, as it has an intention to hide under the carpet all corruptive and criminal deeds from the DPMNE rule, presenting the achievements as extreme positive things. One cannot find a word of self-critique, since the audit puts its elements in measurable quantified parameters of interpretation, but cannot allow to be criticized.

Opposition SDSM presented its election program under the motto "Let's bring back the Middle Class", "Change for a New Beginning" focusing on bringing back through measures the middle class, securing freedoms and invest in the future. According to the party, suggested measures came out from conversations with the citizens, while in creating the program took part over 500 domestic and foreign experts. Radmila Sekerinska said that if SDSM comes to power shall perform the census of inhabitants and households and in the first 100 days shall let the public know how big the real debt of the country is. "The new, reorganized and united SDSM has energy, ideas and team to apply the changes. The SDSM Progam for better quality of life is a new page towards problem solving and shall bring new start for Macedonia says Zoran Zaev, pointing on return of freedom, democracy, rule of law, fines and taxes decrease, establishing efficient administration, etc.

## 4.10. Parliamentarian Election Campaign Started

At the official start of the campaign for early general elections, Macedonia's party leaders exchanged robust accusations, charging each other with cowardice and corruption. PM Gruevski started the election race with confidence, raising the energy to his party comembers and collaborators, in order to make an impression that voter's trust is not at all in question.

At their respective general election starting rallies, government and opposition parties exchanged accusations on a scale not seen in the gentler presidential race that started two weeks earlier. While the VMRO DPMNE leader and PM Nikola Gruevski, accused the opposition of cowardice, the opposition SDSM, accused the government of corruption for which they said some would pay dear. "They will repay everything that they took away from Macedonia in Panama, Switzerland, Czech Republic and elsewhere. They will repay the people for everything they stole," the SDSM head, Zoran Zaev, told at a rally in Skopje. The opposition said that ordinary people were suffering from social injustice and from a decline in democracy while the government was doing nothing to expedite EU and NATO membership. Under the slogan "Changes for a Fresh Start", the opposition leader pledged that his party would work on social and economic policies that would boost the middle class and called for people to mobilize against Gruevski who has held power since 2006. "To those who are disappointed by economic agony and are not interested in politics, who may have never voted before and who are not sure whether Macedonia can live better, we say, 'Yes, it can!'" Zaev told the rally.

Gruevski's VMRO DPMNE party marked the start of campaign for the April 27 early general election in central Skopje. Gruevski said the SDSM leaders were cowards for excluding themselves from the party lists of candidates for parliament. He said they sought an alibi for what was coming to them - another election defeat. "The key people of the SDSM run away from the lists, hoping to avoid responsibility for their election defeat... but they cannot," Gruevski told the rally on Saturday. The party is campaigning under the slogan, "There is a Difference", thereby urging voters to distinguish between themselves and the opposition. "We are heading towards a hitherto unseen victory of principles and productivity over cynicism and greed," Gruevski maintained. Gruevski claimed that since he took over in 2006, more than 120,000 people in the country of just over 2 million people had found employment thanks to their policies. Pledging to boost FDI and job creation over the next four years as well as state subsidiaries and social help, Gruevski presented the party platform, called "Verified".

Neither the SDSM leader Zoran Zaev nor the vice-president Radmila Sekerinska, or anyone of the current party leadership will be found in the party lists for the national elections. This decision was brought by the SDSM Executive Committee. Zaev explained that the novelty is aiming to change the practice where part of the lists in many other parties as well were reserved for people living in Skopje, or have moved to Skopje while they have been by origin from the other regions. He stressed that SDSM leadership is not afraid to put their names on the list, the goal is completely different. This decision is based on the party position that victory will be gained and that the leadership does not want to deceive the voters that the party leadership will be active in the Assembly, instead of being in the government. This move made it hard for the opposing party PR planners, who were targeting to use a black campaign against the current SDSM leadership. The Central Committee of the party

accepted the suggestion by an overwhelming, almost unanimous majority and later was confirmed at the 17<sup>th</sup> working party Congress. In spite of the rumors, the party stated that there were no disagreements to this position.

It is interesting how, as the opposition started to offer new ideas and measures, the government changed its terminology and also started to speak about "measures" instead of the so far applied term "projects" and to "copy" the suggested opposition policies. The opposition suggested the measure "return of 15% of paid VAT" for every household, so the government replied by organizing a game of chance with the VAT receipts collected by citizens, in order to "stimulate issuing legal receipts". However, the first policy is realistically beneficial to everyone, while in the second policy will be beneficial only for a small percent of lucky winners. If the measure was applied correctly, that would have meant 10,5 million Euros in the hands of the citizen.

Second example is the SDSM measure for return of the personal income tax to all the employed who have salary up to 12.000 denars (200 EUR). After humiliating the idea, the government used it as tax decrease only for the newly employed, which means that instead of having all poor people benefiting from the measure, now benefit only the employers of young people. Third example is the SDSM idea to redirect the investments in constructing roads and other infrastructure, which after eight years of rule, the government decided now instead of constructing monuments to start investing in these domains. Fourth example, after SDSM suggested measures for employing young people through subsidizing the social transfers from their salaries, the government "remembered" the same measure.

As experts say, there are measures suggested by SDSM for which the government does not want to hear, like the idea to intervene in penalty policies by decrease of the penalties for 50%. This does not fit in the government ideas, as it fills the budget through these high penalties. Same goes with the idea for fair taxation (less personal income tax for poorer citizens), dismissal of of external testing of pupils, restoring democracy, rule of law and introducing real and not fiction audit and government responsibility.

Campaign statement of Hari Lokvenec (SDSM): Investments in infrastructure mustn't leave huge debts for future generations, but should generate income and be self-sustainable instead. For eight years Nikola Gruevski's government built only 7,5 km highway and zero railroad. SDSM shall have a completely different approach, one should secure financial investments in infrastructure with personal means, then from the EU funds which are on disposal for such investments. After all possibilities will be spent, then the Government should address itself to creditors. SDSM suggests the following projects: "Macedonia Megalopolis" for road connections to inhabited places in Macedonia which will, enable travel between largest city centers for no more than 90 minutes; the project "Macedonia Without Mud" which means construction of 1.500 km of local roads in 625 inhabited places in four years and priorities are to be agreed with local inhabitants; construction of highway Veles-Bitola-Prilep where gravitate 450.000 citizens; construction of water pipeline Babuna-Prilep; construction of "express" road Strumica-Shtip and Shtip-Kochani-Delchevo.

Radmila Sekerinska (SDSM) promised establishing a fiscal council composed of experts without party influences, which shall guarantee that any government must behave responsibly towards citizens' money and must not withhold vital data as information to the public. Vancho Uzunov spoke about bringing back the middle class which is feasible in only one mandate, suggesting measures like VAT return of 15%, return of the personal income

tax for those with low salaries, increace of social transfers to 40% in the period of four years, equalizing domestic to foreign investitors regarding investments benefits, revising penal policy, change in agriculture, subsidies, investments in the energy sector, mining and infrastructure; respect of European standards for human rights and strengthening their guarantees.

During DUI's campaign, Ahmeti stated "Should only Macedonians be prime ministers, presidents, in office positions which are of moral and political responsibility in the country? Why Albanians are not bearers of this sovereignty?" Still, ethnic Albanian analysts are asking whether it is just only DUI members to be on power in the position of PM, President of the Republic, since the same majorization for which Ahmeti is complaining by the Macedonians he applies it to the other non-DUI supporters who are ethnic Albanians. This party has also been accused for being corrupt, subdued to cronyism and having absence of moral obligation to show some sense of responsibility for it, including the strong program promises for EU and NATO integration processes. Ali Ahmeti also stated that all that the party promised in 2011 has been accomplished. The strategic goals are: full equality of Albanians in Macedonia, prosperity and harmony within the state, but also peace and security in it and wider in the region. Besimi stressed that integrations, and not isolation leads the country forward while improvement of good neighborly relations are this party's doing.

From its side, the VMRO-People's Party leader Ljubco Georgievski informed that shall run alone on the parliamentarian elections. He stressed that the country is currently having dubious democracy which is on the border of a totalitarian regime. "VMRO-DPMNE for a vote more allows itself to use a belligerent vocabulary by which shall manage to convince some Macedonian patriots to vote for them, but the final epilogue of the senseless message cannot be useful for the future of Macedonia. VMRO-DPMNE's goal for early elections is not speedy integration in EU and NATO, is not for better economy or more democracy, the goal was to sack DUI from the government and VMRO-DPMNE instead of the so far 56 MPs to win absolute majority in the Assembly by increasing its number to 62 MPs. For such an empty and absolutely unfounded motivation of a political party so far not in Macedonia nor in any other democratic country has not been heard "- states Georgievski.

The party also commented the violent collecting of citizens in order to sign up for Gjorge Ivanov as a presidential candidate. "Citizens of the Republic of Macedonia were horrified from the scenes that were seen in front of the regional offices of the Ministry of Justice where lines of humiliated citizens stand with crushed dignity and sad faces. Thousands of people forced by threat for their workplaces or for getting support to employ their close ones had to wait for hours horrified, hiding their anger from the non-human gesture of the VMRO-DPMNE party soldiers. The most Macedonian party in the Republic of Macedonia in such a way humiliated at most its own people"-the statement further said.

Alliance for Positive Macedonia emphasized mostly the economic problems of citizens: poverty, unemployment, low incomes, in-debtedness, immigration of the young, losing motive for entrepreneurship, etc.

### 4.11. Reflections on Elections

As parliamentary elections were certain, analysts commented that these are the third early elections of the eight year rule of this government. Years in which it installed its system by which through abuse of people's money (public money) and the state resources, bribery, privileges, pressures, fear and heavy propaganda the government wins the elections. The ruling party came on power through a comprehensive economic program, but immediately turned on a national card, but change of the names of the airport, the highway and raised the national passions of Greece. This was easy to be used by Greece who have much more powerful allies and diplomacy and achieved the non-entrance of the country in NATO in 2008. Followed regression in democratic processes in the country, degradation of rights and freedoms of citizens, which additionally ruined the country's reputation. The public was divided to traitors, informers and foreign hirelings. Worsened interethnic relations as well, by having occasional protests, troubles, direct clashes among citizens, through ethnocentrism and nationalism. Each party deals with its own pack and plays with the ethnic feeling.

A lot of money have been spent, hundreds of millions of Euros to subsidies in agriculture and cattle breeding while every year production is decreasing. Foreign debt is doubled, the internal is hidden from the public. A lot of money have been spent on road shows and presentations to invest in the country, while foreign investments in reality is less than the previous government achievements during the blockades and conflicts in the past. Skopje 2014 project alone wasted in vain huge amounts of money.

Analysts think that there is not a single reason why early national elections should take place, but that they are a good manner to cover for the corrupt rule. The government believes that by it can get four more years of rule without any serious control. These would be fourth consecutive expensive elections for seven years of rule of this party, and analysts believe that this is possible only in regimes and countries with a low level of political culture and a good alibi for the endangered democracy and good screen for hiding the corrupt rule of a tyrannical regime. The Assembly and the government are not blocked in their work, same as the state institutions, the ministries, courts, but what is blocked is the democracy and the consensual agreement among all political actors/parties for the most important strategic issues of the state and its citizens. Party leaders never sat on a table to agree on priorities and vision on Macedonia's future.

What is very serious problem is the danger of extinguishing of the Macedonian nation, which is presented in a modified way to the public, while it is of vital national and state interest. Thousands of young people left the country. Instead of dealing with the problem realistically, there is an extremely voluntaristic campaign for third child, instead of dealing with demography on long term and with a complete set of measures. Also, Euroatlantic priority is not something on which there is a joint agreement of major parties. Never the political leaders agreed up to where the compromise with Greece can go and which is the alternative if there is not such an agreement. Political leaders do not seek solutions for its people, but justifications for their failures and mistaken policies.

Opposition analysts believe that if one looks through the results of the Gruevski government in the last seven and half years, he should not be reelected, as he is the weakest exactly on issues he previously criticized SDSM. There is high trade deficit, non-development budget

with deficit growth, in-debting the government (central power), low growth level of GDP, foreign direct investments are low, which indicates that Gruevski has worse results than its predecessors.

### 4.12. Major Political Parties Competing at the Parliamentarian Elections:

*VMRO-Democratic Party for Macedonian National Unity, VMRO – DPMNE:* The centre-right ruling party has a Christian Democrat-style orientation and advocates admission to NATO and the European Union. Its leader, Nikola Gruevski, currently the country's most popular politician, pledges to maintain the pace of economic reforms amid the still present effects of the world financial crisis. VMRO DPMNE's ratings have benefited from Gruevski's tough line on Greek demands that Macedonia change its name as the price for gaining membership of NATO and the EU. The party, founded in 1990, sees itself as heir to the original VMRO, the Internal Macedonian Revolutionary Organisation, a 19th-century national liberation movement in the Ottoman Empire. In the 2006 elections Gruevski won, promising economic revival. After failed talks with the biggest Albanian party, the Democratic Union for Integration, DUI, Gruevski invited the Democratic Party of Albanians, DPA, into government. This angered the DUI, which said the move ignored the will of Albanian voters. Following the 2008 June early general election, which VMRO DPMNE also won, it changed its coalition partner. As the DUI had again beaten the DPA in the election, the DUI was invited into the coalition government instead of the DPA. Since then, there two parties are in a lasting government coalition partnership.

The VMRO-DPMNE era has become known for rolling campaigns, consisting of government advertisements in the media, almost daily press conferences, and ministerial visits and statements promoting implemented projects and successes. On the other hand, amongst its critics, the VMRO-DPMNE era will be remembered also for high unemployment, poverty and loss of media freedom. VMRO-DPMNE claims that unemployment has fallen below the level of 30%, that it has combated poverty by increasing the salaries of civil servants and pensions, has aided agriculture with subsidies, and has attracted foreign investment. It denies problems about media freedom and says that Macedonia is now the least debtridden country in Europe.

Social Democratic Alliance of Macedonia, SDSM: The SDSM is the successor to the League of Communists of Macedonia, the only lawful party from 1945 to 1990. It was the ruling party from 1992 to 1998, and from 2002 to 2006. The SDSM is the leading opposition party, standing for liberal economic policies, a generally pragmatic approach and co-operation with the international community. It advocates flexibility in the row with Greece over the country's name, in order to enable the country to join NATO. The Social Democrats are seen as moderates who take a conciliatory attitude also towards ethnic minorities. With that in mind, while in government they passed a law in 2004 on decentralisation that helped open the way towards eventual EU membership. Under the leadership of Macedonia's ex-President, Branko Crvenkovski, the party lost the 1998 elections but regained power in 2002. Leading the "Together for Macedonia" alliance along with the Liberal Democratic Party, they subsequently formed a government with the largest Albanian player, the Democratic Union for Integration, DUI. After Crvenkovski was elected President of Macdonia

in 2004, he handed the party leadership to Vlado Buckovski. After losing the 2006 elections, Radmila Sekerinska then took over.

The party's popularity reached an all-time low in the June 2008 early elections when it won only 18 of the 120 seats in parliament, prompting Sekerinska to resign. The party's poor results continued in 2009 when, in the March local elections, the party won only a small number of mayoral posts. After his presidential mandate expired in March 2009, Crvenkovski returned to his old post as party leader. Many members hoped this would revive the party's former fortunes. After Crvenkovski's comeback, he made various changes, creating a team of close associates, many of them new faces in politics. In 2009, the party staged a large rally in front of government house in an attempt to boost the shaken confidence of party members following years of poor results and internal quarrels. Crvenkovski at the same time offered his main opponent, Nikola Gruevski, full support in resolving the name dispute with Greece. At the same time, the Social Democrats pushed for early elections. The party took more radical action in January 2011 when it started to boycott parliament along with other smaller opposition parties. The reason was the freezing of the bank account of Macedonia's most popular TV station, A1, which was critical of the government.

The party accused Gruevski of wanting to curb media freedom and of deliberately trying to close the TV station. After several months of negotiations with the government on an election, the party failed to obtain its demands. The SDSM together with its minor coalition partners improved its results in the June 2011 elections, winning 42 seats, 14 less than VMRO-DPMNE. During 2011 and 2012 the SDSM tried to reorganize and spread its influence by criticizing the VMRO-DPMNE government - but with no great success. Its officials constantly accused the government of curbing human rights and media freedoms and of creating a state of fear among citizens.

Later last year, Zoran Zaev, mayor of the southeastern town of Strumica and vice-president of SDSM, was elected president of the party following the withdrawal of ex-president Crvenkovski from the public life. For the newcomer Zaev, this was his second chance as leader of SDSM. His priority was to organize the party and strengthen its structure. According to analysts, the period of less than a year might be not enough for him to gather strength to match VMRO-DPMNE and Gruevski.

Democratic Union for Integration (DUI): The largest ethnic Albanian party and VMRO DPMNE's current partner in government was formed in June 2002 by former Albanian guerrilla leaders who had taken part in the 2001 armed conflict. Ali Ahmeti became first party president. The party's main agenda is full implementation of the 2001 Ohrid peace accord, which ended the ethnic Albanian insurrection by offering greater rights to Albanians. In the 2002 elections, the party won around 70% of Albanian votes and secured 16 seats. From 2002 to 2006, it was part of a ruling coalition with the Social Democrats, SDSM. Although the DUI came first in the 2006 elections among Albanian voters, the winner, VMRO DPMNE, asked its rival, the Democratic Party of Albanians, DPA, to join the government. Protests and a boycott of parliament followed in 2007, delaying the passage of reformist laws. In late 2007, the party returned to parliament after striking a deal with the thengovernment on the prompt passage of several remaining laws related to the Ohrid deal. The

decision to go for early elections in June 2008 was a DUI initiative that won backing from the ruling party. As expected, the party strengthened its position in the June 2008 elections, winning 18 seats. This prompted VMRO DPMNE to abandon its traditional ethnic Albanian partner, the Democratic Party of Albanians, DPA, and offer the DUI a place in the government instead. Since entering into coalition with VMRO-DPMNE, the DUI has been moderate on the country's main diplomatic issue, with Greece, over the country's name. However, some in the party are impatient for solution to the dispute, as this will enable Macedonia to join NATO and start negotiations with the EU on membership, otherwise it is believed that DUI should leave the government. Hope for a solution remained and leaving would only further complicate matters, it is said.

Opposition Albanian parties meanwhile claimed that the DUI had become marginalized inside Gruevski's nationalist government and had forgotten its promise to improve the rights of Albanians. At the end of 2013, the DUI threatened to boycott the 2014 presidential elections if a consensual candidate was not agreed with VMRO-DPMNE. After this proposal was rejected, the DUI filled a motion for early elections, which leader of VMRO DPMNE, Gruevski, accepted. Some analysts saw the dispute as stage managed to create an excuse for snap elections.

Some analysts believe that DUI is not boycotting the presidental election because no 'consensual' candidate has appeared, but because Stevo Pendarovski (SDSM) poses a threat to the DUI-VMRO's divide-and-rule strategy. As said already, DUI supported abstaining from voting, insisting that, based on their ethnicity or personal qualities, no candidate is suited to be a "consensual" President who can unite people of all parties, ethnicities, religious beliefs and social categories. This seemingly "noble idea", is estimated as problematic due to the doubtful motives and interests that prompted the DUI to launch this campaign in the first place. The contradiction lies between preventing Albanians from voting for a president on one side, but failing to address the far more provocative policies imposed on Albanians by the DUI's own government partner, Gruevski, on the other. Numerically seen, it is clear that the DUI call for a boycott, if it lowers the election turnout, will clearly work in favour of the voting machinery of VMRO DPMNE and its presidential candidate, Ivanov. On the other hand, even a slightly higher turnout than usual would have boosted the chances of Ivanov's main opponent, Stevo Pendarovski, from the opposition SDSM. A bigger turnout in the first round of the presidential race might have also likely affect the outcome of the parallel early parliamentarian elections in favour of the opposition. Meanwhile, insufficient attention is being paid to the modus operandi that Ahmeti and the DUI have used to dominate the Albanian political camp in Macedonia for over a decade. But the party's stance towards the presidential election, and the way it is hiding behind the "noble idea" of a consensual president, is an opportunity to understanding its internal driving forces. Estimation is that the call for a boycott is a key reflection of Ahmeti's political mentality, as the party's strategy is always to focus on so-called big topics and chase high politics, instead of solving the real-life problems that preoccupy people, such as unemployment, the emigration of the young, the dismal infrastructure of DUI-dominated regions, the decline in education, and more.

The DUI uses this strategy also to divert attention from the apparent collapse of the government's two key portfolios, European integration and defence, both held by the DUI. Ahmeti initially hoped that by getting these government posts he would master the

support of his voters and win the affection of the international community. International community representatives in Skopje have in fact been generously willing to turn a blind eye to the fact that the DUI refuses to show any interest in dealing with the apparent corruption, nepotism and criminal affiliations that, among other areas, have engulfed the ministries for Euro-integration and Defence. The debacle in these two key areas, together with growing poverty and general lack of perspectives, does not leave much more room for making additional empty promises. That is why the campaign for a boycott and the DUI's increasingly pronounced animosity towards the opposition candidate, Stevo Pendarovski, is just a tool to divert growing discontent among Albanians and turn it into a mild flirtation with nationalism. This makes the DUI a conscious accomplice with a VMRO DPMNE imposed game of inter-ethnic and intra-ethnic chauvinism according to which only Ahmeti and Gruevski are in charge of determining the moral, ideological and political eligibility of Albanians and Macedonians, by dividing them into "loyal patriots" and "traitors who work for foreign interests". In a situation like this, the emergence of new people on the political scene who are not burdened by nationalism, corruption or affiliation with the criminal surroundings of the big political parties, is seen as a threat to the established party leaders and to their "divide and conquer" strategy of controlled chaos. More specifically, they see the emergence of Pendarovski and the values he brings to the political scene as a threat that may instigate the formation of a new political axis that may attract new forces of all ethnicities. The preference of Albanians for Pendarovski is not so much determined by the animosity they feel towards Ivanov. Ivanov is not considered a person of big political significance in either ethnic campus, but he certainly has an additional negative image among Albanians. This is mostly due to his lack of interest in communication with the Albanians. Unlike Ivanov, Pendarovski captivates people with his openness, lack of nationalism and eloquence. This gives people hope and encouragement to go out and vote in elections that will not be a simple mechanical casting of ballots. It gives hope that there is an option to elect an acceptable, not an imposed, candidate for President. At the same time, in voting for Pendarovski, many Albanians see an opportunity to "show a middle finger" and express their protest against their own ethnic political leaderships and their worn out, corrupt and discredited representatives. With Pendarovsi's background, youthful image, experience and the pro-Western standpoints, they fear that if he was elected President, Brussels, Berlin and Washington could have a much more upscale politician from Macedonia to compare them to.

Experts estimated that if the opposition presidential candidate, Stevo Pendarovski, came close to the ruling party's candidate, Gjorge Ivanov, at the first round on April 13, it would have boosted the opposition's chances in the subsequent general elections on April 27. If Pendarovski "closes the difference between him and Ivanov to less than 50,000 votes, this will boost support for the opposition in the general elections," Vladimir Bozinovski, from the Skopje think tank, the Institute for Policy Research, IPIS, predicted. A close result could motivate passive and undecided voters to turn out and vote for the opposition, he maintained. But the same effect applies vice-versus, he added. "If the difference between the candidates after the first round of elections is around 100,000 votes, in favour of the ruling VMRO DPMNE candidate, this will boost the ruling party in the general election," he noted.

Democratic Party of the Albanians (DPA): This ethnic Albanian opposition party was formed in 1997 by a merger of the Party for Democratic Prosperity of Albanians, PDPA, and the People's Democratic Party, NDP. Both parties posed as more radical alternatives to the Party for Democratic Prosperity, a party from the 1990s that had dwindled in its last years. Led for 10 years by Arben Xhaferi, his former right-hand man, Menduh Thaci, took over in 2007. Seen as a traditional partner of VMRO-DPMNE, the party formed part of the ruling coalition from 1998 to 2002, when it was taken over by DUI (made a coalition with SDSM). After June 2008 elections VMRO DPMNE invited DUI to join the government. Gruevski's decision was prompted by the DPA's second consecutive defeat among Albanian voters in the elections to the DUI. Following a prolonged boycott, DPA deputies returned to parliament in 2011, and were present for the vote on dissolving parliament before the early elections. In these elections, however, the DPA won only eight seats - almost half less than the DUI. This was partly down to the appearance of a new party, the National Democratic Rebirth, founded by a former DPA member, Rufi Osmani, which took a good portion of the DPA's votes. In recent years, the DPA has accused the government - and the DUI - of not fulfilling the obligations of the Ohrid agreement. The party also advocates a new deal between Macedonians and ethnic Albanians on the formation of a two-chamber parliament and a new administrative and territorial map of the country. The DPA has nominated Iljaz Halimi as its candidate for the 2014 presidential elections.

Liberal Democratic Party (LDP): Formed in 1997 after a merger between the Liberal Party and the Democratic Party, the Liberal Democrats are a traditional partner to the Social Democrats. The first leader, Petar Goshev, was the last president of the former League of Communists of Macedonia. In the 2002 elections, after the former mayor of Skopje, Risto Penov, took over, the party won 12 seats as part of the "Together for Macedonia" alliance. Until 2006, it was part of the ruling coalition with the Social Democrats and the DUI. After the 2006 elections, the former defence minister, Jovo Manasievski, was elected president. He continued with the Social Democrat alliance and the party formed part of the "Sun for a European Macedonia" coalition, which lost the June 2008 general election to VMRO DPMNE. In the 2011 early elections, the LDP decided to run alone, which proved a mistake, as it did not win enough votes to enter parliament. After these elections Andrej Zernovski was elected leader of the party. Under his leadership the LDP returned to the coalition led by SDSM and resumed its harsh criticism of the government. In the 2013 local elections, supported by the coalition, Zernovski won the important municipality of Centar in the capital. This was seen as a great victory, as it followed three rounds of voting and allegations of government irregularities. The fight for "Centar" received much publicity, as it was the home of the government's "Skopje 2014" project. For the 2014 presidential and early elections, the LDP will again run as part of the coalition led by the SDSM. It has given full support to the SDSM's candidate, Stevo Pendarovski.

New Social-Democratic Party (NSDP): The New Social Democratic Party was formed in December 2005. One of the founders is the prominent for Social Democrat, Tito Petkovski, who quit in November 2005 to form a new party with a similar social-democratic ideology. In the 2006 general elections, e NSDP won seven seats, enough to enter the government coalition with VMRO DPMNE and the DPA and take some ministerial posts. Although the NSDP had disagreements with its coalition partners - and two of its MPs defected to VMRO-DPMNE - it stayed in the government until the elections. In the early general elections of

June 2008, however, the NSDP entered the Social-Democrat-led "Sun for a European Macedonia" coalition. It won only three mandates. In the 2009 presidential and local elections, the NSDP stayed in the same company and participated in the elections in coalition with the Social Democrats. In the 2011 elections, the New Social Democrats again stood as part of the opposition Social Democrat-led bloc, winning four seats in parliament. Since 2011, it has acted in coordination with the SDSM and allied parties, criticizing the government. In the 2014 Presidential and early elections the NSDP run again as part of the wider coalition led by the SDSM.

Citizen's Option for Macedonia (GROM): A newly found party, GROM has not yet had a chance to test its strength in an election. It was founded in May 2014 by Stevco Jakimovski, mayor of Karpos municipality and a former member of both the SDSM and the LDP. Jakimovski defected from the SDSM in 2013 just before the local elections after opposing the party's planned boycott of those elections. According to Jakimovski who is the only wellknown name in his party, GROM will be a party of all citizens despite their ethnic background. "The most important figure in the party are the citizens," he says. GROM profiles itself as a politically centrist option with Jakimovski using every opportunity to criticize his former party, the SDSM, as well as the government. However, some say the party will only cut off votes that would otherwise go to the SDSM, thus helping the governing VMRO-DPMNE. GROM has called for early elections ever since it was founded and will run alone in the upcoming polls. Zoran Popovski is the party's candidate for President. He was nominated after the party collected the necessary 10,000 signatures from citizens in less than two days. The leader of Grom Stevco Jakimovski officially signed a preelectoral coalition and Declaration for the presidential and parliamentarian elections with Dragisha Miletic Serbian Progress Party in Macedonia, Slobodan Ugrinovski - Union of Tito's Left Forces and Kire Gestakovski Party of Free Democrats.

Alliance for Positive Macedonia (APM): APM is another new party that is hunting for votes in the political centre-ground of politics. It was launched in June 2013 with the journalist and editor Ljupco Zikov as its president. APM was originally a movement initiated by Zikov, the former Social Democrat PM Vlado Buckovski and the businessman Minco Jordanov. The election is Zikov's first major political test. Buckovski, on the other hand, was a defence minister, a leader of the Social Democrats and later a prime minister before losing the 2006 elections. Jordanov has political experience only as a former adviser in Buckovski's cabinet. He owns a steel factory in Skopje, a winery, an agriculture business, the daily "Nova Makedonija" newspaper as well as a construction company, Beton, which has been one of the biggest contractors involved in the government's Skopje 2014 project. The party advocates economic reform, promises 100,000 new jobs and is open for a coalition with GROM and other smaller parties. The party has not nominated a candidate for the 2014 presidential elections.

VMRO-People's Party: It is the party that gathered the narrow supporters of the former VMRO-DPMNE leader and PM Ljubco Georgievski, having being disappointed on the stance that PM Gruevski has taken over the "older" party members. This party has not been having significant election success, however Ljubco Georgievski due to his skillful rhetoric, manages to attract public attention with his criticism against the direction in which the VMRO-

DPMNE policies are heading the country. This party supported Stevo Pendarovski as presidential candidate.

### 4.13. Election models for presidential and parliamentarian elections

The president is elected in a single constituency by general and direct suffrage by secret ballot for a five year term under a two-round majoritarian system. To be elected in the first round, a candidate must receive more than 50% of the votes of the total number of registered voters. Should there be a second round for which the best placed two candidates qualify, elected is the candidate with the most votes (relative majority), provided the turnout is greater than 40%, otherwise the entire election process must be repeated.

The right to stand as a presidential candidate is granted to citizens who have the right to vote, are at least 40 years old and have lived in the country for at least 10 years within the last 15 years. Although a reasonable residency requirement to be eligible to stand is acceptable, the duration of 10 years is excessive and disproportionate with the principle of equality, challenging OSCE commitments, Council of Europe standards and international obligations. Nominations for the presidential election had to be supported by either 10,000 voters or 30 members of parliament. The signatures of support had to be collected in front of a SEC representative in one of the regional SEC offices.

This year, out of the six nominees, two nominees failed to collect the required number of signatures, alleging that collecting signatures in front of a state official was intimidating and that the number of required signatures was too high. University professor Biljana Vankovska, who is known as a Macedonian advocate for the RECOM initiative for regional post-war reconciliation, launched a campaign to collect 10,000 signatures to enter the race as an independent candidate, but at the end of the legally determined period, she did not manage to collect the signatures required. Same lack of signatures support had Stojance Angelov from the party "Dignity". In the first round, voters have chosen between incumbent President Gjorge Ivanov who is running for a second five-year term for the ruling VMRO DPMNE party and three other hopefuls. Ivanov's main challenger was Stevo Pendarovski from the opposition Social Democrats, SDSM. Iljaz Halimi, candidate of the opposition Democratic Party of Albanians, DPA, as well as Zoran Popovski, running for the new opposition party, Civil Option for Macedonia, GROM, were also running for office.

According to the Constitution, the President is significantly less powerful than the Prime Minister. The President is the supreme commander of the armed forces and, together with the Foreign Ministry, shares responsibility for foreign policy, having the final say on appointments of ambassadors. In domestic affairs, the presidential role is largely ceremonial. However, the President has the power to block bills that parliament has passed, by refusing to sign them.

The parliament has 123 members elected for a four-year term. 120 members are elected under a proportional system in six electoral districts, each one giving 20 MP seats, while three are elected in a majoritarian first-part-the-post system in three out-of-country districts (Europe and Africa, North and South America, Australia and Asia).

#### 4.14.ELECTION RESULTS ON PRESIDENTIAL AND PARLIAMENTARIAN ELECTIONS

Presidential elections first and second round total votes cast

	First Round (April 13, 2014)	Second Round (April 27,
		2014)
Total number of votes cast	869.617	967.694
Valid ballots	845.940	932.987
Invalid ballots	23.677	34.707
	48,86%	54,38%

## Presidential elections First round voted 869.617 or 48,86% of the total number of voters.

Name	Number of votes cast	% of the total N.of	% of the votes cast
		voters	
Gjorge Ivanov	449.442	25,26%	51,69%
Ilijaz Halimi	38.966	2,19%	4,48%
Zoran Popovski	31.368	1,76%	3,61%
Stevo Pendarovski	326.164	18,33%	37,51%

Presidential elections Second round (April 27, 2014) voted 967.694 or 454,38% of the total number of voters. In this round Ivanov got 534.910 or 55,28% of the votes cast, while Stevo Pendarovski got 398.077 or 41,14% of the votes cast.

Total Results from the Early National Elections (April 27, 2014), distribution of 120 seats divided in six electoral districts (each giving 20 MP seats) by use of the D'Hondt PR formula; Voted 1.120.744 or 62,96% turnout, out of which valid ballots were 1.083.090, invalid ballots 37.654

Party	Votes	Percent
SDSM and partners	283.955	25,34% (34 mandates)
DPA	66.393	5,92% (7 mandates)
DM	9.265	0,83%
DUI	153.646	13,71% (19 mandates)
VMRO-DPMNE and partners	481.615	42,97% (61 mandate)
NDP	17.783	1,59% (1 mandate)
NDM	1.925	0.17%
GROM	31.610	2,82% (1 mandate)
KPM	10.566	0,94%
VMRO-People's Party	16.772	1,50%
SDPM	4.700	0,42%
PEP21	1.281	0,11%
PDP	385	0.03%
PEI	3.194	0,28%

Election results offer an interesting analysis of the Macedonian political scene. If one collects in one place the votes obtained by GROM, the Alliance for Positive Macedonia, the Liberal Party, Fijat Canoski's PEI, Dragisha Miletic's Serbian Radical Party and Ugrinovski's Tito's Left Forces it is seen that all these parties together won 45.372 votes, which for Macedonian circumstances is not a small figure. At the same time, fact is that SDSM's new leadership was formed six months before parliamentarian elections, so it cannot be blamed harshly why these probable opposition voted were not jointly positioned. A clearer picture

may be obtained if one looks at the voting position of citizens towards Pendarovski as the SDSM presidential candidate who scored better than the party itself. If one collects all the opposition votes in one place, it will turn out that the opposition in the Macedonian block would weigh approximately 355.361 votes. One should also have in mind that this figure is obtained under conditions which are far from fair political competition.

Summary votes per constituency (not included the diaspora vote):

	Election district 1	Election district 2	Election district 3	Election district 4	Election district 5	Election district 6
Total number of voters in the voter's list	297.686	306.067	280.890	280.810	286.435	304.458
Total number of votes cast	194.164	184.176	198.863	205.398	175.402	151.300
Valid ballots	187.606	178.077	190.684	198.236	169.318	148.061
Invalid ballots	6.558	6.099	8.179	7.162	6.084	3.239
Turnout	65,22%	60,18%	70,80%	73,14%	61,24%	49,69%

# National election results per constituency, Constituency N.1 voted 194.164, 65,22% turnout

Party	Votes	Percent	
SDSM and partners	58.091	29,92% (7 mandates)	
DPA	11.631	5,99% (1 mandate)	
DM	1.248	0,64%	
DUI	26.657	13,73% (3 mandates)	
VMRO-DPMNE and partners	73.554	37,88% (8 mandates)	
NDP	726	0,37%	
NDM	234	0,12%	
GROM	8.725	4,49% (1 mandate)	
KPM	2.578	1,33%	
VMRO-NP	2.254	1,16%	
SDPM	826	0,43%	
PEP21	951	0,49%	

PEI	131	0,07%
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# National election results per constituency, Constituency N.2 voted 184.176, 60,18% turnout

Party	Votes	Percent
SDSM and partners	40.603	22,05% (5 mandates)
DPA	13.764	7,47% (1 mandate)
DM	1.268	0,69%
DUI	32.061	17,41% (4 mandates)
VMRO-DPMNE and partners	74.649	40,53% (10 mandates)
NDP	4.518	2,45%
NDM	245	0,13%
GROM	5.503	2,99%
KPM	2.321	1,26%
VMRO-NP	1.928	1,05%
SDPM	760	0,41%
PEP21	330	0,18%
PEI	127	0,07%

# National election results per constituency, Constituency N.3 voted 198.863, 70,80% turnout

Party	Votes	Percent	
SDSM and partners	57.088	28,71% (7 mandates)	
DPA	1.070	0,54%	
DM	2.341	1,18%	
DUI	3.516	1,77%	
VMRO-DPMNE and partners	112.176	56,41% (13 mandates)	
NDM	619	0,31%	
GROM	5.169	2,60%	
KPM	2.177	1,09%	
VMRO-NP	5.318	2,67%	
SDPM	1.210	0,61%	

# National election results per constituency, Constituency N.4 voted 205.398, 73,14% turnout

Party	Votes	Percent
SDSM and partners	70.004	34,08% (8 mandates)
DM	1.895	0,92%
DUI	1.387	0,68%
VMRO-DPMNE and partners	109.809	53,46% (12 mandates)
NDM	669	0,33%
GROM	8.428	4,10%
KPM	2.055	1,00%
VMRO-NP	3.010	1,47%
SDPM	979	0,48%

# National election results per constituency, Constituency N.5 voted 175.402, 61,24% turnout

Party	Votes	Percent
SDSM and partners	45.370	25,87% (6 mandates)

DPA	5.219	2,98%
DM	2.108	1,20%
DUI	23.876	13,61% (3 mandates)
VMRO-DPMNE and partners	78.953	45,01% (11 mandates)
NDP	2.366	1,35%
NDM	158	0,09%
GROM	3.024	1,72%
VMRO-NP	3.657	2,08%
SDPM	783	0,45%
PEI	2.599	1,48%

National election results per constituency, Constituency N.6 voted 151.300, 49,69% turnout

Tractional election results per constituency, constituency, the voiced 1511500, 15/05/8 tarrious			
Party	Votes	Percent	
SDSM and partners	12.142	0,83% (1 mandate)	
DPA	34.600	22,87% (5 mandates)	
DM	355	0,23%	
DUI	62.848	41,54% (9 mandates)	
VMRO-DPMNE and partners	25.911	17,13% (4 mandates)	
NDP	9.745	6,44% (1 mandate)	
GROM	761	0,50%	
KPM	230	0,15%	
VMRO-NP	605	0,40%	
SDPM	142	0,09%	
PDP	385	0,25%	
PEI	337	0,22%	

National election results per constituency, Constituency N.7 voted 8.614, 45,55% turnout, 1 seat distributed by use of the relative majority principle

Party	Votes	Percent	
SDSM and partners	521	6,05%	
DPA	104	1,21%	
DUI	2.822	32,76%	
VMRO-DPMNE and partners	4.512	52,38% (1 mandate)	
NDP	428	4,97%	

National election results per constituency, Constituency N.8 voted 1.845, 55,29% turnout, 1 seat distributed by use of the relative majority principle

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Party	Votes	Percent	
SDSM and partners	90	4,88%	
DPA	5	0,27%	
DUI	475	25,75%	
VMRO-DPMNE and partners	1.170	63,41% (1 mandate)	
DM	50	2,71%	

National election results per constituency, Constituency N.9 voted 982, 64,02% turnout, 1 seat distributed by use of the relative majority principle

Party	Votes	Percent
SDSM and partners	46	4,68%
DUI	4	0,41%
VMRO-DPMNE and partners	881	89,71% (1 Mandate)

Election results in Skopje municipalities where it is visible than the difference between the two parties decreases, according to SEC data; VMRO-DPMNE does well in rural communities, where live voters dependent of pensions and subsidies

Municipality	2013		2014	
	VMRO-DPMNE	SDSM	VMRO-DPMNE	SDSM
Gjorce Petrov	11.316	10.720	11.887	9.314
Centar	12.606	14.079	10.251	15.406
Karposh	9.485	9.674	13.360	16.416
Aerodrom	25.814	12.991	20.693	18.263
Kisela Voda	20.419	10.501	18.381	12.664
Gazi Baba	21.231	10.210	20.231	10.813
Butel	9.659	4.674	8.674	5.203
Cair	5.440	2.122	4.813	4.060
Total	115.970	74.971	108.290	92.139
	Difference between two parties 40.999		Difference between two parties 16.151	

# 4.15. Joint Statement by the Delegation of the European Union and the U.S. Mission in Macedonia

April 29, 2014, The US and EU representatives wish to commend the citizens of this country who exercised their right to vote in the 27 of April parliamentary and presidential elections. We echo the assessment of OSCE/ODIHR regarding the effective administration of the recent elections. The concerns they have expressed relating to biased media coverage and a blurring of state and party activities not providing a level playing field, similar to those expressed in 2011 and 2013, need to be addressed. These efforts must involve the parties who form the new government, engaging in a constructive spirit with the opposition. They must look not only at the technical administration of these elections but also address any deficiencies and inequities in the broader electoral system, as these risk undermining faith in the democratic process. We urge all political party leaders to engage constructively on reforms that will further the process of Euro-Atlantic integration. The EU and the US remain the country's partners in that effort.

### 4.16. Highlights from Various Reports on the Presidential and Parliamentary elections

Council of Europe: Observation of the presidential election (13 and 27 April 2014) and of the early parliamentary elections (27 April 2014) in "the former Yugoslav Republic of Macedonia" Council of Europe Election observation report, Ad hoc Committee of the Bureau, Rapporteur: Mr Stefan Schennach, Austria, Socialist Group (Joint Opinion of the OSCE/ODIHR and the Venice Commission)

"Legal framework:

- 13. Elections are regulated by the Constitution, the Electoral Code and the Criminal Code. These were all amended on 24 January 2014 and some recommendations of the Venice Commission were partly addressed. Among the amendments are regulations with respect to the use of administrative resources, financing of campaigns, media coverage and out-of-country voting.
- 14. However, a number of inconsistencies remain, for example a lack of clarity on the definition of campaigning and on the use of public resources during the campaign. Safeguards for the separation of party and State are insufficient. The 40% turnout requirement in the second round of the presidential election, as already mentioned, could lead to cycles of failed elections. The complaints procedure was ineffective."

# "Election campaign and media environment:

- 26. The presidential campaign for the first round officially started on 24 March and ended on 11 April at midnight. The campaign for the second round started on 14 April and that for the early parliamentary elections started on 5 April, with a two-day interruption during the campaign silence for the first round of the presidential election, as decided by the SEC.
- 27. The campaigns were active, candidates being able to campaign without hindrance. However, the campaign of the VMRO-DPMNE was largely dominant, as the governing party did not properly separate party from State activities, contrary to the Venice Commission's Code of Good Practice in Electoral Matters.
- Interlocutors of the IEOM provided credible allegations of voter intimidation, in particular among public sector employees, including pressure to attend campaign events, pressure not to attend opposition events, pressure linked to jobs, etc. There were also credible allegations of vote-buying, in particular among economically disadvantaged groups.
- 28. The DUI appealed to the Albanians to refrain from voting in the presidential election.
- 29. The presidential campaign witnessed a steady stream of accusations of past and present corruption between adversaries within the ethnic blocks. The DPA and DUI attacked each other for their respective decisions to run a candidate and boycott the election. The DPA criticised the DUI for jeopardising the secrecy of the vote for ethnic Albanians, especially in small villages.
- 30. These trends continued during the parliamentary election campaign, the only difference being that the DUI asked its supporters to turn out in large numbers for the parliamentary elections. The IEOM received credible information on the DUI exerting pressure on its voters to refrain from taking a presidential ballot paper on 27 April.
- 31. The legislation on campaign financing was amended in January 2014, but the system, as currently implemented, is not adequate to ensure the transparency, integrity and accountability of the process.
- 32. There are a large number of media outlets in the country, but the most important ones are under the indirect control of the ruling party, and the government appears to be the largest single advertiser. Consequently, a majority of media were biased in favour of the ruling party VMRO-DPMNE and its presidential candidate and mainly negative towards SDSM and its candidate. Albanian language media also favoured the DUI over the other ethnic Albanian contestants.
- 33. The media were characterised during both campaigns by a lack of political analysis and independent reporting, combined with a widespread phenomenon of self-censorship.
- 34. In the presidential campaign, there were very limited opportunities for other candidates to confront the incumbent President Gjorge Ivanov. Only one debate featuring all four

presidential candidates was organised by the Macedonian Radio and Television MRT1. After the debate, the public broadcaster organised a discussion which focused mainly on perceived failures of the main opposition candidate, Stevo Pendarovski.

35. The electoral dispute resolution mechanism is ineffective and the lack of deadlines for courts to solve various election-related cases, combined with a limited right of voters to legal redress at every stage of the electoral process, is at odds with the Venice Commission's Code of Good Practice in Electoral Matters"

### "Election day:

- 36. The election days were generally calm and peaceful both on 13 and on 27 April.
- 37. However, on 27 April, in some ethnic Albanian areas, it was observed that voters were discouraged by election board members from taking a presidential ballot paper, whereas in ethnic Macedonian areas voters were automatically given both ballot papers.
- 38. Members of the Assembly delegation observed both on 13 and on 27 April in the municipality of Suto Orizari practices contrary to democratic requirements (organised voting and voters who had obviously been given a paper with an indication of how to vote, as they were consulting this paper while in the polling booths). Group voting seemed to be the most frequent irregularity, in particular on 27 April, where IEOM observers noted it in 9% of the polling stations observed.
- 39. In the first round of the presidential election none of the candidates received the required majority of the total number of registered voters to be elected. According to the SEC, the incumbent president Gjorge Ivanov received 51% of votes cast, Stevo Pendarovski 37.51%, Iljaz Halimi 4.49% and Zoran Popovski 3.61%. The turnout was 48%, but voter participation remained low in the ethnic Albanian areas.
- 40. The results of the second round was therefore held between Gjorge Ivanov and Stevo Pendarovski. According to the SEC, Gjorge Ivanov was elected with 55.28% of cast votes. The turnout for the second round of the presidential election was 54.38%.
- 41. The results obtained by the major coalitions and parties in the early parliamentary elections are as follows: VMRO-DPMNE etc. 42.97% of cast votes, SDSM etc. 25.34%, DUI 13.71%, DPA 5.92%, GROM 2.82%, NDP (National Democratic Revival) 1,59%. The turnout for the early parliamentary elections was 62.96%."

### "Conclusions:

- 42. In general, the election day was conducted efficiently and, in principle, in accordance with the national legislation. However, in one municipality observed, the voting process was problematic and a greater number of irregularities were witnessed (in particular organised voting). Other procedural irregularities were observed, particularly during the opening of the polling stations and during the counting, but they were rather of a technical nature and with no discernable influence on the results.
- 43. During the election campaigns, the media displayed a lack of political analysis and independent reporting. There were no proper separation of party and State resources concerning the main ruling party, and there were credible allegations of voter intimidation, in particular as regards public sector employees.
- 44. Furthermore, the Assembly delegation noted that the election process as a whole did not contribute to reducing the tensions that exist between and within ethnic communities. The election process was a missed opportunity for political stakeholders to demonstrate a genuine wish to integrate all ethnic communities and minorities.

45. As declared during the joint press conference on 28 April, the Parliamentary Assembly stands ready, with the support of the Venice Commission, to offer assistance to further improve the electoral framework for the further democratic consolidation of the country."

*Press release* on the observation of the second round of the presidential election and of the early parliamentary elections (27 April 2014): Shortcomings during campaign overshadow generally well-run election day, international observers say in Skopje

Strasbourg, 28.04.2014 – Fundamental freedoms were respected and candidates were able to campaign without obstruction in the 27 April elections in "the former Yugoslav Republic of Macedonia", but shortcomings identified in the first round of the presidential election two weeks earlier, including the blurring of state and party activities and biased and unbalanced media coverage in favour of the ruling party, either persisted or were more pronounced, international observers said in their statement. "Yesterday's elections were effectively administered and election day went smoothly, but there were real problems before and, unfortunately, after the vote," said Christine Muttonen, the Special Coordinator who led the short-term OSCE observer mission. "The governing party did not adequately separate its party and state activities while, regrettably, the major opposition party announced it would not recognize the election results. I strongly encourage all political actors to work together to create a positive post-election environment."

The observers noted that there continued to be credible allegations of voter intimidation, including pressure by one party on ethnic Albanian voters to boycott the presidential ballot. "This election process did not contribute to reducing the tensions that exist between and within ethnic communities," said Stefan Schennach, Head of the delegation from the Parliamentary Assembly of the Council of Europe (PACE). "The election was a missed opportunity for political stakeholders to demonstrate a genuine commitment to integrating all ethnic communities and minorities. PACE, with the support of the Venice Commission, remains ready to provide support for electoral improvements and further democratic consolidation in the country."

Media monitoring during the campaign period identified a bias in favour of the ruling party and its presidential candidate in the majority of monitored media, accompanied by negative reporting on the main opposition party and its presidential candidate. The lack of analysis and independent reporting identified in the first round of the presidential election continued during the second round and the parliamentary election, the statement said. "The media monitored were largely biased in favour of the ruling party and the incumbent presidential candidate, while reporting negatively on the campaign of the main opposition party," said Isabel Santos, Head of the OSCE PA delegation. "All stakeholders should take a serious look at these findings, and then work together to create the conditions for a freer and impartial media environment."

Both the parliamentary and second round presidential campaigns were active, and all parties engaged in a vigorous schedule of rallies, the statement said. A significant advantage in resources and predominance in political advertising meant, however, that the ruling party and its presidential candidate dominated the campaign environment. The clear support they received from the government during the campaign did not respect the separation of party

and the state. As in the first round of the presidential election, there was a steady stream of accusations of corruption within the ethnic blocs.

The State Electoral Commission (SEC) met most of its legal deadlines and held regular sessions, most of which were open to observers and the media, but continued to be divided along party lines on all contentious issues. As in the first round, the SEC did not communicate effectively with the Municipal Election Commissions (MECs), causing some confusion regarding procedures. The MECs did carry out their duties in a professional manner, the observers said.

A number of Electoral Code provisions regulating the parliamentary elections were amended in January 2014, addressing some prior OSCE/ODIHR recommendations. Inconsistencies and ambiguities remained, however, including in the legal definition of campaigning and the length of the campaign, as well as provisions on the use of public resources during the campaign. "To characterize the elections in a nutshell, the run-up failed to meet important OSCE commitments, including on the separation of state and party, on ensuring a level playing field, on the neutrality of the media, on the accuracy of the voters list and on the possibility of gaining redress through an effective complaints procedure," said Ambassador Geert-Hinrich Ahrens, Head of the election observation mission from the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR). "All of this, unfortunately, overshadowed an election day that did meet commitments and was orderly and peaceful The electoral dispute-resolution mechanism remained ineffective. There is a lack of deadlines for courts to resolve several types of election-related cases and the right of voters to legal redress is limited in all stages of the electoral process, the statement said. Election day was conducted in a smooth and professional manner, although some technical irregularities were noted. The overall assessment of polling station openings, voting, and the counting and tabulation of votes was positive.

INTERNATIONAL ELECTION OBSERVATION MISSION (IEOM), The former Yugoslav Republic of Macedonia, Presidential Election, 13 April 2014

Statement of preliminary findings and conclusions

Skopje, 14 April 2014 – This Statement of Preliminary Findings and Conclusions is the result of a common endeavour involving the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR) and the Parliamentary Assembly of the Council of Europe (PACE). Ambassador Geert-Hinrich Ahrens (Germany) is the Head of the OSCE/ODIHR Election Observation Mission, deployed from 10 March 2014. Stefan Schennach (Austria) headed the delegation of the PACE.

### Preliminary conclusions:

The 13 April 2014 presidential election was efficiently administered and the campaign was active. The candidate registration process was inclusive and candidates were able to campaign freely. Although fundamental freedoms were respected, bias media coverage and a blurring of state and party activities did not provide a level playing field for candidates to contest the election, contrary to paragraphs 5.4 of the 1990 OSCE Copenhagen Document and Council of Europe standards.

Recent amendments to the Electoral Code addressed some of the prior OSCE/ODIHR recommendations. While it is not a good practice to amend fundamental elements of the

legal framework less than one year before an election, the recent amendments enjoyed cross-party consensus and were passed after public consultations. However, a number of inconsistencies and issues of concern remain unaddressed, including the 40 per cent turnout requirement in the second round of the presidential contest that could lead to cycles of failed elections. In addition, the lengthy residence requirement to be eligible to stand as a candidate is at odds with OSCE commitments, Council of Europe standards, and other international obligations.

In general, the State Electoral Commission (SEC) functioned efficiently and most sessions were open to accredited observers and to the media. However, at times, tension among the members was evident when members made long political interventions and they voted along party lines on all politically contentious issues. In addition, the SEC failed to communicate effectively with the Municipal Election Commissions (MECs) on several issues causing some confusion regarding the procedures.

The total number of voters registered for this election was 1,779,572. Many interlocutors raised the issue of large numbers of voters residing at the same address where they do not appear to live as a concern. The many agencies involved in the creation of voter lists, their overlapping responsibilities and the lack of a centralized electronic database makes voter lists compilation problematic and complicated.

The presidential election was held against the background of early parliamentary elections. Parliament was dissolved following the disagreement between the two parties in the governing coalition over the nomination of a consensual presidential candidate. In the presidential election, incumbent President Gjorge Ivanov, who was running for a second term, was challenged by Stevo Pendarovski, Iljaz Halimi, the only ethnic Albanian candidate, and Zoran Popovski.

The campaign was active and candidates engaged in a vigorous schedule of rallies. The language used by the presidential candidates was mostly moderate, however, as election day approached, increasingly negative rhetoric was observed between the leaders of the governing Internal Macedonian Revolutionary Organization — Democratic Party for Macedonian National Unity and the opposition Social Democratic Union of Macedonia. In addition, there was a steady stream of strong accusations of past and present corruption within the ethnic Albanian bloc. The Democratic Union for Integration (DUI) ran a concurrent campaign entitled "No to a One-Sided President," appealing to ethnic Albanians to refrain from voting in the presidential election.

Gender representation criteria were respected in the election administration bodies. However, women were underrepresented in the rallies observed by the OSCE/ODIHR EOM, and gender issues were not addressed in candidates' programmes. All presidential candidates were male.

The incumbent's significant advantage in resources resulted in his predominance in paid billboards and posters. In addition, the incumbent's rallies heavily featured the prime minister and other cabinet ministers. The clear support of government for Mr. Ivanov during the campaign contributed to an uneven playing field and did not fully respect the separation of party and state, as required in paragraph 5.4 of the 1990 OSCE Copenhagen Document, as well as Council of Europe standards.

In compliance with previous OSCE/ODIHR recommendations, the January 2014 amendments to the campaign finance regulations established a clear ceiling for donations by legal entities and included a requirement for contestants to submit financial reports one day prior to the

second round of election. While the new campaign finance legislation clarified some regulations, it does not provide for full transparency.

Despite a large number of media outlets, many IEOM interlocutors alleged the indirect control of the ruling party over the media because of their dominance in the advertising market. In addition, a lack of political analyses and independent reporting was widespread. The phenomenon of self-censorship was noted by media stakeholders. Failure by the public broadcaster to provide balanced and equal coverage challenges paragraph 7.8 of the 1990 OSCE Copenhagen Document.

The electoral dispute resolution mechanism is ineffective. In addition, the lack of deadlines to resolve election-related cases impacts timely legal redress. Also, voters can only challenge decisions on voter registration and the violation of their voting rights on election day. These deficiencies did not fully guarantee effective redress as required by paragraph 5.10 of the 1990 OSCE Copenhagen Document and Council of Europe standards.

On election day, the administration in the limited number of polling stations visited by the IEOM was procedurally well-prepared and the voting process was administered efficiently, however in one municipality the voting process was problematic and a greater number of irregularities were noted. The vote count was carried out in a professional and transparent manner. The tabulation process was generally well organized, although there were many small discrepancies in the results protocols, which were corrected by the MECs.

Legal Framework and Electoral System: "....However, implementation of the legislation revealed that a number of issues and inconsistencies remain unaddressed. This includes: the 40 per cent turnout requirement in the second round of presidential elections that could lead to cycles of failed elections; the ineffectiveness of the complaints procedure; a lack of clarity regarding campaigning before its official start; the lack of legal deadlines and avenues for appeal for some types of election complaints; and the restrictive provisions on who can file election related complaints."

Voter Registration: "....In order to vote abroad, an eligible voter has to be registered with the Ministry of Internal Affairs (MoI) as temporarily living or working abroad and must register to vote at their respective DCO. Although the Constitution does not require a citizen to have residency in-country in order to be an eligible voter, the Electoral Code stipulates that only citizens with in-country residency are to be included in the voter lists. The SEC maintains the voter lists based on information it receives from the MoI, which issues biometrical IDs and passports based on records of citizenship and residency. In addition, the Ministry of Justice (MoJ) provides information about deceased people to the SEC. The subsequent division of the voter list into polling station excerpts is done by the State Statistical Office (SSO). The many agencies involved in the creation of voter lists, their overlapping responsibilities, and the lack of a centralized electronic database makes voter lists compilation problematic and complicated."...."The issue of large numbers of voters residing at the same address where they do not appear to live was also raised by several IEOM interlocutors. When this issue was raised with the Interior Minister, she confirmed to the OSCE/ODIHR EOM that the law is silent of how many people may legally register under the same address."

The Campaign Environment: The campaign officially commenced on 24 March and ended at midnight on 11 April. The campaign was active. Billboards and posters were prevalent in the majority of cities along the main roads while the incumbent predominated. Mr. Pendarovski also enjoyed high visibility in this campaign. The other two electoral contestants attributed

their less visible campaigns to a lack of financial resources. The presidential candidates also held small gatherings and conducted door-to-door campaigning as the main way to communicate with voters. All of the candidates used social media and websites as key tools to reach out to the voters.

Candidates engaged in vigorous schedules of rallies. The OSCE/ODIHR EOM observed 79 rallies, at which presidential candidates, party leaders and parliamentary candidates frequently appeared together. Notably, Mr. Ivanov's rallies heavily featured the prime minister and other ministers, all of whom subsequently became candidates for parliament. The clear support of the government for the incumbent during the campaign did not fully respect the separation of party and state, as required in paragraph 5.4 of the 1990 OSCE Copenhagen. All candidates except Mr. Pendarovski campaigned with their affiliated party leaders. Rallies proceeded without disruptions13 and were generally well-attended, although predominantly by men. However, several incidents of campaign offices being vandalized and campaign materials being damaged were reported to the police.

The issues of common concern reflected in all of the candidates' programs included economic development, poverty and unemployment, youth emigration, the resolution of the name issue, and integration in the European Union (EU) and North Atlantic Treaty Organization (NATO). Both Mr. Pendarovski and Mr. Popovski campaigned heavily on their desire to end the politics of division that they see plaguing the country. The DUI ran a concurrent campaign entitled "No to a One-Sided President" to promote its aim of a consensual president elected in the parliament. The party appealed to ethnic Albanians to refrain from voting in the presidential election. While all four presidential candidates proclaimed that they would represent all of the country's citizens if elected, candidates generally targeted voters from their respective ethnic communities. Mr. Pendarovski, however, did engage in outreach to the ethnic Albanian community by speaking some Albanian and displaying promotional campaign materials in Albanian at events in ethnic Albanian areas. The Roma community was active and visible during the campaign, particularly at rallies for the VMRO-DPMNE. The language of the presidential candidates in campaign was mostly civil and moderate, however, as election day approached, increasingly negative rhetoric was observed between the VMRO-DPMNE and the SDSM-affiliated candidates.

In addition, there was a steady stream of strong accusations ofpast and present corruption being made by political adversaries within the ethnic blocs. The DPA and the DUI attacked each other for their decisions to run a candidate and boycott the presidential election respectively. Speeches at DPA rallies increasingly featured inflammatory language about the DUI, particularly its leader Ali Ahmeti. The DPA also accused the DUI of jeopardizing the secrecy of the ethnic Albanian vote with its boycott call, especially in small villages.

Allegations of voter intimidation and misuse of state resources persisted throughout the campaign. The OSCE/ODIHR EOM long-term observers received a number of credible allegations of pressure, especially of public sector employees, including: pressure to attend campaign events, sometimes during working hours; pressure not to attend opponents' events; promises of or threats to state employment; incentives to vote such as social welfare benefits; and party activists requesting civil servants to provide a list of identified voters who would vote for the ruling party.

The Media: Although there are a large number of media outlets operating in the country, many IEOM interlocutors alleged that the prominent media outlets were under indirect control of the ruling party because of the government's position as the largest single

advertiser. In addition, a lack of political analyses and independent reporting was widespread. The phenomenon of self-censorship was noted by media stakeholders. The media monitoring conducted by the OSCE/ODIHR EOM indicated that a clear bias in favour of the ruling VMRO-DPMNE coalition and candidate Ivanov and against the SDSM and its candidate as was evident in the majority of the monitored broadcasters.

The Electoral Code obliges broadcast media to cover the candidates in a fair, balanced and unbiased manner. It also outlines detailed requirements for the composition of the newscasts during every election campaign on public broadcaster, "Macedonian Radio and Television" (*MRT*). One third of the newscasts should be devoted to local and international events, one third to the activities of the ruling political parties and one third to the activities of the political parties in opposition. According to this requirement the candidates who do not have the backing of a parliamentary party are not entitled to any coverage during these newscasts. Failure by the public broadcaster to provide balanced and equal coverage to all contestants challenges paragraph 7.8 of the 1990 OSCE Copenhagen Document.

The Agency for Audio and Audiovisual Media Services (AVMS) adopted 'Specifics of the Monitoring Methodology for the 2014 Electoral Process' which among other things recommended MRT to allocate additional time in newscasts to candidates who did not have the backing of a parliamentary political party. While not legally binding, this document clarified the legal requirements for media coverage of the campaign. In the course of the campaign, the AVMS received and dismissed 60 media-related complaints from the SDSM, most of which alleged that coverage of state officials was campaigning and that public opinion polls were published without providing all legally required data. In addition, the AMVS initiated 12 misdemeanour procedures against 8 broadcasters mainly for violating rules on paid political advertisements.

....Private TV *Sitel* devoted 47 per cent and *Kanal 5* 40 per cent of their coverage to the incumbent in their newscasts. TV *Alfa* provided Mr. Ivanov with 36 per cent and Mr. Pendarovski with 38 per cent of coverage respectively. However, while the tone of the coverage of Mr. Ivanov was mainly positive or neutral, the coverage of Mr. Pendarovski was more negative. The media monitoring also identified a number of items broadcast by these three stations that were very similar in content, referring to unidentified or anonymous sources, and were biased against SDSM. TV *Telma*, *Vesti 24* and *Alsat-M* provided more balanced coverage of the campaign in the newscasts and devoted similar proportions of predominantly neutral coverage to Mr. Ivanov and Mr. Pendarovski....In the course of the campaign there were very limited opportunities to confront Mr. Ivanov. Only one debate that featured all four candidates was organized by *MRT-1*. After the debate, the public broadcaster organized a discussion programme which mainly focused on perceived failures of Mr. Pendarovski.

INTERNATIONAL ELECTION OBSERVATION MISSION (IEOM), The former Yugoslav Republic of Macedonia, Presidential and Early Parliamentary Elections, 27 April 2014 STATEMENT OF PRELIMINARY FINDINGS AND CONCLUSIONS Preliminary conclusions:

As in the first round of voting, the 27 April 2014 presidential election and early parliamentary elections were efficiently administered, including on election day. Candidates were able to campaign without obstruction and freedoms of assembly and association were respected. However, the campaign of the governing party did not adequately separate its party and state activities, at odds with paragraph 5.4 of the 1990 OSCE Copenhagen

Document and Council of Europe standards. Allegations of voter intimidation persisted throughout the campaign. The Albanian party in the government continued to boycott the presidential election and exerted undue pressure on ethnic Albanian voters not to take a presidential ballot. Before the counting began, the main opposition coalition announced that it would not recognize the results of these elections.

A lack of analysis and independent reporting in the media continued during the second round of the presidential and early parliamentary election campaigns. OSCE/ODIHR EOM media monitoring showed that the majority of monitored media was largely biased in favour of the ruling party and its presidential candidate and mainly negative against the main opposition party and its candidate. The media often failed to distinguish between the coverage of officials in their capacity as ministers and as candidates

One hundred and twenty members of parliament were elected under a proportional representation system and three were elected in a majoritarian system in three out-of-country districts. The uneven distribution of voters in the out-of-country districts and the difference between the numbers of voters in the in-country and out-of-country districts do not fully ensure the equality of the vote as provided for by paragraph 7.3 of the OSCE 1990 Copenhagen Document and Council of Europe standards. In addition, the 40 per cent turnout requirement in the second round of the presidential contest may lead to cycles of failed elections if turnout is lower.

A number of Electoral Code provisions regulating the parliamentary elections were amended in January 2014 addressing some OSCE/ODIHR recommendations. However, inconsistencies and ambiguities impacting the early parliamentary elections remained, including the legal definition of campaigning and length of the campaign, and the provisions on the use of public resources during the campaign. The State Election Commission (SEC) issued several instructions, which effectively amended the law, in an attempt to regulate the overlapping campaigns for the two elections. The legal authority of the SEC to do this is questionable. The SEC met almost all of its legal deadlines and held regular sessions, but continued to be divided along party lines on all politically contentious issues. Despite the late closure of the voter lists for the early parliamentary elections, the printing of the ballots and the voter list excerpts were concluded on time. As in the first round of the presidential election, the SEC did not communicate effectively with the Municipal Election Commissions (MECs) on several issues, causing some confusion regarding the procedures. However, MECs carried out their duties in a professional manner.

....The campaign was active with a large number of rallies and meetings with voters. However, a significant advantage in resources and therefore in political advertising meant that the governing Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity and its presidential candidate dominated both campaigns. In addition, the campaign of the governing party often did not adequately separate party from state activities. As in the first round of the presidential election, there was a steady stream of strong accusations of corruption within the ethnic blocs.

The electoral dispute resolution mechanism remained ineffective. A lack of deadlines for courts to resolve several types of election-related cases combined with a limited right of voters to legal redress on every stage of the electoral process does not fully guarantee effective redress as required by paragraph 5.10 of the 1990 OSCE Copenhagen Document.

Election day was conducted in a smooth and professional manner with only some technical irregularities observed throughout the day. Election boards (EB) demonstrated a good knowledge of voting procedures. However, in some ethnic Albanian areas the IEOM observed that voters were discouraged by EB members from taking a presidential ballot. Most vote counts and tabulation processes observed by the IEOM were assessed positively, although some discrepancies were corrected on result protocols.

The Campaign Environment: .....The campaigns for both the presidential and parliamentary contests were dominated by the VMRO-DPMNE. In addition, the campaign of the governing party did not adequately separate party from state activities, at odds with paragraph 5.4 of the 1990 OSCE Copenhagen Document. Allegations of voter intimidation and misuse of state resources persisted throughout the campaign. The OSCE/ODIHR EOM received a number of credible allegations of pressure on voters, especially public sector employees, which included pressure to attend campaign events, sometimes during working hours, pressure not to attend opponents' events, and promises of or threats to state employment. Other allegations included threats to withhold social welfare benefits and vote-buying among economically disadvantaged groups.

....Rallies observed by the OSCE/ODIHR EOM proceeded without disruption and were generally well-attended, although predominantly by men. However, the number of instances of damage to campaign offices increased as election day approached. In the course of the campaign, the SDSM submitted evidence to the prosecutor alleging that the prime minister received a bribe for the privatization of "Makedonska Banka". In response to this accusation, the prime minister announced that he would file a defamation lawsuit against the SDSM leader.

The main issues and priorities of presidential and parliamentary candidates reflected in coalition and party programmes included economic development, foreign investment, the alleviation of poverty, youth employment, the elimination of ethnic divisions, the resolution of the name issue and accession to the European Union and North Atlantic Treaty Organization.

Speeches at DPA rallies continued to feature inflammatory language about the DUI, particularly its leader Ali Ahmeti. Continuous unproven accusations of personal cases of corruption within the ethnic blocs lowered the level of discourse and took the focus away from concrete issues and party platforms. A disagreement within the DPA between the party headquarters and its Struga branch over the candidate list in electoral district 5 resulted in the branch's boycott of the early parliamentary elections in this municipality.

In addition, the two parties in the ruling coalition, VMRO-DPMNE and DUI, increasingly appealed to their respective ethnic communities to give them the necessary mandates to strengthen their leverage and avoid having to make concessions in any future negotiations on forming the government. The prime minister repeatedly called on ethnic Macedonian voters to give the party a clear majority of at least 62 seats to avoid any further pressure, influence or blackmail from its coalition partner, the DUI. Meanwhile, the DUI asked its supporters to turn out in large numbers for the early parliamentary elections so that the party could win a maximum number of seats in order to improve their negotiating position. As in the first round, the DUI announced that it would continue its boycott in the second round of the presidential election and exerted undue pressure on its voters to refrain from taking a presidential ballot.

Campaign Finance: ".....Overall, the campaign finance system as currently implemented is not adequate to ensure transparency, integrity and accountability of the process. The

template for the financial reports does not require contestants to declare itemized incomes and expenditures. The law does not provide for auditing of the pre-election financial reports or for sanctions for non-submission. The State Audit Office does not have the means to investigate whether contestants had any undeclared incomes or expenditures."

The Media: A lack of analysis and independent reporting continued during the second round of the presidential and early parliamentary campaigns. The results of the media monitoring conducted by the OSCE/ODIHR EOM showed that the majority of monitored media was largely biased in favour of the ruling VMRO-DPMNE and its candidate Mr. Ivanov, and mainly negative against the SDSM and its candidate. In addition, the Albanian language media also favoured the DUI over the other ethnic Albanian contestants. During the parliamentary campaign, media outlets were focused on the activities of the two main political coalitions, VMRO-DPMNE and SDSM, devoting limited attention to the second round of the presidential campaign.

The Electoral Code obliges broadcast media to cover the candidates for parliamentary elections in a fair, balanced and unbiased manner. In addition, the public broadcaster, "Macedonian Radio and Television" (*MRT*) had an obligation to devote one third of the time in the newscasts to local and international events; one third to the activities of the ruling political parties; and one third to the activities of the political parties in opposition based on the results of the previous parliamentary elections. These legal requirements do not fully comply with paragraph 7.8 of the 1990 OSCE Copenhagen Document as they do not ensure time for other contestants.

....According to the OSCE/ODIHR EOM media monitoring results the ruling parties were covered in a more positive manner on MRT. While all contestants were covered largely in a neutral manner, the VMRO-DPMNE had an advantage by receiving positive coverage highlighting its achievements and future projects. MRT-2 displayed a similar approach by providing positive and neutral coverage to DUI activities, and mainly neutral coverage to other election contestants. During the campaign private TV Sitel, Kanal 5 and Alfa devoted in their newscasts 46 to 51 per cent of mainly positive or neutral coverage to the activities of the VMRO-DPMNE. By contrast, the SDSM received from 22 to 27 per cent of coverage, mainly negative in tone. In the course of the campaign the public broadcaster and private Sitel, Kanal 5 and Alfa also devoted considerable coverage to the activities of ministers who were running as candidates, often in a favourable and positive manner. The media largely failed to distinguish between the coverage of these officials in their capacity as ministers and as candidates. Private TV Telma and Vesti 24 provided more balanced coverage of the campaign activities of the two main contestants in the newscasts and devoted similar proportions of coverage to VMRO-DPMNE and SDSM. While the tone of the coverage was largely neutral on Vesti 24, TV Telma displayed a critical approach in the coverage of the government and the ruling VMRO-DPMNE. TV Alsat-M devoted 26 per cent to DUI, 21 per cent to VMRO-DPMNE, 18 per cent to SDSM and 17 per cent to DPA. The tone of the coverage was mainly neutral with the DUI receiving more positive coverage than other parties.

On all private broadcasters monitored, about 40 hours of paid political advertisements aired were purchased by VMRO-DPMNE and their presidential candidate; some 7.5 hours by GROM, 6.5 hours by DUI, 3.3 hours by SDSM and 2 hours by the Internal Macedonian Revolutionary Organization – People's Party (VMRO-NP).

Complaints and Appeals: The electoral dispute resolution mechanism remained ineffective. A lack of deadlines for courts to resolve several types of election-related cases combined with a limited right of voters to legalredress on every stage of the electoral process, does not fully guarantee effective redress as required by paragraph 5.10 of the 1990 OSCE Copenhagen Document.

### Helsinki Committee Final Report on Presidential and Early Parliamentarian Elections

The Helsinki Committee for human rights of the Republic of Macedonia, in accordance with its mission and vision, follows the violations of the electoral rights of citizens. Apart from the citizens' complaints, the Committee also monitored hate speech and hate crimes, with particular interest for analysis of their increase or decrease in the pre-election, election and post-election period. This report is a brief analysis of the situation regarding violations of electoral rights, but also contains information regarding hate speech and hate crimes, which Helsinki Committee the registers two separate www.zlostorstvaodomraza.com and www.govornaomraza.mk. This report also contains the complaints of citizens regarding electoral rights, which were submitted to the Committee during the first round of the Presidential elections. In addition, it also contains proposal measures for overcoming the irregularities.

### First round of the Presidential elections 2014

Most of the complaints to the Helsinki Committee and to other organizations and institutions referred to the ease of removal of the ink used as means of marking and checking voters. The use of this ink was regulated in the latest amendments of the Electoral Code from January 2014, adopted by the Parliament in a simplified procedure. In the last 10 years, this method has been used during the elections in Afghanistan (2004), Kazakhstan (2011) and Malaysia (2013). All these countries had the same problem noticed during the elections in Macedonia, i.e. the ink could be removed briefly after the marking, as was the case with a portion of the voters. Adopting amendments of the Electoral Code, for which a two-third majority is necessary, should not have been conducted via a simplified procedure and without including the expert public and scientific community. The consequences of this action of the Parliament are apparent even in the first round of the Presidential elections.

Regarding the use of this method, representatives of the State Election Commission (SEC), which was relevant in regard to the procurement and use of the ink, attended a consultation meeting in Albania, which had successfully organized parliamentary elections in 2013. According to the reports on these elections, the ink used in Albania could not be removed even several days after voting. Hence, the SEC should answer several questions: Is the ink used during the Presidential elections the same as the ink used in Albania? Which is the country of origin, the manufacturer and supplier of the ink used in Macedonia? Which are the technical specifications for the ink used during the elections? The answers to these questions are necessary also due to the fact that the SEC itself concluded on one of its sessions in February 2014 that "the procurement procedure of the markers shall be of quality and in accordance with the law, and the SEC will conduct it with no difficulties" and that "the SEC has adopted the characteristics of the ink from a technical aspect".

According to the SEC, a total of  $\in$  8 million was needed for the Presidential and early Parliamentarian elections, but from the budget funds and funds additionally approved by the Ministry of Finance, around  $\in$  7 million were provided. Hence, the Ministry of Finance should respond to the question of how does the SEC plan to conduct the elections with a gap of around  $\in$  1 million and why weren't the necessary funds provided, for successful conduction of the election process?

The Helsinki Committee also received reports on calls from the Contact Centre of the political party VMRO-DPMNE, 4 hours after the start of the election process, in order to obtain information on whether citizens have exercised their electoral right, loud reading of names and surnames from the IDs of voters, at the election post 0669 in the Municipality of Kavadarci, police officers standing next to the ballot boxes at an election post in the Municipality of Centar, without obstructing the peace and order at the post, death threats in the Municipality of Shtip, by one of the candidates for Parliament, from the party VMRO-DPMNE, at the election post 2250, after publishing a video of removing the ink, a report to the Chairman of the election commission and giving statements to the media. According to the citizen, due to this report to the Chairman, he was subject to mocking and humiliation in the local media, and the negative campaign against him was conducted by the same person who had expressed death threats on the day of election.

For the Municipality of Struga, it was reported that on the election post 1847 there are no police officers, an in the premises, nobody is keeping records of the ballots. Apart from this, the report also stated that there are information on people who have multiple IDs and can therefore vote several times. In the Municipality of Aerodrom, near the election post in the elementary school "Blaze Koneski" there is an office of VMRO DPMNE, which was open during the entire day and some of the voters went there to sign after voting.

# Second round of the Presidential and Parliamentarian elections 2014

Even despite the conclusion from the first round, assessing the practice of marking and checking voters by using markers as an inappropriate measure, the second round of the elections also contained a large number of complaints regarding the ease of removal of the ink, immediately after leaving the election post. In addition, the reaction of some voters that the inadequate practice of marking and checking should be noted in the records of election boards, some members of those boards did not agree with the voters' request, hence such remarks were left out of the records.

Furthermore, regarding the responsibility of members of election boards, during the second round, in many electoral posts the voters were automatically given ballots from both elections, contrary to item 2 of the Voting manual, which stipulates the following: "If the voter decides to cast his vote for only one type of elections, they are then given the appropriate ballot and they sign only the appropriate register of the Electoral List." Additionally, there were complaints on the work of some chairmen of the election boards, such as the case in the village of Konjari, where some voters were brought back to the post in order to vote for the Parliamentary election as well, after they had realized their right to vote solely on the Presidential elections.

In this direction of listing election irregularities, a complaint was submitted to the State Election Commission, regarding irregularities in the municipality of Shuto Orizari, having

separate electoral lists for both elections, hence citizens on the list for Presidential elections were missing from the list for Parliamentary elections, which violated their right to vote on both elections simultaneously. A similar situation was noted in Kavadarci, on which the Committee received a complaint; one voter was prevented from voting on both elections, because he was only listed on the electoral list for Parliamentarian elections. An additional bizarre situation is that when this citizen reacted, the Municipality informed him that he should have brought his new ID for insight before he was inserted into the electoral list.

The second round of the election was once again put in negative context with the activities of members of the ruling party, who, by violating the right to privacy and the democratic ambient of secrecy and independence during the voting, checked the citizens who had voted - such was the complaint to the Committee by an anonymous caller, regarding such practice by the Union of young forces from Skopje Sever. Moreover, from the large number of election irregularities directly caused by members of the ruling party, it is significant to point out the case of irregular use of ballots, such as the case in the village of Cresha, where a car had taken the ballots and the political options of the ruling party VMRO-DPMNE were encircled.

Considering the pre-election misconduct of professional positions, some members of the ruling party VMRO-DPMNE agitated others on the ruling party's candidates for president and MPs on their job positions, also disseminating election materials. What is exceptionally concerning is the negligence of job responsibilities, on the grounds of contrary political beliefs and affiliation. Hence, one employee of the home "Majka Tereza" in Zlokukjani had practiced biased an unprofessional behavior on the grounds of such political contradiction toward some of the persons placed in the home. Namely, even despite the organized transportation so that the persons could cast their vote, one of the persons was deliberately left in the home, therefore preventing them to realize their right to vote, having in mind that this is a person with physical disability. The complaint for this case, submitted to the Helsinki Committee, clearly points to the selective treatment on the grounds of different political affiliation, considering the statement of the person who reported this case and who claims that her political standpoint was known to and contrary to the political standpoint of the employee who had organized the transportation and who technically provided the conditions for voting by persons from the home "Majka Tereza" in Zlokukjani.

### Hate speech and hate crimes

In regard to hate speech in the pre-election, election and post-election period, from the reports of hate speech which have been collected from citizens' submissions, volunteers and the legal-political team formed to monitor all Presidential candidates and political parties, the Committee has concluded the following:

1. Hate speech is mostly present in larger political parties. According to submitted reports, hate speech turns into hate crimes. The most frequent basis for hate speech and hate crimes is ethnicity, but sexual orientation is also present as a basis. There were several incidents on the grounds of political membership or affiliation, which contain elements of hate, but have also resulted in serious hate crimes against public functions, Presidential candidates, political party offices, but also in physical clashes between citizens.\*

As a result of the increased hate speech, there are also hate incidents which are not processed as hate crimes by relevant institutions. These incidents started in January, with the demolition of a vehicle of the Liberal-Democratic party, and continued with a stoning of an office of the party GROM in two suburbs, a bomb near an office of SDSM, stoning vehicles of participants on a meeting of DUI, damaging billboards, clashes between activists of VMRO-DPMNE and citizens from Chair and Radishani.

2. Hate speech is also present in social networks and media. In fact, it is mostly present on the social network "Facebook". In the reports of our team monitoring hate speech in political parties and Presidential candidates, it was concluded that the official programmes and pages of social network, there is no direct hate speech. However, there is an abundance of comments by supporters of the parties, which largely contain hate speech. Furthermore, according to the team's reports, hate speech is more present on unofficial pages of the parties, behind which there is an unknown perpetrator.

What is worrying in regard to hate speech, and in general in regard to hate speech and the election process is that such speech is used to mobilize voters or mobilize political opponents. Such was the case of degrading use of ethnicity (concretely toward the Albanian ethnic group) in the direct verbal attacks toward the presidential candidate Stevo Pendarovski, during his visit to Lisiche, where he was called "shiptar", and such hate speech had placed the Albanian ethnicity into a negative and offensive context. Moreover, during the entire pre-election campaign, the connection between this presidential candidate and the Albanian ethnic group was pointed out as damaging to the political situation in the Republic of Macedonia, i.e. there was an encouragement for negative reasoning in regard to political cooperation with Albanians

Due to this situation, the Committee expresses concern about the escalation of hate-motivated physical violence, regardless of the grounds, because this problem is not being condemned by participants in the election processes, the institutions and activists, which gives legitimacy to violence, and its practice is encouraged. Such treatment of hate speech and hate crimes is ignored in the legal framework, which means abuse of the competences of persons on public functions in the state administration, particularly in the executive government, whose basic function is to provide and protect the rights of citizens in the Republic of Macedonia.

### Conclusion

Unfortunately, in this election process as well, the Committee regretfully concludes that the electoral rights of citizens continue to be violated by direct participants in the election process, i.e. the political parties and activists. The entire election atmosphere and the violation of the secrecy and inviolability of the electoral right point to a deficit of democracy, hence a lack of capacity for enhancing the legal framework and providing free, fair and democratic elections in the Republic of Macedonia.

In a seemingly peaceful election day, there was an occurrence of what is called structural violence against citizens and their electoral right, which is becoming practice in Macedonia. These conclusions were also made by the observation Mission of the OSCE in Skopje, and other accredited organizations. Also, pressure against employees in the state and public administration continues to be an efficient tool for blackmail and manipulation of the

electoral body, i.e. citizens who have the right to vote. The ease of removal of the ink by a portion of the citizens opens possibilities for additional abuse and compromising the entire election process.

Issuing ID papers with non-existent addresses of residence, as well as issuing dozens of IDs with the same residential address points to the involvement of the Ministry of Interior in the process. Voting on behalf of deceased citizens continues to be practiced in certain election posts. According to known allegations, The Ministry of Interior is actively involved in uncontrolled issuing of falsified IDs. This was registered by accredited observers, i.e. it was seen that one person could vote with several IDs on several election posts. Moreover, the manipulation of the citizens from Pustec, Republic of Albania, continues; they were present on some election posts on the Presidential elections, same as they were during the local elections in 2013. Apart from the aforementioned statements, accredited observers of nongovernment organizations and representatives of political parties were subject to threats even before the eyes of representatives of election boards.

It was also noticeable that two to three months before the elections, hate speech and hate crimes became more frequent, alongside a lack of adequate reaction by relevant institutions, such as the Commission for protection against discrimination, the Ombudsman, the Ministry of Interior and the Public Prosecution. Furthermore, the representatives of these institutions did not give a public statement of condemnation of the illegal actions undertaken by political parties, activists and sympathizers.

All this leads to the conclusion that in the Republic of Macedonia there is a lack of democratic maturity, and lack of respect to the principle of dividing the areas of government, and independence of the institutions. This undermines the credibility of the institutions, which also results in violations of human rights in the country.

### **NGO Reports Indicate Misuse of Public Resources**

Parties are blatantly misusing public resources for their election campaigns, NGOs observing the elections said in a preliminary report. With days to go before the first round of presidential elections, and at the start of the early general election campaign, election monitors from CIVIL - Center for Freedom say parties continue to misuse public funds and resources for election activities. CIVIL quoted one mayor, whose name was not revealed, using a municipal limousine to travel to Italy to take part in a campaign to persuade Macedonians there to vote for the main ruling VMRO DPMNE party. "On return, the car broke down at the Slovenia-Croatia border and some 5,000 euros were paid from the municipal budget for the damage and to transport the vehicle back to Macedonia," the monitors alleged.

CIVIL, along with MOST, another local NGO, has provided domestic election monitors during several past elections in the country. "Our monitors, as well as some media, have also reported about the case in Prilep, where a medical emergency vehicle 'paraded' through town with VMRO DPMNE party flags attached to it," CIVIL noted. After media reports this week showed video footage of the incident, the Prilep City Hospital said it would penalise the staff who misused the vehicle. Another point of concern, according to the observers, is political campaigning in schools. CIVIL, as well as some media, has reported that

promotional posters for the junior ruling ethnic Albanian party, the Democratic Union for Integration, DUI, have been displayed in classrooms in a Skopje high school, Cvetan Dimov. Albanian-language media reported that promotion material for the DUI also appeared at the main entrance of the state-funded Tetovo University in Skopje.

Concretely, MOST stated that voting on April 13<sup>th</sup> was calm with isolated tense situations and relatively high turnout, having in mind that one political party lead a campaign for boycotting the elections. Still, the fact that the visible ink was easy to remove was a reason for grounded reactions by the public and the voters. This fact influenced the mistrust voters had in the election process. In these elections was present the practice the election commissions to read aloud the names of voters, although during training they were specifically informed that they should not do that, as it is perceived as a form of pressure upon voters (taking notes from the party observers who came to vote and who didn't). In front of the polling stations were noted persons who were taking notes on who is coming to the polling station to vote, which is also a kind of pressure over voters.

Regarding the early voting which is organized one day prior to election day MOST noted that for this type of voting there was unrealistic number of people who requested to fall under this category of voters (7.386), although it fell slightly from the previous elections. There was early start of the campaign by the campaign organizer for the candidate Gjorge Ivanov, for which the SEC submitted a request for infringement procedure. Election campaign in comparison with other elections was calmer, but intense with large numbers of direct meetings with citizens. During the campaign were noted rhetoric that fitted for parliamentarian, and not presidential elections. Namely, some candidates promised to improve the economy, to decrease unemployment, to build infrastructure, although none of these things fit the constitutional authorization of the President of the Republic. Regarding the voter's list, MOST notes the obvious lack of political will by the parties and institutions in charge to solve this issue between the two election processes. It is said that the manner in which are elected the members of SEC influenced its work, as during discussions, its members instead of holding to the topic of discussion, were having political speeches. During discussion on remarks, instead of discussing on their substance, members of SEC were commenting on the remarks' submitters intentions.

"Macedonian elections are marred by systemic faults like party-controlled police and judiciary, an established structure of political clientelism in the administration and state-controlled media that manipulate and spread an atmosphere of fear," said Xhabir Deralla, head of CIVIL-Center for Freedom. "In a situation of long-term erosion of the state system, elections are compromised even before voting starts," he stated. Observers say the presence of dead and fictive voters on the electoral roll, the non-transparent process of issuing ID cards, the lack of civic control over voting in the diaspora as well as aggressive clientelism and intimidation of voters at their workplaces and at polling stations, all help the ruling party retain power. The Social Democrats have been quick to blame their disappointing result on fraud. Party leader Zoran Zaev spoke of a "systematic theft of votes". By contrast, the ruling party said the elections had never been better or more democratic, adding that the opposition should seek out the real reasons for its poor result on Sunday. "Zaev will see the results of his attitude that ignores the voice of the citizens in the second round on April 27, when he will face an even greater defeat," VMRO DPMNE predicted.

The electoral roll has for years been a matter of controversy, featuring almost 1.8 million voters in a country of just over 2.1 million, suggesting that an unlikely 90 per cent of the population is eligible to vote. Another chronic problem is the exclusive control that the Interior Ministry exerts over the process of issuing identity cards. No other domestic or international institution has access to it, even the State Electoral Commission. Many suspects that the roll is full of dead voters whose identities are open to misuse during elections. Observers also say that the electoral roll, like last year, holds a large number of voters registered as residing at addresses where they clearly do not live. Instances have been discovered by election monitors of up to 70 people living at the same address. In some case, addresses inscribed on the ID cards and in the electoral roll have been made up. "The scale of the subversion of the electoral role is massive. We alone, a relatively small organization, have discovered cases where entire buildings or building entrances have been added to the electoral roll where they do not exist," Deralla, from the NGO Civil, said. In one such case a block of buildings in Skopje's Kisela Voda district has each been listed in the roll as having nine entrances when in reality it had only two, Deralla noted. "What is even more alarming at these elections is that we have started to see serious indications that some persons have multiple ID cards," he added. One such case reported on election day happened in Skopje's Kisela Voda area, where a person was spotted by CIVIL observers accidentally dropping several ID cards on the ground while voting at one polling station. "Our observers said that this person acted coolly, picked up the fallen cards and continued voting, while everybody else ignored him, as if nothing had happened," Deralla said. In March, Police Minister Gordana Jankuloska dismissed claims that fake IDs and addresses were being handed out to people in preparation for the general and presidential elections in April. "The ministry conducts all activities prescribed by the law with maximum professionalism," Jankuloska said, dismissing opposition claims as "self-promotion attempts". Answering a question about cases of dozens of people appearing to live at the same address, her answer was that there were no legal obstacles to multiple people living under the same roof.

Addressing concerns about the electoral roll, the OSCE's ambassador to Macedonia, Geert Ahrens, said: "We only speak of matters that we can check and testify about,"..."It was a problem that no other domestic institution, or the OSCE, had any insight into the Police Ministry's procedures for issuing ID cards. When the Minister of Interior tells me this is for the State Electoral Commission to solve, and I know the Commission does not have the means to do so, and that they need support from the ministry, this is a matter that deserves criticism".

### 4.17. Macedonian Opposition Disputed Election Results at the First Round

"The first round result for president of the Republic of Macedonia is not at all expected neither by us as opposition, nor according to the belief of major part of the citizens in the country. In the last period we witnessed massive support for the opposition and our candidate for President. VMRO-DPMNE scared for losing power, through a systemic thief of votes in the days prior and on election day prevented the citizen's will. Final result is a new blow to the fragile Macedonian democracy. We, citizens of Macedonia must know the truth. We are here together with you, the citizens, in the hardest moments, let's not allow for the

regime to triumph. We shall not allow this shame to be repeated in the second round. This is a shame for the regime power and just shows their real weakness. I am convinced that on April 27<sup>th</sup> citizens of Macedonia together with us will rise in defense of their country and victory over this regime" Zaev said, hoping that the second round will show different results. He admitted that the government in the second round enters with psychologic difference but SDSM is decisive in discovering its crime. According to him, the 330.000 votes for Pendarovski are an indicator that citizens want change.

Still, prior to the second round of voting on April 27, Macedonia's opposition Social Democratic party, SDSM, said it may not recognize the results of the presidential and general elections, which it is widely expected to lose. The ruling VMRO DPMNE party said the Social Democrats were looking for an excuse for what seemed an inevitable defeat. "The first round of the presidential election on April 13 showed that the elections are not fair and democratic and that there is no fair chance for the opposition to win. If by April 27 the government's audacity and insolence continue, all options are open," the SDSM head, Zoran Zaev, told media. "We are giving it a chance until the last moment," Zaev said. "We have done so by participating in talks on the electoral rulebook, by signing a codex and statements for fair and democratic elections... But if all this is ignored, the opposition neither intends nor has the right to facilitate the regime and its further existence," Zaev added. Already, there were many loud comments that the election prices has been compromised and that SDSM had no choice but not to participate in the next round of presidential and national elections, or at a final instance to return the won mandates and declare abandonment of the system institutions.

VMRO-People's Party was also thinking in joining boycotting the second round of elections if the opposition decided to opt for that. DPA also having the same thinking as well, due to "massive pressure over Albanians at the presidential elections and lack of democracy in the Albanian political campus" but also probable reason was the fear of total fiasco which could the party leader experience after his devastation in the Albanian political corpus. Still, that did not finally happen as the DPA Central Presidency did not opt for such a position.

Police spokesperson Ivo Kotevski said "these have been the most peaceful elections" the country has ever had. His statement came despite reports by the local election monitors from MOST and CIVIL of a series of irregularities ranging from group voting, family voting and political propaganda at polling stations to political pressure on voters. At a press conference the same evening, VMRO DPMNE declared victory of their candidate in the first round. "VMRO DPMNE and Gjorge Ivanov had won. There numbers guarantee a much more decisive victory than our previous prediction... We are counting on even greater support in the second round" said Vlatko Gjorcev of the ruling party. Ivanov addressed the public insisting that the elections were peaceful fair and democratic. "Today the citizens opted for our concept of permanent reforms... of honesty and patriotism", Ivanov said noting that general elections will take place alongside the second round of the presidential poll. PM Nikola Gruevski said his party reached a convincing victory. "This gives us strength for achieving our ultimate goal in the second round - winning 62 seats in parliament," he said.

SDSM accused of foul play. "Under these conditions of constant blackmails and pressures", Pendarovski said that his result may be considered a "bravery" on the part of the people.

"The fight is not over. I will fight till the last day for the concept, the ideas and values that I believe in" he said. SDSM head Zoran Zaev accused VMRO DPMNE of "systematic theft of votes" that "prevented the will of the people".

#### 4.18. Ivanov Receives the SEC Certificate

President Gjorge Ivanov received the certificate from the SEC for the second presidential mandate, but instead of the SEC President Nikola Rilkovski (SDSM), it was handed over to him by another member of the body, Bedredin Ibraimi (DPA). At the event, Ivanov was boycotted by Violeta Duma (SDSM) and Subhi Jakupi (DUI) as well. There was no official explanation, but it was understood that such an act by these three persons is explained with the non-recognition of the election results by the opposition and the boycott of the presidential elections by DUI. After handing the certificate, the other SEC members congratulated Ivanov for his reelection. VMRO-DPMNE's reaction was that by doing that, SDSM steps upon the will of 530.000 citizens. On the other hand DUI stated that Ivanov's election for them was "legal, but not legitimate".

Ivanov's inauguration of his second presidential five-year mandate raised many dilemmas about how shall he perform his function in the future. Analyst Arsim Zekoli says that if during the first mandate Ivanov was more or less forced to behave as the last among the first, the current Assembly scene anticipates that he will be the first among the last, a ceremonial figure without political gravity who is completely transferred from the presidential palace to the narrow PM cabinet. Regarding his relations with DUI, Zekoli said that if Ivanov does not react on DUI's position that they see him as "legal but not legitimate" President, that will be a shameful hypocrisy for him and a damage for Gruevski's patriotic image. No regional colleague of his was present at the inauguration. Jove Kekenovski believes that the fact that DUI do not recognize Ivanov's legitimacy may create problems and more serious crisis in the future. Absence of SDSM and DUI at the inauguration shows that in the future we shall witness an unstable and unhealthy political climate which will reflect on the institution's functioning.

#### 4.19. Former EU Ambassador's Reflections on Macedonia's Democracy

Erwan Fouere, Former EU Ambassador in Macedonia, reflects on the democratic ambience and further political developments in Macedonia:

In normal, functioning parliamentary democracies with their inherent systems of checks and balances, elections give voters the opportunity to choose whether to keep the same government or to vote for an alternative; in other words, they have a real choice. But if the system of checks and balances does not function as it should, as is the case of Macedonia, and the government controls the main state organs such as the judiciary, the public administration and, to all intents and purposes, the electoral process, then voter choice is a choice in name only. However, much will depend on the manner in which measures are implemented and whether the government changes its behaviour from previous elections to fully comply with the new measures.

.....

The outgoing coalition government is likely to be re-elected. Even if it consolidates its power, at the expense of an already weak opposition, will the main governing party change its behaviour to enable the country to move forward? Will it adopt a more consensus-driven

approach to prevent the country from sinking further into instability? The evidence from previous elections since 2006 do not give much cause for hope in this respect. However, despite appearances to the contrary, the country has lost much practical support internationally because of the government's authoritarian and ethno-nationalist based policies. This may give the incoming government pause for thought. There is no doubt that the prospect of EU accession has had a major impact in promoting much-needed reforms and building stable institutions in the countries of the former Yugoslavia. Yet, as reflected in all the internationally recognised indicators, such as those issued by Freedom House, Transparency International or Reporters without Borders, the goal of achieving effective democracy throughout the region remains very much a 'work in progress'.

While some of the EU member states in the region do not themselves set the best example, the EU should nevertheless ensure that its enlargement strategy prioritises not just 'economic governance' but also 'political governance', particularly in those countries where political dialogue and consensus-building remains weak. It should do this by focusing both on political parties, in particular their youth branches, and by ensuring the involvement of civil society in policy development and decision-making, through targeted projects with well-established organisations, such as the Westminster Foundation, or similar entities.

# 5. HEADLINES/POLICIES

#### **5.1. Lustration Process**

At the beginning of the year, opposition criticized the process and the manner in which lustration was conducted. Gordan Georgiev (SDSM) stated that SDSM does not currently support the process because it was abused and became a demonic circus of the government. He believes it became a dangerous game by which were stigmatized many people. How will you justify your pathetic lustration of Slavko Janevski, the pillar of the Macedonian distinctiveness? Ilija Dimovski (VMRO-DPMNE) said that he respects the artistic work of Slavko Janevski but that it does not add or take away what he did to Zivko Chingo (another prominent Macedonian author). This conversation was done during the fierce Assembly discussion for the election of new members of the Commission for Verification of Facts (that is the Lustration Commission), as VMRO-DPMNE suggested to be reelected most of the previous Commission members for the next five years mandate. Opposition SDSM did not suggest new members because it believed that the government instead of clearing up the past uses the body through its Commission President Tome Adziev to settle accounts with their political opponents. VMRO-DPMNE claims the opposite, stating that the opposition wants to clean up the biographies of the lustrated persons close to SDSM, presenting them as victims.

However, the third version of the Lustration law was heavily criticized by the Venice Commission in its Amicus Curiae expert opinion made by request of the Macedonian Constitutional Court, and among other things conclusion is that the law allows to be applied political revenge instead of meeting the goal of the process itself. The Liberal party MP Ivon Velichkovski stated that his party supports the process and proposes a candidate in the

Committee, but this should not give the comfortable position to perform the lustration as it pleases. "We will not allow you to issue a decision to a dead person, even if you try to do it in a spiritualistic manner, or before the process to be terminated to publish the names of the lustrated persons in the media"-he added. As the suggested Committee composition didn't obtain the necessary 2/3 of the MPs votes, (the ruling majority managed to gather hardly 60 MPs (out of the total of 123 the ruling majority managed to gather hardly 60 MPs) the repeated Committee members suggestions and voting were postponed for the period after the elections. Oddly enough, the old Committee composition continued to work through the presidential and national elections, although the Law clearly states that the old Committee members' mandate lasts exactly 5 years from the moment of their election.

The outgoing head of the Lustration Commission, Tome Adziev, stated that in its first five-year term, the state-run body had combed over 29,000 personal files and discovered some 130 Communist collaborators and people who issued surveillance orders for ideological reasons. In its second five-year term, the 11-member body will have to check the remaining 20,000 files that are stored in the state archives and in other institutions, Adziev said. He insisted that the commission had done its job well, despite what he called "obstructions" from opponents of lustrations who believe the commission is pro-government and politically-guided. "The commission has faced many problems in its work. While a certain group of people in the country wants to see the lustration process carried out, another group is against the process," Adziev told media.

Regarding the Law on Lustration, the Constitutional Court finally decided on the case in April, by not raising doubts on its constitutionality. Such a decision was in complete contradiction to the previous two decisions of the Court and contrary to the Amicus Curiae findings of the Venice Commission.

#### 5.2. Position Journalists Involved in Financial Scandal

In September SDSM spokesperson Petre Shilegov revealed a strong financial connection with the editor in pro-government private Sitel TV and on "Vecer" daily Ivona Talevska and firms represented by her, with tenders obtained from the Ministry of health. "This costly business reveals a mega-scandal of how the government of PM Nikola Gruevski is corrupting the media,"..."How is it possible that Gruevski's favourite news editor is also a favourite business associate of the government, and how many other examples like this are there?" Shilegov asked. Opposition proved that Talevska was the initial dominant owner of the medical equipment firm "Visaris" for nine months, showing documents from the central registry. Nine days after the tender was opened by the Ministry of Health, Talevska withdrew from the firm, giving the shares to the minority partner in the firm. Visaris then competed for the one million Euros value tender and got it. Followed a six months period after which Ivona Talevska returned in the firm through her mother Limba Talevska, while Ivona was appearing as the firm's contact person. SDSM presented this case as a classical corruption case of unforeseen dimensions, as it is about "satisfying the material appetites and interests of the journalists who realize the media appetites and interests of PM Gruevski". SDSM spokesperson demanded from the Minister of Health to publish the 1 million Euro tender documentation but also the bank guarantees for the signed tender. According to the tender announcement the firms were supposed to present a total turnover

of 10 million denars in the last three years, and considering that condition, Visaris existed only one year and 9 months and it was not able to show such a turnover. What's more, the firm was supposed to have at least three contracts of such medical equipment procurement in Macedonia or in some EU countries or USA, Canada etc and three recommendations by other buyers were requested. Shilegov called PM Gruevski to explain and take responsibility for this as said mega corruption scheme scandal in which his government is involved, shamelessly manipulating with citizen's money. How it is possible journalists-editors to work in parallel on businesses for medical equipment, marketing research and commercial services? Is that a journalist standard?- he asked.

Media scandal grew further, as it was discovered that at the offices of Sitel TV were registered seats of numerous firms belonging to other government privileged journalists as well. SDSM stated that one cannot count how many firms exist, how many are in the phase of liquidation and how many have been founded and then liquidated. Owners of these firms were or are the main editor of Sitel TV and one of the largest media supporters and the PM Gruevski's domestic friend Dragan Pavlovic-Latas and again his collaborator and favorite editor Ivona Talevska. They are founders of Smart Analytics registered as an association for market research and analysis, or other several firms which are currently under liquidation, marketing firms, youth associations, export-import firms with priority activity "media advertizing" etc. All these information indicated again for a mega media affair and business connection between the authorities and media.

Documents from the Health Ministry for procurement of equipment through the firm Visaris MKD, ownership of the mother of the journalist Ivona Talevska and the Serb Marko Petrovic, confirm that firstly the tender was announced and afterwards hospitals were instructed to purchase the equipment from it. Digital radiology equipment from the tender of the Ministry of Health with this firm was apportioned in four hospitals in the state, as stands in the documents published by the Ministry. Hospitals agreed to get the equipment in the name and for the hospital's account instead of having them determine their demand, but asked to be allowed to participate in the specification for the radiology equipment. One month before opening the offers changes have been made in the tender conditions by which was achieved for Visaris to become compatible and to obtain the one million Euros tender. Certificates requested by the competing firms were at first demanded to have European and world quality but then were changed to be "in the lasting period". Talevska's firm had the possibility to decrease the equipment price during the electronic auction. Other tender preconditions have been neglected intentionally. It was clear that this tender was not made in accordance to the hospitals' needs, orders have not been performed in accordance to a strategy, there was no analysis on hospitals' needs. Therefore, SDSM seeked the public prosecutor and all other relevant institutions to be included in investigating this serious tender scandal which indicates numerous abuses from the side of the tender organizer and the firm that won the tender.

Macedonian Health Minister Nikola Todorov said there was nothing illegal in the tender because when he signed the contract the firm was not owned by Talevska. Speaking for Kanal 5 TV, Todorov said he was "disappointed that such a good project", to replace old medical equipment, had been overshadowed by "a slightly unethical situation", referring to the latest change of ownership. Media inform that Todorov additionally announced

procurement of new diagnostic equipments in the value of six million Euros, while there is another tender for medical equipment already announced at the value of 220 million Euros. Doctors wonder why this is done, as larger part of the previously obtained apparatuses in the value of 100 million Euros is still unpacked.

A couple of months ago the State Audit Office found unfavorable financial policies in the Health Ministry. Audits found out that this institution has no capacity to make procurements as there is not such a department for that purpose. Also, was found breach of the Law on public financial control, as only one person for that aim was employed, while all the activities were performed by the other administration. So far, there was no internal audit performed in the Ministry, so the State Audit Office gave a negative mark for the Ministry's work.

### 5.3. Opposition Continues to Reveal Numerous Scandals

The government set a scandalous low price (1 Euro per square meter) for sale of an attractive location at the central city area, planned for a hotel. After the opposition discovered and publicized it, the government withdrew its decision. This scandal was announced by the Centar municipality mayor Andrej Zernovski, as in charge for this sale was not the municipality, but the Ministry for Transport and Communications, which lead all the procedure. At first, when the public was informed that the sale was at an extremely low price (as on the other side of the street already one square meter is sold for 550 EUR) and there was only one bidding party the Ministry for Transport reacted that it is not possible to annul the sale as the state in that case should compensate the damage to the new owner. Still, after big media pressure, the Ministry justifying itself that there are three owners of part of the sold terrain, the guilt was transferred to the Cadastre employees and sale was annulled. Zernovski congratulated the citizens for their victory as he said, succeeding to annul this extremely criminal and damaging sale and publicly asked who will pay for the damage, as for such scandals government are falling and not only small scale administration employees.

The "Aktor" affair was another obvious, enormous financial scandal and corruption affair that still remains unclear. It concerns the Demir Kapija-Smokvica highway project for which contractor is the Greek firm "Aktor". SDSM revealed that there is serious doubt over illegal withdrawal of cash through "Aktor" which was done in the Stopanska Banka AD branch office in Negotino. At the bank were coming Greek citizens who were not involved in the highway construction between the 1<sup>st</sup> and 10<sup>th</sup> of every month. They were coming by bus in the country intentionally, to raise money in Euros on their name, give it to one person working in the bank and leave the country. In the period of one year, for this purpose entered 96 Greek citizens (some of them belonging to the same family), while several were coming repeatedly. They have been paid on basis of honorarium or for performed agreed activities for "Aktor". During each withdrawal operation, present was Athina Zioga, the accountant of Aktor to which was given the cash at the end. Sums amounted to 20.000, 40.000, 90.000 Euros or even over 120.000 Euros in one withdrawal. This way, have been drawn 3,5 million Euros in cash, while it is known that the firm got a payment of 32 million Euros for the project in February, out of the agreed total of 270 million Euros. According to the customs rules, sums above 3.000 Euros in cash physical persons cannot be taken out abroad, therefore question is where did all this money go, if they stayed in Macedonia. SDSM spokesperson, Petre Silegov, held up alleged bank documents, showing several cash withdrawals of significant sums from the bank account of the Skopje branch of AKTOR ADG Greece. He emphasized that it is strange why there was not a reaction by the Sector for Central Financing and Agreement Conclusion in the Finance Ministry, body in charge for the IPA funds. As known, the total project cost is about 290 million Euros, mostly of which is EU funds, approved for the construction of the highway. Another mystery is who prevented the Office for Preventing Money Laundering to intervene, although it is known that there was legally submitted information on this case.

"Where did this money go? Did it stay in the country or go to Greece?" Shilegov inquired, saying the party suspected criminal links between the company and the government. Out of the total of €290 million, about €130 million are a loan from the European Investment Bank, €107 million came from the European Bank for Reconstruction and Development while another €45 million was granted under the EU's Instrument for Pre-Accession Assistance. The Macedonian government has put in €6 million. During a recent visit to the construction site, Prime Minister Nikola Gruevski said construction was going well, adding that €46 million had been spent on construction so far. However, the SDSM claims that bank records show the company has been paid only €32 million, raising questions about where the rest of the €46 million went.

The ruling VMRO DPMNE replied that the motorway's finances were in order, describing the allegations against the government as politically motivated, designed to coincide with the start of the election race for the April general and presidential elections. "All state institutions in charge respect Macedonian laws and the international standards set by our European partner institutions," the party said, adding that it was not responsible for the way the firm AKTOR spent the money. "Shilegov should ask the firm that won the tender, which was verified by all the relevant European Institutions, if he suspects their work. There is a procedure to report that to institutions, and they will respond," VMRO DPMNE said. Prosecutor Marko Zvrlevski said he will soon launch an ex-officio probe, even if the two institutions who he says are primarily in charge of such cases, the Financial Intelligence Agency and the Financial Police, decline to do so.

Opposition claims that through subsidies, tenders, concessions, appointments of close persons to key decision-making and managing positions, in Macedonia are lead lucrative businesses only by firms close to prime-minister's family. As an example of this kind is presented the firm "Eksiko" LTD seated in Lugano Switzerland - a partnership firm with Sasho Mijalkov, the PM's cousin. In 2011 this firm is not found in the 200 best businesses in Macedonia, a list made by Euro Business Center in Skopje. However, this firm in 2012 makes and incredible leap and rises on this list to the 29<sup>th</sup> place, showing the same year a profit of 3.000.000 Euros. "Eksiko" LTD branches in many domestic firms as co-owner or share holder, while the total income of all these firms only for one year rises above 71 million Euros. This period coincides with the firm T&J Investment (an off-shore firm) entering in "Eksiko" LTD in which are the same managers that are in the Panama form Tasiga Corp, to which Sasho Mijalkov sells his firm Mirtlanis. SDSM publicly asked since the firm Mirtlanis after the selling the seat remained at the same address and the manager remained the same, whether Sasho Mijalkov sold his firm to himself.

SDSM spokesperson Petre Shilegov stated that million sums of subsidies were put into the agricultural combine "Pelagonija" which is owned by the firms of the Prime Minister's cousin, meaning that he profits from the bread of the citizens. Shilegov informed that millions of subsidies (2,5 million Euros jointly in 2011 and 2012) came after owners of "Pelagonija" became "Orka holding" and "Eksiko" LTD. According to Shilegov, the firms "Eksiko" LTD and "Orka Holding" have entered in the construction business through "Beton" Shtip, the firm that built "Skopje 2014" project. Information obtained from the Bureau for Public Procurement "Eksiko" LTD and "Orka Holding" through "Beton" Shtip in only one year won tenders at the fantastic sum of over 25 million Euros.

Another case concerning SMR "Automotives Systems Macedonia" raised questions on how are spent budget money and for what purpose. Namely, this foreign firm on August 31<sup>st</sup> 2011 got twice money from the government in total of 2,8 million Euros, for building an enterprise for molded metal parts and the second time for production of rearview mirror glass. These two factories up to today do not exist, as the beneficiaries breached the agreement and did not construct the factories for which they were obliged to do up until May 2012. Curiosity is that prior to the firm's official registration, the Agency for Foreign Investments addressed itself to the Committee for Competition Protection to bring a decision for allowing the financial aid.

As Shilegov revealed, the Government paid 360.000 Euros budget money in three installments only in March 2013 (23 days prior to local elections) to TV Sitel, while with other seven installments during the same year the government transferred in total about one million Euros. Budget money were paid for "campaign realization" but there is no specification on what is meant by that. Other cases also revealed by the SDSM spokesperson, include the expensive apartments owned by Gordana Jankulovska, the Minister of Interiors as well as some VMRO-DPMNE MPs, like Silvana Boneva.

Opposition Social Democrats accused VMRO-DPMNE of using questionable funds to buy up a massive amount of real estate ahead of the April elections. Days before the early parliament and presidential elections in Macedonia SDSM, presented documents from the land registry that show the ruling party recently purchased over 20 apartments, office spaces and building lots worth some 1.6 million Euros. According to the presented documents, listing the ruling VMRO DPMNE party as owner of the freshly acquired real estate, the purchases took place on several occasions in November, December and January. "How come only you PM Gruevski and your officials from VMRO DPMNE succeed in getting rich beyond any reasonable logic? Is it with honesty that you bought real estate worth millions in just a few days?" the SDSM head, Zoran Zaev, asked. In November 2013, for example, according to the documents, the ruling party acquired real estate worth some half a million euro over three consecutive days. On December 23, over just one day, the party purchased real estate worth an additional 800,000 Euros. In January 2014, the party bought additional property worth 300,000 Euros. According to the documents, the new assets of the ruling party are scattered in the capital, Skopje, as well as in the towns of Pehcevo, Probistip, Stip, Ohrid, Vinica, Radovis, Strumica, Kavadarci, Veles and Berovo. The SDSM leader demanded to know where the party got the money to buy the real estate when just three years ago, in its own financial report filed after the 2011 elections, it declared it owed some 3.5 million Euros.

In a press release, VMRO DPMNE did not deny the purchases but said there was nothing illegal in buying real estate to use as party HQs. The ruling party said the real estate had been paid for "with money of the party acquired according to the law", but failed to give more details. "For all the purchased HQs, VMRO DPMNE possesses valid documents and agreements. Tax has been paid for all the purchased real estate," VMRO DPMNE said. "The SDSM and Zoran Zaev are obviously bothered by the fact that VMRO DPMNE has its own HQs in the bigger Macedonian towns. If that bothers them, we are prepared to give up those HQs and hold our meetings out in the open, in squares," the ruling party said.

### 5.4. The "Makedonska Banka" Affair

During the April elections, opposition filed charges against Prime Minister and VMRO <u>DPMNE leader Nikola Gruevski</u> accusing him of taking a bribe of €1.5 million to expedite the sale of Makedonska Banka to a Serbian businessman, Jovica Stefanovic, nicknamed "Gazda Nini", in 2004. The opposition produced documents of financial transactions as well as legal papers from Macedonia's Central Bank that approved the sale of the bank's shares. The SDSM said the papers contained clear evidence of wrongdoing. In addition, it released a 17 minutes telephone recording on which the opposition claimed that Gruevski's voice could be heard discussing the illegal sale. Documents reveal that a total sum of some €900,000 were paid to the accounts of "Sabiko Limited England", "Archway Engineering Limited England", "Natural Planet Limited England" and "Silver Universe Limited England" as well as to two companies from Skopje. "Within a period of four months, most of this money had been withdrawn in cash under Nikola Gruevski's warrant, for which we also have evidence," Zaev said. Zaev said that apart from this sum, which according to the documents was approved by the then bank governor, Ljube Trpeski, Gruevski and the Serbian businessman arranged for an additional sum of €1.5 million to be "paid illegally in cash directly to Gruevski". By combining the official and unofficial sum for the sale of the bank, the opposition party alleges that Gruevski cashed in a total of €2.4 million. "The way the bank was sold not only broke Macedonian laws but harmed the budget as well," Zaev said, additionally accusing Gruevski of evading some €225,000 in taxes.

SDSM also filed corruption charges against Police Minister Gordana Jankuloska on two criminal accounts of misuse of office and of tax evasion. SDSM say she illegally accepted cash donations for her party, VMRO DPMNE, in 2006. "There are serious allegations that two donations totaling 80,000 Euros intended for VMRO DPMNE illegally ended up with Jankuloska... There is a justified fear that Jankuloska could leave the country and thus we ask the public prosecutor to propose measures to secure this person," the SDSM spokesperson, Petre Silegov, told a press conference. Among others, the SDSM produced what it said were cash receipts containing the stamp of the ruling party and Jankulovska's signature. They said the cash was donated by Zagorec Tumbovski, a local businessman who has been convicted of financial crime. Tumbovski later told the media the claims were true, as the ruling party had extorted money from him and that Jankuloska had been in charge of taking his donations. VMRO DPMNE denied the claims, saying the evidence had been fabricated, and announced slander charges against Silegov.

In his first interview on the subject "Makedonska Banka" the State Prosecutor Marko Zvrlevski said that the recording would "be analyzed to see whether it can pinpoint to any other evidence". However, in an interview with the newspaper *Utrinski Vesnik*, he said that before checking the authenticity of the recording, they would also check whether it had been obtained in a legal way, and "whether there are circumstances that exclude criminal prosecution", meaning whether the case is outdated. Zvrlevski said the law prohibits filing criminal charges for cases that happened over ten years ago and for which the maximum sentence does not exceed ten years in jail.

Prime Minister Nikola Gruevski sued the opposition leader for half-a-million Euro for defamation, after Zoran Zaev accused him of a corruption in the sale of the bank. "It seems that when it comes to the Prime Minister, the courts work in emergency procedure. We have replied regarding some details in the law suit. The demand is for 500,000 Euros" Zaev's lawyer Miroslav Vujic said. The huge sum that the PM is demanding "may reflect the revulsion or the anger caused by Zaev's press conference at which he accused Gruevski of crime," the *Fokus* weekly wrote, adding that this unprecedented sum demanded for slander in a Macedonian court also raised the question whether the real aim was to financially ruin Zaev who is seen as one of the main financiers of the SDSM.

As the prosecution in Macedonia was still deliberating whether to proceed with the corruption charges raised against Prime Minister Nikola Gruevski, SDSM submitted a forensic analysis conducted in Serbia by an "authorized court expert on the field of information technologies" that they say proves that Gruevski's own voice can be heard on a telephone recording in which a man was discussing the sale of the bank. We hope that this expertize from a relevant institution will ease the work of the public prosecutor," the SDSM spokesperson, Petre Silegov, said. However, Chief Prosecutor Marko Zvrlevski said that the additional voice analysis had been sent to the wrong address. "The expertise, so I was informed, was submitted to the Public Prosecution, not to the prosecution in charge of organized crime that is handling the case,"..."I expect that my colleagues will soon inform me about their decision on whether to act on the case or not," he added.

After a month of maintaining silence about the case, PM Gruevski rejected opposition accusations that he took cash to expedite the sale of "Makedonska Banka". "I have never taken a million-and-a-half euros in cash, nor have I in any other way taken any other sum for the sale of Makedonska Banka. All the other accusations that come out of this are also untrue,"..."Although the slander from Zaev refers to a non-existent act of more than ten years ago, I decided to file slander charges just in case, so that this filthy manipulation can be cleared and get a court resolution," Gruevski said in the interview. He said that he had refrained from commenting about the case in person and had reduced his public appearances to a minimum as he was busy attracting foreign investors and leading talks for the formation of the new government after his party won the April election. Speaking about his opponent, he said that Zaev was "politically immature" and that his policies were harmful for the country. "The stubbornness and the opposition's refusal to take up seats in parliament leads us towards losing the recommendation for start to EU accession talks by the European Commission, which is bad for all of us," he said.

At last, as expected Public Prosecutor Zvrlevski rejected the criminal charge due to the outdated deed, while indirectly admitting that in fact there is a criminal deed. SDSM fiercely reacted accusing Zvrlevski of putting himself in a position of an attorney for PM Gruevski, instead of acting according to his legal authority. "As from today, Gruevski is an amnestied, abolished and pardoned individual. The chaotic announcement from the Public Prosecutor's Office indicates the total control of Nikola Gruevski over judiciary and is a classic prove that Macedonia has no state, but all is party. The mere fact that the dispositive states that the bank's capital transformation ended in 2004, confirms that the prosecutor pursued the investigation, prior to reject the criminal charge. According to articles 279, paragraph 2 and 107 paragraph 1 from the Criminal Codex, tax evasion of this dimension becomes outdated in 20 years" – SDSM says.

### 5.5. Draconian Fines for Opposition Magazines

Macedonia's oldest political weekly, *Fokus*, said it was again under threat of closure after a court ordered it to pay a fine for libelling Macedonia's secret police chief. *Fokus*, a critical weekly that already shut down for few months last year after the tragic death of its founder and owner, journalist Nikola Mladenov, said it suspected that the aim of the authorities was to force its permanent closure through a "draconian" punishment. "With these court criteria... we might as well close *Fokus*. Or perhaps that is exactly their goal," said editor-inchief Jadranka Kostova. The judge ordered *Fokus* to pay a total of around 9,000 euro for libelling the head of the country's Security and Counterintelligence Directorate, UBK, Saso Mijalkov. But Kostova said that the last remaining weekly that is critical of the government of Prime Minister Nikola Gruevski was already on the brink of financial ruin, mainly because of a series of law suits against it. The weekly insisted that a statement from a relevant source was no basis for a libel conviction and that Mijalkov, who did not appear in court, could at least have presented a medical report on the supposed emotional pain that the article caused him. Kostova along with a colleague were ordered to pay some 6,000 euro in damages and an additional 3,000 euro for the plaintiff's court expenses.

The Journalists' Association of Macedonia, ZNM, and the Independent Journalists' Trade Union, SSNM, have condemned the sentence, calling it "draconian" and disproportionate in terms of journalists' wages in Macedonia, where reporters get monthly salaries of just a few hundred euros. SSNM said in a press release that the swift and harsh verdict was a form of "repression" and an "illustration of the tendency to suffocate freedom of expression in Macedonia".

### 5.6. Law on Media and Audiovisual Services Change Again

MPs with a majority vote accepted the suggestion of the minister of Informatics Society Ivo Ivanovski to accept the change of the Law on Media and audiovisual service on a speeded up procedure, as there were -as he said- the things agreed with the Journalists' Association of Macedonia. ZNM, has welcomed parliament's decision to accept several amendments to controversial new media laws - while reiterating its fundamental opposition to the law. While reiterating that its core concerns about media freedom in Macedonia remain, Macedonia's main journalists union said the passage of some amendments to the government's proposed media laws gave cause for hope. "This is a step forward towards

better laws, to which ZNM and foreign experts had many objections. This government's response gives hope for further improvement to the laws' content," the ZNM said.

MPs of the ruling coalition this week accepted several ZNM-proposed amendments to the Laws on Media and Audio Visual Services. After parliament suddenly adopted the media laws on the eve of the New Year, many critics were caught by surprise and accused the government of foul play. One key amendment wholly exempts internet media outlets from the new regulations while another reduces the obligations on the print media. A third amendment allows the ZNM to appoint one representative to the new Media Agency, a regulatory body that the ZNM has said it fears will be state-controlled and in a position to curb media freedom. A further amendment stipulates that any future ban on the publication of media content will have to match the practices and standards laid down by the European Court of Human Rights. However, the ZNM said it still believed the new media laws were unnecessary, "when Macedonia is rapidly falling in world ranking charts that measure freedom of speech".

The ZNM insists that any form of regulation of the printed media addressed by the new legislation remains essentially unacceptable. ZNM thinks media should strive towards greater self-regulation instead of accepting government-imposed regulation. The ZNM also criticises the use of what it calls continuing "disproportionate" fines issued against media outlets and journalists. The ZNM also says the new laws still leave room for the government to "buy the affection of the media", partly by the selective allocation of lucrative government advertising. "Besides this, we do not believe that the provisions about the Media Agency guarantee its independence and its transparent work," the ZNM said.

#### 5.7. Is There Politicisation of Macedonia's NGOs?

It is believed that Macedonian civil society has become a stage for the country's political battles, with NGOs cast as the lead actors. Many of the organisations promote the ideology of the main party in the government, while attacking its critics and rivals. In some cases, officials from the party have close links to the NGOs – raising the likelihood of conflicts of interest in a sector in which politicisation, though unavoidable, is meant to be kept in check. The ruling party has in turn accused NGOs funded by foreign governments and international foundations of serving as proxies for the opposition. A problematic example of such an aggressive "NGO activism" is the protest organized against Skopje's Centar municipality, when protesters burst through a police cordon and vandalized the municipality barracks. "Burn in hell, Antichrist!" they shouted, pounding the walls, smashing windows and startling the officials who were meeting inside. The protesters had been mobilised by a citizens' group, referred to in the press as a non-governmental organisation, or NGO. Their rage was directed at opposition party officials who had assumed control of the local government in an election that spring.

Governments critics claim that party dominance has also spread into the arena of civil society, where NGOs and informal associations are defending some of the government's more controversial programmes – such as a costly revamp of the capital's public spaces and restrictions on women's access to abortions. "After the contamination of politics, business,

state institutions and the media, it is now the turn of civil organisations," says Radmila Sekerinska, co-leader of SDSM. However, Ilija Dimovski, a spokesman for VMRO-DPMNE, says it is hypocritical to accuse the government of manipulating civil society. "The opposition parties always say we should listen to the demands of the citizens," he says. "But when the citizens protest against them, they respond with such accusations."

Many employees of foreign-funded NGOs maintain that the government has a direct hand in the civil society groups that share its ideology. "If we don't see Prime Minister Gruevski on the news, then we see the NGOs who convey his message," says Nikola Naumoski, an activist from Plostad Sloboda, an NGO that has protested against Skopje 2014. His organisation is financed by the Open Society Foundations, an international fund established by the investor, George Soros, and headquartered in the US. Macedonian government officials frequently accuse Soros of meddling in the country's affairs. Naumoski in turn accuses the government of harassing activists like him who receive money from abroad. The complaint is echoed by his colleagues in the foreign-funded part of the NGO sector. The Youth Educational Forum, an NGO that advises on reforms to the educational system, was attacked in the local press when it revealed that Soros' organisation was one of its donors. "We always face barriers when we try to co-operate with the government," says the NGO's head, Marjan Zabrcanec, complaining that the authorities ignore his organisation's research and accuse it of working against the state. All NGOs in Macedonia are obliged by law to publish an account of how much money they receive, from whom, and what they do with it. However, this transparency is not followed across the board. Many of the smaller statefunded organisations do not have their own websites, and therefore do not list their activities. The state bodies that fund them – such as ministries, municipalities or a central government agency - do not give away many details either. "Projects are only published with titles," says Malinka Ristova, president of the European Policy Institute, a foreignfunded NGO that promotes debate about EU integration. "There are no reports on what has been done, so we cannot know how they spent the money."

#### 5.8. "Skopje 2014" Project is Going Ahead

"Skopje 2014" still remains a work in progress as more than 20 buildings and dozens of statues and fountains are in place or are nearly finished. Among them are a new national theatre, a history museum, a foreign ministry and a concert hall. Supporters say it will transform the image of a city blighted by decades of dreary Socialist architecture and neglect. Critics object to the chosen artistic style as well as to the project's high estimated cost, unofficially standing at €500 million Euros. The announced start of work this summer on giving Skopje's iconic 1970s GTC shopping centre a faux-Baroque appearance has drawn fresh protests from Macedonian architects. The Association of Macedonian Architects, AAM, which last year staged street protests against plans to clad the modernist building in a faux-Baroque style, said the authorities were wrong to push ahead with the idea against widespread opposition. The government-appointed head of GTC, Ago Abazovski, announced a start to construction this summer. What's more, the city of Skopje started the construction of another fountain at the city square and soon shall start the construction of a panoramic circle which will be placed next to the old medieval Stone Bridge, which is the symbol of Skopje. This decision additionally raged the architects and opponents of the project.

Parliament has meanwhile endorsed legal changes giving local politicians ultimate authority over the appearance of city facades. The ruling parties in parliament endorsed changes to the Law on Construction to allow city councillors to decide the look of any facade in the Skopje central area, if they deem it of importance. The City of Skopje is controlled by the same ruling parties.

### 5.9. Macedonia Launches Chemical Castration of Pedophiles

Macedonia has become the first country in the region to introduce chemical castration for persistently-offending pedophiles, while parliament also approved tougher jail terms. The government-proposed change to the penal law which was approved by parliament on Wednesday allows the Macedonian authorities to introduce chemical castration as part of their attempt to crack down on pedophiles. "We took the examples of Poland, Moldavia, Estonia, Russia, Great Britain, France and Germany who already have such therapies in place," Social Affairs Minister Dime Spasov told parliament.

The process will see repeat offenders given chemicals intended to curb their sexual urges. Under the changes, first-time offenders can opt for chemical treatment in exchange for a reduced jail term. Repeat offenders will be automatically subjected to chemical castration. The administration of the chemicals will be carried out in specialised facilities every six months following release from jail. The law change also envisages an increase in penalties from eight to a minimum of 12 years in jail for sexual assaults on children under the age of 14. For more serious cases in which a child is seriously injured or dies as a result of the sexual assault, the minimum penalty was also increased from 10 to 15 years in jail. The maximum penalty for serious cases remains life imprisonment.

In June last year, Macedonia published an online register of convicted pedophiles who have been released, containing their pictures, names and addresses. The Ministry of Social Affairs said that the list that now contains some 200 names was designed to increase children's safety. Macedonia was also the first country in the region to publish such a register, based on the example of several US states. However, some human rights watchdogs have condemned the move, saying it will encourage people to take the law into their own hands. Also, the Constitutional Court of Macedonia although initially expressed doubts regarding the constitutionality of these provisions, it later stopped the procedure.

#### 5.10. Assembly Decides on the Status of Professional Soldiers

Apparently in order to calm down the long-simmering discontent of professional soldiers, little prior to the election campaign period the Assembly introduced a new law according to which after finishing the military obligation, professional soldiers shall be offered a state job up until reaching the pension age. According to this law, it is expected 4000 veteran soldiers aged 45 and over to be employed in the state institutions. The Government instructed the Ministry of Economy, the Ministry of Labor and Social Policy and the Employment Agency to create a legal solution by which the status of these persons who remained jobless up to December 31<sup>st</sup> last year to be employed in state firms or firms with dominant state ownership. Some other benefits were introduced by the Assembly for the long-term severed workers, together with the agreed with the opposition change to the Electoral Codex.

Therefore estimations are that early elections are due. Severed workers and soldiers were the only who last year demanded their rights on protests.

## 5.11. Macedonia Opposition Criticizes Govt Pre-Election Job Promises

The opposition has criticised employment subsidies and new openings for civil servants that were announced by the government just over two months before presidential election (April 13). What's more, the government also presented its new "active employment measures" which are intended to provide 4,000 people with jobs in 2014 by giving subsidies worth almost a million euro to employers. Employers will be obliged to keep the workers on their books for six to 12 months, government spokesperson Aleksandar Gjorgiev said. SDSM said that the call for 300 new civil servants published last week by the State Administration Agency, as well as the recent government-trumpeted subsidies for 4,000 people hired in the private sector, are unlawful according to the election rulebook and the Anti-Corruption Law, urging the State Election Commission and the State Anti-Corruption Agency to intervene.

Gruevski has denied any wrongdoing ahead of the polls. "I have no information that the law has been broken. I suppose there are experts who can answer on this issue," he told media. Still, according to the election rulebook, employment calls during the pre-election period are forbidden. "These active employment measures are always being promoted ahead of elections, and with one goal in mind, to boost employment promises and to keep the electorate hopeful," said the former head of the State Employment Agency, Biljana Jovanovska. Jovanovska said that if examined objectively, such measures mostly have no lasting effect, as employers usually sack the workers afterwards. Meanwhile, state institutions continue to give very different figures concerning the total number of civil servants in Macedonia, ranging from 90,000 to 180,000, according to different sources. The opposition has repeatedly accused the government of filling the administration with its own party loyalists, rewarding them at the state's expense. From its side, the government has denied such accusations.

### 5.12. The Young Pack their Suitcases and Flee the Country

"I came to the conclusion that it pays off better to open a party than a business, so today I intend to apply in an agency for emigration",..."We care about the name of the country, but not for the people living in the country. This is why I'm leaving"... "Unemployment decreases every day through immigration, well that's a good marketing operation"... "If you don't know how many people are in the phase of moving out of the country, then just look how many pets have been donated"- these are frequent comments on the Internet forums, where young people in Macedonia are expressing their frustrations. Largest part of the young living out of the capital see their future out of Macedonia, as the capital increasingly offers less and less, says Radio Free Europe. A recent research shows that about 40% of the young replied that in five years they see their future abroad. This is especially true for the young living out of Skopje.

Although state institutions do not state how many persons left the country, the EU official statistical bureau Eurostat stated that from 1998 up to 2012, 230.000 persons officially moved out of Macedonia and regulated their stay abroad. This is more than 10% of the

country's population. Among them about 170.000 persons have temporary stay in EU countries (Italy, Germany, Austria, Slovenia). In this period about 5.000 persons annually obtain a passport from another foreign country, but it is anticipated that this figure is bigger. Main reason for moving out is economic, need for better education, better paid job, low quality of life in the country and impossibility to find employment under equal terms (without political party pressures or party membership).

The German Federal Service on Migration and Refugees said that 9,420 people from Macedonia lodged asylum applications in Germany in 2013, Deutsche Welle reported. The figure represents a sharp increase from 2012, when almost 6,900 Macedonians sought asylum in Germany, and from 2011, when there were 1,750 applicants. The numbers have risen even though only 0.3 percent of applicants have been accepted. Since the EU abolished visa requirements for some countries in 2009 and 2010, the number of asylum-seekers from Macedonia and Serbia, but also from Albania, Kosovo, Bosnia and Montenegro, has increased sharply. While the applications are overwhelmingly rejected by EU countries, applicants who originate from poverty-stricken countries continue to arrive, mostly hoping to benefit from free accommodation, food and medical care during the asylum procedure that in some cases lasts several months. Impoverished people from the Balkans are also attracted by the cash payments that some western European countries provide during that period and by the opportunity to work on the black market and save some money to take home after their claim is rejected.

### 5.13. Bulgaria's Position of "Good Neighborly Relations"

Bulgaria cannot back off the demand regarding the Constitution of the Republic of Macedonia, which should not be a basis for involvement in the Bulgarian internal affairs. According to article 49 Macedonia should take into account of the rights of the Macedonian minority in Bulgaria and Greece, says the Bulgarian FM Christian Vinegin in an interview. "I would not like to get into details, but this is an important element of the agreement for good neighborly relations on which we negotiate" — he said. He also emphasized that the agreement should be written on the generally accepted formula "with the official languages of both countries: Bulgarian according to Bulgarian constitution and Macedonian according to the Macedonian constitution. Vinegin thinks that after signing the agreement there should established a committee of experts from Bulgaria and Macedonia focusing on history and education, which should solve "problems with history in a sensible way, without emotions".

#### 5.14. Macedonia Journalists to Seek Justice in Strasbourg

After Macedonia's Constitutional Court relieved the authorities of any guilt for the expulsion of journalists from parliament in December 2012, the Journalists' Association of Macedonia, ZNM, is appealing to Strasbourg. Macedonia's journalists union is taking the case of the expulsion of reporters from parliament in December 2012 to the European Court for Human Rights in Strasbourg. It decided on this move after the top court in Macedonia ruled that their expulsion from the chamber by police had been done "for their own safety". The head of ZNM, Naser Selmani, described the court's decision as scandalous. The Constitutional Court was "encouraging institutions in future to restrict the right to freedom of expression

and freedom of the media in an even more drastic manner", Selmani said. The events of December 24, 2012 - when government parties passed a budget for 2013 in the space of a few minutes, after opposition MPs and journalists were expelled from the chamber by police - caused a lengthy political crisis that was later resolved with an EU-led deal. Journalists had hoped that the Constitutional Court would rule that their expulsion was against the law and breached constitutionally guaranteed freedoms of expression.

Prime Minister Nikola Gruevski denied masterminding a crackdown on independent media outlets, insisting that concerns about media freedom in Macedonia were "hot air." The story about media freedom is hot air, in the absence of a strong and creative opposition that would engage in a fight on real issues," he said. This thesis is being used for political struggle and has become a political issue. It is an alibi for opposition's defeats," Gruevski told MIA news agency, referring to the opposition's defeats in the April general and presidential elections. "I disagree with the while thesis about a pro-government media; I disagree with the insults coming from a part of that community towards other journalists," he said. Gruevski added that international representative had praised government reforms in the media sector, such as the decriminalization of slander and libel and a new Law on Media.

### 5.15. Macedonian Media Situation Analyzed

Heini Järvinen's analysis on the state Macedonian media are currently in, elaborates:

Over the past five years, Macedonia has fallen from 34th on the World Press Freedom Index to 123rd and the decline shows no sign of slowing. Part of the problem was the shutting down of the most viewed TV station (A1 TV) and three associated newspapers, following the questionable arrest, conviction and incarceration of the owner. However, the problems of press independence run deeper, with heavy spending by the government on the country's TV stations in a manner which has been accused of buying the loyalty of these media outlets. This approach has been reinforced by the way in which Macedonia has transposed EU legislation on audiovisual media services – a transposition that was subject to severe international criticism, including from the Organisation for Security and Cooperation in Europe (OSCE). The situation of journalists is also a cause for concern. Ironically, part of the problem is a measure that should be positive for freedom of expression - the decriminalisation of libel and slander. However, this has meant a flood of frequently frivolous civil prosecutions (as there is no legislation to prevent this) and frequently very high fines that can be imposed on the owners of the media in question. There are currently 150 court cases against journalists for libel and slander and fines of up to 10,000 Euro to "compensate" politicians for "emotional pain" are not rare. This has, unsurprisingly, led a strong chilling effect on journalism and self-censorship by journalists.

More serious restrictions are also taking place. Tomislav Kezarovski, a journalist at Nova Makedonija newspaper was convicted and sentenced to 4.5 years in prison for allegedly revealing the name of a protected witness – even though only the very common first name of the witness was published. He had decided to stop being a witness and gave statements against the police. Kezarovski is now in house arrest.

A further problem is that the journalists working on internet portals are often not even considered as journalists because the new Agency for Audio and Audiovisual Services is not in charge of internet media under the new law and online journalists therefore do not need

to register. While this would normally be a positive development, the new institutional framework means that this non-registration can be abused. Since people working in the news portals are not officially "journalists", they can easily be denied accreditation. This means that they may not be invited or even not allowed to attend press conferences or government events. There were already instances of public events and government meetings where only the pro-government media were invited to attend. In the absence of critical voices from television journalists, there is little opportunity to highlight such abuses.

The situation appears unlikely to improve in the online news environment. According to the Grid news aggregator, there are over 120 online news outlets serving a population of only 2 million. A combination of the heavy government funding for certain outlets and plagiarism makes it exceptionally difficult to run a successful and independent news outlet. From the side of the European Union, a revision of the deeply problematic Audiovisual Media Services Directive will be proposed for at least the next 12 months, meaning that a revised Directive will not enter into force before 2017, at the very earliest. EDRi has urged the European Commission to liaise closely with NGOs in EU accession countries to minimise the damage done by the Directive until the underlying problems of the legislation can be addressed more comprehensively- says Järvinen.

### 5.16. "Centar" Municipality Councilor Released From Prison

At the beginning of the year, the Criminal Council of the Skopje Court of first instance decided not to accept the guarantees given for Miroslav Shipovic (the President of the Centar Skopje municipality council) to be released from prison and trialled from home. The court decision comes after the obtained negative opinion of the public prosecution, even though for him have been submitted guarantees of 300.000 Euros or one third of the estimated damage in the case against him and eleven other persons. SDSM stated that it is a day for big shame for the Macedonian judiciary, for which it shall be embarrassed for generations. The party stressed that by this decision is obvious that it is about a set up political case which goes directly to benefit the ruling party. This conclusion comes from the fact that for much heavier criminal deeds perpetrators are allowed house arrest or to defended themselves from freedom. SDSM saw this as a systematic pressure over the opposition and Centar municipality, as the government cannot overcome the electoral defeat in this municipality. However, in June Shipovic has been finally released and he went back to his regular municipality obligations, while the trial is going on.

## 5.17 . Fouere: Democracy Has Lost its Meaning in Macedonia

The Oxford Dictionary defines a democracy as "a state having government by all the people, direct or representative; a form of society ignoring hereditary class distinctions and tolerating minority views". Judging by its record in recent years, the VMRO-DPMNE governing party definition is radically different; it goes like this: a state where government controls all the levers of power, including the judiciary and the electoral process, does not tolerate any minority or dissenting views, and uses fear and intimidation to exercise its authority over society. This year's early parliamentary electoral process is the latest example of the governing party's approach to democracy. According to the interim report of the OSCE/ODIHR election observation mission, although the elections were "effectively administered" and election day "went smoothly", the report underlines that "the run-up

failed to meet important OSCE commitments, including the separation of state and party, on ensuring a level playing field, on the neutrality of the media, on the accuracy of the voters list and on the possibility of gaining redress through an effective complaints system" writes Erwan Fouere, the former EU Ambassador in Macedonia.

The government's own assessment of "Scandinavian-type elections" was in stark contrast, and shows once again that the VMRO-DPMNE-led government operates according to its own rules. In fact, since the election of the current Prime Minister in 2006, the country's record in the conduct of elections has been problematic, with the same weaknesses in the electoral process being repeated and even worsening on each occasion. Apart from the OSCE/ODIHR report on the 2008 elections which included one fatality and several injured in violent incidents, this latest report is the worst on record. With every passing election, the political environment has dramatically deteriorated. Whether it is in the area of political dialogue between the political parties which is virtually non-existent, the allegations of intimidation directed at public servants in a country that has one of the most bloated civil services in the region, the deepening inter-ethnic tensions and increasing climate of intolerance in society or the almost total control over the media, warranting the worst media freedom rating of the entire Balkan region, the assessments made by all international organizations are unanimous in pointing to the gravity of the situation in the country.

The growing number of cases of alleged government involvement in corruption that have come to light are even more troublesome for a government that was elected eight years ago on the basis of a strong anti-corruption platform. The government's claims of bringing increased investments into the country ring hollow when some of those proudly launched with great fanfare turn out to be with business partners with dubious credentials, while unemployment levels, particularly among the younger generation, remain unacceptably high. The tragedy is that, except for those who have given up and left the country, the majority of the citizens are unaware of these facts because of government control over the media. If the diagnosis is clear, the remedy is far less so. Those who try to play by the rules are subject to harassment and worse still, humiliation and insults. The vitriolic attack launched recently by the government against CIVIL, a respected NGO that fosters respect for human rights and greater tolerance in society, is one example among many. The few remaining independent journalists who have survived intimidation and constant harassment are reduced to publishing their articles on internet portals. The opposition has already announced that it does not recognize the results of these latest elections. It has also intimated a possible boycott of the incoming parliament. While boycotts can never be a solution, one can only sympathize with those who despair of normal democratic standards ever returning under the present authoritarian regime. But, despair can never be the way forward. Those courageous individuals who continue to fight to restore the basic democratic standards expected of any country aspiring to join the EU must be supported. The incoming government must be persuaded that a spirit of compromise and effective consensus is more than ever vital for the sake of the country's future. The international community, in particular the EU, needs to make it very clear what it expects the government to do to reverse the current situation. It must also increase its practical support for civil society and independent media, if only to ensure greater accountability from the government for its conduct. Only in this way can democracy begin to find its true meaning once again in Macedonia and a new generation of political forces emerge-says Fouere.

#### 5.18. Ethnic Clashes – Undesired but Existing

Dozens of people were arrested and several police officers were injured in a second day of ethnic clashes in the Skopje suburb of Gjorce Petrov connected to the killing of a young man by an ethnic Albanian robber. The disturbances started when youngsters marched down the main street to the home of the murder victim to light candles. The group then moved towards the mainly ethnic Albanian neighboring suburb of Saraj, clashing with police who intervened to prevent clashes with Albanians. Protesters threw stones at the police, smashed shop windows and set on fire garbage containers that they were using as barricades. The protesters were armed with wooden and metal bats. According to police, several police vehicles were damaged. "The riots passed without major damage and the police managed to establish order in Gorce Petrov," a police spokesman, Ivo Kotevski, said.

Police reportedly told three reporters to delete their recordings of the events and then erased the recordings themselves. The clashes ended around 11 pm. The streets in Gjorce Petrov remained closed for traffic overnight under heavy police presence. The trouble started on after the suspect for the murder of the 18-year-old man was arrested and was reported to be an ethnic Albanian. The victim, known as Angel P, was stabbed to death after he caught up with the man who had stolen his bicycle. Police detained the suspect, named as Naser E, soon after.

OSCE Head of Mission, Ambassador Ralf Breth stated: "We understand the authorities are investigating this crime, therefore it is crucial to let the investigative and judicial process take its course. Solidarity with the family of the victim should prevail over violent protests and the regrettable damage to property. In the recent past the citizens of this country have demonstrated their ability to come together in times of suffering. We appeal to everyone to live up to these values. There should be no collective responsibility by any community for the acts of one individual."- he said.

# 5.19. Ruling Parties Sued For Paying Cash in Elections

Transparency International – Macedonia, an anti-corruption watchdog is filing criminal charges against Macedonia's ruling parties for allegedly making illegal cash payments and misusing municipal funds in the recent elections and in those held last year. The organization filed criminal charges against the ruling VMRO DPMNE party and its junior government partner, the Democratic Union for Integration, DUI. "The charges are for illegal payment of expenditures for the election campaign, such as paying in cash, and for using municipal and public enterprises funds for political party purposes," the head of Transparency, Slagjana Taseva, said. At a press conference in Skopje, the Macedonian branch of Transparency International presented cash receipts as evidence that the ruling VMRO DPMNE party on March 26 paid a local public enterprise in the town of Prilep in cash to set up a stage for a party rally. Transparency said it had obtained the receipts from the public enterprise through a public information access request. The claim is that there is breach of Article 71 of the Election Codex that prohibits parties from making cash payments during elections. The law obliges all parties to open separate bank accounts that are be used solely for payments related to the election campaign. In another case, Transparency said it

would sue the ethnic Albanian DUI party for misusing public funds for party purposes during last year's local elections. Taseva presented documents from the municipality of Studenicani that she said show that, in February 2013, the municipality paid for the procurement of computers "under the order of Artan Grubi from the DUI", who is chef de cabinet for the DUI head, Ali Ahmeti. In addition, Transparency also presented an email in which Grubi allegedly told the municipality to pay for the equipment. "I am sending you two invoices as attachment. Please make the municipality cover the expenses. Each municipality has helped with the same amount, by providing big flags, a computer, large screen TV for a press conference, stages, microphones, audio mixing device etc." the alleged email from Grubi reads. Grubi has denied putting any pressure on ethnic Albanian-dominated municipalities during the elections. He told NOVA TV that the money was used for a traditional Albanian hat celebration that had nothing to do with the elections. Taseva said the cases show that "Macedonia still lacks solid mechanisms for monitoring and protection against these kinds of misuses, which are hampering the democratic development of the country because we cannot speak of fair and equal conditions for all political players in the election campaign".

### 5.20. Opposition Boycott Faces Parliament With Dilemmas

PM Nikola Gruevski, noted that that the SDSM had not filed a single complaint about the first round of voting, which it said suggested the party was looking for an alibi for its coming defeat. "The opposition is preparing not to recognize the election results from the presidential and parliamentary elections," the head of VMRO DPMNE's information centre, Ilija Dimovski, noted. Political analyst Alajdin Demiri said the opposition lacked the will and capacity to repeat the all-out boycott of institutions of early 2013, which began after SDSM legislators were thrown out of parliament. But Demiri said the option of not recognizing the April 27 election results was less risky, as it might "de-legitimize the ruling party's election victories". A former Macedonian ambassador to OSCE, Arsim Zekoli, said the opposition might have no other option. "A boycott is not good from a political and democratic viewpoint. But under the current conditions, a boycott could be used as a last-minute warning to avoid the abyss over which Macedonia is hanging," Zekoli told Deutsche Welle.

After Macedonia held a constituent session of the new parliament without opposition MPs, legislators from the ruling coalition are considering how to fill key parliamentary bodies that require opposition MPs' presence. By law, the heads of two commissions that monitor the work of the secret police and the intelligence agency are drawn from the ranks of opposition MPs, same as the head of the commission on human rights. Currently only 88 of the 123 MPs are present and at work, seven of whom come from the opposition Democratic Party of Albanians, DPA. The opposition Social Democratic Party, SDSM, the Liberal Democrats, LDP, and the New Social Democrats, NSDP, which together won 34 seats, due to the disputed legitimacy of the April general election result, stated that they will spurn their mandates. The small National Democratic Rebirth party (NDP) which won one seat, takes the same line. This situation leaves very few options, one being to leave these commissions empty, as not many commissions legally require opposition members, while the other would be to ask DPA MPs to step in. Speaking after his re-election as speaker of parliament, Trajko Veljanoski said that "parliament's work must not be halted" by the opposition boycott, adding that he "sincerely" wished opposition MPs would now change their minds and take up their seats. In spite of the declared opposition will not to take up the seats,

Parliament verified their mandates. The MPs have the option to submit their resignations or simply not attend future sessions.

The former head of the State Electoral Commission, Aleksandar Novakovski, said the opposition move would not prevent the constituent session of the new parliament from taking place. This is because, by law, the session may take place if at least 62 legislators are present. Novakovski said one possible option is staging fresh elections for the empty seats, although "the law is not precise about what happens when these kinds of additional elections are needed. In practice, the parties should come up with new lists of candidates".

"This is a harmful decision, both for the country and for the opposition party itself. The party still has time, until the formation of the new parliament, to reconsider its decision," Gruevski commented. By law, the constituent session of the new parliament must take place within 20 days of the end of the election. If the SDSM persists is refusing to take up its seats, one possible option is staging fresh elections for the empty seats. It remains to be seen whether a political solution will be reached, or whether the opposition will now call on its supporters to stage protests, which it has not ruled out and would certainly deepen political rifts in the country.

In a joint statement, the delegation of the European Union and the US embassy in Skopje, urged party leaders "to engage constructively on reforms that will further the process of Euro-Atlantic integration" and jointly address shortcomings in the election process. They said they "echo" the assessment of OSCE/ODIHR election monitors that the polls were well administered but overshadowed by "deficiencies and inequities in the broader electoral system" that, if left unaddressed, "risk undermining faith in the democratic process". The OSCE previously said the election failed to meet key standards concerning the separation of state and party activities, the existence of level playing field between the parties, neutrality of the media, accuracy of the electoral roll and the possibility of gaining redress through an effective complaints procedure.

Zoran Zaev, head of the opposition Social Democrats, SDSM, said the party stood by its decision not to take up the 34 seats it won in the 123-seat parliament in last elections. "The central board has unanimously accepted the decision of the executive board not to take up seats in parliament," he said. Insisting that Nikola Gruevski's VMRO DPMNE party won both the April general and presidential elections by fraud, the opposition has demanded the formation of a "technical" government that would prepare the country for new elections. The SDSM spokesperson, Petre Silegtov, said his party would only return to parliament if the authorities start to process the criminal charges they filed recently against Prime Minister Gruevski and Police Minister Gordana Jankuloska. The SDSM's allies, the Liberal Democratic Party, LDP, has also said that it does not recognize the election.

The European Commission spokesperson, Peter Stano, in an interview called on Macedonian leaders to resolve the issue on their own. "I do not wish to speculate about possible interference from outside. I would rather wish to point out the need for constructive engagement and dialogue between the government and the opposition in the country," Stano was cited by Faktor news portal as saying. Stano said the Commission wished to "echo" the assessment of OSCE/ODIHR election monitors that the polls were well administered but overshadowed by systematic flaws.

At the session inaugurating Gjorge Ivanov as President of Macedonia, the parliament's plenary was even emptier for his inauguration, as apart from the expected absence of almost the entire opposition, DUI also boycotted the event. At the session inaugurating Gjorge Ivanov as President of Macedonia, the parliament's plenary was even emptier for his inauguration, as apart from the expected absence of almost the entire opposition, DUI also boycotted the event.

### 5.21. New Government on the Making

After the parliamentarian elections, in which most seats were won by VMRO-DPMNE (61 seat) from the Macedonian block and DUI from the Albanian block (19 seats) it was obvious that the new Macedonian government will be again composed by the same parties. Although there were some preelectoral VMRO-DPMNE "flirtations" with the other party from the ethnic Albanian block (DPA-7 seats) at the end of the day the outcome was inevitable. To add to the impression, DUI stated that "if someone intends to play with the Albanian election will, then Macedonia will fall into big crisis, once they (meaning VMRO-DPMNE) made such an adventure that lasted for 16 months, this shall not be allowed again". Both parties met and agreed to form work groups for the negotiations for the new governement.

At first, it was said that DUI's requests in forming the new government will be: ministry of interiors, president of the assembly, ministry of defense, ministry of finances or eventually director of the Customs or director of the Office for public revenues (UJP), or one of the positions of the ministry of interiors and the ministry of Economy. The party also seeks urgent constitutional change in order to be included complete bilingualism on the territory of the whole country, change of Constitution in the part of election of President which will be elected in the Assembly by use of the Badenter rule, etc. What's more, Ahmeti stated that if Macedonia does enter NATO, which anticipated solving the name issue prior to that, there is an opened option for a new election marathon. He criticized the stalemate in the Euroatlatic processes and said that one more recommendation from NATO in September without becoming a member would be worthless. He seeks for a new platform for coalition agreement in which will be included the name dispute, that is unblocking the Euroatlantic processes, together with all other requests. DUI also dismissed as speculations media claims that it has been hard pressed by its senior partner to recognize the presidency of Gjorge Ivanov. The party says it was only a speculation that the main ruling VMRO DPMNE has set this as a condition for resuming talks on the formation of a new government led by Prime Minister Nikola Gruevski and that they have been pressed to appear at Ivanov's inaugural session. Still, it is said that at the government talks "DUI has been told to find a way, explicitly or not, to recognize the legitimacy of the president. It is very important that the DUI MPs appear at Ivanov's inauguration because that will influence the talks. They don't have to applaud but their presence will be a gesture of political culture".

Finally, most ministers in the last government look set to remain in their posts as Prime Minister Nikola Gruevski proposed a new cabinet. Gruevski's most trusted ministers will retain their posts: Gordana Jankuloska remains Police Minister while Zoran Stavreski retains his seat as Vice Prime Minister and Finance Minister; Nikola Poposki remains Foreign Minister; Dime Spasov is again the Minister for Labour and Social Policy, while Nikola Todorov remains Health Minister; Mile Janakieski stays in the post of Transport Minister;

Elizabeta Kanceska-Milevska remains Culture Minister and Ivo Ivanovski remains Minister for Information Society; The most notable shuffle between Gruevski's VMRO DPMNE and DUI, is the switching of places between the Education Ministry and the Defence Ministry. The outgoing Environment Minister from the DUI ranks, Abdilagim Ademi, will now be leading the Education Ministry that was previously run by a VMRO DPMNE politician. In return, the DUI leaves the Defence Ministry to the VMRO DPMNE, which plans to appoint the diplomat Zoran Jolevski to the post. Jolevski, who was the Macedonian representative in the long-running UN-sponsored 'name' talks with Greece, is the most notable VMRO DPMNE newcomer in the cabinet. The new Environment Minister is Nurhan Izairi from the DUI. The outgoing Education Minister Spiro Ristovski will remain in the government but this time as Deputy Education Minister. The three other Vice Prime Ministers also remain the same. Vladimir Pesevski will be in charge of economic affairs; Fatmir Besimi will lead European affairs while Musa Xhaferri will be in charge of the implementation of the Ohrid Framework Accord. The roster of ministers without a portfolio also remains largely the same. Vele Samak, Bil Pavleski, Nezdet Mustafa and Jerry Naumoff retain their posts, while Visar Fida and Goran Mickovski will be two new ministers without portfolio. The new Justice Minister is to be Adnan Jashari from the DUI who will replace the outgoing minister, who was also from the DUI ranks, Blerim Bexheti. The Agriculture Ministry remains in the hands of the small ruling coalition-allied Socialist Party, where Mihail Cvetkov will replace the outgoing Ljupco Dimovski. In his platform for government, the PM said that attracting foreign investments and boosting employment were his top priorities for the next four years, together with the country's Euro-Atlantic integration. Macedonia's parliament formally endorsed the new government of Prime Minister Nikola Gruevski with a vote of 77 in favour and 6 against.

### **5.22. Opposition Plans Next Steps**

The opposition led by the Social Democratic Party (SDSM) after submitting written resignations to parliament, is seriously considering setting up a 'shadow government' and other various mechanisms. Reason for that idea of a shadow cabinet and a shadow parliament which is being seriously considered is that the current institutions of the system function "as mere shells without any substance". As part of the effort "to restore democracy in the country", a whole range of parallel institutions could be set up in opposition to Prime Minister Nikola Gruevski's government. These could include a Financial Council, a Forum of Independent Judges, Anti-Corruption Commission and a National Security Agency. The SDSM head Zoran Zaev already announced that his party would soon launch further action. He said that there would be "precise activities that will be open for participation to all the progressive forces in the country", although he declined to give any further details about what these might be. Tito Petkovski, the head of the smaller NSDP opposition party, has already said that he backs the idea of parallel institutions.

At the same time, PM Gruevski said fresh elections may be held for seats vacated by the opposition in parliament. He stated that parliament "has no choice but to verify those resignations at the next session and call fresh elections for the vacant seats". The opposition legislators who resigned from their seats, condemned the proposal. Additional elections under a proportional election model would put us in an absurd situation whereby the same people would be given a chance to vote twice and their votes would be represented in

parliament multiple times," Renata Deskoska, who was recently elected as a legislator from the main opposition Social Democratic Party, SDSM, complained. She told Deutsche Welle that new elections for the empty seats would not only be legally problematic but would also create a "fake opposition" in parliament composed of MPs from tiny political parties.

If additional elections are now called, only the 34 now-vacant seats won previously by the opposition will have to be filled. In the first constituency, the parties would have to compete for seven empty seats, in the second they would compete for five, etc. Almost all opposition MPs submitted their written resignations to parliament last week with the exception of the LDP MP Roza Topuzova-Karevska and the SDSM MPs Solza Grceva and Ljubica Buralieva. Most experts agree that the procedure for setting up additional elections will not run as swiftly as the Prime Minister has suggested. Experts say the procedure could take months, as the State Electoral Commission must first invite all the rest of the opposition MP candidates that were on the opposition electoral lists, one at a time, to fill in the vacant seats. Only after they all decline to do so can parliament discuss what to do next.

Gruevski stated that main opposition strategy is to make as big as possible damage to Macedonia, as 33 MPs submitted their resignations to the Assembly. "The chance to lose the EU recommendation is huge. I think that the happiest man at that point will be Zaev and he will jump one meter up if he finds out that Macedonia lost its recommendation. This is not a strategy, this is destructive policy which was lead by Branko Crvenkovski and now by Zaev, as they do not have any other ideas. Regarding the out of institutions activities of SDSM Gruevski said "we in the last period saw what type of activity Branko Crvenkovski has by going out and debating on the streets but we saw how on that reacted citizens on elections. And when Crvenkovski got on elections and was defeated and when Zaev was on elections how he was defeated. Still, they decided to do the same and at the same time to damage Macedonia.

## 5.23. Leaders' Unsuccessful Meeting

Macedonia's Prime Minister Gruevski and opposition leader Zoran Zaev agreed to meet in an attempt to defuse the political crisis that erupted when the opposition disputed the April elections. Zaev, has set five terms that he said the government of Nikola Gruevski must meet if they plan to end the post-election crisis. The five conditions that Zaev set at a press conference are: the formation of a technical government, separation of party and state activities, better regulation of the media, improvements to the electoral laws and carrying out national census to determine how many voters there are. Ahead of his first meeting with Gruevski, Zaev said that they will not accept any deal if a guarantor from the European Union is not present. "Our experience from previous deals with Nikola Gruevski shows that they remain undelivered," he said. It is sensed that both parties have set the meeting due to the encouragement of the international community in order to try to settle down the existing harsh differences. However, as expected, the meeting was unsuccessful, as Zaev showed interest in discussing other concrete moves only if his counterpart accepted forming of a technical government which will last until it organizes free and fair elections. This position was entirely inacceptable for PM Gruevski who refused the offer.

However, experts comment that the state is facing serious destabilization. Recently Jonathan Moore, the Director for Central and South Europe in the State Department stated

that in Macedonia are used all possible state resources against the opposition and against the political competition, and that such a situation is unsustainable. Similar qualifications have been given to the Munich conference dedicated to security. Analysts state that there are indications that soon will start the anti-criminal storm, which will blow to pieces the "Skopje 2014" project. What's more, elections were disgraceful and fact is that no relevant foreign actor has congratulated the election result. SDSM by cancelling the mandates made one more blow to the government, not only regarding the legitimacy of the electoral outcome, but also regarding the future lethal political decisions that ought to be taken, especially regarding the name issue. DUI may not find any more justifications of staying in government if Macedonia shall not be received in NATO this September.

### **5.24. Government Suggesting Constitutional Changes**

At a press conference, PM Gruevski announced eight constitutional changes which are considered urgent, meaning that they should pass the latest by September this year. He explained that the suggestion is aiming to improve the quality, increase of independence and comprehensive system functioning. Experts are for now careful and would like to hear more elaborative interpretation of the suggested change.

Suggestions include: defining the marriage as unity between one man and one woman, précising fiscal rules in the budget frames, change of the name People's Bank (removing the word "People's") and renaming it in Bank of the Republic of Macedonia, introducing the State Audit Office in the constitution, introducing the Constitutional complaint in the work of the Constitutional Court, change in the Judicial Council (not to have as members the Minister of Justice and the President of the Supreme Court), etc.

DUI stated that shall support the constitutional change and shall renounce all political-party requests for promoting the position of Albanians in the country, including the idea the President of the Republic to be elected by the Parliament.

However, VMRO-People's Party immediately reacted on the part of the constitutional change that refers to the indebting, commenting that by doing so, the government will allow itself to borrow uncontrollably up to 60% by year end, as opposed to any other government which will come next and which will have very limited possibilities of borrowing, even if there will be a urgent need for that.

#### **6. PARTY DEVELOPMENTS**

Inevitably, due to the double elections - presidential and parliamentarian, held in April this year, party dynamics in Macedonia were directly influenced by this process. On one side, there were the two ruling parties (VMRO-DPMNE and DUI) which were showing much firmer party centralism and discipline in electing and promoting candidates as well as shaping the party election programs, campaign and priorities. Especially in the case of VMRO-DPMNE, same as the last local elections, it is clearly visible that the party is not withholding itself to pouring large amounts of money in campaign purposes and that

practices an iron grip style policy within the party same as in government. SDSM and other opposition parties on the other hand are going through a process of re-consolidation, putting priorities and party strategies in place. SDSM in the recent past got a new leadership, shaped up a new party election program and is still struggling to respond to the current politics dynamics. Other parties (DPA) have been facing serious leadership crisis and have been struggling to better position themselves in the political "market" (LP).

Most of the intra-party events shall be covered in the section on elections.

## **6.1. SDSM Party Developments**

The rather recent leadership change in SDSM has surely taken its price in the April elections, as the duo Zaev-Sekerinska are still struggling to consolidate and balance party unity and their leadership position. Still, having in mind the harsh conditions under which the part has to work and cope, and the blows and departures that SDSM had, they have succeeded so far to maintain party unity.

An interesting coming forward for the parliamentarian elections was the idea SDSM not to put on the national party lists the leading opposition personalities and the party leadership. As Zoran Zaev interpreted, this new concept sends the undoubtedly clear message that he and his team are the basis of which the future Macedonian government will be consisted, therefore, in order not to deceive the voters, he announced that the persons who will be on lists shall be the ones who are intended to stay and be active parliamentarians, instead of been quickly transferred in the executive. He emphasized that this is above all an honest approach towards the citizens who know in advance who shall be the future President of the Republic, which will be the MPs and which shall be the contours of the new government.

The SDSM party program and the candidate lists for national elections were determined and accepted following a debate at the Central Committee of the party and then at the 17<sup>th</sup> party Congress. Although it was rumored that considering the party lists there is dissatisfaction among the veteran MPs, still the decision was brought unanimously. In the lists were also places left for negotiation with the coalition partner parties.

In his interview for Deutche Welle, former SDSM leader Branko Crvenkovski stated: today the party needs leadership with large credibility and even larger unifying capacity, an authority that overcomes the limits of the party. "In the last year I purposefully withdrew from the public because I did not want in any way to be an impediment in the realization of the new leadership concept. This concept was a discontinuity of policies for which I was striving after the "black Monday": continuation of resistance, delegitimizing of institutions by their abandonment and local elections boycott. In the accuracy of my intentions I did not manage to persuade all important players in the party, among which the two currently leading party persons Sekerinska-Zaev. The resistance failed not because of foreign pressure, but because of party disunity within. I did not accuse anybody for that and I took all the responsibility, wanting to release the new leadership of any "mortgage" and to allow the new politics of "constructiveness" and "institutional battle" against Gruevski's power. "Unfortunately, elections brought no such result. The decision not to recognize the elections

and to boycott the Assembly is not questionable and I completely support it. But by that decision is proclaimed defeat of the concept of constructiveness promoted last year by SDSM and happened return to the positions on which we were before halting the resistance. Such radical shook ups of acting strategy cannot pass without tectonic shakes in any party. SDSM today is in serious crisis and without a strong SDSM there is no strong opposition, nor successful struggle with this regime" Crvenkovski stated. He also said that in the current situation not he or Zaev are a solution for the party. He excluded himself due to the blackening position campaign against him, while Zaev, although Crvenkovski emphasized that he especially appreciates his courage and decisiveness for exposing to the public the crimes and corruption of the government, he made series if mistaken estimations for key issues, and produced internal party divisions. That's why he thinks that the party should go forward with a completely new solution. He did not want to bid on any names, but as a possible example he mentioned the presidential candidate Stevo Pendarovski.

On the other hand, Zaev before the planned party congress stated for Plusinfo: "SDSM members through the congress delegates shall express their position on who should obtain trust to lead the party in the next period. I am convinced that mine and the concept of the current leadership is the real strategy which in the near future will result in overthrowing Gruevski from power. That is why I am sure that the delegates of the Congress shall give undoubtedly support to the current party leadership".

After the elections terminated, SDSM Central Committee by suggestion of the Executive Committee, on May 11 after all night of discussions decided not to accept the MP mandates the party won at the parliamentarian elections. Their argument was systematic heavy fraud in the whole election process, before during and after elections, due to which was announced non-recognition of the election results. Key argument regarding the SDSM refusal to submit complaints to SEC and the argument why they refuse, is that previously the party submitted 170 complaints and none has been accepted or they were not looked upon at all, which is a sign that the whole election system is blocked from within. At the party session were present the currently elected MPs, the previous MPs, the mayors, presidents of municipality party organizations and the presidential candidate Stevo Pendarovski. "Opposition must build a serious concept, a concept which will unite and attract all free thinkers in the country, a concept which will unite civic organizations and through which will come out a strong union which will fight with this regime. But, this concept cannot be created by quarrels and divisions in media, that is why I stand behind Zoran Zaev" said the party Secretary General Oliver Spasovski. In his speech, Zaev asked for trust and called on party continuity and unity, resuming his ideas for boycott.

At the end, the leadership duo Zaev-Sekerinska sustained the attacks and critiques of former MPs and reconfirmed the party trust, although not unanimously. In the vote of confidence, 413 party delegates supported Zaev while 146 voted against him, with 105 abstentions. "The confidence I won is greater than that they gave me one year ago when I was elected as party president. This is a great honour and responsibility," Zaev told Deutsche Welle after the vote. After gaining the backing to continue leading the party, he said that despite different opinions at the congress about his leadership, it was much more importaint that his party united over its policies and thus emerged stronger and more unified. "The SDSM is in a specific moment of its existence and this strong support is an additional encouragement

to persist with our decisions... until we reach our final goal – for Macedonia to be ready to hold free, fair and democratic elections and for the rule of law," Zaev said.

Svetomir Skaric, a retired constitutional law professor, stated that SDSM has few acting options after the announcement that would not like to accept their mandates in the Assembly, as well as they will not file complaints to the SEC because they think it is pointless. He suggests that one should carefully read the comments of OSCE/ODIHR, USA and EU, when they speak about disproportionate situations in the wider election system and seek reforms. "Such a blockade of the election process for which opposition is alarming means that there is no legitimacy of the election process itself, because it does not exist a spirit of freedom, equality and equality among actors in elections, society and democracy"-Skaric says. According to him, the elected SDSM MPs announcement that they will not accept their mandates means that they will not at all pick up the certificates for MPs from the SEC, says Skaric. If they have announced resigns from their MP places, that would mean that they received the certificates from SEC . "But if they do not appear at all at the Assembly, the verification commission will not be able to have a say for their mandates. In case of a vacancy in the Assembly it can still function, but the SDSM move would mean questioning the legitimacy of the majority that won on elections, as SDSM clearly says that it is about absence of free and fair elections. There is legality but not legitimacy. The question of technical government seeked by SDSM is not anticipated in the Constitution" Skaric says.

For Zoran Zaev, the leadership role was not proven easy so far. He has been tested several times already, but there is strong impression that he is determined to endure. Zaev already was the target of a black campaign for which VMRO-DPMNE didn't mind spending huge sums of money. On that, SDSM suspecting that state money are used for that purpose, publicly seeked reply where did VMRO-DPMNE find one million Euros to pay for such a blackening campaign, having in mind that the party left a budget hole of 3,5 million Euros from the 2011 national elections.

Undoubtedly, although Nikola Gruevski was the favorite of the early national elections, he should be worried for several reasons. Opposition leader Zoran Zaev is for nine years already a very successful mayor of Strumica. He is improving his leadership skills, is energetic and active, against all odds managed to remain on the party leadership position and can collect at least about 300.000 voters on election day. He also offered a different concept for the country's development than the leading party's one. Fact is that Macedonian society "fermenting process" lasts too long, so there is a possibility that saturation may be around the corner. Gruevski must offer new policies in order to maintain voter's interest vivid, otherwise downfall in certain. Government coalition is working, but it's clearly a marriage of interest. As anticipated mutual policy goals are far from realization (NATO membership, solution of the name issue, EU integration), showing the dreary results of Macedonia moving backwards in comparison with all the other countries of the region, perhaps it is a matter of time when DUI will decide that the coalition interest is fading away. Corruption knocks loudly on every door (prove are the numerous corruption cases), there is awareness that the ruling party is on power too long and got carried away. As a comparison, Albania is getting the EU candidacy status in June, while Skopje this year is busy finishing the controversial project "Skopje 2014". Meanwhile, minimum salaries increase is only a temporary measure, the country rapidly impoverishes, while about 350.000 have definitely

left the country. Other neighbors are on a speed train to EU (Serbia-opened negotiation process) while Macedonia is nowhere on that track.

### 6.2. Analysts on the VMRO-DPMNE Rule and Election Results

The analyst Mersel Biljali says that the ruling VMRO-DPMNE wins the elections not because people recognize the difference, as Nikola Gruevski claims, but because fear of losing their job, the subsidies, social aid, etc. He adds that this worked-out system for victory in which state resources are in function of the ruling party, in time gets more and more strength. In conditions of such a dictatorship, election fraud does not happen only on election day, but way before that. Biljali adds that our state is in deep damage and in such conditions there is no democracy and fair elections on which opposition can win. Another analyst, Nikola Gelevski claims that VMRO-DPMNE has worked out a scheme, a mathemathical formula for winning by wich from one side there is bribery, on the other punishments directed towards 150.000 families who have two or three voters. His opinion is that the system of punishments is stronger than the pressure the party makes towards people who are non-likeminded. According to him, there is massive corruption and clentelism.

Analyst Sam Vaknin stated for Financial Times that Gruevski is pushing the country to a Ukrainian scenario. He believes that the political dialogue will be changed to street politics, as according to Western observers "the ruling party's strength stems from the system of poltroons, giving workplaces and tenders to its members and supporters, at the same time destroying the firms linked to the opposition through alleged investigations for tax or regulatory misdemeanors".

Law professor, former minister and prominent SDSM supporter Ljubomir Frckovski stated: "I was able to see that even before 2011, with VMRO-DPMNE on power cannot be organized representative elections. I do not say that SDSM would win, but the balance of forces would be different and that is confirmed even by the VMRO-DPMNE analysis. We spoke and wrote many times that 100.000 votes are always stolen and they put them as reserve, as an additional "deck of cards" when they need them. Currently he anticipated that the "normal" votes support in relation VMRO-DPMNE to SDSM would be 380 or 350 thousand votes (VMRO-DPMNE) to 320 thousand (SDSM), but this real relation may have created other coalition governments.

In his paper presented at the Berlin Conference "social Impact on the European Crisis in the Western Balkans" Sudosteuropa Gesellschaft, Ljubomir Frckovski analyzing the rule of VMRO-DPMNE wrote: It is an authoritarian populism, whose aim is complete deformation of the young democratic institutions from its foundation. It is lethal especially for the rule of law and human rights, as it tends to endure over seven years in Macedonia. There are several common characteristics like immigration (people moving out of the country mostly due to economic, but also to political reasons on lack of democracy and enjoying the freedoms guaranteed on paper), anti-Europeanism, nationalism, use of minorities (resisting the "otherness") all these elements contribute to the general picture. The authoritarian populism is not a concept of coherent policies but rather a bag that collects imagined policies from various political options, meaning both left and right policies, extreme left and extreme right policies, by using the dogma that power is close to the people. It also includes anti-elitism and anti-intellectualism as elites are perceived that are corrupt and do not hear the voice of the people.

At the same time this authoritarian populism seems acceptable and responsive towards EU demands and is entirely procedural, meaning it respect the required procedures, in its manner. However it develops an undemocratic proceduralism, which is authoritarian and empty, void one as legalism gets its non-liberal form and all laws are in accordance with the needs of the ruling elite. There is enormous laws production, a "legal fog" and unclearness which is in contradiction with itself. Therefore, interpretation of such laws is in the hands of the administration and the government. There are so many laws and penalties, that every citizen may be found in a situation to break some provision and it depends on the mercy of the administration whether it will be processed or not.

The ruling elite has also the ability to pull European money and in spite of doing that to achieve to rule further in the same manner, while being cynical towards European values. The result is creating "double reality", a legislative body which is formally right, but in reality is applied in an authoritarian manner. EU does not manage to grasp the big unfavorable picture of this double reality. In its essence, there is a severe attack towards the constitutionally set institutions. The power has an obsession with media. They depend on the image pictured for them by the media, and not by their realistic accomplishments. It also transforms public life in a constant preelectoral campaign. Elections are constantly abused through misuse of police, abuse of the voter's lists, corruption, administration pressures, blackmail etc.

According to Frckovski the most dangerous element of the authoritarian populism is the ability to create its own people, to change the matrix of political pluralism and not to depend on the voter's free will, through violence and manipulation. Through selling the idea of fear on national disunity it searches the zero point of national harmony in the distant past, there is reevaluation of history. For Europe, the stability this party offers seems a sufficient argument for them not to push too hard for the systemic changes in terms of democracy.

Goran Janev (ISPJR) writes that while the record of the ruling VMRO-DPMNE party in government has raised legitimate democratic questions, the strategy being pursued by the opposition is unlikely to be successful. He argues that what the country really needs is clearer guidance from external actors, most notably those within the EU. He believes that recent parliamentary and presidential elections in Macedonia have once again proven the strength of populist politics. The rise of populist parties across Europe contradicts the promise of the European project, as both inside and outside of the EU, 'big ideas' no longer appear to hold appeal for ordinary citizens. Whether the focus is on Communism, solidarity, or one Europe, these ideas are seemingly too big for Europeans to accept. If the recent financial crisis and fears over immigration are to be held responsible for the rise of populism in EU countries, a perpetual economic crisis and weakening prospects for joining the EU have had the same effect in Macedonia. With the long wait for a better future proving tiresome for the majority of citizens, Macedonians have instead chosen as their champions those who promise smaller goals.

One way or another, in the 2014 elections, amid allegations of intimidation, VMRO-DPMNE received around 43% of the vote, while SDSM only gained around 25.3%. Faced with this outcome, SDSM opted for radical steps in response. The party refused to take up the

parliamentary seats they had won in the election, exacerbating the existing political problems within Macedonia and pushing the situation toward a wider institutional crisis. In doing so, SDSM's aims have been firmly pinned to the potential for help to come from outside as they are unable to garner sufficient political support at home. The hope is that the international reaction will take their side in the dispute and that this external pressure will act to delegitimize the ruling party, resulting in new elections organized by a technical government with tight control and monitoring from international actors.

However, Janev believes that this scenario is difficult to believe that it will happen, as SDSM's attempt to involve the international community by provoking a political crisis might have yielded some results if the EU and the United States had the will to become involved in Macedonian affairs. However the on-going name dispute with Greece has demonstrated western indifference toward the country. Gruevski is still some distance from proclaiming the kind of ubiquitous political support associated with a dictatorship and Macedonia is still far from a priority for western politicians. The establishment of an enthnocratic regime in Macedonia capable of pacifying the aftershocks from the situation in neighbouring Kosovo provided some short-term peace of mind for the international community. However it also helped to entrench patriotic and nationalist discourse as the most secure political currency within Macedonia itself. VMRO-DPMNE has capitalized on this by attacking perceived domestic and foreign enemies, suggesting that Macedonians remain safer under their protection. The party's Albanian counterparts have mastered a similar strategy, forming a productive symbiosis with Macedonian nationalists.

Janev believes that the real hope is that from this endless transition and perpetual crisis, grassroots activism can reawaken among those generations born to an independent Macedonia, who can no longer relate to the myths of 'evil' communists, Macedonians, or Albanians, and instead seek to find solace in an open and connected world. This could be aided by actors within the European Union who, rejecting the notion that the European project should be abandoned, are prepared to send a clear signal that a democratic Macedonia is a welcome future member of the club.

### 6.3. Liberal Party Maneuvering

The Liberal Party is not considered to be part of the opposition bock anymore. Parting started when the Liberal Party during last year's local elections decided to support the GROM leader and Karposh mayor Stevco Jakimovski. Second splitting up was the LP decision to put a candidate member for the Commission for verification of acts (Lustration Commission) although the opposition position was not to nominate any candidates for that body. Still, as the SDSM spokesperson Petre Shilegov stated, Ivon Velickovski (LP leader) was offered a place in the opposition list for which he did not reply on time, so the offer terminated. In spite of these events, LP stated that they shall support the opposition presidential candidate Stevo Pendarovski.

### 6.4. Rufi Osmani and NDP Leadership Resigned

Extreme abuse of the structures and the government resources by VMRO-DPMNE and DUI, illegal campaign financing, opposition discrimination in every way, voter's lists filled with

thousands of fictitious voters, open media discrimination for the opposition, threats and intimidation of the employed in the public and private sector and massive buying off votes, are part of the serious defects which were identified by NDP leadership. Position is that such a situation de-legitimized completely the election campaign, while the election process of April 27 brought a risk to push Macedonia into a deep crisis as a result of the dictatorship rule of both parties on power. By this message, the party leader Rufi Osmani submitted resignation, while the party called on forming a wide coalition government, for which seek the foreign factor intervention.

## 6.5. SDSM Creates New Strategy

The strategy which is planned by SDSM for the upcoming period contains two parts: political and operational. It is a platform on basis of which SDSM will found its behavior after non-recognition of the election results. It is planned radical intra-party reorganization, meaning reorganizing the party net which will hold an in-field heavy pressure load. Anticipated are measures which aim to create conditions for conducting fair, democratic and free elections. The goal is not only forming a technical government, as it is believed that it will value nothing if policemen will again be in function by the ruling party. For a fair play there should be mechanisms put in place and procedures which will prevent irregularities and breach of election rules, and most importantly to introduce crucial change in the media sphere, especially in the part of the public service. In addition, there is urgent need for accurate voting list, the party intends to check it in-field, a shadow government will be founded, but also a parallel, street parliament with organizing debates on the open, organizing civic initiatives for collecting signatures for sensitive issues etc.

In his recent interview, Zoran Zaev commenting on the defamation charges against him for revealing the affair on "Makedonska Banka" said that it is an obligation for every citizen of the country and especially for an opposition leader to share the information he has for crime and corruption cases. He calls upon Article 9 paragraph 2 of the Law on Civil Responsibility that if the accused for defamation has reasonable doubts for what he had publicly declared that he is not persecuted for defamation. Comparing the two cases, he estimates that the one SDSM has initiated is far more important as it is about a criminal deed, while defamation is about civic responsibility.

He emphasized that the opposition maneuvering space is endless and there are always new horizons of opportunities opening. Admitting however that it is not easy, he says that opposition is already accustomed to function in abnormal and undemocratic conditions. He stressed that authorities must know that organizing by-elections for the vacancies in the Assembly is not constitutional or legal, while by doing so it will be created a virtual opposition by which will only be confirmed the totalitarian rule. Zaev announced creating a shadow parliament and government, to call upon all university professors, experts, journalists, NGOs, associations, minority groups to be included in the common platform building for reaffirmation of the basic constitutional values. SDSM plan intense communication with citizens as well. He stated that the out-of-the-institutions acting will begin after the summer and that all options are open.

# 7. RESEARCH, POLLS, RATINGS

### 7.1. Public Opinion Poll on the "Name Issue"

According to the poll conducted by the Macedonian Center for International Cooperation and the Institute for Democracy titled "the Name Issue for Macedonia", more than 62% of the Macedonian citizens are against change of the name while at the same time 66% of the polled regardless their ethnic and political affiliations support the idea of a referendum for the name. Macedonians and Albanians differ on the issue what is a priority among the two choices - "keeping the name" as opposed to joining EU and NATO. While choosing among the two priorities 64,9% of ethnic Macedonians would chose keeping the name, at the same time 68% of ethnic Albanians would prefer the Euro-Atlantic integration process. If the name remains the risk is that interethnic relations will worsen and there will be economic stalemate, while there are fears that the gap between the "patriots" and "traitors" will grow, as well as that Greece will have new demands. The poll was conducted from November 15 to December 1st 2013 on a representative sample of 1000 respondents.

Upon presentation of the data, Foreign Minister Poposki did not comment the referendum idea. He complained that all suggestions or answers Athens refuses or gives suggestions out of the legal framework are in order to push the process back. He pointed on the growth of the number of citizens who want cessation of the talks as they feel that there is no sincere desire a solution to be found. Other VMRO-DPMNE MPs reminded on the ex-Greek Foreign Minister Dora Bakogianni statement that Greece in its geopolitics does not intend to allow Macedonia to become an EU member before Serbia.

### 7.2. Poll: Hate Speech among Politicians Increases

Even 79,4% of citizens noticed hate speech among politicians and political party supporters in the country, while 70% believe that it increased in the last years. These are the research findings conducted by "Rating" agency on a sample of 800 respondents. Recognizing hate speech apparently goes hand in hand with the higher educational level of respondents, as 88% of the group of polled who have high education were able to recognize hate speech in politics, while those who have only elementary school notice it in 61% of the cases. Politically motivated hate speech was recognized in 87% among those working in the public sector and 86% among former political party members.

Respondents located the media as the key tool for transferring such hate speech messages. Even 97% of the polled recognized such speech on TV, 74% in newspapers, 48,7% at the social networks, and 48% on Internet pages. One third or 34% have sensed such a speech in personal contacts. The group that noticed the largest percent of such speech on the Internet is the age group from 18 to 29 years (88%).

## 7.3. ICDC Poll: VMRO-DPMNE is ahead of SDSM

Lead of VMRO-DPMNE (24,9%) ahead of SDSM (19,7%) shows the late March-early April poll of the Institute for Democracy "Societas Civilis" on a sample of 1000 respondents. DUI showed 8,7% support, DPA 5,6%, GROM 2,3%, while the remaining parties are under 1%

support. About 24% of the polled said that they will either not vote or do not wish to say for which party they will vote (will not vote-10,5%, don't know 10,5%, no reply 4%). Regarding the citizen's perception of whether the elections are free and fair, 27,2% believe that the elections are not free, 26,9% neither agree nor disagree, while 35,5% believe that elections are free and fair. More than half (55%) of the polled have a perception that voters are bribed, as opposed to 37,9% who disagree. Regarding whether voters are intimidated at the polling stations, 26,5% say that there is no intimidation, 29% believe that intimidation happens rarely, 21% believe that intimidation happens often, and 14% very often. About 36% of the polled believe that media very often are favoring the ruling party, 35% say that favoring is often, 17% say that favoring is rare, while 6% believe that the ruling party is not favored at all.

## 7.4. Rating Agency Contradicts Other Public Opinion Polls

Contrary to other public opinion agencies that show advantage in support for the VMRO-DPMNE presidential candidate Gjorge Ivanov, "Rating" published research data according to which Stevo Pendarovski (SDSM) is slightly ahead in support (36,9%) compared to Gjorge Ivanov ((35,1%). Indications are that the race might be uncertain as there is the additional margin of error and the still undecided voters who are 16,7% of the polled. Largest part of the polled considers that Pendarovski leads a better campaign (43,2%), as opposed to 39,8% who believe that Ivanov has got a better campaign, followed by Zoran Popovski (4,7% and Iljaz Halimi (3,7%). On the question "Do you think that through the campaign you have improved/worsened the opinion of the candidate (Pendarovski/Ivanov) or does not influence your opinion" results show that 56% of respondents said that Pendarovski has improved their opinion of him, while that was true for Ivanov in 39% of the cases. Regarding Ivanov, 28,9% of the polled stated that their opinion of him worsened during the campaign, while that was true for Pendarovski in 15,7% of the cases.

Focusing on the current situation in the country, 68,5% of the polled think that Macedonia needs significant change, as opposed to 31,5% who think that Macedonia should keep the same direction because things may improve. In 92% of the cases the subgroup of polled Albanians believes that Macedonia needs significant change, as opposed to 62% of the Macedonians who think the same. What's more, 60,1% of the polled have no trust in the Government as opposed to 39,2% who do. About 42% think that in case of change of government things will improve, 27% believe that it will remain the same, while 23,5% say that the situation will worsen. The poll was done by use of standard methodology on a sample of 1.560 respondents at the beginning of April.

## 7.5. Freedom House Ratings

Freedom House stated that the level of freedom in 2013 has fallen worldwide and that half of the world's population lives in areas in which are only partly free or entirely non-free. In the measuring scale from 1-7 (1 being the best grade) for *political rights and freedoms* of 195 countries and 14 territories Macedonia for that year remained in the "partly free countries" together with Croatia, Serbia and Montenegro, while Albania and Bosnia & Herzegovina are in the group of countries having transitional governments and hybrid

regimes. Macedonia for 2013 scores: "partly free" country, with freedom rating 3, civil liberties 3, political rights 3.

In its last report (2014), Freedom House notes that Macedonia is in a regressive process regarding *democracy, media freedom and struggle against corruption*. By having mark 1 as the best and mark 7 as the worst, media in 2005 in Macedonia were graded 4,25 in 2011 - 4,50, in 2012 - 4,75 and in 2014 – 5.00. Compared to other countries of the region on media freedom, all other countries are better than Macedonia: Bosnia & Herzegovina 4,75, Montenegro and Romania 4,25 Croatia, Serbia, Albania and Bulgaria – 4.00 each, Hungary 3,50 and Slovenia 2,25. Due to the bad practicing of democracy, Macedonia is in 2014 listed in the group of "hybrid regimes" same as Albania, Georgia, Moldova and Ukraine and this occurred for the first time after the country's independence. Ten years ago the grade was 3,82 in 2012 was 3,89 while this year is graded 4.00. In 2013 the grade for struggle against corruption was 4.00 and now fell to 4,25.

Category	Grade
Election process	3,25
Civil society	3,25
Democracy (local self-government)	3,75
Democracy (state institutions)	4,25
Judiciary independence	4,25
Struggle against corruption	4,25
Media freedom	5.00
Total	4.00

Macedonia is found together with Congo and Kenya on the 122<sup>nd</sup> place of the Freedom House rank list, rating *the freedom of press*. With a total of 57 points, the descriptive textual mark is that the country is "partly free". Ranked higher than Macedonia are Tanzania, Nepal, and Ivory Coast. "Partly Free" are Kosovo, Albania and Greece (92-98 place) as well, although these countries are ranked twenty places higher than Macedonia. Bad working conditions, lack of security, low salaries and pressures by the media owners are the most frequent problems journalists in Macedonia face, according to Freedom House reports. A frequented observation is the link of media owners with political and business interests, as well as the public service which "supports the government positions". The report also states that the Constitution of the country contains the basic protection of freedom of press and of expression, but government representatives do not recognize that. Decriminalization of defamation brought to journalists paying large fines, which practically brought to self-censorship.

The president of the Journalist Association Naser Selmani has recently stated that it is not important how democratic a constitution and laws are in a country, as much as it is important the democratic capacity of the institutions to protect these freedoms when the government puts its hand over them. "We are a so-called democracy, while in practice we have a very authoritarian ruling mentality, instead of rule of law. The principle of division of power is not respected".."for us it was hard to face the truth that in Macedonia there is no freedom of expression, no media freedom, I have an impression that at moments we behave as a little child when facing the risk closes its eyes hoping that the danger will pass by itself" he comments.

Disfunctional governments in Balkan countries continue to drive down democracy ratings in the region, according to Freedom Houses's study, 'Nations in Transit 2014'<sup>1</sup>. A new report by Freedom House ranked Kosovo, Bosnia, Albania and Macedonia lowest in the Balkan region in terms of democratic standards. Kosovo is rated the worst in the region, with a democracy score of 5.14 on a scale of 1 to 7. Kosovo is described as a "semi-consolidated authoritarian regime", but, on a more positive note, Freedom House noted improvements to the electoral process as well as to civil society and national democratic governance. With a score of 4.43 Bosnia and Herzegovina is described as having a "transitional government or hybrid regime". Freedom House marked a decline in standards of national democratic governance there. Albania also has a "hybrid" regime with a democratic score of 4.18. The report noted some improvements in the electoral process and in national democratic governance, however. Macedonia scored 4. The report noted a marked decline in the independence of the media and in the fight against corruption, which earned it the description of a "transitional" or "hybrid" regime. "The Balkans registered some positive developments during the year, including Croatia's EU accession and a historic agreement between Kosovo and Serbia."However, "dysfunctional governments continued to drive down democracy scores in the region overall", Freedom house wrote. Montenegro, Croatia, Serbia, Romania and Bulgaria ranked higher up on the list and are described as "semi-consolidated democracies". Montenegro scored 3.86, Croatia, 3.68, Serbia, 3.64 and Romania, 3.46. Bulgaria ranked best with a score of 3.25.

# 7.6. Reporters Without Borders 2014 Ranking

In the new ranking that has been done on a yearly basis, on the freedom of information (journalists' freedom but also the efforts made by the authorities to respect and advance that freedom), Macedonia is found in the lowest place among the countries of the region. The condition is described as "difficult", while in the same category fall Montenegro (114 place) and Turkey. In fact Macedonia fell further down compared to last year and now is found on the 123 place, which is a nosedive of 87 backwards in only four years. Main reason is the media self-censorship and the government advertizing. The national context is both simple and complicated. Self-censorship has reached such a level, that journalists must perform their duties in a climate which is increasingly harder and even suffocating. Macedonian authorities have influence which is intolerant towards the editorial offices and have explicit interventionism. Editorial offices are not able to respond to such interventionism, due to state advertizing which practically buys off the media obedience for economic reasons. In addition, courts are heavily fining the journalists on basis of defamation, which as a measure at the end of the day serves only to put restrictions to media. All in all, the situation is inacceptable for an EU candidate country. As it is stated, although Macedonia has been tackling reforms designed to put it on the road to membership, the democratic window-dressing of the past few years is not enough to hide the many freedom of information violations. The imprisonment of Tomislav Kezarovski and his sentencing to four and a half years in prison on October 2013 for revealing the name of a

<sup>&</sup>lt;sup>1</sup> The latest edition covers developments during 2013 and measures progress according to several indicators that include electoral process, civil society, independent media, national democratic governance, local government, the judicial framework and judicial independence, and corruption.

protected witness in a murder case (later his jail term was changed in house arrest under international pressure) and the circumstances that brought to the death of Nikola Mladenov influence the country's rating as well. "Reporters without borders" think that media laws are still inefficient, non-adjusted and the government should look at them page by page. Better placed than Macedonia but yet with problems, are Serbia, (54 place) Croatia (65 place), Bosnia and Herzegovina (66 place) Kosovo 80 place).

# 7.7. "Transparency" research on Judiciary

Research of "Transparency International" including 62 countries in the world shows unfavorable results for the Macedonian judiciary. From a scale of 1 to 5 where 5 is the worst grade, Macedonian citizens marked the influence of corruption over the judiciary with 4,5 index points. Close to this grade are Bulgaria (4,4) and Croatia (4,4). Respondents estimated that high corruption in the country is also present among political parties and the health system.

## 7.8. "Rating"/"Fokus" Public Opinion Polls

The January poll of the weekly magazine "Focus" and the polling agency "Rating" on a sample of 1560 polled citizens by telephone tackled the "hot" topic of the journalist/government corruption case with the question: "Is the tender in which is involved Ivona Talevska a media corruption case or not?". Little less than half of the polled replied "yes" (47,5%), 24,5% "no", while 28% could not form an opinion. The polled ethnic Albanians more than the average (65%) believed that it was a corruption case, as opposed to 41% of the polled Macedonians.

According to the State Statistical Bureau, in 2013 the active working population in Macedonia was 957.417 out of which employed are 682.448 and unemployed are 274.969 persons. Rating/Fokus polled the unemployed group of citizens about their problem and the results are the following:

45% of the polled could not find a job since the moment they finished their education, 29% remained without a job after the firm they worked went bankrupt, 9,8% resigned due to the bad working conditions (unpaid work, dangerous working conditions) etc. Almost 1/3 of the polled (27,6%) stated that they have been unemployed for over 10 years, 32% are unemployed from 3 to 10 years, 10% are unemployed from 2 to 3 years, 22,7% are unemployed from 1 to 2 years, while 7% are unemployed less than a year. In their overwhelming number (77,6%) the unemployed think that employment conditions are worse than before, while 88,6% believe that today one can be employed only if he/she is close to a political party, or with the help of relatives and friends (81%). Half of the polled (47%) think that it is useless to seek a job in Macedonia and 22% claim that attempting to get employment were victims of political discrimination.

The age group 18-24 years in 59% of the cases are searching for a job abroad, similarly as the age group of 25-39 years (54%). Older groups show decline in supporting such an idea (40-56 years - 34%, and 55-64 years -15%). Half of the unemployed have one employed

person in the family (51%), in 20,6% of the cases there is no regular income in the household at all, while in 21% of the cases there are two employed persons in the family.

### 7.9. UN General Assembly – Human Rights Council Working Group Report

In the Human Rights Council report is said that although impression is that most of the recommendations are formally accomplished, citizen's associations agree that there is a general stalemate in advance of the human rights conditions in Macedonia. Especially worrisome is the fact that compared to 2009 there is additional threat of enjoying human rights by the citizens especially in the areas: media freedom, independent judiciary, poverty, education, rights of the woman and the child, domestic violence, LGBT rights, elections, prison and detention conditions, verbal and physical attacks upon civic activists and human rights advocates. USA expressed its concern for involvement of the government in the judiciary and media work, selective persecution of political opponents and the trustworthy reports for government corruption. "We are concerned for the reports of physical molesting of custodians, arrested persons by the police and the guards, due to bad conditions and the crowded conditions in some of states' prisons and mental institutions" stated the USA representative speaking about Macedonia. It also expressed concern for use of state resources for party purposes, meaning for political party activities, involvement in the work of media and judiciary, selective persecution of the political opponents and trustworthy reports on corruption in the government. It was asked whether the government plans to strengthen the supervision over government representatives for dealing with corruption and the problem of non-punishment of the police.

Follow the conclusions and recommendations to Macedonia by the Human Rights Council Group, for which the country has to provide responses no later than the 26<sup>th</sup> session of the Human Rights Council in June 2014.

- Ratify the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights and the Optional Protocol to the Convention on the Rights of the Child on a communications procedure
- Ratify the Kampala amendments to the Rome Statute, if possible with a view to contributing to the activation of the jurisdiction of the International Criminal Court over the crime of aggression at the beginning of 2017
- Stop all ill-treatment, particularly in prisons and improve detention conditions, respecting its obligations under the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment and its Optional Protocol
- Establish a clear procedure for the implementation of and financial support for the national strategies and plans for the protection of human rights
- Further review and strengthen measures in place towards full implementation of the Ohrid Framework Agreement aiming at integration without assimilation, especially on issues of use of the Albanian language and in providing the necessary conditions for education in minority languages
- Keep up its efforts aimed at increasing the transparency in the appointment process of the Ombudsman and introduce the necessary legislative changes in order to reinforce and

enhance the institutional capacities of the Office and bring its competences in line with the Paris Principles

- Continue to implement the laws and policies prohibiting direct and indirect discrimination, on the rights of persons with disabilities, on equal opportunities for women and men on child protection as well as action plans to better protect the rights of women, children and persons with disabilities
- Punish perpetrators of hate speech and incitement to discrimination in accordance with law, systematically denounce expressions of intolerance by opinion leaders
- Increase efforts to improve the protection of the rights of children with disabilities and their social inclusion in the education system, also by modernizing centers for social work and providing them with adequate human and financial resources
- Continue to improve the condition of all migrants, particularly with regard to access to health, education and other social services, and accelerate efforts towards accession to ICRMW
- Enhance the efforts aimed at monitoring the accomplishment of the human rights obligations relating to the enjoyment of a safe, clean, healthy, and sustainable environment, particularly with regard to air quality and industrial pollution
- Facilitate the establishment of an appropriate self-regulatory media system
- Ensure that the broadcasting of the public broadcaster is balanced and not favorable to any political party and that the Broadcasting Law is not applied selectively and abused for political process
- Improve media policy and regulations in order to ensure freedom of the press and of expression and to facilitate a more diverse media market
- Take steps to ensure media freedom and protection of journalists, including protection from political pressure and undue civil defamation lawsuits
- Examine the allegations of intimidating independent media by State institutions and ensure that appointments of members of the Broadcasting Council are made with an emphasis on the impartiality and professionalism of the candidate
- Create an enabling environment for the independent operation of various media outlets, including guaranteeing their access to effective remedies in cases of alleged political pressure and interference
- In cooperation with the media, implement the agreed action plan within the dialogue between the Government and the media community on improvement of media freedoms
- Adopt all necessary measures to ensure freedom of expression by ensuring equal treatment of the media and by avoiding any interference with freedom of the press
- Organize inclusive consultations with journalists and media in order to resolve disputes that exist concerning the new media law; Engage constructively in consultations with civil society, broadcasters and other relevant stakeholders in order to cease the current status quo and public discontent over the procedure and content of the new draft media laws; Relaunch the dialogue between government and media representatives with a view to encouraging pluralism in the media and strengthening the right of everybody to seek, receive and impart information and ideas of all kinds, without interference by public authority
- Improve media policy and regulations in order to ensure freedom of the press and of expression and to facilitate a more diverse media market
- Take steps to ensure media freedom and protection of journalists, including protection from political pressure and undue civil defamation lawsuits

- Examine the allegations of intimidating independent media by State institutions and ensure that appointments of members of the Broadcasting Council are made with an emphasis on the impartiality and professionalism of the candidate
- Create an enabling environment for the independent operation of various media outlets, including guaranteeing their access to effective remedies in cases of alleged political pressure and interference
- Adopt all necessary measures to ensure freedom of expression by ensuring equal treatment of the media and by avoiding any interference with freedom of the press
- Organize inclusive consultations with journalists and media in order to resolve disputes that exist concerning the new media law; Engage constructively in consultations with civil society, broadcasters and other relevant stakeholders in order to cease the current status quo and public discontent over the procedure and content of the new draft media laws; Relaunch the dialogue between government and media representatives with a view to encouraging pluralism in the media and strengthening the right of everybody to seek, receive and impart information and ideas of all kinds, without interference by public authority; implement the agreed action plan within the dialogue between the Government and the media community on improvement of media freedoms implement the agreed action plan within the dialogue between the Government and the media community on improvement of media freedoms
- Develop policies and measures to ensure equal access to services, particularly access to mainstream education, and participation of persons with disabilities in the elaboration and evaluation of programs which concern them
- Step up the actions in favor of fighting poverty and social exclusion, focusing on minorities and vulnerable persons
- Develop primary health care guaranteeing access to medical services for all children, particularly those from the Roma community
- Continue efforts to integrate Roma children into the education system
- Address barriers to the education of women and girls and reduce their dropout rates, especially among girls from ethnic minorities
- Continue its effort in the active implementation of the National Strategy for the Fight against Human Trafficking and Illegal Migration
- Renew its respect for the rule of law by observing a strict separation between State and party activities and ensuring an independent judiciary and media
- Ensure that there is a strict respect of the separation of powers and that laws are not applied selectively
- Increase efforts to strengthen the merit-based recruitment of judges, inter alia, by effectively implementing the new Law on Courts requiring all newly appointed first-instance judges to have graduated from the Academy for Judges and Prosecutors two-year training program
- Continue its efforts to strengthen the judicial system and consolidate its independence
- Take all necessary steps to strengthen public confidence in the justice system and limit the use of pretrial detention as strictly necessary

# 7.10. UN Report for Macedonia: The Impact of Bribery and Other Crime on Private Enterprise

Follow the UNDOC 2013 research data and findings on the link between business, corruption and crime in Macedonia:

A substantial share of all the bribes paid to public officials by businesses are paid in the form of food and drink (52%), followed by the provision of other goods not produced by the company in exchange for an illicit "favour" by the public official (27.6%) and cash payments (16.6%). When bribes are paid in cash, the mean amount paid per bribe is 17,349 Denar (or 689 EUR). As for which party actually broaches the subject of kickbacks, in 57.5% of all bribery cases the payment of a bribe is offered by a representative of the business without a prior request being made, whereas in over one third (36.1%) of cases payment is either explicitly (8.9%) or implicitly (8.7%) requested by the public official or paid after a third-party request (18.5%).

The most common purposes for paying bribes cited by businesses is to "speed up business-related procedures" (50.2% of all bribes), "making the finalization of a procedure possible" (9.6%), "reducing the cost of a procedure or receiving better treatment" (8.6%) and "receiving information" (2.8%). At the same time, almost a quarter (22.2%) of bribes paid serve no specific immediate purpose for the businesses paying them, suggesting that these are "sweeteners" given to public officials to "groom" them for future interactions in the interest of the company. Only 3.3% of the businesses who paid bribes had reported bribery incidents in the 12 months prior to the survey to official authorities. The main reasons cited for not reporting bribery are: "the payment or gift was given as a sign of gratitude to the public servant for delivering the service requested" (21.6%), "it is pointless to report it as nobody would care" (20%) and "the company received a benefit from the bribe" (18.3%).

Bribery in the private sector not only comprises bribes paid by businesses to public officials, it also takes place between businesses themselves in order to secure business transactions. Though lower than the prevalence of bribery between the private and public sector, at 3% the prevalence of business-to-business bribery indicates that the practice does exist in the country. This type of corruption is not to be confused with normal marketing or public relations activities, in that it specifically aims, through illegal means, to breach the integrity of the bribe-taker in exchange for a bribe. Some 5.3% of business representatives decided not to make a major investment in the 12 months prior to the survey due to the fear of having to pay bribes to obtain requisite services or permits, thus the impact of bribery on business activity can be substantial.

The fear of crime plays an important role in the decision-making process of business leaders when it comes to making major investments. Although there are some differences by economic sector, on average one out of ten (10.3%) entrepreneurs in the former Yugoslav Republic of Macedonia state that they did not make a major investment in the previous 12 months due to the fear of crime. Yet while about 68.7% of businesses in Macedonia use at least one protective security system against crime, only 28.8% have any kind of insurance against the economic cost of crime. Together corruption and other forms of crime place a considerable burden on economic development. Putting in place more and better targeted measures for protecting businesses against crimes, as well as for preventing corruption (such as effective internal compliance measures and other policies concerning corruption) could make that burden considerably lighter.

### **Key Findings:**

- Business representatives in the country rank corruption as the fifth most significant obstacle to doing business, after high taxes, frequent changes in laws and regulations, complicated tax laws and limited access to financing.
- Around eight out of ten companies had at least one direct contact with a public official or civil servant in the 12 months prior to the survey.
- The bribery prevalence rate among those businesses who had contact with public officials in that period is 6.5%.
- Bribe-paying businesses paid an average of 4.8 bribes to public officials in the 12 months prior to the survey.
- There are some variations in the prevalence of bribery across business sectors: Building and Construction (11.7%); Wholesale trade and Retail trade (7.5%); Manufacturing, Electricity,
- Gas and Water supply (5.1%); and Accommodation and Food service activities and Transportation and Storage combined (3.8%).
- About 52% of bribes are paid in the form of food and drink. When paid in cash, the mean amount paid per bribe corresponds to 689 EUR-PPP
- In over one third of all bribery cases (36.1%), the payment of the bribe is either explicitly (8.9%) or implicitly (8.7%) requested by the public official or requested trough a third party (18.5%) on behalf of the official, while in 57.5% of cases it is offered by a business representative without prior request
- Around one quarter (23.8%) of all bribes paid by businesses are paid before the service, while 45% are paid after the service is delivered.
- The main purposes of paying bribes are to speed up a procedure (50.2%) and to make the finalization of a procedure possible (9.6%). In addition, 22.2% of bribes paid served no specific immediate purpose.
- The prevalence rate of bribes paid to public officials is highest for customs officers (6.3%) and land registry officers (3.4%).
- Only 3.3% of the businesses part of the survey had reported bribery incidents in the 12 months prior to the survey to official authorities. Over one fifth (21.6%) of business representatives did not report bribery because they consider the payment or gift was given as a sign of gratitude to the public servant for delivering the service requested. In addition, 20% of respondents stated they did not report bribery because it would be pointless to report it as nobody would care about it.
- The prevalence of business-to-business bribery amounts to 3%
- In almost two thirds of business-to-business bribery cases a prior request by a counterpart is made either explicitly, implicitly or by a third party
- The most important purpose of business-to-business bribery is to secure better prices (21.8%)
- Businesses are affected by different forms of crime to varying degrees: the 12 month prevalence rate of business victimization is 17.2% for fraud by outsiders, 12.9% for
- burglary, 6.9% for vandalism, 0.9% for extortion and 0.5% for motor vehicle theft (MVT).

- The share of each type of crime reported to the police ranges from 100% for MVT, 86.7% for burglary, 52.9%t for vandalism, 34.6% for extortion cases and 12.1% for cases of fraud by outsiders.
- Around nine in ten (93.2%t) businesses use at least one protective security measure against crime.
- On average one out of ten (10.3%) entrepreneurs state that they did not make a major investment in the previous 12 months due to the fear of crime.

### **Concluding remarks**

While corruption may be difficult to quantify, the report shows that surveys on the direct experience of corruption can help to draw at least a partial picture as to how, why, when, where and how much corruption affects the business sector in the country. From this analysis the following elements could be retained for further consideration in view of developing effective anti-corruption measures at national level:

- The survey identifies some priority business sectors, such as Building and Construction, as well as certain types of public official, including, customs officers, land registry officers, municipal or provincial officers, police officers and inspection officials on which attention should be focused in an attempt to hinder involvement in bribery.
- The prevalence rates of "white collar" crime such as fraud by outsiders and bribery are somewhat higher, yet the reporting rates of fraud by ousiders and bribery are far below those of other conventional crimes. This failure to report corruption implies that there is a lack of trust in authorities and that business organizations need to be more proactive in encouraging and promoting anticorruption measures, codes of ethics and integrity.
- The issue of business-to-business bribery highlighted in this report sheds new light on illegal "marketing" practices in the form of bribery used to gain an unfair advantage over rival businesses. Further analysis of such practices should be undertaken to help guarantee a "level playing field" in the market place and guarantee that the usually beneficial mechanisms of the free market remain untarnished by corruption. A review of the legal provisions against corruption in the Criminal Code should ensure that, in addition to provisions against bribery of public officials, effective legal instruments against bribery in the private sector are available.
- The fear of having to pay bribes to obtain requisite services or permits led a total of 5.3% of all businesses leaders in the country to not make a major investment in the 12 months prior to the survey. This shows the "ripple effect" that corruption can have, with potentially disastrous consequences for economic growth and development, particularly when only a certain portion of businesses are in a position to make major investments in the first place. Any efforts made to stem corruption need to be widely publicized to prevent further damage to investment and economic development.
- ➤ While conventional crimes against businesses engender substantial costs for the economy, businesses seem to give relatively little thought to crime prevention in the shape of security measures and the mitigation of crime consequences by means of dedicated insurance policies.

- Though ostensibly small in numerical terms, the fact that 0.9% of all businesses in the former Yugoslav Republic of Macedonia fall victim to extortion is still significant, not least because extortion is a crime that can be linked to organized criminal groups. This reason alone means that the relationship between extortion and business needs to be explored thoroughly.
- In addition to the direct consequences of the crime, merely being investigated for corruption and fraud can have negative repercussions on a company's reputation. Many companies around the world are recognizing this and more and more are implementing comprehensive internal compliance policies that specify certain inacceptable practices and sanction violations of established standards. In Macedonia, such internal compliance mechanisms
- ➤ are still far from universal and in further need of promotion. In particular, compliance policies are less common among smaller companies. Given that microand small companies make up the largest share of all businesses in the country, this situation needs to be addressed.
- Awareness of corruption and what is considered unacceptable behaviour is high and around one out of eight business representatives consider corruption a major obstacle to doing business, yet bribery often appears to be tolerated as a tool for getting things done or receiving better treatment. A further assessment of corruption awareness among business leaders could be considered and further initiatives might be developed to increase understanding about the pernicious effects of corruption on the efficient allocation of resources in a market economy.
- As the data pertaining to the perception of corruption reveal, public opinion about corruption shows a considerable level of concern about the issue. A window of opportunity is, therefore, open as it is likely that business organizations, as well as their constituent members, would
- welcome the further implementation of anti-corruption policies.

#### 7.11. State Department Yearly Country Report on Macedonia

Macedonia's government selectively prosecutes political opponents and interferes with the work of the courts and the media, the latest US State Department human rights report says. In its new "Country Reports on Human Rights Practices for 2013", the US State Department says Macedonia's government has "used political pressure and intimidation to influence the judicial branch". The report notes credible claims that it "interfered in high-profile cases involving abuse of office or misuse of official position to coerce officials or party members or intimidate key opposition leaders". It is said that in 2013 several cases led to international criticism and concern about selective applications of justice. Under "political prisoners", the report mentions journalist Tomislav Kezarovski, who last year spent six months in detention before being jailed for four-and-a-half years after a court found him guilty of revealing the identity of a protected witness in a murder trial. Kezarovski, whose case increased concern about media freedom in the country, is now under house arrest awaiting the final decision on his sentence by the Court of Appeals.

Another case mentioned is that of the head of the opposition-led Centar municipality in Skopje, Miroslav Sipovic, who was arrested last October on charges of fraud and embezzlement and has since been held in pre-trial detention. "Sipovic's arrest means that

the ethnic Macedonian opposition coalition could lose its slim majority on the Skopje-Centar Municipal Council, marking a political gain for the ruling coalition. Skopje-Centar is one of only four ethnic Macedonian opposition-administered municipalities and is the most coveted municipality in Macedonia in terms of political symbolism and revenue," the report says. Other area of concern is media freedom, pointing out that "Government pressure on the media was a growing problem", noting increasing intimidation against journalists and resulting in self-censorship.

The report says the government is also attempting to impede criticism in the media by directing its purchases of advertising toward pro-government media outlets, resulting in rare cases of publishing views opposing the government". The report further says that the process of lustration, which was originally designed to identify publicly individuals who collaborated with the old Communist secret services and ban them from public office and other benefits, is used primarily "as a means of attacking political opponents and disloyal former associates". It notes that according to the Macedonian Helsinki Committee for Human Rights, there is evidence to show that at least one third of those pronounced as collaborators in fact were victims of the former regime. Another anomaly mentioned in the report is that people are being pronounced collaborators for acts allegedly committed up to the year 2006 - 15 years after the end of the Communist regime and the year the current government took office.

The report repeats last year's concerns that the conditions in detention centres do not meet standards and that there are many cases reported of police brutality. Poor treatment of the Roma population is also singled out, alongside reports of discrimination against members of the LGBT community.

### 7.12. Defects in Macedonian Democracy Increased

The Bertelsman Foundation analysis on Macedonia, shows that the NGO sector has been suffocated, there is exceeding employment in the state administration, high level of corruption, bad economic policies and political populism. "Macedonia is among the countries of East and South-East Europe with the largest fall in values of political and economic transformation" on the period 2012-2013" the report concludes. Macedonia fell for three places on the list that grades the democratic status and advanced for one place on the market economy status. In the largest number of parameters based on which the Bertelsman foundation draws conclusions for the countries' progress, Macedonia showed no advancement. That is especially true for the political parameters, where the largest setback is noted in the part of the international reputation of the country, due to political crisis, scandals and political polarization. Only Hungary is worse than Macedonia regarding this aspect. In the part of political transformation, Macedonia is in the group of "defect democracies". The first group is "consolidating democracies", while behind Macedonia on the list from the region are only Albania, Kosovo and Bosnia & Herzegovina. In the part of economic transformations, the country is in the group of "functional market economies" with an average grade a bit higher than Montenegro and Serbia. The first group include the "developed market economies" where is Slovenia as well, and the last group are the "market economies with functional problems" where are Albania, Kosovo and B&H.