Macedonia’s governance may best be described as formally democratic. This qualification reflects a number of problems affecting the country, including clientelism, nepotism and corruption, a weak and politicised administration, restrictions on freedom of the media and a growing fixation on »national« issues. Despite these structural problems, at least the municipal and presidential elections in 2009 were largely conducted fair and free, after the EU made the progress of accession talks contingent on a proper electoral process.

Macedonia’s political culture is perhaps best characterised as clientelist, while rural regions can be described as clan-oriented. There is a general democracy deficit and a strong antagonism between the country’s political camps (intraethnic, interethnic). In essence a resource conflict over state sinecures, this phenomenon, which is increasingly taking on a populist slant, is fuelling tensions in the country. Loss of political power is tantamount to loss of economic power, to such an extent that the political parties tend to resort to unfair or dishonest means to gain and hold on to power.

In the past (before and immediately after the conclusion of the 2001 peace agreement) social conflicts and their negative impacts were sharply ethnicised. For one thing, ethnicisation offered major opportunities for political mobilisation, especially in the context of elections; for another, such conflicts were used to divert attention from more complex social realities or the country’s lack of capacities to solve problems effectively.

A strict separation of powers and a clear dividing line between private business and the party-based state would constitute one pivotal contribution to easing the conflicts in Macedonia. Building viable economic structures, particularly in regions affected by smuggling and organised crime, would provide alternatives to the sources of income currently dominant there.
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1. Current Situation

Since Macedonia declared its independence in 1991, elections have been held there on a regular basis: parliamentary elections (with one exception) every four years; presidential elections every five years; and municipal elections every four years. The OSCE has observed these elections since 1996, resulting, for the most part, in more or less critical assessments. In particular, it has criticised the influence of the political parties on the voting process, mentioning, for example, voter intimidation, faking of ballots, instances of ballot-box stuffing and dubious vote-counting practices. But their behavior in the course of election campaigns has also come in for criticism. One practice observed in rural regions, often attributed to the traditional family roles still prevalent there, is that family heads sometimes vote on behalf of their entire family. In the wake of the highly problematic parliamentary elections held in 2008, the EU made the start of accession talks contingent, among other things, on Macedonia’s ability to conduct fair and free elections. This condition was largely met by the municipal and presidential elections held in 2009.

The dispute over and fear of Serbia’s policy of rounding off its borders at the expense of its neighbors led the UN to dispatch, in December 1992, its first UN Protection Force (UNPROFOR) to Macedonia. Under UN Security Council Resolution 983 of 31 March 1995, the mission was converted into the UN Preventive Deployment Force (UNPREDEP). However, its mandate could not be extended beyond 28 February 1999 because China, angered at the establishment of diplomatic relations between Macedonia and Taiwan, vetoed the mission in the UN Security Council. The absence of the mission is one reason why the security situation subsequently deteriorated. Besides the dispute with Greece over Macedonia’s name, other destabilising external factors included the embargo measures that the international community imposed on the former Yugoslavia, which also adversely affected Macedonia, and the 1999 Kosovo conflict.

In 2001, finally, there was open conflict between Albanian insurgents and Macedonian security forces. By their own account, the insurgents were seeking to remedy the discrimination suffered by the ethnic Albanian population in Macedonia. Mediated by the EU and the USA, the Ohrid Framework Agreement, which both defined the terms of peace and called for constitutional amendments, was signed on 13 August 2001. NATO troops then stepped in to stabilise the security situation. On 1 April 2003, the EU took over this task, dispatching the first ever EU-led military mission, known as »Concordia«. The mission ended in December 2003 and was replaced by »Proxima«, an EU police mission (December 2003 to December 2005). Macedonia remained a fragile state until late 2005, when the EU decided to grant the country candidate status.

In formal terms, Macedonia’s alignment with the EU is the country’s central development strategy, although its official actions sometimes appear to be at odds with it. Recurrent examples of such behavior include the general democracy deficit and the strong antagonism between the country’s political camps (intraethnic, interethnic). In essence a resource conflict over state sinecures, this phenomenon, which is increasingly taking on a populist slant, is fuelling tensions in the country. This conflict has in the past led to massive problems in conducting free and fair elections, to the refusal of the government to engage in dialogue and give due consideration to policy advice and to fast-track legislative processes without any parliamentary debate. Macedonia’s governance can be best described as formally democratic. This qualification reflects a number of problems affecting the country, including clientelism, nepotism and corruption, a weak and politicised administration, restrictions on freedom of the media, a growing fixation on »national« issues, tense relations with some neighboring countries (Greece, Kosovo, Bulgaria) and EU and NATO accession processes that remain blocked on account of Macedonia’s dispute with Greece over its name.

2. Context Analysis

2.1 Rules of the Game

Declaring its independence, Macedonia seceded peacefully from the Yugoslav federation in September 1991. A dispute with neighbouring Greece over the very name »Macedonia« served to block admission to the UN, for which it applied on 30 July 1992. Macedonia was finally admitted to UN membership on 8 April 1993, under the name »the former Yugoslav Republic of Macedonia« (henceforth: »Republic of Macedonia«).

According to its Constitution, the Republic of Macedonia is a representative democracy based on the principle
of popular sovereignty (Art. 2). The rule of law, protection of human and civil rights, social justice, economic welfare and free development of the individual and the community are enshrined in the Preamble as constitutive objectives.

In 2001, the Ohrid Framework Agreement (OFA) set out a number of constitutional amendments designed to guarantee extensive rights in shaping national affairs to the country’s minorities, above all the Albanian minority, which accounts for 25 per cent of the population. These rights include: (i) equal representation in government institutions and bodies at all levels (Art. 4, OFA); (ii) decentralisation and reconfiguration of the country’s municipalities (Art. 3, OFA); (iii) special parliamentary mechanisms designed to protect minorities from being outvoted by the majority in fields that directly concern (a) culture, (b) language use, (c) education, (d) personal documents, (e) the use of symbols, (f) municipal finances, (g) municipal elections, (h) the affairs of the city of Skopje and (i) the demarcation of municipalities. In order to be adopted, legislation of this kind needs a »dual majority«: on the one hand, a simple majority in parliament and on the other, a majority of those members of parliament who belong to the relevant minority (Art. 5, OFA). Furthermore, with a view to protecting their identity and culture, minorities are accorded extensive rights in education and in the use of their mother tongue and national symbols.

There is some controversy concerning how successful implementation of the agreement has been. In many cases, informal procedures continue to be used in place of formal, institutionalised ones (sometimes in consultation with the international community). Furthermore, the targets laid down for equal representation of minorities in government institutions have not yet been reached (although reasonable levels have been achieved among the security forces) and the effects of the policy of educating children in their native language (segregation of children by ethnic origin) have proved to be fairly negative. Decentralisation is not yet complete, but one of its effects has been to establish yet another level on which nepotism can operate. All in all, however, the established system of power sharing has contributed to stabilising the country and has laid down strong incentives to seek to balance and reconcile divergent interests. Macedonia’s electoral laws have been modified constantly in response to the criticisms voiced in OSCE reports and under pressure exerted by the European Commission. Macedonia’s electoral laws were last amended on 29 October 2009, in a move that found broad support in parliament (87 of 120 votes). The aim of these amendments was to rule out, as far as possible, any abuses, including ballot rigging, before, during and after elections. Parliamentary elections are held every four years, based on the principle of proportional representation. Officially, 1.78 million of the country’s 2.05 million population are eligible to vote. The candidate lists proposed by political parties must include at least 30 per cent women (or, according to the letter of the law, at least 30 per cent men). De facto, the parties approved by the election commission need to garner roughly 3 per cent of the overall vote to win seats. Since the country is divided up into six electoral districts, the parties are allowed to establish election platforms. Since many minority parties would be unable to reach the required 3 per cent mark, all of Macedonia’s minority parties – with the exception of the Albanian parties – are forced to seek, prior to every election, an ally, usually among the country’s large parties. The key factor is not the partner party’s political orientation but its prospects of success. In-depth agreements are struck on how the various posts up for grabs in government, administration and state-run companies are to be allocated after an election. A majority voting system adopted at one time (85 members of parliament elected directly in election districts and 35 elected at the national level on the basis of proportional representation) led to the aggravation of local conflicts in 1998; prior to the 2002 elections, it was changed back into a system of proportional representation.

In 2006 and 2008, the election turnout was just over 50 per cent (the figures for the Albanian population were under 50 per cent). Roughly 50 per cent of the population regard elections as a means of demonstrating their solidarity with a particular political actor, and the latter is expected to return the favor by conferring privileges on supporters. At present, jobs in the public administration or state-controlled companies or public contracts are the currency in which political support is rewarded. According to unofficial data, the current Macedonian government has in this way allocated roughly 30,000 jobs over the course of three years, roughly 5 per cent of all the jobs currently in existence.

To win in presidential elections, which are held every five years, a candidate needs to secure a quorum of 50 per
cent of the votes cast in the first round of voting, while 40 per cent is required in the second round. If none of the candidates secures a majority in the first round, a run-off election between the two leading candidates is held to choose the president. The Albanian parties mistrust the reduction of the quorum for the second round of voting, which was put into effect in 2008. They fear that the Albanian vote will now no longer be such a crucial factor in presidential elections.

From 2012, Macedonians living abroad will also be eligible to vote. The diaspora is generally seen as structurally conservative and nationalistic in outlook, and its influence is therefore likely to be problematic.

Macedonia has a parliamentary system of government that has been broadened to include a president with limited powers. Ambassadors and supreme court judges are nominated jointly by the president and the prime minister, and while the president may delay the adoption of legislation, he or she does not have the authority to veto it. On the outbreak of military conflict, the president is commander-in-chief of the armed forces. The only avenues open to the president to exercise power, at least in the sense of a reasonably effective force working to balance divergent interests, are presidential impartiality, popularity and the president’s prerogative to publicly address and deal with issues of social and political import. The parliament makes very little use of its rights vis-à-vis the government, and the opposition is largely powerless. Internal party mechanisms used to select candidates, and the style of leadership of and the resources available to both parliament and parliamentarians tend to undercut efforts to build a self-confident and proactive parliament. The judicial system is often characterised as politically dependent and prone to corruption. Be that as it may, the constitutional court has in the past shown itself able to stop a number of questionable reforms. Below this level, however, the problems just referred to appear to be rife.

Macedonia’s political culture is perhaps best described as clientelist; rural regions are still characterised by a clan culture. Loss of political power is tantamount to loss of economic power, to such an extent that the political parties tend to resort to unfair or dishonest means to gain and hold on to power. Since loss of political power may well entail negative consequences for a party’s clientele (dismissal or cancellation of contracts and licenses), the ties between a party and its membership are often opportunistic in nature. When political parties lose power, they often respond by engaging in populist actions, provoking scandals and sometimes even going so far as to boycott the legislature.

2.2 Key Players and their Interests

The leadership generally has a disproportionate role in political parties. This applies to both parties in power and opposition parties. Internal party democracy is still relatively underdeveloped, and attempts to open parties up to the rank and file may at times lead to more clientelism at the local level, as well as to internal party dysfunctionality. Party unity, ensured by a party leader, is respected by a large share of the population.

Party funding is governed by law, although there are only light penalties for infringements. In the past, parties have often submitted their mandatory funding reports late or not at all. A law just reformulated under pressure from the EU likewise lacks bite, in the sense that the sanction mechanisms it provides for are too weak. The parties are reliant on donations because their members are, as a rule, not able to afford contributions. The opposition parties find themselves in a particularly difficult situation in this regard in that powerful donors tend to shun them if they see no prospects of a change of government. Foreign organisations or companies are not permitted to donate to Macedonian political parties. Politics and business are highly interdependent in Macedonia. Businesses and entrepreneurs associated with an opposition party may be put under pressure by the government; the means used to exert pressure include cancellation of licenses or particularly tough inspections. On the other hand, businesses close to the government may benefit from contracts and more sympathetic treatment. Some larger businessmen seek to safeguard their businesses by buying up important media outlets, and then enjoying the benefits of sympathetic coverage. Jobs in the administration and state-run companies are largely allocated through the governing parties. Polls indicate that 50 per cent of the population are likely to turn to a political party first when looking for a job.

The state continues to be the central hub for people in search of economic advantage. This emerged in connection with privatisation, and continues with regard to the
awarding of licenses, (quasi-)monopolies and contracts, as well as key positions in the police and the customs administration. Without political protection, investments are either impossible or insecure. Even international corporations are not immune from relatively arbitrary intervention, as demonstrated by the case of EVN, an Austrian energy corporation that in 2006 acquired the Macedonian power grid and now finds itself facing legal claims amounting to 200 million euros. The use of undemocratic methods, even going as far as the use of violence, to acquire political power is not exceptional. While open violence has, so far, been rare between the country’s ethnic Macedonian parties, that is not the case between the ethnic Albanian parties, and the problem has served to destabilise parts of the country. Without the pacifying power of the prospect of (and conditionals for) Macedonia’s accession to the EU, violence would certainly assume more menacing dimensions.

Among the actors of social conflict are on the one hand the political parties and their followers and on the other organised crime. There exist more or less close contacts between these groups. In the past (before and immediately after the conclusion of the 2001 peace agreement) social conflicts and their negative impacts were sharply ethnicised. For one thing, ethnicisation offered major opportunities for political mobilisation; for another, such conflicts were used to divert attention from more complex social realities or the country’s lack of capacities to solve problems effectively. Based on concrete experiences of discrimination, this ethnopoliitisation proved particularly successful among young members of the Albanian minority. The interethnic conflict of the past has, since 2006, gradually given way to an intraethnic conflict. The peace agreement and its implementation undermined the credibility of the interethnic conflict between Macedonians and Albanians to such an extent that, for the moment at least, no intensification of the conflict is anticipated. Intraethnic conflict, in turn, has taken on especially virulent forms in the Albanian camp, and it is precisely there that informal types of economic activity tend to be particularly important (among other things because access to the formal economy was long restricted) and lucrative. However, these forms of economic activity cannot exist without political protection of one kind or another, because they are predicated on the willingness of the government to look the other way. Major conflicts over government positions will continue as long as the only way to secure maximum profits is to work together with governing parties. One effect of the conditions laid down for Macedonia’s accession to the EU is, at present, to contain such conflicts. The media have largely shown a sense of responsibility in dealing with the interethnic situation in the country and the churches active in Macedonia have resisted all attempts to instrumentalise them for political ends. It is the political parties that have the greatest potential to reduce conflict, however, and this is why the EU is constantly calling for political dialogue and criticising nepotism and corruption. A strict separation of powers and a clear dividing line between private business and the party-based state would contribute enormously to conflict mitigation. Building viable economic structures in regions affected by smuggling and organised crime would provide alternatives to the sources of income currently dominant there. This is a challenge that needs to be met by both government and the business community, but also by international donors.

Alliances are formed, in the first instance, on a pragmatic basis: which partner will be able to provide and sustain access to state power? This is the reason why programmatic principles or election programmes play no more than a minor role for the political parties when it comes to forming coalitions. A special case is the formation of coalitions between ethnic Macedonian and ethnic Albanian parties. Here the custom since independence has been for the strongest parties in each camp to form coalitions with each other. This rule was broken only once, in 2006, and the result was that new elections had to be called in 2008. Organised crime, for its part, needs the political sphere to keep spaces open for the business it engages in. This is why it does its best to form, or to continue, alliances with political actors. But if it is tied exclusively to one actor, destabilisation ensues if the latter loses power. If state structures fail to leave the necessary room for maneuver, a low-intensity conflict may serve to create it.

The run-up to elections is likely to be marked by violence geared towards intimidating political opponents or those thought likely to vote for them. Indeed, violence is likely even on election day if there is not a strong presence of international and national observers there to prevent it. As long as it continues to be primarily the ruling parties that hold the keys to participation in the economy and until the rule of law is fully operational, this conflict potential is more than likely to remain virulent.
Even the rules governing the election commission have constantly been modified, under the influence of OSCE/ODIHR, with a view to preventing election fraud and ensuring that OSCE standards are met. Alongside the national election commission there are 85 municipal election commissions and 2,976 election committees. The national commission is made up of three members of the opposition (including the chair) and four members of the government side (including the deputy chair). Despite the fact that the election commission was reconstructed in 2009, only two old members were replaced. The members of the municipal election commissions are chosen at random from the public administration. The commissions are made up of four members and their deputies, who are appointed for a term of five years. The election committees are made up of randomly selected representatives of the public administration and one delegate from each of the governing and opposition parties. This composition seeks to maximize objectivity, while at the same time ensuring that the committees enjoy the confidence of the political parties. In future, however, commission members will need to be better trained.

Television is the primary source of voter information, with the print media playing only a secondary role. Alongside public television there are a number of private broadcasters with national coverage. As far as the print media go, there are four to five relevant daily newspapers and two weeklies. The media are unable to finance their operations from commercial advertising revenues, and reporting therefore generally tends to be politically colored. The media are reliant either on the revenues they earn by broadcasting/printing government-funded campaigns or subsidies from other businesses owned by their proprietor.

Reporting tends to be tabloid-style sensationalist, and this generally means that reports are not necessarily checked for their truth content. There is hardly any investigative journalism, and instead columns authored by »experts« or former politicians are widespread and popular. So-called hate speech is uncommon, and the thrust is more to establish or underpin stereotypes. As noted above, the media are heavily influenced by the ruling parties, either directly (public television) or indirectly (campaign advertising and attempts on the part of media proprietors to curry political favor).

2.3 Socioeconomic Reality

The average monthly income in Macedonia is roughly 300 euros. The official unemployment rate has for a number of years been around 35 per cent, with informal labor accounting for 27.7 per cent of overall employment. Some people register for unemployment only to secure health insurance benefits. Experts estimate the real rate of unemployment at around 20 per cent, but it is not possible simply to formalise the jobs of informal workers because the costs for employers would often be prohibitively high. As many as 20 per cent of the population are categorised as poor (less than 70 per cent of the average expenditure profile – that is, roughly 180 euros per month). The Gini index for Macedonia indicates that the country has Europe's largest gap between rich and poor. This has not yet led to unrest, or even to a debate on redistribution.

Many people actively seek employment in the public sector, despite the low wages. But access to this safe source of income is for the most part to be had only via political connections. In the past, access to government-controlled jobs was distributed unequally among the country's various population groups. The main groups that suffered discrimination were the Albanians and the Roma. It is true that the lower educational levels of these groups do not help, but too little has been done to remedy the situation. Thanks to its orientation towards free enterprise and a more Western outlook, however, the ethnic Albanian population was better prepared, in relative terms, for the process of transformation the country was about to embark upon. Surveys also show that the ethnic Albanian population is more satisfied with its living standards than the ethnic Macedonian population. While ethnic Macedonians have a low birthrate, comparable to those in western Europe, the rates reported for other population groups, and in particular for the Albanians and the Roma, are far higher. Since, according to the most recent census, the ethnic Albanian population already accounts for 25 per cent (500,000 people) of the overall population, there are fears among ethnic Macedonians that continued growth will be used as justification for more extensive claims vis-à-vis the state (autonomy, federalisation). Fears of an alleged plan to create a »Greater Albania« continue to be articulated privately. The fact that the Albanian population is settled relatively compactly in the areas bordering on Albania and Kosovo has again and again given rise to rumors of
annexation-style ideas» of this kind. Indeed, proposals have even been advanced at a high level on the possibility of exchanging territory and population.\(^1\)

While university graduates continue to represent only a small percentage of the population, government measures taken in recent years have substantially boosted the number of persons qualified to study or actually studying at institutions of higher learning, and in 2008 some 65,000 students were enrolled at the country’s public and private universities. The younger, urban population is quite familiar with how the political system works; at the same time, it perceives the real functional deficits of Macedonia, leading to high levels of abstention from voting and depoliticisation. And elderly, poorly educated citizens tend to yearn for the return of the authoritarian state, with its guarantee of jobs for all.

### 2.4 External Influences

Kosovo’s secession from Serbia, enabled by the 1999 NATO intervention, certainly had a deterrent effect on the Macedonian leadership, stoking fears of similar developments in Macedonia. At the same time, it also served to encourage the leadership to make concessions when the international community in 2001 announced its intention to bring the conflict to a swift end. The EU, alongside the USA, played the central role in bringing about the Ohrid Framework Agreement. In the brief history of the EU’s Common Foreign and Security Policy (CFSP), the peaceful settlement of the Macedonian conflict in 2001 may be seen as one successful example of CFSP in practice. The EU presence in Macedonia for this reason included a special EU representative and an emissary of the European Commission – two roles that were merged at the end of 2005. The EU continues to play a prominent role in the country’s stability and, thanks to its integration strategy for Macedonia, is the most important guarantor of the Ohrid Agreement and the country’s further peaceful and democratic development. At the same time, regional programmes, such as the SEECP\(^2\) or the Adriatic Group, devoted to preparing for the NATO accession of Albania, Croatia and Macedonia, have provided for more responsibility in foreign affairs and have improved regional stability. In 2003, Macedonia achieved WTO membership. The country’s integration into the common economic space created by CEFTA, which got under way in 2006, is also intended to contribute to preparing Macedonia for later integration into the EU.

For the European Union, Macedonia, in view of its peaceful secession from Yugoslavia, represents an anchor of regional stability. Because of the multiethnic composition of its population, it is also hoped that it will serve as a model for interethnic community life in a western Balkan country. The Ohrid Agreement is seen as the paradigm of a power-sharing agreement for the Balkans, one that effectively protects the interests of minorities, but without unduly restricting the effectiveness of the state. Experiences gained in Macedonia were also put to use in Kosovo. Because of this model function, and based on the assumption that a policy of this kind would have a stabilising impact on the region as a whole, Macedonia was granted candidate status by the Council of the European Union in late 2005.

The OSCE has observed elections in Macedonia since 1996, and it continues to be welcome. While OSCE reports have often voiced criticisms, the international community did not respond particularly emphatically in the years immediately following the conflict. The main concern was, after all, the country’s stability. This situation has changed since Macedonia was granted EU candidate status. The expectations now formulated for Macedonia are more rigorous.

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