



# BAROMETER

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

If one considers the official statements given by the two sides of the negotiation process – Macedonia and Greece it may be concluded that there are no radical steps indicating solution of the pending “name issue” problem. Other than the diplomatic communications which do not throw a light clarifying in which stadium the process is, there are some speculations about the ideas which are probably put on the negotiating table through diplomatic channels, on which political factors stare their position.

### **1.1. Liberal Party Euroatlantic and Name Dispute Solving Platform**

In August, the MP and President of the Liberal Party Ivon Velichkovski submitted to the Assembly a Platform for Euroatlantic integrations and solving of the name dispute. In it were given the basic directions according to which the country, the Government, the Assembly and all political parties should act in coordination, when in question are these strategic interests of the country. The document emphasizes that integration of the Republic of Macedonia in NATO and EU is clear and supreme priority of the majority of citizens of the Republic of Macedonia regardless their ethnic, religious social, political and other affiliation. It states that EU and NATO membership are intrinsically connected with solving the name dispute with Greece, but calls upon agreement of all political actors to agree that the Macedonian language and identity shall not be topic of negotiations with Greece. Velichkovski suggests to be forbidden the use of the flag having the Kutlesh (Vergina) sun and the map of geographic Macedonia, in order to be banned the possibility of Greece accusing Macedonia for “enemy propaganda” and “territorial pretensions”. Suggestion is to bind political factors that the name dispute shall not be abused for party-political interests.

“By this platform is determined that the dispute with Greece is not an issue solely for one party, one government or one person. Therefore, immanent is the need for complete mutual understanding and bringing into accord of all political factors in the state and their permanent participation in the Platform realization. There are conditions for such unity should be accomplished. For that aim precondition is to cease the attempts by enforced differences to be achieved a strictly party benefit daily profit by which the country shall be disabled to successfully solve the dispute and to build and strengthen its international position”-suggests Velichkovski. He insists the government, the Assembly and all political parties to bind themselves that they will accomplish policies suggested in the Platform and the Government to inform the Assembly regarding the dynamics of the document’s realization and about debates to be held on this issue at least twice a year.

## **1.2. Letters Gruevski-Samaras**

Prime Minister Nikola Gruevski in his speech on the occasion of Ilinden national holiday in August announced that he intends to ask the United Nations to change the format of the talks with Greece, in which other than the mediator shall participate both sides' prime ministers with their expert teams. He stated that at the final phase of the process, the decision shall depend on the citizens, as the agreed solution will be put on a referendum. Gruevski accused Greece that it has no elementary interest nor will to talk, even less to solve the dispute. In an attempt to communicate on the issue directly with the Greek PM he communicated in writing.

As an answer to the letter of PM Gruevski, PM Samaras reminded on the Greek draft memorandum for cooperation. In the reply, other than the diplomatic refusal for a joint high level meeting, he mentioned the Greek draft memorandum for cooperation, which was offered for moving forward the negotiations. This negative answer from the Greek side is interpreted as a sign that the Greek side still awaits for a sign from the Macedonian side to be ready to make concessions in order negotiations to move forward. What's more the Greek refusal is seen as a refusal to have an "only photographs" meeting without new moments at the negotiating table or an offer for backing from the Macedonian red lines in order to initiate such a move from the Greek side as well. According to Greek analysts, the Gruevski offer has a couple of problematic points: firstly is the timing, since the Greek government is undergoing a difficult period in which are due many painful reform cuts; second is the mistaken selection of method, as impression is that this communication on a prime minister's level is made only to impress, to seem like a communication tactic. "If one really wants to have success on this initiative, then it is known that such an understanding may be achieved through adequate channels on a lower level"... "Samaras will not accept a meeting unless there is a real suggestion for solution. In order to have a meeting, a big step should previously occur which will bring to mutual compromise" – analysts confirm. From his side, Greek FM Evangelos Venizelos announced reviving of talks with the mediator Matthew Nimetz by the end of August.

## **1.3. Reeker and Hill Statements on the Name Dispute**

In August, Philip Reeker, US Deputy Assistant Secretary for European and Eurasian Affairs, reaffirmed his country's message to Macedonia and Greece, namely that Washington hopes for settling of the name row and resuming of negotiations on the matter in late summer or early fall. "We are encouraging everybody in the region to work together in a constructive manner, build confidence among them, which is also important for the relation between Macedonia and Greece"-he said. Reeker also believed that Greece will have an opportunity to play a constructive role and realize the Thessaloniki Agenda for Western Balkans in the first half of 2014 as a holder of the EU Presidency, MIA reports from New York. A stable, successful neighborhood is the interest

of Greece, which has been dealing with serious economic challenges, Reeker said. "Nothing can undermine an economic progress and performance as instability in the neighborhood," Reeker said.

In light of the visit of Greek Prime Minister Antonis Samaras to Washington, the first United States Ambassador to Macedonia Christopher Hill says the U.S. have made a step backwards and lost certain interest for settlement of the name issue, adding Macedonia should double its diplomatic efforts in Washington and Brussels. "It is my impression, not something supported by facts, that the United States have made a step backwards, assessing the conditions are not right to find a solution to the dispute. If this impression is right, I believe it is important for Macedonia to privately send a signal to the U.S. over its preparedness to solve the issue and to demonstrate flexibility. I understand this is very difficult, because we are talking about changing or not changing the name, but Macedonians need to show they are the reasonable ones", says Hill in a telephone conversation with the Macedonian Information Agency. "I believe Macedonia can hold private talks with the Greeks, which would not go public, while public invitations are least likely to be well accepted by the other side. These things need to be extremely well prepared privately", stresses Hill.

According to Hill, Macedonia's crucial objective should continue to be EU and NATO accession. "If we put aside all problems that the European Union is faced with, I believe it is still of high interest that Macedonia joins EU. I understand the frustration among Macedonians that things have maybe changed in the name issue. I do not believe they have and think that it is much in Macedonia's interest to join. I hope Macedonia will succeed and I will do everything I can towards achieving this", says Hill. He added that Greece's economic crisis should not be used as a way for the EU to put pressure on the name settlement, but through continual engagement of Macedonia's diplomacy in Washington and Brussels.

"The Macedonian Government should do everything possible on the diplomatic front, be active, convince the EU, the United States and other factors that it is the reasonable and flexible party in the dispute. Just like in basketball, when you are small you need to be quick. Macedonia must be very active in the diplomatic field and maintain more friends within the EU", emphasizes Hill.

#### **1.4. Meeting Venizelos-Poposki**

Greek Foreign Minister Venizelos at his address to the Committee on foreign affairs emphasized that he decided to meet the Macedonian FM Poposki because he hoped that the meeting will be useful and productive because the next day was to be held a meeting between EU and Macedonia. He also said that Greece remained on its well known positions which are the basis of its state strategy on the issue.

At the meeting with Poposki, Venizelos said that Greece did not block Macedonia to be included in any international organization under the temporary reference, but problem were the irredentism and the disrespect of the good neighborly relations as obligations of every country-candidate. In Bucharest there was no veto, but the decision was common for all countries-members. From his side, Poposki stated that Venizelos' statements are a lesson that Greek diplomacy learned in Bucharest and in front of the International Court of Justice. Some analysts comment that it is absurd the Greek side to claim Macedonia to respect international law, while at the same time they ignore the ICG judgment.

### **1.5. Fule Denies there is Pressure from Samaras to Forget About Macedonia**

In August Enlargement Commissioner Stefan Fule denied that he has been pressured by the Greek PM Andonis Samaras to forget about the Greek vote on his reelection in 2014 if continues to further pursue the idea of Macedonian EU membership. Still, Macedonian media speculate that due to the Greek and now recently the Bulgarian blockade Macedonia did not receive the deserved date for commencing the EU negotiations, while it is known that the Enlargement Directorate office was pushing towards that trend. Last year, Fule was suggesting Macedonia to start its negotiation process with EU while the dispute with Greece to be solved in the early phase of these negotiations. In order not to repeat the same suggestion, rumor is that Fule got a precaution warning not to pursue the same suggestion, since his mandate terminates next year, together with all the other Euro-commissioners.

### **1.6. Ali Ahmeti on a Diplomatic Mission for the Name Issue**

DUI's leader Ali Ahmeti in August wrote a letter to the former NATO secretary general George Robertson but also to thirty other current and former international holders of official positions, of which he seeks active help to solve the name dispute with Greece. In the letters Ahmeti emphasizes the urgent need for attention by the international community, the two sides to be brought closer, to start dialogue on the highest level and finally a compromise solution to be reached. In the letter to Robertson Ahmeti seeks assistance, as the pending issue may destabilize the country again.

These letters are seen as Ahmeti's personal diplomatic offensive, including his ministers. At a journalist's briefing, Ahmeti further informed that VMRO-DPMNE does not wish a public debate on this issue, which DUI believes it is indispensable, and in relation to identity he said that he believes that with the Nimetz suggestion "Upper Republic of Macedonia" identity is not threatened, while his coalition partners believed the contrary. Ahmeti said that VMRO-DPMNE insisted on the use of the constitutional name as part of the solution, while DUI believes that this stance does not lead to a solution where a compromise should be reached.

Further to his correspondence, Ali Ahmeti embarked in a diplomatic offensive in numerous countries, including Greece. In Athens he held talks with the Greek vice-PM and FM Evangelos Venizelos. Macedonian media estimated the visit as positive, but opinions vary significantly in the opinion whether the visit was “private” or not. Experts say that there is no government strategy for solution of the name dispute, there is just mutual information about the activities between the two coalition partners, but there is lack of political coordination, and the last thing for Gruevski to do is to send Ahmeti to a diplomatic mission in Athens for there is lack of mutual trust. Ahmeti as collocutor was be seen in Greece positively, since he is a president of the coalition party in government. A sign of previous coordination of activities is the fact that Ahmeti was accompanied by Musa Xhaferi who is the government vice-prime minister for the Framework Agreement realization. Meetings with the Greeks side were much more covered by domestic media than the ones with American or other counterparts. Analysts believe that DUI is aware that by having only 15 MPs cannot solve this question alone, but Ahmeti needs to show these efforts for its own supporters in order to prove that he was trying to find a solution for the issue. MIA informed that at the meeting Ahmeti-Venizelos there was no conversation about “concrete suggestions”, but DUI’s leader showed optimism prior to Nimetz visit.

Ahmeti's surprising foreign policy engagement further included Washington, Athens, Sofia, Berlin, Paris, Haag, Brussels. In USA was received only by the assistant Secretary of state Phillip Reeker, the former Ambassador to Macedonia, although was expected to meet with Joseph Beiden. The reasons were several, from the possibility of lower level of Ahmeti’s influence in the Macedonian government regarding the name issue, the absence of logistics support from the Albanian-Kosovar lobby in USA and the open Congress lobbying of the Macedonian diaspora mainly opposing Ahmeti’s meeting with USA political representatives. This first impression is somehow mended with Ahmeti’s visit to the European capitals. Still, the general situation is pretty obvious, as Washington has been silent, German chancellor Merkel was pleading for pausing of including new EU member countries, while EU officials obviously avoid to mention Macedonia regarding future integrations, while internally Gruevski insists on firm unyielding policy towards Greece and more emphasized turning of Skopje to East, accompanied with strong national-patriotic rhetoric’s, and cruel treatment and repression towards media. Therefore, impression is that Ahmeti made that tour in the effort to improve the image among his voters.

Macedonian FM Popovski was the first to estimate the visits as “private”. Other analysts believe that there is minimum coordination otherwise there should be breakup of the government coalition immediately.

## 1.7. Nimetz Regional Visit in September

In autumn, UN mediator on the name issue Matthew Nimetz visited the region. It is said that this time the mediator comes with a new suggestion, for which both political leaderships shall be informed. He first visited Athens, where he met with the Greek vice-PM and FM Evangelos Venizelos, who previously in his address before the Committee for Defense and Foreign Affairs in the Greek Parliament announced that at the beginning of September starts a new round of talks regarding the name issue.

After the meeting, Nimetz stated that conversation was very constructive and that he »clearly understood the Greek government position«, as he was told on which changes the Greek side disagrees and what kind of changes are acceptable. »These are difficult negotiations and I think it is very important each side to completely understand the position of the other side and then I hope we shall bring the sides together. For me it is of utmost importance for the dialogue to continue and by doing that I hope we shall move closer and closer to a mutually acceptable solution«- stated Nimetz. On a journalist question whether is correct the information that his last suggestion is »Upper Republic of Macedonia« the mediator said that he never discloses the content of the suggestions. Regarding the possibility of a convening a meeting between the prime ministers of Macedonia and Greece , the mediator said that it is not his mission, but »in the right time and on the right place it can be a dialogue on a very high level«, as every leader deals with matters in a different way.

President Ivanov stated that after the last meetings both sides still do not have a solution nor rapprochement of positions. »There is agreement the name Macedonia to be contained in the name, but there is still not a rapprochement, adding that Greece always acts ultimately and insists only her demands to be satisfied..

During the last week of September Ambassador Nimetz convened a new meeting with both countries' mediators on the name issue. The UN Secretary General spokesperson Martin Nesirski stated that "...the Secretary-General sincerely hopes that these talks will pave the way toward more serious negotiations in seeking a mutually acceptable name solution," as a solution to the name dispute will be in the interest of both sides and the entire Balkan region. He said that the mediator's goal is to decrease the existing differences on his last suggestion and to demand further positions' rapprochement.

UN Secretary General Ban Ki Moon met with Greek FM Evangelos Venizelos who repeated the erga omnes use of the name, insisting on Greece's starting position. At the same time, Macedonian PM Gruevski was also in USA for various political meetings but also to address the UN General Assembly and to meet Secretary General Ban Ki Moon.

## 1.8. What was Nimetz Suggestion About?

Macedonian media came out with information about the content of Nimetz suggestion for solution of the name dispute. It was said that the name suggestion was "Upper Republic of Macedonia", and this is supposed to be the name of the country for the next 7-8 years while negotiations for EU membership last and to ensure NATO membership, in order the FYROM reference to be replaced. After negotiations terminate Macedonian citizens on a referendum should answer two questions- are they for EU membership and are they for acceptance of the new name. If the majority answers positively, the name Upper Republic of Macedonia shall be used for complete external use. The new name would enter into use the day when Macedonia becomes an EU member. Hard identity questions regarding the name of the nation and the language are not part of the agreement offered by Nimetz. According to this practice, the official language of the Upper Republic of Macedonia as EU member would be according to the suggestion "makedonski" in its Cyrillic version.

Evidently, the Greek side insists a solution to be found by which will be made a precise distinction between the region Macedonia in Greece and the Republic of Macedonia, but also insists the compromise name to be both for international and domestic use. From its side, Macedonia insists the word "Republic" to be the one that will make the clear distinction between the region Macedonia in Greece and the state Macedonia. Macedonia also insisted Greece to cancel the blockade of Euro-integration processes, calling up to The Hague International Court ruling. Still, EU and USA have difficulties in accepting this position, as it encompasses all the events prior 2008 and the NATO summit in Bucharest, when there was no dilemma about Skopje's innocence, but also includes the later period of "antiquization", or as it was told by former FM Milososki "showing the middle finger to the southern neighbor". This unfortunately neutralized the effect of the Hague ruling. In addition, Macedonia's weak democratic performance in the last four years was clearly noted in EU and USA reports.

After media circulated these information DUI as a coalition partner in the Government asked for a public debate on this suggestion in order a solution to the problem to be found. "The new 2014 for Macedonia shall be a year of expectations related to its strategic goals. In the context of the Euroatlantic integrations we shall be focused on what depends on us and that is tripling the efforts for the reforms. We shall intensively work on building positive climate in the neighborhood and the region as well as on economic promotion of the country. These are the three priorities: strong reforms, pleasant neighborhood and economic promotion"- stated the Foreign Minister Nikola Poposki.

Greece and Macedonia however, for now remain out of Nimetz framework. European and American diplomacy now make efforts to secure a Gruevski-Samaras tête-à-tête meeting in an effort to approximate the two sides and agree on a final solution. After 20 years of negotiations, it seems that the issue is before

denouement, regardless if there will be reaching an agreement or abandoning the UN negotiations.

Opposition analysts believe that Gruevski is in a good way to divide the country along ethnic lines but also to bring such divisions in the Macedonian national fabric that would endanger the existence of any state of Macedonia. It is said that Gruevski's method it is not only to blame Greece, but EU and NATO country members as well, who support Greece in its plan, including Ali Ahmeti and the Albanians which with their foreign policy activities weaken the negotiating position of Macedonia, then part of the opposition "who advocate the Greek positions" etc. This attitude indicates that Gruevski continuously invents internal or external enemies connected with the external enemies.

Opposition estimates that it is known that Gruevski understood his great victory after the Bucharest summit as a right for dealing with the political opposition in the country with allowed or non-allowed means, and secondly he saw it as a good opportunity to create additional conditions that will make the name dispute unsolvable. Eliminating political opposition is achieved by proclaiming it as enemy of the state interests through using Gruevski's arguments in a permanent anti-campaign against the political opponent, abundantly using hate speech. By that approach, the Macedonian national fabric is divided in patriots from the government and opposition traitors. What's more, with the antiquization process enforced through the project Skopje 2014 Gruevski creates the national myth of the dependence from Alexander the Great. By doing that, he offers to the Greeks an additional argument not to give way to their demands due to overemphasizing the antique and not the Slavic roots of the Macedonians, which is now the cardinal division between the Macedonians themselves: those who believe in their dependence from Alexander the Great and those who believe that the contemporary Macedonian nation derives from the Slavic origins, language, culture and Christianity.

### **1.9. Reactions on Negotiations' Speculations**

Former FM Ljubomir Frckoski in his interview hinted that the international community considers suggesting new model for overcoming of the long-term misunderstanding between the two countries. Although these suggestions are not official, he still estimates them as possible.

Unofficial information say that the Greek side has arrogantly presented a maximalist position according to which demanded erga omnes use of the name that would be agreed to be used in all official documents for use in and out of the country. This means that this demand varies significantly from the so far publicly stated position of "a name with geographic determinant for international use". It seems that now the Athens erga omnes strategy never was to persuade the list of over 130 countries that have recognized the Republic of Macedonia under its constitutional name to change their position and recognize Macedonia under the

new name (for example “Upper Republic of Macedonia”). As Athens knows that no one can prevent Russia, China or another country to officially call the country Republic of Macedonia, and not only on bilateral level, the pressure is Macedonia to change its Constitution, and by doing so, everybody else will change its position. In other words, Republic of Macedonia shall be a name which is to be forgotten.

Some domestic analysts assume that this maximalist Greek position may be on the long run beneficial for Macedonia, as the Greeks may seem like the “bad guys” in the compromise seeking story and the whole world may now see that they refused Nimetz’s suggestion for a “reasonable compromise”. For this stance Macedonia must work intensively and well in worldwide diplomatic circles. Secondly, this Greek position persuades DUI as a coalition partner who raised hopes for a possible solution of the dispute through Ahmeti’s recent visits that this time Greece has not been constructive in assisting the country’s Euro-integration process. Thirdly, the Greek refusal cannot be a signal for Gruevski to call once and again early national elections riding again on the national sentiment against the “foreign enemy”.

Further it is said that the ruling party may strengthen its position at home and abroad if calls upon the opposition support and the Albanian factor to unite over the key state interests. It must fight to define a unanimous state policy for eventual resolution of the name dispute. Main pillar of that policy must be a consensus regarding the Constitution of the Republic of Macedonia, meaning to defend the constitutional name. In this respect, the VMRO-DPMNE party program has two clear determinations regarding the name issue: no change of Constitution for solving the dispute and calling up a referendum about the possible compromise with Greece. Only if VMRO-DPMNE manages to unify with SDSM Macedonia will be stronger internationally and only then Greece may feel a stronger pressure to make concessions. But, analysts say, VMRO-DPMNE must not abuse this Greek hardliner position to accuse opposition for a future possible national treason, the same SDSM and other parties should clearly state their position on the issue.

Position analysts say that SDSM carries the past burden of deleting article 48 from its Constitution when it gave up the care of its ethnic minority in the neighborhood, and changed the flag that had the Vergina sun, agreeing on using the reference “former Yugoslav Republic of Macedonia”. That single Constitution change in order UN membership to be achieved made a precedent due to which the Greeks now hope that the one who gave way once and “admitted a mistake” (that is “adopted the Vergina sun” and “showed territorial pretensions towards Greece”) should give way once again and rename his own country in the Constitution. Thus, SDSM must not allow itself the luxury to calculate with eventual new Constitutional change, neither for party-political reasons nor for state-national reasons.

Other domestic analysts have various opinions regarding what Macedonia should undertake after Athens' stance that does not give way from the position that the name of the country should be both for internal and external use. For now it is clear that Greece's request the agreed name to be used at home as well is practically impossible. Macedonian officials say that the country should freeze the negotiations with Greece until the International Court of Justice ruling is going to be respected by Athens and that now Macedonia should consider alternative policies regarding the problem. Some say that with his statements Nimetz publicized details in the mediation and by doing that he practically opened debate on the issue, on which insisted previously Reeker and Ahmeti. Also, he suggested that Macedonia should put an addendum (an adding term) to the name by which he took sides in the dispute and disqualified himself for further work on his mission. Therefore these position analysts believe that the two sides are far from any compromise and for that should be notified the UN Secretary General and the wait for his reaction.

Other experienced opposition analysts however, have a different approach, stating that now for the first time is publicly announced what the situation is, and on what the two sides agree and disagree, for which the mediator probably had the consent of the two sides. Now it is clear that the two sides agreed the name to include the word Macedonia and also to have a geographic determinant, while disagreements existed regarding the scope of the use of the name and where in the name the determinant to be set (before or after the word Macedonia). For that reason these analysts believe that there should be no shakeups or radical steps, as the process of getting positions closer has started. The Government should adjust and explain and defend its stance through arguments and probably through some gestures. At the same time, opposition politicians complain that they are not sufficiently informed about the whole process and what is going on.

However, there are other possibilities as well: One is what was mentioned by PM Gruevski in his Ilinden speech – the negotiations format to be changed and carriers of the teams responsible to be the prime ministers of both countries, but estimations are that it is still early for such an approach. Another possibility is the one mentioned by some international law professors who say that Macedonia according the position of the Security Council fulfills the membership conditions, while the additional conditions are illegal, therefore a direct resolution by the General Assembly should be requested by which UN membership will continue with all the rights, like the rest of the member countries. By this, is suggested that Macedonia has the right of self-determination, legal identity and name as a basic membership right, while by doing that it avoided a procedure in the Security Council.

In the meantime in Greece especially the radical right-wing parties requested the name issue to be discussed at the Assembly and clarify about the width of the national consensus, especially among the New Democracy MPs, seeking to know negotiation details regarding the use of the term "Macedonia".

### **1.10. Did Athens Give a Suggestion in Order a Solution not to be Reached?**

It is still not confirmed whether there will be a meeting between the Macedonian and Greek delegation. Analysts think that this is a symbolic end of the negotiations between Macedonia and Greece.

Position analysts, like the former ambassador Risto Nikovski said that UN mediator Matthew Nimetz lost his legitimacy, after the statement he made that Greece insists on a name with a geographic determinant for all kinds of use (according to diplomatic sources "Republic Upper Macedonia") which is seen as far away from positive. Nimetz has told Macedonia that the region Macedonia is divided 100 years ago, is bigger than the state itself, part of this region is in Greece and due to that there must be a determinant to clarify that there is a difference. At the interview, Nikovski asked himself if that was true, then why would Macedonia need to change its name to differ from the Greek part as it is a state which has been proclaimed as such under the same name 69 years ago, having Macedonian language and people. And why if in reality there are no other problems does not suffice the fact that Greece has no administrative region "Macedonia" but has three districts bearing different names, like Western Macedonia, Central Macedonia, Eastern Macedonia and Thrace, which are not questioned by the Republic of Macedonia? Nikovski says that the names of these districts is in use since 1998, while the Republic of Macedonia bears its name from 1944, adding that the part of the name - "Republic" absolutely determines the borders of the country and endangers no one.

According to Nimetz, the scope of name use and the location of the geographic determinant in the name are the main two issues in which there is substantial difference between Athens and Skopje. Macedonia does not want to hear of a name for all kinds of use which will impose change of passports, documents, the country's Constitution. Such a situation does not give space for optimism that in the near future there will be positive development, so former Ambassador and FM Denko Maleski believes that this is the symbolic negotiations' end between the two countries. Naturally, negotiations will continue in the same format, maybe with a new mediator, as it is an obligation imposed by the UN Security Council, but there will be no solution in the approximate time. The Greek government is stuck in a serious economic crisis, with right-wing fascist parties on the rise, thus it remains on its hardliner position demands. The Macedonian government on the other side, is stuck in its nationalistic interpretation of Macedonian history for which cannot find a rational explanation for the Macedonian public, because since there is "one truth about Macedonia" there is no need a compromise to be achieved and to distance themselves from the ancient Macedonians. Apparently political circumstances in both countries do not allow a solution of the problem to be achieved.

SDSM spokesperson Petre Shilegov stated that PM Gruevski and VMRO-DPMNE completely monopolize the name issue negotiating process. He said that

the ruling party reacts nervously regarding the SDSM suggestion for building political consensus for one of the most important issues for the country. SDSM asked Gruevski why is running away from a political consensus is in the state interest, which will mean strengthening of the country's negotiating position and drawing its red lines. As this not is done, SDSM claims that Gruevski's calls for unity are fake, and damage the Macedonian national interests, since his behavior is as if the state is in his private ownership.

#### **1.11. FM Poposki: Despite its Hardship, Greece Should pay Attention to Name row**

FM Poposki in September held talks in New York with his Greek counterpart Evangelos Venizelos. After the meeting Poposki stated Greece expressed no willingness to be part of the solution. "We may be partners in every other sphere, but mountains are between us in regard to the (name) dispute,"...« Macedonia is aware of the hardship Greece has been going through, but it fails to comprehend that Athens cannot pay slightest attention to the name dispute« he said. "We are able to understand the serious difficulties our southern neighbor is facing, but we fail to grasp how it cannot pay the minimum amount of energy for settling a 20-year-old dispute. I believe that the future interest should be focused in this direction," Poposki said. In New York, Venizelos has been affirming his country's position on the matter, namely a mutually acceptable compound name with a geographical modifier for all uses, erga omnes.

#### **1.12. Gruevski: Macedonian People will Never Accept Being Renamed**

End-September was also the period when PM Gruevski addressed the 68th session of the UN General Assembly in New York, followed at the floor in about ninety minutes later by FM Venizelos. Follows Gruevski's speech:

"The Republic of Macedonia is celebrating the 20th anniversary of its UN membership with the still unresolved issue regarding the use of the name of my country, the Republic of Macedonia and an issue regarding the identity of my people, the Macedonian identity, issues that emerged because of a dispute raised by our southern neighbor Greece which opposes our name which is our fundamental individual and collective right«, ...»Following international law, the Republic of Macedonia is entitled to decide on its own name, and to name its identity as Macedonian«...«The Macedonian people will never accept being renamed, and if it is impossible for this issue to be solved now, although we are those who are most interested in its solution and we sincerely wish for a solution to be found that will be sustainable, balanced, and most importantly, mutually acceptable, then some other generation in different circumstances will be able to solve it, but precisely on the basis of the values, positions and principles that I mentioned before, and which indicate a just and fair solution, without winners and losers. However, I personally consider that we must not leave the thorny issues

to future generations, but we must try to find a solution and find strength to provide prosperity for the countries and the region«, Gruevski underlined.

»Solving the differences with our southern neighbor is our priority, but precisely and only within the UN resolutions that define the solution that is subject to discussions and a mutually acceptable solution, and in no other way, and especially not by expanding those limits«...«Sixty six years after the Universal Declaration of Human Rights was adopted, with this dispute that is unjustly imposed on us by Greece, one of the fundamental rights of the individual is also violated, and that is the right to decide one's own name. Every representative of my people is denied the right to be called as they feel, as their mothers and fathers, grandparents and all other ancestors throughout history were named - Macedonian. In addition to disputing the Constitutional name of my country - the Republic of Macedonia, Greece also disputes the identity of my citizens, that is, it does not allow for them to be called Macedonians and the language that they speak to be called the Macedonian language although ever since more than half a century ago within the Universities worldwide there have been departments where the Macedonian language has been studied and it has been called the Macedonian language. It is the same as if somebody denied you to speak French, German, Polish, English, Dutch, Portuguese, Japanese, Hindi or any other language«, Gruevski said.

He added that the United Nations must not overlook the violation of this fundamental human right - to be able to decide on one's own name - and should show a fundamental activity to enable the exercise of that right, and in this particular case an activity that will lead to a solution of these outstanding issues that Greece has with us. »Last year we debated about preventive diplomacy and we concluded that it should be an essential element of the international community. Therefore, the UN must not and should not stand aside in this process that strongly impedes Macedonian aspirations for a better future for its citizens. An engagement is necessary to make possible for Greece to embark on solving this issue, because in the last two years there has been a great inertness on the Greek part which, although a result of objective reasons caused by their adverse economic situation, it has also a strategic and tactical political element based on the analysis that by prolonging the process of not solving the dispute, it would contribute to the Republic of Macedonia being isolated in its positions that are based on international law and values and to sign a kind of self-extinguishment of the state and the nation by agreeing to be re-named«, Gruevski pointed out.

»In that analysis, it is estimated that with the lack of intensity in the discussions, my country being faced with blocked European and Euro-Atlantic integrations that are hindered directly by the dispute, despite having met the standards that were required from us by the international multilateral organizations (NATO and EU) that we are prevented to join, and faced with the possibility of internal misunderstandings around this hindrance caused by our southern neighbor, that

we would drop our guard in spite of the power of the arguments that are on our side«,...«It is true that by putting off the solution to the dispute, more challenges in the country and the region are created, and the tension becomes greater at certain moments, but it should be clear to everybody that such challenges should not be considered as a trigger for any changes of our justified and internationally correct position, that would lead to a change of our Macedonian identity. It is not possible to change something that has existed for centuries by imposing positions of blockages or by threats about possible misunderstandings, tensions or unrest, not even by effectuating them«, Gruevski said.

»It is said that actions speak solely of those who undertake them. Faced with the lack of interest by the Hellenic Republic in substantial talks for a solution to the dispute, two months ago I suggested to the Greek Prime Minister a change of the format of discussions, that is, raising them to a much higher political level - I as a Macedonian and he as a Greek Prime Minister, together with Ministers from both Governments to meet directly and talk about a solution. That would lead to greater efficiency, because we are the one most often called to solve this issue. 22 years are too much time for not getting anywhere and are sufficient proof that there must be a change in the game. Our mandate, entrusted to us by the citizens, should be essential for achieving a mutually acceptable solution for which I believe that it is possible to be attained, a solution that will be accepted and agreed upon by the citizens of our countries«, Macedonian PM said. However, he underlined, if there is not any progress, the UN must not stand still and be satisfied with the status quo situation, because it would mean showing additional irresponsibility. The UN should, aware of this already discouraging situation, help with their mechanisms, through the General Assembly, and also the Security Council, on the basis of whose resolution we are talking with our neighbor, to arrive at a solution that will unlock the perspectives of my country. Otherwise, the UN will be faced with failure again and will bear the responsibility because of not reacting in accordance with its own 6 principles and values. I do not want to pardon anybody, we all have responsibility, but also this Organization which instead of accepting the comfort of being silent and not solving this dispute and instead of defending itself by being dormant in this status quo situation, which is obviously creating problems and challenges for the region, should start considering alternative scenarios and stimulate more boldly a solution of this long standing dispute, Gruevski pointed out.

»That issue which should have been promptly resolved among neighbors, partners and future allies has lasted for 22 years. An issue which, according to my deep conviction, although being a very realistic problem for my people, is in its essence a virtual one and does not have any grounds in international law, nor in the United Nation's acts and it is difficult, I would even say, impossible, for somebody to find a legal justification for its existence«,...»The overwhelming majority of countries that have recognized our constitutional name, the Republic of Macedonia, over 135 of them being UN members, clearly show that most of the countries do not believe that this dispute has a justified political basis, or if

there is such, they denounce it. . It is created, I believe, as classic politicization and is an instrument that around 20 years ago was either supposed to bring to someone partial political points or, by creating an atmosphere of conflict, to make some strategic regional shifts, but also to slow down the diffusion of freedom, democracy and market economy in the Balkans«, Gruevski said.

»The UN discussed last year the issue of the rule of law and all member states unanimously agreed that the respect of internationally agreed norms and principles is a must. Unfortunately, the norms are not always adhered to and the United Nations must not be inert in that regard and abstract itself from the responsibility for the disrespect for the rule of law. The Republic of Macedonia became a UN member in 1993 with an atypical membership condition, which was the denial of its Constitutional name, and it was admitted under a temporary and interim reference for the country, a precedent that has never occurred before in history and is contrary to the acts of the international community and law; but we have endured all that, although it lingers on as a problem up to now«, Gruevski underlined.

.....

»In 2010, the Hague International Court of Justice, which is the principal organ of the United Nations, established by its member countries, on the basis of our appeal for the obstructions made by Greece concerning our memberships, made a judgment that Greece had violated the international law by not adhering to the Interim Accord and that the Republic of Macedonia had not done anything to violate the international law and the commitments it had undertaken. However, we are hindered again, notwithstanding the decision of the highest body of justice in the world, and that is apparent to this Assembly and its member countries«, Gruevski said.

.....

»An engagement is necessary to make possible for Greece to embark on solving this issue, because in the last two years there has been a great inertness on the Greek part which, although a result of objective reasons caused by their adverse economic situation, it has also a strategic and tactical political element based on the analysis that by prolonging the process of not solving the dispute, it would contribute to the Republic of Macedonia being isolated in its positions that are based on international law and values and to sign a kind of self-extinguishment of the state and the nation by agreeing to be re-named«...Gruevski emphasized. He said that the region of South East Europe has entered the phase of positive development and in general, the national and regional primary objectives are either fulfilled or are within reach. Regional cooperation is expanding in a number of new fields. Despite this advance certain longstanding, unresolved or partly resolved bilateral issues have a clear negative reflection on our present and immediate future, and in the case of the Republic of Macedonia, it happens to be a serious obstacle to the agenda for integration into international organizations.

»The examples of Serbia and Kosovo as well as Croatia and Slovenia, where political representatives at the highest level managed to overcome challenges, are the best proof that results can be achieved in this way«,...«I invite you to directly take part in the realization of this initiative, and overcoming the standstill and, with your engagement, to provide intensity and movement forward, as well as greater interest on the part of Greece in a solution and progress. The actions speak of the one who undertakes them. We, precisely with our openness and with our initiative that is justified, show that we wish for a solution to be found. But, our meetings must not be a pure formality, they should rather contain an essence, and must not create an alibi for not finding a solution«, Gruevski said.

The Greek FM having the floor in the UN Assembly clearly stated a solution to be found which will make a precise distinction between the region Macedonia in Greece and the Republic of Macedonia.

### **1.13. "Friends of Macedonia": Greece's Behavior is anti-European**

Greece's EU presidency will be used by the 'Friends of Macedonia' group to exert pressure by asking why Athens is hindering EU's enlargement and fails to abide by international law, said German MEP Martin Kastlerin October at joint press conference in Skopje with his Estonian counterpart Tunne Kelam and Macedonian Foreign Minister Nikola Poposki. He added that it was shameful how Macedonia and its people had been treated with respect with the EU integration process, because "Greece's actions are not in line with European values."

MEP Kelam said that Macedonia was getting more and more friends across Europe pointing out that there was no room for 'hopeless situations, depression or cynicism.' "The efforts made will be worth it sooner or later... Macedonia's destiny is the destiny of Europe which cannot be complete without Macedonia," stressed the Estonian MEP. He welcomed the consensus i.e. the memorandum signed by 17 parliamentary parties endorsing the country's EU integration strategy. Both Kastler and Kelam are part of a group of MEPs visiting Macedonia to extend support for its EU integration bid prior to the unveiling of this year's progress report by the European Commission.

### **1.14. Unexpected Meeting**

Unexpectedly, UN mediator Matthew Nimetz met in Berlin with German Chancellor Angela Merkel. After the meeting, there was a press release in which it was said that the two sides agreed that "obstacles in case there is adequate political will in Athens and in Skopje can be surmountable". At the same time the German government emphasized that "EU and NATO many times unanimously concluded that solving the name issue is a precondition for beginning of accession talks with FYROM". By this, analysts believe that the message is that it is not Greece the one that blocks Macedonia and that with her are all EU and NATO countries, as well as that the Hague decision cannot be effectuated.

Former FM Denko Maleski says that Germany's direct engagement is hard to get anywhere in the world due to traditional caution of the German diplomacy. The fact that Germany steps out with such a statement shows her interest but also her position, taking large responsibility over the EU and NATO "health". Other analysts also believe that this indicates that the name dispute must reach its finalization soon.

From its side, the State Department confirmed that USA Remain actively involved in the name dispute process. This was stated by the end of November by Jonathan Moore Director of the Balkan State Department Office. He stated that USA is active supporters of solving the name dispute and would like this to be achieved. Same position was repeated by Victoria Newland, Deputy State Secretary in charge for Europe.

### **1.15. Gruevski Statement for Financial Times**

"The worst period for solving the name dispute are the last 18 months, and in order a solution to be reached there must be an intervention by USA and the leading forces in Europe", says PM Nikola Gruevski in his interview for Financial Times. According to him, the Greek and Macedonian governments made a certain progress in the time when Prime Minister was the Greek socialist George Papandreu from 2009 to 2011, but this progress, according to him, reversed when came on power the Greek conservative Andonis Samaras in June 2012. "Situation may be de-blocked if Greece will be pressured by USA, Germany and France. But if that does not happen, that it will not take place" said Gruevski. He blamed his Greek college for having "one of the most radical positions that Greece had at all in the history of the problem". Still the British magazine comments on the sharper Macedonian nationalism brokered by Gruevski accompanied with the controversial architectural redesign of Skopje (Skopje 2014) which raged the Greeks.

In another interview for Die Presse PM Gruevski stated that Greece does not want to reach an agreement for the name because wants to prevent the country's integration to EU and that Greece is skillful in presenting the Macedonian government as stubborn nationalists and to shift the blame to Macedonians for the blockade. "Convincing is easier when the country itself is a member of EU and NATO and communicates every day with the other member-states. And inside the EU due to the Greek economic crisis there is not sufficient readiness to pressure Greece for a compromise. Therefore Greeks feel comfortable" says Gruevski. He added that he is not an optimist that anything will happen during the Greek EU presidency next year, but counts on other member-states to show Greece that solidarity has its limits.

He again blamed for the bilateral problem the Greek PM Andonis Samaras who back in 1991 together with the then Greek PM Mitsotakis created the name problem which previously did not exist. Gruevski said that Samaras built all his

political career on this issue with nationalistic rhetoric's stating then as Minister of culture in 2008 that Greek strategy should be to delay solving the name issue until the country falls apart and shall be annexed by its neighbors. "Today he uses the same vocabulary, but I sense his views have not been changed"- Gruevski stated. He added that currently a compromise may not be reached, as in that case Macedonia would need to comply to all Greek requests which outcome finally would not be a compromise.

## **2. EU and NATO INTEGRATION PROCESSES**

### **2.1. Ambassador Renatas Jushka on the EU Lithuanian Presidency Priorities**

"Macedonia is not in the enlargement priorities of the Lithuanian presidency"- stated the Lithuanian Ambassador Renatas Jushka in charge for Macedonia, at the June session of the Committee on European issues of the Macedonian Assembly, when it was presented the working program and priorities of the Lithuanian EU presidency for the period July-December 2013. "You know, priorities are something that you envisage in front of you in the areas where you think that you can have progress...we try to be very accurate in regard to our priorities and when it comes to enlargement priorities, this country is not there and although this may sound undiplomatic or rough, I think that this is the signal which we try to send you, because we are worried. We do not see progress in many areas, maybe in most of them. You know, my task is not to preach to you, I will not make jokes on your account and if I were you I would be worried, because the list of our concerns is large and long. It concerns the EU expectations regarding the rule of law, struggle against corruption, election reforms, freedom of speech....all this is necessary for progress, not for Brussels but for your own country." He said.

At the meeting, the former Minister of Exteriors Antonio Miloshoski stated that Macedonia is making serious efforts, but has no positive reply from the Greek side, and asked Lithuania to encourage Athens to open a dialogue with Skopje.

The opposition MP Jani Makraduli talked about the challenges Macedonia is currently facing, stating that Macedonian citizens deserve start of negotiation process, and this process should start from the rule of law chapter, which is non-functional in the country. He enumerated many examples, like the fact that Macedonia is the only country in which printed and electronic media are controlled, and in which there will be a council which will generate self-censorship including be a legal definition who is a journalist; he criticized the judiciary, stating that there was a verdict brought in two days against an opposition MP; there are unanswered questions regarding the death of the prominent journalist Nikola Mladenov; there is an imprisoned journalist

(Kezarovski) who currently is striking by hunger together with his family etc. Makraduli commented that the most responsible persons – including the Prime minister- should occupy themselves with the crucial country's problems and not with the opposition. "When our friends from Europe speak about crime and corruption there should have been a final answer why the government spends 20 million Euros annually as the largest self-advertiser. Under the table are the lustration problems which grew into political opponents' accounts settling..., and unfortunately Macedonia is at the first place on poverty. Today we take a new debt of 18 million Euros. That is why I hope that you will transfer to Macedonia the enlargement process and you will use your presidency to give the citizens what they deserve"- added Makraduli.

Commenting the situation in the country, the former EU ambassador in Macedonia Erwan Fouere said for the portal on Albanian language Portalb: "Macedonia faces dramatic political situation. December 24 events were a tragic reminder of the continuous failure of the Gruevski government, incapable to lead a dialogue and debate with all parties". He estimated that in Macedonia there is deficit of democratic governance: "The ruling VMRO-DPMNE party cannot put aside its narrow policy interests for the benefit of a greater public interest, and to work in the spirit of consensus in order to achieve the goal that unites all – the country to become an EU member. Especially worrisome are the regular attacks by the ruling party upon civic organizations and media, which have an important role in any functional democracy." He stressed that the blame for Macedonia not being mentioned in the June summit is not so much due to the name issue, but due to the condition in which democracy in the country is, as well as the lack of good governance in a country candidate for EU membership.

## **2.2. Parliament Backs Rules Allowing Suspension of Visa-free Travel Only as a Last Resort**

Reciprocity rules enabling the EU to reimpose visa requirements for nationals of countries that currently are on the white list were adopted by the Parliament in September (vote result: 328 in favor, 257 against, 46 abstentions), in a revision of the EU visa regulation. Under the new rules, the EU will also be able to temporarily suspend its visa-free travel arrangements with third countries to halt substantial and sudden increases in irregular migrant numbers or unfounded asylum requests, but only as a last resort. "The reciprocity principle that a third country benefits from an EU visa waiver must extend the same treatment to EU citizens is a key feature of the EU's common visa policy", said Civil Liberties Committee rapporteur Agustín Díaz de Mera (EPP, ES).

The amended EU visa regulation deals with third countries that persist in requiring EU citizens to obtain visas, even though their own citizens are exempt from EU visa requirements. This mechanism, which was strengthened by MEPs in negotiations with the Council, should enable the EU to put more pressure on certain third countries to obey the visa reciprocity rule. The visa regulation now

also includes a “suspension mechanism” to allow the EU to reimpose visa requirements temporarily in emergencies. Visa waivers could be temporarily suspended "in emergency situation(s), as a last resort", in which a "substantial and sudden increase, over a six month period", in numbers of irregular migrants, unfounded asylum requests or rejected readmission applications had been detected, says the text. "The suspension mechanism does not target specific third countries. It would provide a general framework for the future, and could be triggered for any country whose nationals are eligible to travel visa-free to the EU. The amendments to the visa regulation aim to preserve the integrity of the visa liberalization process and ensure that visa-free travel to the EU does not lead to abuses", Mr Díaz de Mera said.

Member states facing an emergency situation would have to notify the European Commission, which would assess the possible need to suspend visa-free travel rules for nationals of a given third country. In doing so, it would have to take account of factors such as the number of member states affected, the overall impact of the increases on the migratory situation in the EU and the consequences of a suspension for the EU's external relations. If the Commission were to decide that action were needed, then it would suspend the visa waiver for six months. This would be done via an "implementing act", of which Parliament would have to be informed.

After voting these new rules, EU MP Tanja Fajon stated that there is no danger for the Western Balkans countries to soon have this mechanism applied on them. She however estimated that the decision is “damaging and dangerous” and seriously undermines the EU visa policy and its relations with neighbors especially the Western Balkans countries. Still, the number of asylum seekers from the region is decreasing, so EU member-countries have no basis to seek the European Commission to activate the mechanism-says Fajon. Fajon lead a campaign this decision not to be taken, because among other things does not anticipate control role by the Parliament, but the decision power is given solely to the European Commission.

### **2.3. Erwan Fouere Analysis “Macedonia- Country in Crisis”**

Erwan Fouere former EU Ambassador in Macedonia, published his latest analysis titled “Macedonia- Country in Crisis” in cooperation with the Center for European Studies in Brussels. In it he estimates: “Macedonia is a country with big problems. Under the illusion of normalcy lies a climate of deep mistrust among all political parties and between major ethnic communities. Few incidents of interethnic violence took place this year in Skopje. Political dialogue, if that exists, remains confronting. These tensions increase with a climate of fear among the population as a whole, generated by the all-present control of the main ruling party, which is on power from July 2006. This control encompasses not only the main state organs, judiciary and the administration, but also the election process and above all the media. Government critique is not tolerated.”

“Those who dare to raise their voice are stigmatized as “enemies of the state”. In the meantime, although the European Commission recommends since 2009 to be issued a date for start of negotiations, efforts for entering EU (and NATO) stay blocked. Greece prevented necessary consensus in the EU Council. This situation raises the question of Greece’s efforts for stability in the Balkan region, ten years after publishing of the Thessaloniki agenda. Negotiations delay runs in favor of the mill of the government ethnic-nationalistic and populist agenda. This negotiations delay secures a comfortable justification for the government to continue with these policies. Still, the Euroatlantic integration process is one of the elements that hold the country together. Therefore, membership negotiations should start without further delay. This process should be conditioned with government inclusiveness, as well as with civic society, academia, business community and media”-states the analysis.

#### **2.4. Preliminary Signals from Brussels**

Early in autumn was already known that the European Commission shall issue for Macedonia a fifth already positive recommendation for opening the negotiation process for EU membership. The daily “Vest” says that in the future European Commission Report shall be included a so called non-paper which will contain a list of tasks that the Government shall have to perform by the beginning of December. However, now there is a new precondition for Gruevski-introducing “media culture”, although it is not clear what does that term mean and how it should be implemented. It is obvious that media freedom becomes a precondition without which Macedonia shall not be able to continue the EU integration road so it is considered a sophisticated way to send a message to the government that the country has serious problems on the freedom of expression and media freedom. Therefore, the term »media culture« is practically equalized with the wider understanding of media atmosphere in the country, - an issue much bigger than the Law on freedom of expression which introducing was a point of dispute for a longer time. Putting the same precondition on media freedoms in a different manner, it would have meant removal of the country’s candidate status, which the Commission wanted to avoid. This formulation is meant to be a message not only to the Government which is the most responsible about the situation concerning media, but also to the media owners and to the journalists themselves, which should the fastest possible create a self-regulatory body which will take care of improving the quality of journalism in the country.

Other than the controversial media law, in the informal non-paper document shall be included the question of non-transparency of government advertising and the non-transparency of the latest judicial processes, connected with the recent spectacular arrests. Still, the Government does not wish to abandon the idea of introducing a media law by which shall be regulated printed and Internet media, although this is not requested by EU as part of the legislative reforms. Sources say that the Government has not a very big maneuvering space, if after issuing

the Report votes the laws then the EU answer shall be harsh – the European Council shall not repeat the recommendation for initiating negotiations or shall not process it at all. It is also said that the adjective “Macedonian” shall be found like last year only twice in the progress report, avoiding to be used for indicating the “Macedonian language, identity or people” since last year there was an intervention by a Greek minister and that adjective was banned from the report.

## **2.5. Macedonia 2013 Progress Report – Highlights**

In mid-October was officially issued the 2013 Progress Report for Macedonia regarding the Enlargement Strategy and Main Challenges 2013-2014. As the report reads, “The European Council of December 2005 granted the former Yugoslav Republic of Macedonia the status of candidate country. The Stabilization and Association Agreement between the Former Yugoslav Republic of Macedonia and the EU entered into force in April 2004. In October 2009, the Commission made recommendations to the Council to open negotiations with the country and to move to the second phase of SAA implementation. These recommendations were reiterated in 2010, 2011 and 2012. The Council has not yet decided on the Commission’s proposals.”

A High-Level Accession Dialogue, launched in March 2012, has continued to provide an impetus to the process of reforms for EU integration, without overriding the standard pre-accession procedures. It focuses on five key areas: protecting freedom of expression in the media, strengthening the rule of law and fundamental rights, reforming public administration, electoral reform, and developing the market economy. A plenary meeting was held on 9 April to review progress. Over the past year, action has been taken in relation to almost all of the targets set in the framework of the Dialogue. As was reported in the ad hoc report by the Commission in April, in some areas goals have been achieved, for instance the decriminalization of defamation, the introduction of systematic verification of statements of interest, and improved legislation on the interception of communications. The focus in 2013 is on achieving the remaining goals, as detailed in the relevant sections of this progress report.

In the part analyzing political criteria, under the section **Democracy and the rule of law**, is said that the year was marked by a political crisis following events in parliament in December 2012. A political agreement was reached on 1 March, enabling the return of all MPs to parliament, the holding of local elections, the continuation of relevant reforms, as well as an explicit commitment to the Euro-Atlantic agenda, the establishment of a Committee of Inquiry which proposed changes to the parliament’s rules of procedures to prevent a recurrence and a commitment to restoring dialogue with journalists.

The report for the first time had a special part named »**Constitution**« in which was stated: There have been no amendments to the Constitution since 2011, and it is broadly in line with European standards. The Constitutional Court

received over 200 applications challenging laws and other acts in 2012. In around 15% of its rulings it annulled the provisions challenged, indicating a need for further improvements in the quality of legislation at the drafting stage. There is also a need for more systematic and transparent follow-up by the executive and legislature in cases where the Constitutional Court has annulled legislation. Although there is an obligation to propose new provisions, a number of laws are in practice left with gaps, thereby undermining legal certainty. In December 2012, the Venice Commission issued an *amicus curiae* opinion on the Lustration Law at the request of the President of the Constitutional Court, in view of a pending constitutional challenge. The Venice Commission raised potential concerns over, among other things, the initiation of lustration measures a long time after the start of the democratization process, the misuse of political, ideological or party reasons as grounds for lustration measures and the application of lustration measures to private or semi-private organizations.

In the section under »**Elections**« is stated that OSCE/ODIHR recommendations following the 2011 parliamentary elections were partially addressed through changes to the Electoral Code and to the Law on Financing of Political Parties in November 2012, and thorough revision of the voter lists. The Venice Commission found the amended Code to be an improvement especially as regards political party and campaign finance reporting, but stated that previous recommendations on thresholds for campaign donations, complaints and appeals procedures and arrangements for out-of-country voting had not been addressed. The Electoral Code was amended twice before the local elections to extend the deadline for candidates to register. Amending the Code so close to an election is not good electoral practice, but there was cross-party consensus and the extension allowed the opposition to participate in the elections.

Municipal elections were held in March/April 2013. The OSCE/ODIHR found that they were efficiently administered. Candidates were able to campaign freely and the campaign was active. Mayoral candidates in most regions signed a Code of Conduct for Free and Fair Elections. The election days were calm and polling well-organized in a majority of the polling stations. Voters were able to freely express their choice in a calm atmosphere, and the turnout was high. The OSCE/ODIHR reported, however, that allegations of voter intimidation and misuse of state resources persisted throughout the election campaign, and that the distinction between state and political party was blurred. The media covered the campaign extensively, but several broadcasters, including the public broadcaster, did not provide balanced coverage of the campaign. While there was greater confidence in the accuracy of voter lists, the procedures for compiling and maintaining the lists can be further improved. Following the local elections, work on the outstanding OSCE/ODIHR recommendations has continued in two working groups on the electoral legislation and the voters' lists. Representatives from relevant authorities and civil society, assisted by OSCE/ODIHR experts, participate in the working groups.

The section under »**Parliament**« states: The forcible removal of a large number of opposition MPs and journalists from parliament's plenary hall on 24 December, during the adoption of the 2013 budget under controversial circumstances, triggered a political crisis which exposed deep divisions among political parties and affected the functioning of parliament. The resulting boycott of parliamentary proceedings and threatened boycott of the municipal elections by most of the opposition parties were resolved by a political agreement reached on 1 March, whereby opposition parties agreed to return to parliament and to participate in the elections. In practice, although it participated in the Committee of Inquiry, the main opposition bloc took little part in plenary debates until September.

The political crisis showed the degree of polarization and highlighted the need for parties to show greater political commitment to resolving problems through dialogue and in full respect of the institutional framework, with both government and opposition playing constructive roles. The crisis also demonstrated the need for greater national consensus on how to meet the country's strategic objectives.

The 1 March political agreement also required a Committee of Inquiry to be established to look into the events on and before 24 December, including their constitutionality, security in and outside of parliament, and revision of the parliamentary rules of procedure, among other issues. Due to disagreement between the political parties over its composition, the Committee only began work in mid-June and agreed a report on 26 August with recommendations about reforms to parliamentary procedures, a code of ethics for MPs, parliamentary security arrangements and treatment of journalists. The consensus on the final report showed that constructive solutions can be found, with political will, through dialogue and compromise. A cross-party Working Group of the Assembly began work immediately on implementing the recommendations. The 1 March political agreement also required the signature of a cross-party Memorandum of Understanding (MoU), confirming support for the Euro-Atlantic integration agenda, which was signed on 16 September.

Between 24 December 2012 and 1 March 2013, in the absence of most opposition representatives, parliament adopted 10 new laws and revised over 80 others, including some relating to *acquis* reforms, raising concerns about the inclusivity of the process. Parliament's rules of procedure were also revised at that time, with the aim of limiting committee discussions on future budgets, and should now be further amended in line with the recommendations of the Committee of Inquiry.

A joint session of the Committee for European Affairs and the National Council for EU Integration (NCEI), chaired by the opposition and including representatives of all segments of society, was held on 9 April and the chair and co-chair of the NCEI participated in the High- Level Accession Dialogue meeting that day. Another NCEI session was held on 24 June. The NCEI has the potential to play an important and constructive role in assembling a broad national

consensus on European integration. However, during the reporting period, discussions were affected by party political differences. Under parliament's oversight system, civil society organizations and academia were consulted on 6 draft laws, in 14 public debates and in 2 oversight hearings. The Parliamentary Institute, set up in 2009 to support the work of Members of parliament, has finally become operational.

Overall, parliament's functioning was affected by the political crisis which erupted on 24 December and the subsequent boycott by the main opposition bloc. The work of the Committee of Inquiry into the events of 24 December 2012 highlighted the importance of achieving political consensus through constructive dialogue and compromise. It is essential that work on the implementation of the agreed recommendations of the Committee of Inquiry continues as it has begun. Dialogue between the political parties in parliament needs to be improved. The NCEI should play a greater role in assembling a broad national consensus on European integration.

Under the **Government** section, conclusion is: Overall, the government has remained stable and has continued its commitment to EU-related reforms, which remain high on its agenda. There should be a more consensus-based approach to politics. A greater distinction is needed between political parties and state structures. Progress needs to be accelerated in the field of decentralization of government and regional development, focusing in particular on full implementation of the relevant legal framework, on ensuring adequate resources, and on coordination between the relevant bodies.

Regarding **»Public Administration«**, it is stated that: The government has embarked on wide-ranging public administration reforms with a dedicated forum under the SAA, which is being replicated elsewhere in the region, for discussion of such issues. The reform process enjoys political support, and the forum is cochairmen at ministerial level.

The legal framework for public administration continues to be fragmented, affecting its unity, transparency and accountability. Despite several amendments, the scope of the main laws setting out the status, rights, duties and accountability of people employed by the state remained limited in terms of the number of institutions covered. Large numbers of public employees are therefore instead subject to specific legislation and/or general labor law and collective bargaining. Fragmentation hampers the collection of relevant data on public administration. Official figures on the total numbers of employees in the public sector, both permanent and temporary, are still not available, which makes it difficult to measure progress in achieving transparency and reform objectives.

Policy improvements at both central and local level are still needed to combat politicization. All ongoing recruitment of public employees, irrespective of civil service status, needs to fully respect the principles of transparency and accountability and be based on merit. There are still cases of tailor-made

vacancies and irregular recruitment of staff. Some recruitment has been carried out as a social policy measure, rather than as a response to institutional needs.

Targets on equitable representation, though largely achieved for the civil service, have not been met across the entire public sector. The recruitment procedure for members of non-majority communities still needs to be harmonized with general recruitment procedures. Efforts to meet equitable representation targets must be in balance with the real staffing needs of institutions.

To address the above outstanding issues, the Macedonian authorities continued work on a new legislative framework that would replace the main laws on civil and public servants and enshrine the fundamental principles of transparency, merit and equitable representation. Work also continued on a new framework for general administrative procedures, with a policy paper in January 2013 setting out the main objectives of the new law. Under the current legal framework, the principle of tacit administrative approval was applied inconsistently, causing uncertainty and delays for citizens. The state commission for administrative appeals became operational, but remains insufficiently equipped and staffed. E-government remains a useful tool in providing services to citizens.

The State Audit Office has been increasingly contributing to public administration reform, building a track record in the area of auditing, including performance auditing. The quality of the Office's reports and recommendations has contributed to identifying reform challenges. While its aggregate annual reports are reviewed by parliament, there is still limited follow-up of the reports' findings.

Overall, work has continued on a new legislative framework for public employment to unify the rules and enshrine fundamental principles of transparency and merit. Additional efforts are needed to guarantee the professionalism and independence of the public administration, and equitable representation. Official figures on the total number of public and civil employees and temporary positions are still not available. Transparency and access to public information remains low.

**Civil society:** An empowered civil society is a crucial component of any democratic system and is an asset in itself, contributing to building more accountable and legitimate states, enhanced social cohesion and more open and deeper democracies. In that respect, dialogue and cooperation between government and civil society needs to improve in practice, notably with those organizations dealing with social reform, gender equality, Roma, and lesbian, gay, bisexual, transgender and intersex (LGBTI) rights. The government needs to show greater openness to involving civil society. Civil society has launched several initiatives for civil participation. Strengthened civil society coordination and networking for participation in the work of the National Council for European Integration is a positive development. Civil society remains underdeveloped in rural areas.

**Judicial system:** The country's judicial reform was carried out from 2004 to 2010 and included significant changes to the Constitution, the Law on Courts and the Judicial Council, the establishment of the Academy for Judges and Prosecutors, the introduction of stricter professional requirements, the establishment of an Administrative Court and High Administrative Court, the shift towards enforcement of court judgments by professional bailiffs, the elimination of court backlogs, the introduction of legal aid and mediation, the establishment of an automated case management system and e-justice, as well as the complete overhaul of the criminal procedure legislation and reform of the police. The key long-term reforms in this area have therefore already been completed over the course of the last decade, in line with European standards. Nevertheless, there are concerns about how the courts currently operate in practice, which need to be addressed. These relate to the independence of the courts (and law enforcement in general) as well as the general quality of justice overall.

As regards independence, there are claims of selective justice, indirect political pressure, judgments which are unusually expedited in terms of outcome or speed, as well as the content of judgments sometimes having direct consequences for the career of the judge concerned, particularly in high-profile or politically sensitive cases. Given that justice must not only be done, but it must also be seen to be done, the fact that such doubts persist in itself constitutes a problem for the independence of the judiciary and for public confidence in it. As regards quality of justice, improvements are needed to ensure that the way in which the court system and the career structure of judges are organised does not drive them towards formalistic decision-making in order to reach short-term productivity targets, rather than actually solving disputes, building a stable jurisprudence, issuing clear, well-reasoned judgments and providing long-term legal certainty in the interest of the citizen. The quality of justice also depends on the competence and training of judges, and the principle of meritbased recruitment to the judiciary therefore needs to be implemented in full. There is still a problem of excessively long court proceedings, including repeatedly quashed judgments and remittals for re-trial or re-hearing by higher courts to lower courts. The number of complaints by citizens to national and international bodies remains high. Tackling this requires training and attitudinal change at the level of individual judges but also at the level of the bodies shaping the development of the judiciary, in particular the Judicial Council and the Supreme Court.

**Fight against corruption:** In the area of anti-corruption policy, the legislative framework is largely in place and has undergone repeated rounds of GRECO evaluation between 2002 and 2012. Numerous national bodies and agencies are involved in combating corruption and administrative capacity is being strengthened. A track-record of criminal investigations, prosecutions and convictions by law enforcement and courts is being developed, as are the corruption prevention activities of the State Commission for the Prevention of Corruption. However, corruption remains prevalent in many areas and continues to be a serious problem, indicating that the implementation of existing legislation

has yet to make a concrete impact and the effectiveness of existing measures has to be improved. At present, too many prosecutions fail to reach the judgment and sentencing stage, or take too long to do so due to repeated re-trials. Penalties intended to prevent corruption are not used to their full, deterrent effect. The general capacity of courts and law enforcement to deal with corruption cases, in particular high-level cases, must be improved and concerns about selective justice must be dealt with. Enforcement agencies and supervisory bodies need to become more visible and proactive, and to improve cooperation with each other. Problem areas such as corruption in public procurement and transparency of political party funding need to be given special attention. The country needs to demonstrate tangible results in the reduction and deterrence of corruption in practice.

In the part »**Human rights and the protection of minorities**« it is stated: Despite legislative progress in the area of freedom of expression, the country's reputation in relation to media freedom has continued to deteriorate, both domestically and internationally. Trust between the government and media representatives was seriously damaged by the events of 24 December 2012. The Media Dialogue, which had served as a positive example for the region since its launch in 2011, was interrupted. The media environment remains highly polarized. During local elections in March, both the Broadcasting Council and the OSCE/ODIHR reported a lack of balanced coverage by several broadcasters, including the public service broadcaster. Extensive consultations were held with both international experts and stakeholders on the preparation of two new draft media laws, however key differences remained unresolved. There are continued concerns about government advertising spending, which is claimed by many to be directed only towards pro-government media, giving them a significant financial advantage. High-quality investigative journalism and the public's access to balanced reporting and a wide variety of views need to be strengthened. A system of self-regulation for the media and a coherent, profession-driven strategy for raising journalistic standards, have yet to be developed. Further efforts are needed in all of these areas in order to improve the media environment.

There have been signs of increased intolerance towards LGBTI people, such as repeated physical attacks on the LGBT Support Centre in Skopje and homophobic media content. While the police have reacted appropriately to violent incidents, full investigations need to be carried out and far more needs to be done by public officials and by media professionals, owners and organizations to publicly denounce intolerance and ignorance. With regard to inter-community relations, the *Ohrid Framework Agreement (OFA)* has been in force in 2001, but progress is still needed on systemic issues relating to decentralization, non-discrimination, equitable representation, use of languages and education. Monitoring of issues such as the use of languages and the implementation of the Law on Use of Flags of the Communities is lacking, and the local committees for relations between the communities continue to be under-resourced, with ill-defined roles and competencies in relation to the municipal councils, leading to their underutilization. State funding has yet to be allocated for the implementation

of the Strategy on Integrated Education. The trend of separation along ethnic lines in schools and incidents of inter-ethnic violence continues.

The first phase of the review of the implementation of the OFA was published on 11 April. Workshops, open to the public, involving experts, academia and civil society organizations, were organized. The conference to present the final outcome of the review, and its recommendations has not yet taken place and these should, when presented, be implemented. Coordination between the Secretariat for the Implementation of the Ohrid Framework Agreement (SIOFA) and other relevant institutions, including the Agency for the Protection of Minorities Representing less than 20% of the Population and the Minister without Portfolio in charge of implementing the Roma Strategy, needs to be improved. Although SIOFA's budget increased in 2013, this was not matched by efforts to strengthen its capacity and internal functioning. In 2012, the overall representation of civil servants from non-majority communities increased slightly to one third of the total, but a large number (some 1 500) have not yet been assigned to any state administrative body. Roma, Turks and other smaller communities continue to be underrepresented in the public administration, notably at senior level. At the same time, the merit principle needs to be strengthened in the recruitment of non-majority members in state institutions.

The issue of social benefits for some of the participants in the 2001 conflict (the security forces, known as 'defenders') remains a serious point of contention between the members of the governing coalition and between communities.

Regarding **Regional cooperation and good neighborly relations**, overall conclusion is that Macedonia is participating actively in regional cooperation and further developing bilateral relations with its neighbors. Although steps have been taken in relation to the name issue, it remains unresolved. Maintaining good neighborly relations, including a negotiated and mutually acceptable solution to the name issue, under the auspices of the UN, remains essential. Open issues remain in the negotiation of a bilateral agreement with Bulgaria. A constructive approach to relations with neighbors remains important and actions and statements which could negatively impact good neighborly relations should be avoided.

The part under **»Economic Criteria«** states: The economy has gradually returned to growth, after the economic situation had deteriorated somewhat during 2012. The output declined by 0.2% in 2012, mainly due to lower private consumption and a worsening merchandise trade balance, while investment growth continued to be strong. The economy has recovered gradually since the third quarter 2012, and in the second quarter 2013 GDP growth reached 3.9% compared to a year earlier.

External imbalances increased in 2012, with the difficult global environment leaving its mark on the current account deficit, which increased to 3.9% in 2012, up from 3% in 2011. Gross external debt rose to 65% of GDP at the end of the

first quarter 2013, from 62% a year earlier. The increase was driven mainly by government external financing, which raised public external debt to 27.3% of GDP, compared to 24.4% a year earlier. Private external debt, including intercompany lending, increased by 0.9 percentage points to 38.4%. The international reserve position weakened slightly.

Unemployment remained persistently high, in particular youth and long-term unemployment, pointing to deep-rooted structural impediments in the labor market. There was some gradual improvement in the official employment and unemployment rates. In June 2013, total unemployment stood at 28.8% of the labor force, having declined by 2.4 percentage points compared to a year earlier. *Overall*, in spite of some incremental improvement in the official labor market figures, labor market policy had limited success in addressing the persistently high unemployment. Structural challenges in the labor market remain to be tackled

Fiscal discipline was relaxed in 2012, and the quality of public spending deteriorated further. The general government budget deficit reached 3.8%, thus overshooting even the revised deficit target, which the authorities had raised by 1 percentage point to 3.5% in autumn. Another budget rebalancing reduced mainly investment spending, due to severe revenue shortfalls. Total expenditure as share of GDP rose from 31% in 2011 to 34% in 2012, and is estimated to reach 35% in 2013.

Even though government debt is still at a moderate level, the increases over the last years give rise to concern. Central government debt stood at 33.6% of GDP by the end of July 2013, compared to 27.8% at end-2011. Moreover, as the budget of the newly created public enterprise for state roads was excluded from the central budget as of 2013, its debt is no longer included in central government debt. *Overall*, fiscal governance and fiscal discipline deteriorated and would benefit from the implementation of a medium-term strategy.

Overall conclusion on the economic criteria is: Only limited progress was made during the reporting period. Institutional capacity for economic policy remains insufficient and the quality of the PEP still needs to be strengthened. The fiscal discipline and sustainability of public spending need to be improved. On the whole, preparations in the area of economic and monetary policy are advanced.

Conclusion on **Financial and Budgetary Provisions** states: There has been no progress in the area of financial and budgetary provisions. The linkages between development of Public Internal Financial Control and wider public administration reform need to be further strengthened. Substantial efforts are also needed to safeguard the State Audit Office's independence in the Constitution and to ensure administrative capacity for the protection of the EU's financial interests. The institutions and capacity needed to provide the administrative framework for correct calculation, forecasting, collection, payment, monitoring and reporting of

own resources will need to be built in due course. Overall, preparations are at an early stage.

In the area of **anti-discrimination**, it is said that implementation of the action plan 2011-2015 of the Commission for Protection from Discrimination is progressing. Its communication strategy 2013-2015 was adopted. The commission has insufficient human and financial resources to fulfill its mandate properly, and its cooperation with other relevant bodies needs to be improved. The anti-discrimination unit in the Department for Equal Opportunities, in the Ministry of Labor and Social Policy, is seriously understaffed. The Law on Anti Discrimination is still not in line with the *acquis* as it does not explicitly prohibit discrimination on grounds of sexual orientation in employment and occupation. Systematic data collection and analysis are still not in place. Awareness-raising on equality and nondiscrimination is extremely limited.

In the area of **social policy and employment** it is said that little progress was made. Unemployment is very high and limited progress was made in achieving an efficient and inclusive labor market. Long-term unemployment, high youth unemployment, very low participation of women in the labor market and high levels of informal employment remain major challenges. The capacity of social partners needs to be further strengthened. Measures in favor of people with disabilities and other socially excluded people are insufficient. To tackle discrimination against Roma, implementation of the Strategy for Roma Inclusion should improve. Overall, preparations in this area are at an early stage.

Part of the findings of **Chapter 23: Judiciary and fundamental rights** are as follows:

**Judicial system:** The country's judicial reform strategy and related action plan were implemented between 2004 and 2010. The main reforms in this area have therefore already been largely completed. However, improvements are needed in practice to ensure the correct implementation of European standards relating to independence and quality of justice.

As regards **independence and impartiality**, several issues should be addressed in order to safeguard the independence of judges, in particular their security of tenure. The legislation governing the dismissal of judges still needs to be amended in order to make it precise and predictable. Safeguards are needed to ensure that disciplinary measures are applied in a more proportionate way by the Judicial Council. The tendency to impose dismissal rather than a less severe disciplinary sanction continues, as does the use of the catch-all dismissal ground 'unprofessional and un-conscientious exercise of judicial office' in almost all cases. In addition, the current system of evaluation and promotion of judges places more emphasis on productivity and targets than on quality and problem-solving, which can encourage formalistic rather than independent decision-making. The direct link between performance evaluation and dismissal, which

should only be used to punish serious disciplinary breaches, needs to be removed.

In the area of **professionalism and competence** of the judiciary, the Academy for Judges and Prosecutors (AJP) continued to play a central role in providing life-long training for the judiciary and prosecution service. Its continuous in-service training programme was attended by over 7 000 participants, including around 4 000 judges, 1 000 public prosecutors and 1 000 expert associates, as well as civil servants and other participants. The AJP further developed its decentralized training system by holding 76 of its 232 training activities in cities outside the capital, and the system of e-learning is also being continuously developed through the AJP's dedicated training web portal. Amendments to the Law on Courts entered into force, requiring all newly appointed first-instance judges to have graduated from the AJP's 2-year initial training programme. Minimum requirements of prior judicial experience were also introduced for appeal court and Supreme Court judges (four and six years respectively).

However, the Judicial Council continued to ignore the legislative requirements, appointing 39 first instance judges in 2012, only 4 of whom were AJP graduates, and 13 in the first half of 2013, only 1 of whom was an AJP graduate. At the same time, 13 of the 80 candidate judges and prosecutors who have graduated since 2009 are still waiting to be appointed to their first post. This calls into question the effectiveness of the new legislation and the commitment to the principle of merit-based recruitment. It also has the negative effect of demotivating potential future candidates from applying to the AJP. Despite information campaigns, repeated calls for applications and an increase in the stipend of AJP candidates during initial training, there were insufficient numbers of new applicants for the AJP's 2013 initial training programme and it remains to be seen when the next round of initial training will begin. Greater efforts are needed to support the work of the AJP, to attract high-caliber candidates to the judicial and prosecutorial professions and to safeguard the principle of merit-based recruitment.

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As regards the **efficiency** of justice, the majority of courts at all levels were able to process as many cases as they received, or more, during 2012. There are now no courts with significant backlogs. New software was installed in all courts, as well as the Judicial Council, in order to generate improved statistical data on their performance. The enforcement of judgments by professional bailiffs continued smoothly and almost all old enforcement cases have now been transferred out of the court system. However, there is still no reliable information on the average overall duration of court proceedings from start to finish, including all instances, and there is no monitoring mechanism to identify and give priority to 'old cases' which have been in the court system for many years. Greater efforts are needed to ensure that the monthly targets imposed on judges, concerning the number of cases to be processed, do not result in a general lowering in the quality of justice and lead to more lengthy proceedings in the long-term.

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A longer-term strategy to ensure the correct distribution of human resources within the justice system still needs to be developed.

As regards **access to justice**, the legal aid budget for 2013 is €50 000. 244 lawyers and 8 NGOs are now registered to provide legal aid. A total of 146 requests for free legal aid were submitted in 2012, of which 57 were approved. The majority of cases concerned property disputes, victims of domestic violence and protection of children and minors. Cases concerning social security and labor disputes are still under-represented and the lack of systematic legal aid for juveniles is a concern. Some improvements are still needed to make the work of courts more accessible to the public, including locating information desks at the entrances of court houses and introducing user-friendly search functions for judgments published on court websites.

**Anti-corruption policy:** The Criminal Code was amended to remove the possibility for courts to return a bribe to a bribe-giver who declares the offence before it is uncovered. The Law on Financing of Political Parties and the Election Code were further amended with a view to addressing GRECO and ODIHR recommendations. The administrative capacity of the relevant institutions was strengthened slightly, however both the State Commission for the Prevention of Corruption (SCPC) and the Anti-Corruption Unit of the Ministry of Interior remain inadequately staffed and funded (6 out of 18 planned posts in the Anti-Corruption Unit are still vacant). The State Audit Office (SAO) is also understaffed and underfunded in the light of its new functions of financial supervision of political parties and election campaigns. The limited powers of the SCPC are hampering its development into an effective anti-corruption body. The dismissal of the former president of the SCPC without a clear legal basis raised concern.

There were 123 convictions for corruption-related offences in 2012, most of which related to abuse of public office. Bribery offences still account for a low number of overall convictions. The SCPC received 177 complaints in 2012, a drop of 33% compared to 2011. It filed 13 requests to the public prosecutors' offices to initiate criminal proceedings. The overall capacity of the courts to deal with corruption cases remains weak, in particular as regards high-level cases, where proceedings are lengthy and inefficient. Requests sent by the SCPC to the public prosecutor to initiate criminal proceedings are not effective, as they rarely lead to successful prosecutions. Orders for seizure and confiscation of assets remain rare and special investigative measures are not used systematically to detect and investigate corruption offences. It remains to be seen whether the new Law on Criminal Procedure will improve the general implementation of the anti-corruption framework in practice.

The corruption prevention activities of the SCPC in 2012 included both the random verification of asset declarations and the newly introduced systematic verification of statements of interest of appointed and elected officials, as well as

checks carried out *ex officio* or on the basis of external complaints. In 30 cases the SCPC asked the Public Revenue Office to conduct an asset examination procedure and, as a result, 6 officials were charged the 70% tax rate on their undeclared income. The SCPC also initiated misdemeanor proceedings against 10 officials who had failed to submit asset declarations. As regards conflicts of interest, 483 statements submitted by MPs, ministers, deputy ministers and officials elected or appointed by parliament were verified by the SCPC in 2012. During the verification exercise, 123 officials were found not to have submitted statements and as a result misdemeanor proceedings were initiated in 26 cases in early 2013. However, the absence of a registry of elected and appointed officials continued to hamper effective control of assets and conflicts of interest of these officials.

The implementation of the legal framework on political party funding remains deficient. The lack of transparency and accountability of political parties for breaches of the legislation on party funding remains a concern. In spite of legislative amendments, limited action has been taken as regards measures to inform political parties about their reporting obligations and a more streamlined and proactive supervision and sanctioning system is needed. The OSCE/ODIHR reported widespread allegations of misuse of state resources during the 2013 local elections and the failure of the relevant institutions to counter them raised serious concerns. The SCPC's public announcement about the irregularity of the asset declaration of an opposition mayoral candidate, a few days before Election Day, called its impartiality into question.

Corruption in public procurement continues to be a serious concern. While reports of violations of public procurement law and corruption in public procurements are widespread, there is currently no institution assigned to ensure effective and timely control and supervision of public procurements, including concessions and public-private partnerships, and of the execution of contracts. No administrative sanctions are foreseen for violations of the administrative regulations and criminal investigations and convictions for abuse of public procurement rules, while on the increase, are still relatively rare. The institutional framework and measures taken need to be expanded to effectively address this problem.

The Law on Free Access to Public Information and its implementation remain deficient. The legal penalties are still not imposed in practice and political parties remain excluded from the list of holders of information, releasing them from the obligation to provide information to the public and from the penalty regime. The transparency and accountability of public institutions and enterprises, and of public expenditure, continue to be insufficient.

Fundamental rights: The country is already party to most of the **international human rights instruments** and further progress was made with the ratification of the Convention on the Protection of Children against Sexual Exploitation and

Sexual Abuse and the signing of the Third Optional Protocol to the Convention on the Rights of the Child. The European Charter for Regional or Minority Languages, which has been signed, has yet to be ratified.

During the reporting period, the **European Court of Human Rights** (ECtHR) delivered judgements on 6 applications, finding that the country had violated rights guaranteed by the European Convention on Human Rights (ECHR). In the *El Masri* case, the Court ruled that the country had breached the applicant's rights under, among others, Article 3 (prohibition of torture and inhumane or degrading treatment). The country has been held by the ECtHR to provide an effective remedy in cases relating to unreasonably lengthy domestic court proceedings. However, it still needs to follow up on the execution of over 50 older ECtHR judgments in which it was found in the past to have violated the right to be heard within a reasonable time (Article 6). An inter-ministerial commission for the execution of ECtHR judgments was set up in November 2012 but its impact remains to be seen. Efforts should be made without delay to satisfy the Committee of Ministers of the Council of Europe that execution has been completed in all cases of violation of the ECHR, and that the necessary systemic improvements have been made. Greater efforts are also needed to ensure that any orders for pre-trial detention and extensions thereof are in line with the ECHR and the jurisprudence of the ECtHR concerning Article 5 (right to liberty and security). 511 new applications have been submitted to the ECtHR since September 2012, bringing the total number of pending applications to 593.

With regard to the **prevention of torture and ill-treatment** and the fight against impunity, the number of complaints filed with the Ombudsman's Office on excessive use of force by the police fell in 2012, although the number of overall complaints about the work of the police rose. The Ombudsman's annual report noted the persistence of such cases, particularly involving Special Units, and the need to strengthen the independence and effectiveness of the Ministry of Interior's Sector for Internal Control and Professional Standards in cases of use of force. Allegations of violence against inmates by prison officers persisted. Shortcomings remain as regards the implementation of formal safeguards, including the zero-tolerance strategy for ill-treatment in prisons and police stations. Weaknesses in the complaints system and the related data collection mechanisms of police and prisons continue to be a concern. Efforts are still needed to improve the material conditions for detained persons as degrading conditions persist in a number of detention facilities.

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In the area of **freedom of expression** and the media, the Criminal Code was amended to decriminalize defamation and insult. A new Law on Civil Liability for Insult and Defamation was adopted, among other things setting out maximum levels of damages which could be awarded in civil cases. In 2012, over 200 judges, lawyers, journalists and other practitioners participated in training on freedom of expression and by September 2013, 161 civil court judges competent to deal with defamation had undergone a specific training programme. 70 key

judgments of the European Court of Human Rights relating to Article 10 (freedom of expression) have been translated and made available on the websites of the Ministry of Justice and the Academy for Judges and Prosecutors, to act as a training tool. New draft laws on media and on audio-visual media services were prepared which also include provisions on freedom of expression and the media; however during the consultation phase these were criticized by some stakeholders as potentially open to abuse. There are continued concerns about the lack of transparency of government advertising and self-censorship due to economic pressures exerted on journalists and media owners. Polarization of the media and poor professional standards hamper the public's right of access to diverse viewpoints and accurate information.

In the area of **freedom of assembly and association**, the overall situation is satisfactory. There were no cases of misuse of the legislation or prohibitions on registration. **Freedom of thought, conscience and religion** is generally ensured. A further religious entity was registered, bringing the number to 31. The Constitutional Court rejected a complaint based on protection of religious freedom, made by the Bektashi community from Tetovo, concerning the courts' decision to reject their registration.

Concerning **women's rights and gender equality**, a strategy for gender equality for 2013-2020 was adopted by the parliament, together with a national action plan for gender equality for 2013-2016. Participation by women in the local elections increased. Women's participation in the labor market remains very low. The capacity of some local commissions on equal opportunity was strengthened, but their overall expertise and activities remain limited. The Sector for Equal Opportunities Policy in the Ministry of Labor and Social Policy still lacks adequate resources. Discriminatory customs, traditions and stereotypes remain significant and are open to exploitation and the fostering of regressive trends in society. Implementation of the 2012-2015 national strategy for combating and preventing domestic violence is slow.

In the area of **anti-discrimination policies**, the Commission for Protection against Discrimination became a member of the European Network of Equality Bodies. In 2012, the commission received 75 complaints and processed 43. Since its establishment in 2011, the Commission has identified discrimination in 11 cases, mainly on the grounds of ethnicity and belonging to marginalized groups. The Commission's recommendations have so far been respected in all but one case. Concerns remain about the Commission's independence, given its persistent lack of financial and human resources. There is a significant need for more awareness-raising activities and campaigns to prevent discrimination and to promote understanding of the Law on Anti-Discrimination and the work of the Commission. The Law on Anti-Discrimination is not fully aligned with the *acquis*, as it does not prohibit sexual orientation as grounds for discrimination, but in practice the Commission also handles complaints based on sexual orientation and has already issued several findings in this connection. Data on the reporting, investigation and prosecution of hate speech and hate crime is not collected

systematically and training of law enforcement, prosecutors and judges needs to be stepped up.

As regards protection of the rights of **lesbian, gay, bisexual, transgender and intersex (LGBTI)** persons, the situation has worsened. Reports of violent attacks, including against the LGBT Support Centre in Skopje, need to be fully investigated by law enforcement authorities. Further efforts, including awareness-raising and promotion of tolerance, are needed from the authorities at all levels. Homophobic media content persists and media professionals and owners need to take greater responsibility in combating ignorance and intolerance.

Overall Conclusion for this area states: Some progress has been made in the field of the judiciary, notably with the introduction of stricter professional requirements for judges and the elimination of remaining backlogs in the courts. Further improvements are needed to ensure the independence of the judiciary in practice, notably as regards the systems for evaluation and dismissal, as well as to ensure that all judicial appointments are based on merit and to address the problem of lengthy court proceedings. In the area of corruption, the legislative framework is in place and steps have been taken to develop and consolidate the country's enforcement track record. Efforts are needed to ensure proper follow-up of cases referred to the public prosecution service and improve the effectiveness of courts both in terms of sanctioning and speed of proceedings. As regards fundamental rights, progress was made on the rights of the child, the protection of property rights and data protection. However, overall efforts in this area are hampered by a persistent lack of funding and capacity, and all relevant institutions need to become more proactive in promoting and safeguarding fundamental rights in practice. Serious efforts are needed to address concerns in the area of freedom of expression.

In the area of **visa policy**, the country has been well advanced for a number of years. There is already a high degree of alignment with the EU 'positive list' and 'negative list', with some further efforts needed to align fully by the date of accession. All diplomatic and consular missions are linked with the national visa system N-Vis and the Visa Centre at the Ministry of Foreign Affairs. Secondary legislation entered into force allowing citizens of foreign countries where there is no consular representation to make a visa application through any of the country's diplomatic or consular missions abroad.

The implementation of the visa-free regime with the EU progressed smoothly overall. The national authorities continued to cooperate in counteracting the phenomenon of unfounded asylum applications in EU and Schengen countries. Nevertheless, the number of citizens making unfounded asylum applications abroad is still high. Public campaigns including leaflets, posters, media events and information talks in municipalities and high schools have continued, in order to inform citizens of the consequences of abusing the visa-free regime. Border controls, surveillance patrols and risk analysis have been enhanced. However, long-term policies to improve the social and economic inclusion of the most

vulnerable groups of the population most likely to migrate, remain underdeveloped and underfunded, and need to be stepped up in order to make a practical impact on the situation. Further systematic efforts in all of these areas need to continue. The Commission will submit its regular report to the European Parliament and Council by the end of 2013.

As concerns **external borders and Schengen**, the Law on Border Control and implementing legislation continued to be harmonized with the Schengen Border Code. Travel documents containing fingerprints started to be issued. A joint contact centre with Albania was opened. Mixed patrols continued to be carried out at the borders with Kosovo, Bulgaria and Albania and also started to be carried out with Serbia. Good cooperation with Frontex continued in the form of joint operations and training, as well as through the Western Balkans Risk Analysis Network (WBRAN). The institutional and functional capacity of the National Coordination Centre for border management (NCCBM), the governmental body responsible for monitoring and implementation of the integrated border management strategy and action plan, remains very weak and it has limited human resources. Significant improvements are needed in the management of the NCCBM, as well as improved internal coordination and cooperation with related Ministries. The follow-up to the 2003 national integrated border management (IBM) strategy and the 2009 strategy for further development of the existing IBM system is being planned and will cover the period 2014-19. It should take full account of the EU IBM concept. Preparations in the area of external borders and Schengen are well advanced.

Conclusion: Progress has been made in the area of justice, freedom and security, notably on external borders, judicial cooperation in civil and criminal matters and cooperation in the field of drugs. Further efforts are needed to improve the efficiency of the asylum system, increase the proactive investigation and prosecution of money laundering and financial crime and prepare for the implementation of the new Law on Criminal Procedure, in particular through training of police and public prosecutors. Overall, preparations in this area are advanced.

Limited progress was made in the fields of **environment and climate change**. Further progress was made in legislative alignment with the EU environment *acquis*, in particular on horizontal legislation, waste management and air quality. There was limited progress in alignment with the EU climate *acquis*. Significant efforts are needed to implement the legislation, especially in the areas of water management, industrial pollution control, nature protection and climate change. Significant strengthening of administrative capacity, both at central and local level, is of the utmost importance. Investment needs to be significantly increased, especially in the waste and water sectors. Overall, preparations in the field of the environment are moderately advanced while preparations in the field of climate change remain at an early stage.

## **2.6. Reactions on the European Commission Report**

Media commented that Report conclusions are worse than last year, and the reputation of the country worsened. Macedonia not only will not gain a date for start of the negotiation process, evenmore if in December are accepted the conclusions over which Brussels was still debating shall get additional remarks and preconditions by the European Council. In the draft version for the ministerial meeting were included the December 24 incidents, the problems regarding freedom of expression and media freedom, the dispute with Greece and Bulgaria and the political “marriage” of the ruling party with the state. Although lower level debate seeks positive outcome for Macedonia, the recommendation demands additional preconditions and focuses less on achievements, which was not the case with previous year conclusions.

The first demand concerns the March agreement since the December 24 events caused political divisions in the Assembly and influenced on its functioning, therefore it is crucial to be fulfilled the March 1<sup>st</sup> agreement and parties to work constructively around national interests. Secondly, rule of law, judiciary independence and freedom of expression and media are areas for which Brussels raises concern. The European Commission requests to be renewed the dialogue between the Government and the Journalists' Association of Macedonia (AJM) in order to secure concrete results in the direction of improving the media culture. The Report also tackles the polarization in the media space along political lines, which impedes the development of objective journalism and puts pressure over media and their owners. Closing down of numerous media in the last years decreased the variety of various positions accessible to the citizens. Another conclusion also became the OSCE request from last elections by which is requested division of the party and the state in the election process. The last substantial conclusion concerns good neighborly relations where it stands that their maintenance as well as the negotiations for finding a common acceptable solution for the name issue under the UN auspices are of substantial significance and that they should be accomplished without delay. In this context it is expected a high level contacts with Bulgaria for a solution to be brought for the disputable issues. Mentioned is the Ohrid Agreement, the high unemployment rate and the need of better budget management, but what is most important there is no mention of a precise timeframe in which EU shall drop in again to Macedonia. Namely, reopening the question of negotiations start with Macedonia next year is tied up with a new European Commission report regarding the manner in which are applied the reforms under the High Level Accession Dialogue (HLAD) and whether conditions have been fulfilled, explicitly referring to what is mentioned in the March agreement, - good neighborly relations and the name dispute.

PM Nikola Gruevski at a tribune in Veles, commenting on the European Commission report said that Macedonia during SDSM rule never got a positive report by which would have a recommendation by the Council for start of negotiations. EU, he said, in no moment gave green light that the country is ready for negotiations; neither NATO declared that Macedonia has fulfilled all

preconditions for NATO membership, neither for visa abolishment. »In two years after we came on power all reforms necessary for negotiations start in EU were terminated. Since then, five consecutive positive reports with recommendation by the European Commission and the Council were obtained« -he said. And as citizens know unfortunately one is the reason for which it did not happen and that is Greece's opposing and the consensus system they have in EU and NATO as well as the impossibility to be secured this consensus due to the Greek request to be changed the name of the country, the nationality and the naming of the Macedonian language. "And that is something for which we are careful as well as with great dedication and care we are trying to find some solution which will not be some serious attack to our identity and in general for all this issue, which will be satisfactory for the other side as well"...Unfortunately the other side is completely defocused, it is occupied with itself and its problems, and EU knowing the situation does not put an additional pressure on our southern neighbor for this issue« he said. He estimated that Macedonia is ready for NATO and to start negotiations with EU when they will be ready to receive us and when they will be able to do it.

In Brussels two days prior to the Report publication, commissioners still considered whether and in what way the European Commission should participate in the process of finding a solution on the name dispute. One of the options was for the Enlargement Commissioner Fule to join the Chief of European diplomacy Cathrin Eshton. Another alternative was the estimation whether the EC is to have a role in this process at all. In addition, Brussels had dilemmas on how to maintain the recommendation, but at the same time to avoid further backsliding of rights and freedoms in the country. One of the conclusions on which all in Brussels agree is that Macedonia in spite of the recommendation for negotiations marks a backward trend in the sphere of rights and freedoms that interfere with the substantial EU political criterion. With the new recommendation Brussels tried to secure clear directions by which should be provoked concrete progress in the areas of institution stability and their democratic capacities, judiciary, media freedom and struggle against corruption.

## **2.7. Richard Howitt Visits Macedonia**

The EP Rapporteur for Macedonia Richard Howitt during his visit in Macedonia sent a message to all political factors to dedicate themselves to the Euro integrations process in the upcoming months until the December European Council meeting, in which shall be decided on the recommendation for starting negotiations. He stated that the country sufficiently fulfilled the Copenhagen criteria, but emphasized that EU member states do not agree on that. At the meeting with the Assembly Council for Euro integrations, Howitt talked about the situation in media and the case of Tomislav Kezarovski, for what there is a high degree of concern in Brussels. Other identified problems are corruption, non-existing division between state functions and the political parties, as well as large polarization among politicians. He said that topic of the talks will also be the

agreement that Macedonia signed with the Russian Federation for the gas pipeline questioning its compatibility with EU aquis.

»Diplomatic efforts for Macedonia to be awarded with date for initiating negotiations for EU membership should be supported, but peril is that in the country has been created a climate of pressure and fear« said Howitt. At the press conference he was very critical of the case of the journalist Tomislav Kezarovski who has been sentenced by the court of first instance to four and a half years of imprisonment. »EU strives for the principle of judiciary independence. Still, it is legitimate for me to express my serious concern over some elements of the case. I am worried for this and other cases in relation to duration of pre-trial confinement and the conditions in which it is served since the suspects are to be considered innocent until proven differently. I am worried also for the very frequent use of this measure, as well as for giving the impression that decisions to process the accusations are determined by political and not legal reasons« he said. According to him, such cases may influence in creating fear among journalists, editors and media owners which results in limiting research journalism and self-censorship.

According to Howitt, three are the things necessary in order a bigger progress to be made: in applying the March agreement, to be secured political dialogue between the government and opposition in the memorandum spirit for European integration, to show progress in the Bulgarian-Macedonian relations, and as he said - visible progress in the freedom of expression. At the interview with the journalist Borjan Jovanovski, Howitt said that Macedonia may lose its candidate status due to its problems: human rights, parliamentary democracy, Assembly functioning, freedom of press.

If one judges by Richard Howitt's report due to be on the European Parliament agenda on January 21st, there will be no conclusion surprises. Media and analysts comment that last year the Council although it did not bring a decision for date of negotiations' start, hailed the progress (whatever progress it was) regarding media (a dialogue with the journalists was opened, which »closed« with the December 24 events), the elections and generally around the high level accession (HAA) dialogue which started optimistically but lost all its energy before the EU Summit.

This year, after the country did not succeed the key precondition, which was to manage the December 24 consequences, dilemma is to what extent the Report will open the door for the country's progress. Brussels diplomats estimate that last years' arguments in favor of Macedonia were stronger than this year and that Brussels would have been less severe on the December 24 events if the problem would have been solved fast. Unfortunately, the Assembly incident overshadowed everything and took away many of the arguments of EU member states who strived for start of negotiations with Macedonia. Comparing Macedonia with other countries in the region. Albania under Edi Rama gives

basis for hopes to the citizens, Serbia has basis for optimism as well, while Macedonia is not a positive story, and calling on elections after elections are not a solution for moving forward since they are a bad signal for investors.

Brussels noted that the first chapter that shall be opened shall be Chapter 23 concerning media and freedom of expression, while other chapters will not be opened if firstly this one shall close. Fule mentioned that this shall be one of the instruments for improvement of the situation with freedom of expression and media freedom in the country. The second instrument shall be the speak-up conferences that shall be organized by the Commission, as this is a very important issue, which is a democracy postulate. What's more, EU for the first time announced that plans to put under monitoring the financial work and the budget of the country, so the Government shall have to create an economic action plan and national reform strategy, which shall be one of Brussels preconditions equal to the political criteria. The Report also announces intent for the EC to open all issues about the freedom of expression, from transparency of property, advertisements regulating, setting a media market, up to establishing a new award for exceptional journalism in order to raise the professional standards. In the Report stands that: no country of the Western Balkans has a functional market economy, that democratic institutions are weak, that there is lack of consensus culture, that the role of parliament is underdeveloped, that are extensively used shortened procedures for adopting of laws, that committees inside are weak and what mostly is a characteristic of Macedonia- that elections are seen as a possibility to put party control over state institutions more than normally, accompanied with a finding that even on starter positions in the administration, appointments are political.

## **2.8. Enlargement Commissioner Stephan Fule Presents the Report**

At the press-conference for presentation of the fall European Commission Report for the Macedonian progress, Enlargement Commissioner Stephan Fule said that this is the fifth consecutive recommendation for opening accession negotiations and he hopes that the union country members will seriously understand and Skopje will create climate to fulfill the recommendation. »Skopje should estimate the compromise price, the price of not to move forward, not to achieve compromise. We must move forward, because if that is not done Macedonian citizens lose a lot. I will not speculate about the December 24 events, but the March 1st Agreement encourage us that there is a way out, and a dialogue shall be accomplished between AJM and the government« Fule said, adding that the Government should undertake a constructive dialogue with the journalists. »I would not like for the sixth time to be here next year and to recommend negotiations«...«effective implementation of recommendations is necessary in the spheres of rule of law, freedom of expression and fight against corruption« he emphasized.

In brief, Fule described the Macedonian situation as »making up the lost time«, as he said that politically this has not been an easy year for the country. The time and energy that has been spent for solving the December 24 situation, which happened as a result of the domestic political confrontation, could have been better used for reform implementation. He said that the challenge now is to build upon previous reforms and to effectively apply legal and political frameworks. If strongly applied, reforms shall be felt fundamentally and will bring real change in the life of citizens. As briefly described: The European perspective will for sure strengthen the reforms and the European Commission shall continue to strive for their effective implementation. Significant progress has been made in cleaning up of the judicial backlogs, but it is needed more work for securing judicial independence in practice. There is a history of anticorruption, but it has to become more realistic. The estimation for elections last spring was that they were professionally and efficiently conducted, but that further reforms for the election legislation, voter's lists and division of party and state affairs are necessary. Slander was decriminalized but respect of the freedom of expression must be secured. Relations with journalists suffer and should be renewed urgently, extraordinary reforms must be put in first place in relation to government advertisements, removing the pressure upon journalists, as well as promoting professional standards. That the Committee for Inquiry produced useful recommendations, but they now need to be applied in practice, similarly as the Ohrid Agreement. Progress is achieved for the economic issues but substantial reforms are still needed in order to secure long term sustainable growth. Fule called on constructive dialogue in domestic politics in order to achieve results in all areas, hoping the same spirit to prevail for the name dispute as well.

This time EC stated that the speed in which Macedonia is taking new debts is worry some, noting that the central debt off the Government is 33,6% of GDP (which is bigger if here are included the debts of dome state funds, like the one for the roads) by the end of July 2013 compared with the 27,8% of GDP at the end of 2011. Opening of new work places and employments have been criticized as well, since the largest part of the employments are in the public sector of unqualified workforce or employments in the social sphere which does not bring development.

Analysts say that on its way to Europe Macedonia has been removed from the waiting room where it was standing for five years and is put in a cul-de-sac to wait for a train without a schedule. On the name dispute process, it becomes clear that Europe decided to stay aside the mediation, which further remains under the UN auspices, but recommendation remains unchanged - Macedonia must solve the name dispute without delay. On the issue, EU MP Jelko Kacin stated: »We are in a situation not to have sufficient influence over Greece, while over Macedonia we have none. We in EU are ready to take responsibility from the hands of Ambassador Nimetz and to lead the process. But we must have guarantees that PM Gruevski is ready to do it...«.

According to diplomatic sources, Macedonia other than the bitter problem with the name issue imposed by Greece, in reality there are many other remarks. Particularly significant are the remarks concerning the partization of the whole system especially in the part of certain ministries with a special accent on the Ministry of Interiors which according to Brussels is functioning in a party biased manner. Special remarks EU diplomats in Macedonia have for partization of the judicial power and the prosecutor's office. According to Brussels, there is no independent judiciary, as judges are under pressure to be dismissed if they autonomously bring decisions, and due to that there is increased number of citizens who address themselves to the ECHR in Strasbourg. According to EU these situation has been dragged on for years while the Macedonian side gave only promises but never delivered. It was said that Macedonia in the past was a leader in the Balkans in reforms, but lost pace not because of an injustice done to the country but because of democratic country basic principles disrespect, while it pretends to become part of the European family.

## **2.9. Bulgaria Expects to Sign the Agreement for Good Neighborly Relations with Macedonia**

In November the Bulgarian President Rosen Plevneliev at a working meeting held with the Ambassadors of the EU member states and of the European economic zone, stated that the country supports the process of EU enlargement with the Western Balkan countries. He stressed that this process is of historic importance for the Balkan states and for strengthening of the democratic values and principles of behavior in the region. Therefore, he said that in the near future it is expected progress in the talks for signing a bilateral agreement on good neighborly relations with the Republic of Macedonia, upon the principles of the joint Declaration of 1999.

In his statement Macedonian FM Poposki commented on the good neighborly relations and reminded that the European Commission always recognized and highly valued Macedonia's constructive role in the bilateral relations with its neighbors and the active engagement in the regional initiatives. He confirmed that Macedonia shall continue to act proactively in that direction and to further show flexibility, openness and actively work in finding adequate solutions for overcoming eventual open questions with its neighbors. In that context, the Minister emphasized that the estimation on the Macedonian contribution and dedication towards good neighborly relations should not be based solely on the imposed name dispute. Blocking of the country's euroatlantic integration process not only undermines Macedonian integrations, but also undermines the EU credibility in the enlargement process.

## **2.10. Howitt Recommendation Presented at the EP Foreign Policy Committee**

European Council to bring a decision for start of negotiations with Macedonia without any further delay and to be accepted the suggestion of the European Committee for solving the name dispute in the early negotiations phase - was the Macedonian Special Rapporteur Richard Howitt's demand at the EP Foreign Policy Committee. He also sent a message to the EC related to the dates for start of negotiations: »Going back is really a risk. I have told two key points which have been supported by the shadow rapporteur of the People's parties Edvard Kukan, which is that we do not wish to see backward sliding. Everybody knows that December 24 events and the hardships this year were a difficult challenge for the country, but we do not wish the access process to be driven backwards, especially having in mind where the country was in December 2012.« stated Howitt for MIA.

According to Howitt, there is strong criticism how the country deals with the EU accession, but there are two innovations presented before the European Parliament, one of which being Macedonia to obtain the status of country with functioning market economy. »This will justify that there is economic progress and shall give signal that progress exists in the country. Secondly, in relation to the hardships the country shall have in the social-political domain, those who block the country regardless if they are located in Brussels or in another country or in the opposition must understand the real price of failure and moving forward, and I want this to be said« - emphasized Howitt. His request was supported by all MPs who discussed, except the Bulgarian MPs. Greek MPs did not discuss.

## **2.11. EC Commission Conclusions**

Two weeks before the EU Summit in which were to be adopted the progress reports of the Balkan countries, at the conference "Friends of Europe" dedicated to the Balkans the enlargement Commissioner Stephan Füle announced that Macedonia shall not be able to open negotiations for membership as it was recommender for the fifth time by the European Commission. "The perspective for a summit in December but for later as well is blurred" said Füle. "I am concerned about the domestic political situation and the tensions between the government and the opposition, and with the fact that there are no tangible results for the name issue lead under the UN auspices". "We have offered to the member-states last year a way how to move the process forward as I do not see what the added value of the continuous repeating of the same recommendation is and member-states repeat that it will happen at the next presidency and do not fulfill their promise. We have offered a new approach for solving good-neighborly relations including the name issue, at the beginning of the access negotiations, with sufficient guarantees for all those concerned, that good neighborly relations will realistically become good, before the substantial negotiations begin. This year we ask the member-states: what is it that you want? Would you like to

repeat the same next year? If you look at chapters 23 and 24 and if you see how in the last years we transformed the enlargement you will see that member-states have the control of this process, through opening and closing benchmarks. We have made this process to be more political and it is time to react politically” said Fule.

“Instead Macedonian authorities to deliver the best they can to help us for the Plan B, took place the December 24 events last year. This put the country in a hold for ten months and still there are implications from that process” said Fule. According to EC source, at the December summit Macedonia should have obtained a new form of dialogue with EC in which shall be treated all disputable issues. Other than new efforts to solve the name issue, in this new dialogue main position was to be given to the freedom of media, struggle against corruption and larger part of the economy.

EU member-states ministers of foreign affairs in mid-December brought the conclusions about the country-aspirators and candidates, including Macedonia. As expected, there is no date for start of negotiations and EU is obliged to look again at the issue during next year, without defining precise dates, and on basis of obtaining additional information from the European Commission for further reforms implementation from the HLAD (High-Level Accession Dialogue) including the implementation of the March 1<sup>st</sup> political agreement as well as the visible measures undertaken for good-neighborly relations and achieving mutually acceptable solution on the name issue. It is clear that the Macedonian dossier shall be frozen at least one year since in the first six months the presidency shall be passed to Greece and in the meantime after the European Parliament elections shall seek the new composition of the European Commission.

With this conclusion EU clearly states that this time Macedonia should make efforts on its own to show that it is dedicated to the European road and to gain the attention of the council of Ministers and the potential help in overcoming the interior problems or problems with neighbors. Macedonia will not be found in an easy situation as Greece does not give concessions, additional problem is Bulgaria. Official Sofia after the meeting of Bulgarian President Vigenin with FM Poposki said that there will be no support until a good neighborly relations agreement is signed, while for its signing Bulgaria even demands change of the Macedonian Constitution.

“This government is not capable to get Macedonia into EU and NATO; now the only problem is not the name, but the growing lack of democracy” - said Nano Ruzin vice-president of the Liberal Democratic party. “The position of the Council of EU Ministers is the crown of the most unsuccessful 2013 year in the last eight years since obtaining the candidate status and five years after obtaining recommendation for start of negotiations” he adds. Gruevski’s government in this way completely showed its incapability and indifference to mend something in the

last two months in order to improve the state aspiring status. With its nervous and cynical message: "EU can call us whenever it feels ready, since from his side are finished all tasks and preparations for start of negotiations" he strives to shift the failure of his absence of state-conscious behavior and non-democratic rule on Brussels account- says Ruzin.

### **3. ECONOMY**

#### **3.1. Dubious Investments under Criticism**

The controversial Indian businessman Subrata Roy and his willingness to invest in a huge summer resort and casino in the Ohrid village of Ljubanishte and in agriculture, milk export and dairy products rose vigorous opposed reactions in the country. He and his family announced big investments in the country, building a luxurious tourist complex, and reviving the agro plant Dzumajlija by buying 50 ha of land and importing 20.000 cows for dramatic increase of milk production in the country. Local farmers and the public think that these ideas are utopia. Many reported on his debts and dubious businesses in his country of origin where he owes a huge sum of money to Indian citizens and in other countries as well. Other criticized the special favored conditions in which he purchased land for the agricultural investment in Macedonia, and by obtaining loan from a domestic bank. The authorities have also been under critics for offering Macedonian citizenships to Mr.Roy and his two sons (although legally there is such a possibility, for as Article 11 of the Law on citizenship determines one of the possibilities for obtaining citizenship is "...for economic interest").

SDSM believes that the agreement concluded between the Ministry of agriculture and Subrata Roy's company raises many dilemmas: who is the owner of the firm that concluded the agreement, having in mind that it is not "Sahara Group"; why the government concluded the agreement with a firm seated in Skopje having basic capital of only 5.000 Euros, which sum was not yet paid; why this firm pays a monthly rent of 2 EUR per ha while all other agricultural producers in the country for a land of such quality pay from 10 to 18 Euros; etc. Mr. Roy on the other hand because of pending trials in India against his companies "Sahara India real estate cooperation" and "Sahara housing investment corporation ltd" in sums as big as three billion USD is under threat to have his passport taken by the country's authorities.

#### **3.2. "South Stream" shall be valid at least for 30 Years**

The agreement signed between Macedonia and the Russian Federation for the gas pipeline "South Stream" was published by end-July. The Macedonian organization "Macedonian Energy Resources" and the Russian "Gasprom" shall form a joint company for a branch gas pipeline with a 50:50 share. The agreement duration is set on thirty years. The joint company shall be the operator, shall determine the transport tariffs, while the rights for use of all

capacities of the pipeline shall belong to the Russian partner. It is still undefined whether the gas connection shall be made through Bulgaria or Serbia, as it is not precisely stated in the agreement. Regarding the concluded agreement, SDSM stated that doubts have been confirmed that the Moscow Government did not sign any Agreement for inclusion of Macedonia in the "South Stream", but an agreement that determines only the technical justification of the project, which is yet to be proven. The Government later was giving other, opposed arguments, but the European Union at a later date indicated that this agreement has been concluded contrary to the EU acquis.

### **3.3. Budget Planning**

The government planned in 2013 to have a 3,2% economy raise, while in the second half of the same year the state debt to be projected on a level of roughly 30-35% of GDP. As stated in the pre-accession economic program 2013-2015, it is planned for 2014 to have a budget deficit of 3,2% while in 2015 it is planned to be 2,8% of GDP. In the part of public debt management in the Fiscal Strategy of Macedonia is said that in the 2013-2015 period are defined several middle term ceilings. Among them, is the maximum level of state debt in the next three years is projected not to exceed 35% of GDP, while the maximum level of public debt in the next three years is projected not to exceed 45% of GDP. "Real GDP growth in 2013 is expected to be 2%. In the next two years is expected moderate growth speeding up, in accordance with the EU economic activity growth as well as the remaining trade partners in the country. Thus, the projection for real GDP growth in 2014 is 3,2%, and in 2015 3,8%" is said in the Pre-accession Economic Program 2013-2015.

The State Bureau of Statistics in June registered a raise in the industrial production of 1,9%. The Macedonian industry started its raise in February after continuous drop of about 17 months. Largest raise was noted in the domains of mining and stone extraction. In June processing industry was raised for 1,9%, while the area of electricity, gas and heating had a drop of 2,7%.

According to the ministry of finance data, in the first six months of this year the state administration spent 225 million euros more than collected in taxes. The 2013 budget planned a budget deficit of 3,5% of GDP or 288 million Euros. That means that are lefty only about 63 million Euros of budget deficit that is allowed to be spent until year end, or in other words the planned deficit is already spent for 78%. It is expected that after the summer follows an absolutely necessary budget rebalance. Experts say that now unproductive expenditures must be cut off, but expect that in shortage will be the capital projects as well, which are crucial for the economic growth.

Analysts believe that Macedonia's trade deficit continuously grows, and may reach 1,9 billion Euros by year end. On one hand Macedonia, which is counted as an agricultural country, increasingly imports food, while Macedonian

companies find it harder to sell their products abroad, so every year export decreases. At the same time, the Government by year end plans to spend 135 million Euros subsidies in agriculture.

### **3.4. December World Bank Economic Report**

At the beginning of December, World Bank published its second regular report titled "Slow Road to Recovery" of countries of South-East Europe. General conclusion is that the SEE region in 2013 got out of recession, which trend is assisted with the Eurozone recovery, but also it is said that due to the small domestic demand, exports insecurity and significant external risks, the short-term economic future of SEE 6 remains uncertain. Sustainability of economic recovery through export expansion is insecure.

Macedonia projects a GDP raise of 2,5% for 2013 while for the next year is planned a GDP raise of 3%. This is not the highest figure among other countries as Kosovo is estimated to have a 3% growth in 2013 and for 2014 is projected on 4%. If one considers the WB conclusion that the economic growth of SEE countries is due to growth of the industrial and agricultural production and export, in this particular sense Macedonia is in the lowest place compared to all other five countries, while agricultural production shows the same results as the other five countries as it is mainly due –as the report says- to the good weather conditions. In terms of exports, Macedonia shows the lowest figures, exports raise in 2013 is 1,1% Montenegro 7,7%, Kosovo 10,4%, B&H 10,6%, Albania 16,7% and Serbia 20,5%. Only in Macedonia and Kosovo domestic expenditures have been raised and had positive influence. The case of Macedonia is especially emphasized as in the country investments in the first half of 2013 were raised for 8,2% as a result of investments in capital buildings in the public sector. Measuring labor productivity WB takes 2012 as basic year and gives an overview of labor productivity from 2004 to 2012. In 2004 labor productivity in Macedonia was the highest compared to the other five SEE countries, while in 2012 was almost the lowest, in fact remaining the same as in 2004. Other WB conclusions indicate that in Macedonia social transfers remain big and badly directed, and do not protect the poor, estimating that 11% of these funds are directed towards the richest 1/5 of the population.

### **3.5. Macedonia Prosperity Index Going Down**

Macedonia's Prosperity has moved down four places to 79th between 2009 and 2013 on the Prosperity Index scale. Social capital has declined by four places to the 106th place, which is due to a decline in religious attendance and donations. Safety & Security has dropped by five places to 72nd, which was driven by a reduction in the perceptions of the ability to express political opinions without fear and an increase in the number of refugees. This decline over five years is, in part, due to the addition of 32 new countries in the 2012 Prosperity Index. In this instance, five of these new countries placed above Macedonia.

Average pensions in the Balkan states are significantly lower than the average salaries of the other citizens, while largest part of the pensioners do not have sufficient money for the basic needs. Macedonia and Bosnia & Herzegovina have significantly lower pensions compared to the other countries. According to data from the Office for Pension Insurance of Macedonia average pension is about 144 Euros. The Statistical Office of Macedonia indicates that the average salary in Macedonia in April 2013 is 342 Euros.

Data show that in September there is increase in the number of beneficiaries who visit the public kitchens for the poor and PEP 21 party considers that this is sufficient indicator that the social and economic program of the government sinks. The party believes that urgently measures should be taken to diminish the number of poor citizens through investments in the real sector, in order to secure long-term employment of the unemployed persons and to be given priority right for these cases for employment. The party seeks the government to introduce a decision by which shall be forbidden to government institutions and their representatives to use the situation in which poor citizens are and to profit in a political sense.

Measured with other countries, GFK research data show that Macedonia in average has five times less the purchasing power than the Europeans. The average purchasing power in Macedonia is 2.714 Euros while the annual purchasing power in European countries is 12.890 Euros. The "Anadolia" agency analysis confirms that Macedonians receive the lowest salaries in the region, average of 350 Euros. About 70% of the country's population have lower income than the declared average. According to the London Legatum Institute, which considers not only official figures but also citizen's perceptions, Macedonia has the worst rank in economy where it fell for 10 places and takes the 119<sup>th</sup> place.

Macedonia is the third poorest country in Europe, show Eurostat data. Domestic Gross product of the country in 2012 per capita measured through the purchasing power of citizens is 35% of the average that have the 28 EU country members. Poorer than Macedonia are only B&H and Albania. In Albania, gross-domestic product per capita was 30% of the EU average, while in B&H is 29%.

The level of unemployed in Macedonia in the third quarter of 2013 was 28,7% or 273.860 persons, declared the State Statistical Office. More than half of the unemployment are aged 15 to 24, while 27,7% are aged 25 to 49. According to the education level 114.350 have high school education, while 49.509 have high education. The Agency for the Unemployed in the last six months divided the persons who have the status of unemployed to those who actively seek work and to the "others". By doing this, the list of those who actively are looking for a job dropped to 96.999, in comparison to the total figure of unemployed by the end of 2012 when were listed 243.430 persons. On the list of "others" or those who do not actively seek employment currently are 223.730 persons.

According to CNN Money (estimates per countries), the Macedonian unemployed rate is 30,2%. Macedonia tops the unemployment rankings for the second year in a row. The IMF predicts nearly one-third of workers in the SEE will be out of a job this year. Still, there may be some relief ahead. The economy, which counts agriculture, textiles and automotives among its major industries, is expected to grow modestly this year. And the labour market may be slightly healthier than it appears. Official unemployment statistics do not include the Macedonian so-called gray market, which is thought to make up a significant portion total economic activity.

SDSM MP Goran Sugarevski spoke at the Committee for Financing and Budget, criticizing the ministers who are in charge for foreign investments, as expenses for their travels, bonuses, salaries, apartment rents are huge and very little is returned as effect from their work. He also spoke about the phenomenon of deleting unemployed persons from the records, as in 2009 there was 39% of unemployed persons, now it decreased to 28,8%, while in October PM Gruevski at first said that unemployment is 25%, at end-October claimed differently - that the rate is 28,8%, so Sugarevski asked where these 10% of difference were employed? "I would like to know how many of these are employed in the real sector how many in the administration, how many moved out of the country or by use of government measures have been deleted from the unemployed records. For me it is not understandable someone to have a salary and not go to work, I'm sure that these people have their own businesses and plus they receive salaries" he said.

Other opposition MPs, like the SDSM MP Biljana Kazandziska commenting the proposed Budget for 2014, critically compared the budget items regarding gasification – 4 million Euros, while for buses are planned 5,2 million Euros, out of which the Macedonian province gets none. Another item were the money planned for the Old Theatre – 36 million Euros, out of the previously planned 6 million Euros, compared to planned water supply pipelines – only 6 million Euros out of which 4,1 million are coming from loans, 1,2 are donations and only 800.000 Euros are from the Budget.

Analysis say that in 2006 total budget expenditures were 1,71 billion Euros, while according to the draft budget of 2014 expenditures are planned on a level of 2,87 billion Euros, which means in the last eight years the Government increased expenditures annually for 1,16 billion Euros. The deficit in 2006 was 27,76 million Euros which was 0,55% of the then GDP while in 2014 the deficit is planned to be 297,09 million Euros, which is 3,75% of GDP.

Economic experts criticized the Minister of Finance Stavreski and PM Gruevski that were promising that GDP for 2012 shall raise for 2,5%, while in reality it fell 0,3%. Industry growth was prognoses at 1,7% but instead it fell for -7,4%, which is more than 6-7 times. Inflation was prognosed on 2,8%, but it raised to 3,3%, which means that the standard of living fell in 2012 due to the prices raise. Export

was prognosed to 6%, but it was -2,7% which is a dramatic difference. Imports was prognosed to 5,6% but lessened for 0,3%, so opposition wondered what was imported in 2012 that was less, while inflation grew? Net salary was planned to grow 1,2%, while it grew Only 0,3%. Employment was planned 1% but it grew 0,8%.

### **3.6. Economist Social Unrest Ranking**

The UK weekly journal "Economist" ranked 150 countries worldwide according to the possibility of having social unrests next year. In this ranking Macedonia is put in the group of high risk countries, in the company of Burkina Faso, Cambodia, Burundi, Albania, Bulgaria, Croatia, Turkey. Serbia and Slovenia are in the group of countries with middle risk. As key reasons that are making these countries' social focuses, are mentioned class division caused by the big differences in earnings, increased unemployment, bad governance, weak social measures and ethnic tensions. The analysis showed that out of all the list 43% or 65 countries next year are in the group of high or very high risk to have social unrests. As especially vulnerable regions are mentioned the Middle East, North Africa, South Europe and the Balkans.

### **3.7. Macedonia – Not-interesting for Foreign Investments**

Government campaigns to attract foreign investments did not help much for Macedonia to rise from the bottom of the list of countries according to the figures of foreign investment. According to UNCTAD, in the region at the first place is Croatia (1,25 billion USD in 2012), while Macedonia is last by having for the same year 135 million USD or ten times less than Croatia. After Croatia follow Albania (957 million USD), Bosnia & Herzegovina (633 million USD), Montenegro (609 million USD), Serbia (352 million USD) and Kosovo (298 million USD).

In the first five months of 2013 Macedonia shows 140 million USD foreign investments. However, last year's bad performance indicates that something in this strategy does not work out. Some experts think that the Government is excessively directed towards promoting the country as investment paradise. Impression is that it put all on the card of attracting foreign investments while on the other hand it seems that domestic investors and companies have been neglected. What's more, estimations are that it is forgotten the fact that foreigners other than favorable tax benefits, are informed through their embassies about the political security and stability, whether the judicial system is efficient, whether there is corruption, what is the quality of institutions prior to investing.

In October the Minister of Finance Zoran Stavrevski praised Macedonia for obtaining credit rating of BB+ which is a good signal for foreign investments adding that very few countries in these economic circumstances have got such a credit rating confirmation. This indicator secures macroeconomic fiscal stability

and offers adequate investment conditions but critiques say that only Greece, Cyprus and Serbia have worse rating than Macedonia's. One should also bear in mind that the same BB+ rating is the one that this government inherited in 2006 from the previous government. Since that time many countries in Eastern Europe increased their rating although they were much deeply swept by the economic crisis than Macedonia.

Last year (2012) from Macedonia were transferred in total about 100 million USD to: St.Vincent and Grenadines (26 million USD), British Virgin Islands (13 million USD), Switzerland (25 million USD), Slovenia (19 million USD), Iceland (1,6 million USD), Hungary (1,7 million USD), and others. It is said that big off-shore money transfers from our country happen every year. The quoted data come out from the team of journalists-researchers of the banking Offshore-leaks which although announced it was never publicized.

According to data from the National Bank of Macedonia in 2008 25 million Euros direct investments came from the Virgin Islands. In 2009 this sum from the same destination is 12 million Euros, in 2010 is 1,17 million Euros and in 2011 is 590.000 Euros. In the last couple of years from these destinations there are no investments in Macedonia, money are rather leaving than getting in the country.

### **3.8. New Debts Continue?**

The Government continues with taking new debts, due to which the opposition seeks budget rebalance. Opposition experts believe that this Government policy of constant taking loans becomes unsustainable and shall have a negative impact over the Macedonian economy, - reacts professor Vanco Uzunov after the government took another loan of 32,4 million Euros from the domestic banks and funds. This was done through issuing state bonds and indicates that the budget is not in a good financial condition, as the Government claims. "It is not the idea to make e rebalance after you come in a condition not to be able to pay anything. The idea of good governance is with finances is to see things in advance, and official data publicized by the government indicate exactly that – there should be re-tailoring of the budget since it cannot be realized as such-said Uzunov. At the same time, the Government returned about 15 million euros old debts from the previously issued securities. Economic experts explain that this indicates that the state other than paying old debts was in need for other current items in the budget, since it is borrowing more that is returning.

PM Gruevski in August announced that from the credit line of a hundred million Euros, which is the last fourth trench are used so far 71 million Euros, drawn are eight millions, while twenty millions are expected to be used by the year end. The Government finalizes the talks for drawing a new line of 100 million Euros from European Investment Bank (EIB). He said that the public debt shows decrease and according to the Ministry of Finance is 33,6% of GDP.

The state in October took from domestic creditors collected 114 million Euros by new debts through an auction of notes and one auction of bonds. The government of the private and public sector drew 44 million Euros more than it planned. However, the next day already the Government ought to return to the domestic economy 76 million Euros. According to the Ministry of finance data, public debt rose again to 33,8% of GDP.

The constant Government borrowing from the banks (after the Government raised from the domestic banks 145 million Euros) was characterized by SDSM like a push of the country into a magic circle of debts and what was even more terrible, the auction showed that loan is not only for settling accounts, but here are new debts.

### **3.9. SDSM Taxation Proposed Policies**

In the new program ideas, SDSM proposed higher personal income tax for higher income citizens (those who receive over 1000 Euros monthly). As over 80% of the Macedonian population receive lower than this sum, the proposal is for these citizens to have 9% personal income tax as opposed to higher salaries which will have 10% tax. At the same time all existing tax benefits will remain the same. Only those with higher salaries will pay more, which the party thinks is completely in accordance with the substance of just taxation, fair distribution of state property and return of the middle class. Savings interests will continue not to be taxed. SDSM also suggests 30% of profits tax to be donated for development of sports, science and education in order to connect businesses more directly with these areas. Control of possible tax abuses shall be systemic and by use of in advance set methodology.

### **3.10. Changes in Labor Law**

It is the third time that the government suggests change in the Labor law and again the government is directed to decrease worker's rights. Now are changed the out-dating of the procedures under which the employer may fire the worker. The government suggests the employer to be able to fire the worker even after 18 months from the day the finds out about the facts which may be the basis for firing the worker, as well as three years from the day of actual emerging of facts which are basis for firing the worker. According to the current legislation, the first circumstance has the timeframe of three months, while the second six months. It is expected that this lengthy newly established period of time shall be abundantly abused by the employers, which will have additional excuses in their hands to "dig out" the past in order to find an excuse to fire the worker. If changes in Labor law shall be introduced, it will automatically be deleted the need for law on mobbing, since with the changes is actually created legal need for mobbing - said the SDSM MP Cvetanka Ivanova at the 75<sup>th</sup> Assembly session. She reminded of the textile workers example where the law creates conditions for extreme exploitation of the employed. She said that the government in the last eight years

massacred the Labor law when in question are worker's rights. She alarmed that in the state there is no regulated night shift, the last eight years is diminished the duration of the annual holiday, it is abolished the shortened working hours for the disabled, it is left only one basis for taking pension although all other states have flexible conditions for taking the pension etc. She reminded that there is no protective norm on the technological surplus of workplaces so now today one worker may be set as technological surplus and immediately after firing to be received another at the same workplace.

## **4. HEADLINES/POLICIES**

### **4.1. Latest Draft Media Law under Discussion**

Following a legal review of the latest draft Law on Media and Audiovisual Media Services, the OSCE media freedom Representative Dunja Mijatović in July welcomed the efforts by the authorities in Skopje to harmonize the law with international standards, including OSCE commitments to media freedom and expressed concern about the remaining problematic provisions.

In a letter sent to Ivo Ivanovski, Minister of Information Society and Administration, Mijatović outlined: "Given the current state of media freedom in the country, I am concerned that this legislation could be used to silence critical views and limit free speech. While many of the regulations are acceptable, I am concerned that their formulation could lead to misuse,". As key issues that need to be addressed were mentioned: the powerful role of the Media Agency and its composition procedures do not guarantee independence; the new supervisory function (Article 29) could allow it to potentially interfere also with print and online media content; the existing penalties in the law are considerably high, lack incremental steps, and there should be a gradation in penalties prescribed; ultimately raise concern that disproportionate sanctions may lead to self-censorship; references made to issues of national safety, inciting intolerance or hatred are too vague and could be abused; there is no need to define who (what) is a journalist in the law. The current legal definition is superfluous and may also be used to exclude some media workers and people engaged in journalism, thus is not needed; insisting that "majority journalists' association" participate in the Media Agency and governing board of the Public Broadcaster risks creating tensions between the associations, especially as there is alleged pressure on journalists to join a particular association, so this should be avoided. "I welcome cooperation my office has enjoyed with the authorities in drafting of this important law and look forward to the new draft that will safeguard media freedom and freedom of expression in the country", concluded Mijatović.

The Minister for Informatics and Public Administration Ivo Ivanovski said that they have accepted OSCE suggestions by which the Agency members mandate is

decreased from 9 to 7 years, the Director from 8 to 7 years, while the composition of this regulatory body changed, from 4 to 2 suggested Assembly members, while an additional member shall be suggested by the Lawyer's chamber and the University community.

OSCE also stated that it is positive the decision to have two draft laws instead of one: the law on audio and audiovisual media services and the law on media. At the same time, were supported the government efforts to make the procedure for working on the draft-laws transparent. OSCE positively estimated the removal of the article on self-regulation, while the definition for a journalist was under discussion. Special prohibitions as mentioned in Article 4 are according to international standards and is suggested special prohibitions in the media law to be better explained.

Still, opposition accuses the government for maneuvers and tricks for even greater media control, while the journalists seek the Media draft law to be withdrawn. Before the discussion took place in front of the Assembly Committee for transport and communications, four media associations again called the Government to withdraw the draft law on media which they find restrictive. "Instead a law on media which is not demanded neither the community nor EU, the government should offer a legal solution on the government campaigns and the media donations for the election campaign. We seek the government to withdraw the draft law on media because there is no rationale nor a need for it, while the draft law for audio and audio visual media services should be corrected according to the remarks of the domestic and foreign institutions" stated the Journalist Association of Macedonia president Naser Selmani.

The Assembly public discussion on the draft laws showed may opposed opinions. Some thought that there is no need for media law, as this area is regulated by other laws and the constitution. Others supported the government position that the law shall put order in this domain and by having the law there will be protection of journalists towards the media owners and the editors. There were even suggestions to be issued licenses for journalists, in order to be known who is a journalist and who is a propagandist and lobbyist. Tamara Chausidis from the Independent trade-union of journalists and media workers stated: "harmonization with EU regulations is not in question, but it is the manner in which it is done and the consequences that shall be produced"... "the definition on who is a journalist is limiting and discriminatory and excludes all who do not have and employment contract, which makes space for manipulations"... adding that.. "if the government cared for journalists protection it would have been lead by the issue of safety of the journalists crews would have anticipated fines for those who do not pay health and social contributions to the employed journalists, should have anticipated payment of contributions for the honorary journalists, for regulating working time etc". She underlined that "media freedom is suffocated through social pressures"... while "critical journalism is blackened as traitorous".

Based on the so far expressed opinions, the government accepted 22 amendments (8 on the draft Law on media and 14 on the draft Law for audio and audiovisual media services), but they were disseminated 24 hours before the public hearing on the law held with the foreign experts. It is said that novelties include: the new Media Agency shall make administrative and not in program and content control surveillance over the media; civic sector influence is increased in the Council of this regulatory body by including the trade union as the organization that should add one member (by this, the Council shall have one member from the journalist's association that holds the membership majority, one from the interuniversity conference, one from the Lawyer's Association, one from the Union of Trade unions of Macedonia, two from the Assembly Committee for Election and Nominations, and one from ZELS-the association of local communities of Macedonia); etc. Naser Selmani, the president of the Journalist's Association of Macedonia who previously criticized the draft laws estimated that it is not serious to disseminate changes short time before the public discussion, as one should have sufficient time to read and analyze the changes. Similarly, Tamara Chausidis, the representative of the Independent trade union of journalists and media workers said that she will not participate further in the process as the minister in charge stated that he recognizes as legitimate only the GIFIH trade union representative. She accused the official institutions of deliberate selection and of competences of the partners for debate.

Analysts criticize that it is extremely difficult to make an objective law in a country where the Government is the largest advertiser and employer, where owners of the most popular TVs are coalition partners to the government, or largest supporters to the government policies and critics of the opposition, and where critics directed to the Prime Minister or the government are satanized. As the owners are politically positioned it is very hard for a journalist to be free minded and write critically as there is a danger to stay out of job. What's more, as the government justified the need for introducing such law as an EU prerogative, the EU responded that it was not even demanded that such law needs to exist in order a country to become member. Comments are that introducing the law was postponed as a tactical move of the government prior to issuing the country progress report for mid-October, after which plan is the law to be voted disregarding the opposition and journalists critical voices, and organizing early elections under these voluntarily voted rules. Suspicion is that critical media shall be completely silenced with this law, which is the government's goal for conducting a campaign.

Opposition believes that by the new Law on media the newly formed superpower Agency on communications and especially the Director shall become very powerful and practically shall practice total censorship through its control of written-printed and electronic media. According to the draft, he may submit a request for initiating misdemeanor procedure, a decision for criminal procedure (and not only the milder measures), may submit a request for taking the license for work of the media and at the end deleting it from the register. Due to these

possibilities, opposition MPs believe that by this shall be silenced all critical media in the country. They say that in particular all the exposed “government media dogs” demand issuing journalists licenses and defining who is a journalist. MPs stressed that the law included printed and internet media, which is in total contradiction with the OSCE recommendations and the EU directive where no regulation on printed media is anticipated.

The Minister of Informatics and administration Ivo Ivanovski stated that the Agency and its Director shall not take away licenses as such thing is not anticipated for the printed media, but shall be able to warn if rules are breached. It did not pass the opposition suggestion the media permit to be decided and issued by the Agency Council instead of the Director. Ivanovski said that the concept is different, as the council elects the director and the materials shall be prepared by the administration and they will be previously (before deciding) put on the Agency’s web-page. Opposition reacted that the Agency does not submit financial report to the Assembly, which leaves space the Director to be completely acting under the Government and the PM directives. The Minister urged the two journalists' associations ZNM and MAN to agree on the journalist definition, and as such it will be accepted in the new media law.

In the haste to introduce the law on media, during the second reading in the Committee for transport and communications, was breached the newly introduced Assembly Book of rules (voted only by the position, after the events of December 24), by determining that regardless how many amendments to the text are proposed, the discussion is due to take place only for three days. The Committee President Redzail Ismaili said that those amendments which will not have time to be discussed shall be voted without discussion. Opposition MPs ironically asked weather after three days if debate will not be finalized, they shall be thrown out again, as they would like to know, in order to provide themselves with helmets.

#### **4.2. International Media Organizations Reactions**

The Front for Freedom of Expression, an informal coalition of nine civic associations (the Helsinki Committee for Human Rights in the Republic of Macedonia, the Media Development Centre (MDC), Metamorphosis Foundation for Internet and Society, Civil Centre for Freedom, the Foundation Open Society Macedonia (FOSM), the NGO Infocentre, the Coalition “Sexual and Health Rights of Marginalized Communities” – Skopje, the Macedonian Centre for European Training (MCET), the “Javnost” Centre for New Policies and Freedom of the Media, “Jadro” – Association of the Independent Cultural Scene, and Civic Association “Kontrapunkt”), demanded in August from Assembly of the Republic of Macedonia to retract the proposed media bills – the Law on Media and the Law on Audio and Audiovisual Media Services, which threaten to further undermine freedom of speech in Macedonia, especially due to the unjustified decision to cover both print and internet-media with new regulations.

It is said that the majority of issues allegedly resolved with the proposed bills are already covered in the Broadcasting Law, the Criminal Code, Law on Civil Liability for Defamation. At the same time, the new media legislation disregards completely a number of key measures that permit the use of public funds to undermine the freedom of the media and, contrary to best practice democratic societies and to regulate self-regulation of the journalists. »We reject the strategy of proponents of the new media legislation, which consisted of creating the impression of a public debate and constructive approach, bringing international experts to Macedonia, consulting with them during the process of preparation of the bills and then, once they left the country, reinstating the problematic provisions that were amended or deleted through amendments proposed by parliamentarians from the ruling majority. The proposed legislation, in its current form, can only lead to increased control of the government over the majority of media outlets in Macedonia. Furthermore, the decision to entrust regulation of both print and online media to the powerful new Agency for Audio and Audiovisual Media, reveals a desire to extend control over those media sectors« - they say.

The coalition believes that the proposed legislation does nothing to regulate or eliminate the existing practice of distribution of the so-called “government advertising”, which is now the main instrument used to manipulate the independence of the media. Instead, the proposed amendment to Article 92 of the Law on Audio and Audiovisual Media Services, provide to the Government a new source of funding that can be redirected towards the “friendly” media, using undefined and unspecified criteria. For other media, instead of that carrot, there is a stick in the form of penal provisions and sanctions which, in addition to prescribing fines that are too high in the Macedonian economic context, may be subject to arbitrary decisions of a single person, the Director of the Agency for Audio and Audiovisual Media. The Director of the Agency becomes a de facto “media tzar” who will hold the fate of media in Macedonia in his or her own hands. Although the proposed bills never mention the word “censorship”, they create all of the conditions to push the media and journalists into quasi-compulsory self-censorship, as the only means of guaranteeing their survival in the so-called “media market” in Macedonia. From the point of view of freedom of expression, that is a far worse and far more dangerous situation than outright censorship.

Article 19, the international organization dedicated on the freedom of expression seated in London, sent a letter to minister Ivo Ivanovski, expressing serious remarks and concern over the anticipated legislation on the Media law. There were more than 20 remarks which are due to the firm belief that the draft is not in coordination with the widely accepted standards in the freedom of expression. Remark is that in the entire law is not at all emphasized the promotion protection or guarantee of the freedom of expression, which should be priority of every media legislation in view of application and interpretation of laws of such nature. Article 19 expressed concern on the position of the council which shall operate

with the Agency for audio-visual services, as the proposed text does not guarantee protective mechanisms which will guarantee its independence. Members of this body are anticipated to be elected by simple majority while the ruling party may perform decisive influence upon the Council and Agency election. What's more, members may be party members and receive political instructions by their party. Election procedure is non-transparent, civic sector is excluded.

In the part of Agency's authorities, Article 19 thinks that accent is given to the control function and media surveillance and not the guarantee of freedom of expression. It doubts that a 7 member council shall be able to deal with such serious tasks, as preventing illegal concentration of property in a media, to issue licenses, to achieve minority owners' shares protection etc. The Law does not forbid a conflict of interest of the Agency Director, nor determines rules for non-compliance of this position with another appointed position, by which will be ensured the Director is not politically influenced. The licensing procedure anticipated, breaks international and local standards for freedom of expression protection for many reasons, among other things because there are not provided adequate procedures for presenting the positions of the applicant before issuing or in case a procedure to be initiated for removing of the license. It is not guaranteed that the national television - MRT shall be adequately financed, in order to secure independent position and long-term planning of its work. The selection mechanism for the Program Council of MTV does not allow political impartiality.

Dunja Mijatovic (OSCE) praised the cooperation with the Information Society Minister, Ivo Ivanovski, saying the government had taken into account many of their previous suggestions about the draft. "However, a number of important issues still need to be addressed," Mijatovic said. "The way the law is phrased, it is still a concern that the Media Agency [a regulatory body that will replace the Broadcasting Council] could potentially interfere with print and online media content," she said. "There is also still no need to define who is a journalist in the law," Mijatovic said, arguing that such a definition is "superfluous" and may be used to exclude some media workers and people engaged in journalism. "Thus, a definition is not needed," Mijatovic said.

#### **4.3. VMRO-DPMNE and DUI voted the Law on Media**

In December, without the presence of the opposition in the Assembly, parliamentary majority by obtaining 62 votes (barely the majority, out of the total of 123 MP seats) brought the much debated Law on media and the Law on audio and audio-visual media services. The Minister for Informatics society Ivo Ivanovski said that on the first following session the Government shall submit already the draft amendments of the two laws: "This shall be on the first government session, with ZNM representatives we have agreed that electronic publications shall be excluded from the Law, while printed media shall have only

the obtaining obligation for impresum. In addition, in about five to six months we shall discuss for the Macedonian Radio-Television. What I have promised to the president of ZNM shall be realized on the next government session”.

Opposition MP Vesna Bendevska said that now it is clear that DUI made a bargain for the vice-president seat in the new Agency for Media and decided to support the law, regardless whether by it European standards are breached. “The price of DUI is 1600 EUR, but the real price is censorship, media darkness, there are no independent media anymore, the public must know that such scandalous laws are supported by DUI and VMRO-DPMNE” said Bendevska. Safet Bishevac, current MP and journalist by profession said that the minister is lying all day. “You have heard that on the first following session shall be brought a new law. This man is here to lie the public, the part referring to the national television shall not be ready in six months, as this is going to be used in the presidential elections, in order to use it for their candidate” he said. SDSM MP Emilijan Stankovic asked: “...out of where derives the legitimacy for you to determine moral and ethnical norms for media and journalists? You have no credibility to speak about media freedom, to define what a journalist is and to talk about access to information of public character. What is the percent of government representatives that respect the law for access to information? It is 0,3% or none”. SDSM MP Marjanco Nikolov said that if last year on December 24 democracy was killed in the Assembly, this year on December 25 shall be killed the freedom of speech and thought by this Law. »Today after 7 years of rule of VMRO-DPMNE Macedonia is found on the 116<sup>th</sup> place regarding media freedom and it is clear that the government interferes in the media work according to the State Department report. Today you have imprisoned journalists, you have journalists whose death is not clarified, although the official state organs have come with a conclusion that it was an accident. You have closed media like A1, A2, closed printed media like Vreme, Koha e Re, Shpic. So what this law needs to regulate? This law should put a stamp of the non-democratic atmosphere which rules the media sector. Today you have coalition members that own media, are owners of national media. Today the government corrupts media through advertisements. Today if you are not supporter of the government policies and if you are not praising the Government, there are no advertisements for you. If some media are against the government or think critically not only there are no advertisements, but even some private company if decides to put ads there, follows inspection control. Large number of journalists who are professionals and want to work honestly complain that they are censored. What is the goal of this law? To seal the dictatorship in media. Money shall go for documentary programs aiming to change the history of this state. They will say that previously everything was wrong but when this government came on power everything was perfect. All citizens pay radiodiffuse tax but they want the national service to have a program which will be at least balanced and objective. They do not want to see news which are objective. Out of 5 news 6 are for the Prime Minister and the Government«.

Opposition MPs declared that they do not wish to take part in this historic act of stepping over the freedom of speech, and left the Assembly in a demonstrative manner, out of protest, not wishing to give legitimacy of the act of voting. SDSM MP Igor Ivanovski said that this is an act of mockery, political games, tricks over the fundamental human rights of expression and media freedom, and a direct prove that the process of totalitarianism and political dictatorship in Macedonia is rounded up.

#### **4.4. Continued detention of journalist in Skopje unacceptable and appalling, say OSCE and UN representatives**

The OSCE Representative on Freedom of the Media, Dunja Mijatović, in August sent a letter to the Prime Minister Nikola Gruevski, characterizing the continued detention in Skopje of journalist Tomislav Kezarovski for another 30 days as unacceptable. “Imprisonment of journalists for their writing is not acceptable in a democratic society. This is the only case in the Western Balkan region where a journalist is held in prison pending trial. I am concerned both by his arrest and excessively lengthy detention, as they negatively impact on media freedom in your country,” Mijatović said.

Frank La Rue, UN Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression said: “As I stated after my recent visit to the country, Tomislav Kezarovski should be released immediately. Excessive measures such as his prolonged detention only serve to intimidate journalists and deeply hurt the independence of the media. Democracies can never work properly when critical voices are silenced.”

Tomislav Kezarovski, an investigative journalist at the daily *Nova Makedonija*, was being detained in May in relation to an article he wrote in 2008 for *Reporter 92* magazine in which he revealed the identity of a witness in a murder case, but it should be noted that the witness was not under special protection at that time. The OSCE Representative already expressed concern of his detention in May 2013.

In act of support for Kezarovski and of media freedom generally, his supporters and colleagues protested to officials about his treatment on the social media and by the system. “The aim is to make them understand that we are monitoring the case and that a conviction of Kezarovski will harm Macedonia’s reputation,” the coalition of support groups says. The coalition unites BIRN, Reporters Without Borders Germany, the Network for Reporting on Eastern Europe N-OST, and a Macedonian NGO, Center for Freedom – CIVIL. Those wishing to join in are urged to share and send ready-made posts on Tweeter, Facebook and LinkedIn.

Kezarovski was held in pre-trial detention for six months before a court in Skopje jailed him for four-and-a-half years for revealing the identity of a protected witness in an article in 2008. Many media organizations insist that Kezarovski acted in the public interest when he revealed the witness's identity. Kezarovski

revealed misuse of police authority in a murder case, and the protected witness later told a court that his testimony regarding the murder was false and was made under threats from the police.

The verdict has yet to become legally binding. His fate depends on the ruling of the Court of Appeals. On November 6, the court meanwhile allowed Kezarovski to be transferred to house custody while awaiting the verdict. Many local and international media organizations and watchdogs, including the OSCE, have accused the government of targeting the journalist for his writings, which the authorities deny. The government has, however, refused to recommend that President Gjorge Ivanov pardon the journalist. His lawyer believes that Kezarovski got this verdict due to his special interest on the case of the Nikola Mladenov accident for which the investigation was characterized as pretty unprofessional, dubious and sloppy.

Tomislav Kezarovski should never have been prosecuted, OSCE media freedom representative Dunja Mijatovic told Balkan Insight, urging the authorities to finally release him. Dunja Mijatovic said she hopes the Court of Appeals will scrap the journalist's four-and-a-half-year jail sentence, and that authorities will help rectify the injustice she says was done to him. "Kezarovski should have never have been prosecuted," Mijatovic told Balkan Insight.

"As in the Kezarovski case, there are occasions where laws and legal systems do not produce results conducive to media freedom," she added. "This is where the political leadership and the judiciary need to find a solution." Mijatovic welcomed the court ruling on November 6 to remove Kezarovski to house arrest after six months in detention, and hopes the appeal against his jail sentence will result in the court ordering his acquittal. "What is important is that Kezarovski stays free, and can return to performing his journalistic activities," Mijatovic told Balkan Insight.

On the Kezarovski case, the Dutch Ambassador Mariett Shurmann stated that in the Netherlands there are no similar cases. There are cases where the identity of a protected witness has been published, but investigation is raised against the judges and the prosecutors who eventually gave the information, but never against the journalists. This is what makes the Kezarovski case unique. As for the journalists' protest for the Kezarovski case, for which protesters claim that there has been an unnecessary demonstration of force, the Ambassador stated: »the police itself did not use force, but there was a massive presence of the security forces on a previously announced peaceful protest. It is hard to understand the need for preventing a group of peaceful protesters. In fact the group was not so big and they were not given credible reasons why they were blocked. The very fact raised concerns. I do not refer to the police professionalism as they did not use force, but it is hard to understand why the protest must have been prevented as it is an expression of the freedom of speech. Citizens must be allowed to openly and freely express their concerns.

#### **4.5. Follow-up on March 1<sup>st</sup> Agreement and the Work of the Inquiry Commission**

Due to the political crisis that emerged, EU mediation contributed for a fact finding Inquiry Commission to be created, which includes the two parties (VMRO-DPMNE and SDSM) in order to clarify the events and prepare and submit a report, which will serve as a basis for creating a political dialogue and set a path for the following steps taken. The Report was due to be brought before the finalization of the new EU country progress report.

It is said that in the conclusions' draft version had the conclusion that the December 24 intervention by the Ministry of Interiors upon the opposition MPs who tried to block the voting of the budget "is not in accordance with articles 8 and 62 paragraphs 3 of the Constitution". By that, would have been automatically accepted that the responsibility of the breach of the Constitution, meaning the order for MPs to be violently thrown out of the Assembly plenary hall, - for which the Ministry of Interiors has then announced that it was not the Minister of Interiors Gordana Jankulovska - indirectly implies that was the Assembly President Trajko Veljanovski.

On the draft-conclusion regarding the journalists' removal from the Assembly gallery, the VMRO-DPMNE Committee representatives insisted for the formulation - "it may be regarded as breach of Constitution". SDSM representatives did not agree, stating that the party is not a "small scale player", betraying other principles and minding only for its own interests. As SDSM leader Zoran Zaev stated, "simply, it cannot have constitutional responsibility only for one intervention and not to have for the other, as long as there is such a breach for both". After this position being taken, the VMRO-DPMNE representatives changed their mind on the first position as well, thus completely blocking the Committee work.

The VMRO-DPMNE Committee member Ilija Dimovski said that SDSM forgets to mention two equally important and obvious things, for which the whole Macedonian public witnesses: "In fact, there are two theirs and two our points around which we were not able to agree. We insisted to be concluded that there must be a criminal responsibility for the MPs who were breaking the Assembly equipment, as well as responsibility for attack on MPs, on officials while doing their duty and taking over the stand of the Assembly President Trajko Veljanovski". As a reply, SDSM stated that they will never accept alienating from the main topic, which in fact was the reason for forming the Committee, which is the violent overthrow initially of the journalists from the gallery, and shortly after with the aid of 40 policemen the opposition MPs followed. Misdemeanors for eventual damage – say SDSM MPs – cannot be a topic for reciprocity, as breach of the Constitution is a completely different thing.

As a result of the impossibility to make a progress and reach a joint conclusion, the President of the Committee Borce Davitkovski resigned. To the remaining four Committee members he wished success: "I consider even my resignation as a kind of progress which may push forward the Committee work. If I was a nuisance and did not lead the Committee as they desired, here, let them agree on their own. I wish they succeed." Still, he expressed satisfaction, "since the international community representatives in Macedonia saw who is to blame why it cannot be arrived to the truth for December 24" and expressed regret for the damage the country shall have on international level. He also added that if there is political will in the Committee it may continue working only with the other members, but if there is no will the report to be finished, -which is almost ready- there will be crisis, which means that there will be elections.

Although the VMRO-DPMNE representatives in the Committee thought that the Committee can continue its work without a president, the SDSM representative Ljubomir Frckoski stated that there is no sense to work without a president, as the work stopped because it was not discussed about whether with the removal of the MPs the Constitution has been breached. He thinks that all is about a lack of political will, as according to the March 1<sup>st</sup> agreement the Committee is bind to discuss on the constitutionality of the events. The refusal to discuss regarding the compliance with the constitutionality is the key problem that blocks the work – he said.

In spite of the EU remarks that the state has the obligation to put an institutional end on the crisis by the Commission's conclusions, otherwise it shall have a negative influence on the EU report for the country, one week before the deadline (August 14) the two parties did not abandon their firmly taken positions on the matter. VMRO-DPMNE insisted the committee to continue its work with only four members and to reach a consensus, while SDSM insisted a new president to be chosen, perhaps one of the two foreign observers who were following the committee's work. SDSM leader Zoran Zaev stated that the Committee cannot work without a president, and announced that the party shall endure to this position. "We shall have to choose the smaller evil. Conclusions are important for our euroatlantic aspirations, but above all are important for our citizens. We shall not accept just any kind of report. It must send a message that this event must not happen ever again. If this is not noted in the report that by chasing out the journalists and the MPs the Constitution is broken, then why do we need a report? The draft-version that arrived as a material for political bringing into accord by Davitkovski did not note as responsible Trajko Veljanovski, Gordana Jankulovska or Zoran Stavreski..We seek at least to be ascertained systemic weaknesses that have been seen by the whole world and did happen on December 24. At the end, if there is no report, responsibility for the consequences is borne by the government of course."- he said.

There were meetings between the VMRO-DPMNE leader Nikola Gruevski and the SDSM leader Zoran Zaev, and between Nikola Gruevski and Radmila

Sekerinska in the effort to coordinate the positions, but there were no results. Both parties did not show willingness for compromise, as SDSM insisted on a legal formulation for constitutional breach, while VMRO-DPMNE insisted on criminal responsibility for former and current bearers of public office who caused for the incidents to take place. Uncertainty was moving from the possibility of concrete resignations not only of public appointments, but also return of the MP mandates of those found guilty, up to the possibility of having early elections. As stated Gruevski expected the “result from the dialogue and that SDSM shall recognize the importance above all for the state, of successful termination of the dialogue, overcoming narrow party interests and to succeed in the next couple of days to find a solution”, while Zaev expected “the Committee to conclude that there has been breach of the constitutional provisions”.

As EU threatened that in this case the Report shall be negative and the recommendation for starting negotiations with the EU shall be lost, PM Gruevski on a conference by end-August, publicly offered two solutions of the problem. SDSM by outvoting to adopt a report on 24 December events with legal formulations of own choice, and if the inquiry commission chairman Borce Davitkovski doesn't wish to vote in this manner, let the party elect new one, whom VMRO-DPMNE is accepting in advance. If it will not be the case, then the Parliament to be dissolved at an extraordinary session for early elections to be called on October 13, ahead of a release of the European Commission report on Macedonia.

As he said, under these two solution, SDSM will get a report as it has wished for and has been trying to obtain during the entire period of the commission's work, namely a report that puts the entire blame for the 24 December events on VMRO-DPMNE and one that will set Macedonia free from the threat of losing the recommendation for opening of its EU accession talks. Naturally, he said, such report for us and most of the citizens of Macedonia will be a partisan one, but it will at least exist and the state, citizens are not going to suffer the consequences of the SDSM's destructive politics. If SDSM choose the early elections, then the commission will sign two versions of the report, Gruevski said. "One in line with VMRO-DPMNE position, which is to be considered valid only if the party wins more votes than SDSM, and the other including the legal formulations proposed and preferred by SDSM also to be valid if SDSM wins more votes than VMRO-DPMNE at the early parliamentary elections," Gruevski said. »SDSM should respond to the two solutions offered by VMRO-DPMNE by Sunday at latest« – he conditioned.

First public reactions on the Gruevski speech were that he does not show political maturity and that the issue is too serious to be allowed the row to look like a fight in a local bar. “Such an intonation he may use in front of his supporters but not for those who criticize as he has hatred towards citizens who do not support his policies. But he has animosity towards the neutral citizens as

well. His message is that we are saying the truth, there is no other truth, that was the message felt from him” - said journalist Erol Rizaov.

As a statement opposed to what Gruevski said seeking for early elections, replied SDSM vice-President Radmila Shekerinska. She said that the only strategy one hears from VMRO-DPMNE every time when the state faces a problem is to seek culprits and to point towards others. “That is what we heard today by PM Gruevski, for one of the key problems that troubles Macedonia and its citizens. Exactly because of this we would like to remind the Prime Minister that after was signed the March 1<sup>st</sup> agreement SDSM returned to the Assembly participated on local elections, participates and shall participate on plenary sessions and in the Committees for work of the Assembly and gave series of initiatives how to come back in the game the Inquiry Committee. The key question which is not answered by Gruevski is what he and VMRO-DPMNE made for this problem to be left behind us? This is why today we see scenarios on how talks to be undermined in order the problem not to be solved. We regret for that but we shall continue to be the factor which shall fight for the interests of this state and the citizens of Macedonia” - she said

She replied to the journalists that if for at least once PM Gruevski and VMRO-DPMNE decide to put the citizens and state interests before their party and rating interests she is convinced that a solution is possible. Records showed what happened on December 24 and that was seen by all the citizens of the country and the international community, which is precisely the reason why VMRO-DPMNE runs away from responsibility. She said that her party believes that the Inquiry committee is possible and shall give results when all those who bear responsibility for such decisions receive their share of responsibility.

However, DUI publicly stated they are not willing to support the idea on early elections. In case VMRO-DPMNE prevailed on the idea, there was a high probability for SDSM to boycott the elections and declare them illegitimate. Sekerinska stated that “with all democratic means SDSM shall oppose to criminal elections as the ones performed last spring. She emphasized that people and EU do not want party written reports and shall not accept such. Neither does SDSM need a party report. The aim of the Inquiry Committee was that both parties shall accept the report brought by it and that the goal is to be brought by consensus. By Gruevski’s reaction it is clear that the government never intended to stand on the agreed position. The PM tried to discredit the Committee President as well, in order to distance themselves from the report”. Sekerinska added that the VMRO-DPMNE behavior is only an alibi expected because of the extremely negative EC report due in October.

At last, Gruevski gave way and stated that “we will put our shoulders and sign everything; if they cannot rejoice on election victory let them be happy at least on this Report”. He said that it is on VMRO-DPMNE’s interest to vote and sign a Report of the Ad hock Inquiry commission as SDSM wants. “And if that is not

accomplished by outvoting we shall vote it for them. If they do not care for Macedonia's interest we do. Recommendations should be in the direction this event not to happen again legal qualifications for which it is interested this lost in space and time SDSM leadership for us is not on what we agree, but our position will never change. If after this press conference that change their mind, we are here and ready for elections" he stated. Gruevski called upon his party members of the Committee to sign any report the opposition will suggest in order to avoid risking the country's EU integration processes.

In spite of the given resignation, in the Commission returned Borce Davitkovski and joined the foreign observer Peter Vanhoute, and the four party representatives: from VMRO-DPMNE the MPs Blagorodna Dulik and Ilija Dimovski and from SDSM the university professors Renata Trenevaska-Deskoska and Ljubomir Frckoski. Finally, at the end of August, members in the Committee put their signatures on seven conclusions.

The Report legal qualifications stated that different interpretations of the applied legislation, the start of the new fiscal year together with the steps which were not in coordination with acts that regulate the Assembly work in the procedure of Budget adopting, caused the escalation of events. Absence of effective capacity for overcoming dispute, also may be considered as a factor that causes conflict in the Assembly work. Under these circumstances, Assembly coordination obviously does not work the way in which it is anticipated and to work orderly in accordance with the Assembly book of rules and law on Assembly. Adequate procedures in case of filibustering are almost non-existing. Absence of adequate directions for dealing with such situations, including absence of strategy for dealing with media in crisis situations resulted in removing journalists from the Assembly gallery, which broke guaranteed rights for freedom of public information and publicity in the Assembly work. The Assembly with special attention and openness should behave towards the freedom of information to media and to apply the principles of the best European practice in this segment.

Events escalation and the police engagement and intervention that brought in question the constitutional provisions for division of power, disabled the MPs in realization of their duty (to represent the citizens ad decide according to their personal convictions). Having this in mind, the Committee once more indicates the need for respect of the legal acts as substantial components of the rule of law that presents a fundamental value of the constitutional system of the Republic of Macedonia. Of great importance is harmonizing and stating precisely the legal rules that refer to the Assembly work and are included in the Book of Rules and the Law on Assembly, because of which the Committee recommends certain changes and additions that refer to the work of the Assembly.

Further in the text, recommendations included: harmonizing articles between the Law on Assembly and the Assembly book of rules (avoiding double regulation of procedures and their contradiction); procedural challenges (regulating

coordination among parliamentary groups, making coordination a consultative body to the Assembly President, building position principles in the consultative body, etc); regulating the procedure for bringing the Budget (exact procedure for Budget introduction, having precise time frames, procedure of showing a pre-election report which will be subject to debate etc); leading plenary sessions and Assembly working bodies; Assembly security issues; journalists; Code of ethics; amending the Criminal codex for special duties and obligations for those performing public functions, elected and appointed persons; strengthening of inquiry committees and surveillance committees; assembly calendar; neutral zone around the Assembly.

After signing the Report on August 26, VMRO-DPMNE representatives Ilija Dimovski and Blagorodna Dulik stated that put their signatures in the document because of its form and significance for continuation of the country's' Euro-integration processes but expressed their reserves regarding legal qualifications next to the signatures in the document itself. "For us the weight of the legal qualifications in this report is like a toilet paper from the SDSM party headquarters. To work with SDSM is like working with children in a toy shop. They never know what they want" – stated Ilija Dimovski, expressing regret that intra-party SDSM relations reflect upon the whole country.

The SDSM Committee member Renata Deskoska expressed satisfaction that is signed a Report according to which journalists and MPs got satisfaction for what has been done on December 24. "We hope that this will be a investment in returning democratic values in Macedonia and that it shall represent in a way stimulus on the citizen's trust that when we are together on the rampart of the truth justice is a reachable goal"- she added.

The successful termination of the Committees work was greeted by Enlargement Commissioner Stefan Fule. After signing the Report, opposition returned in full capacity in the Assembly. The President of the Assembly Trajko Veljanovski the next day set up a coordinative meeting with parliamentary vice-presidents and with MP groups' coordinators with which a special working group shall be set for implementation of the Report on the Inquiry Commission. The working group started constructively and agreed that the budgets for next year should be in the Assembly procedure three months before year-end. However, followed the arrest of Miroslav Shipovic, the President of the Centar municipality Council, due to which opposition reacted again.

#### **4.6. Dubious "Skopje 2014" Project Audited**

In the printed leaflet, the Centar municipality distributed as a form of public accountability for the first 100 days of work named "100 Days Free Centar Municipality", the mayor Andrej Zernovski stated that he found an empty municipality account. The budget for the whole 2013 was spent by the end of March already. Then, unjustifiably the municipality had credit debts on 5,5 million

Euros, which means one in advance spent municipality yearly budget. In addition, the mayor claims that the municipality was and still is exposed to every day obstructions by the central government. For 60 workdays were performed 26 inspections from all possible various inspection government services which means every second day there was a new government inspection. As much inspections were not visiting all the 84 municipalities in the whole country in one year altogether.

Also, he claimed that there was a continuous pogrom upon the municipality, which reached its peak when in organization of alleged civic organizations were occupied the municipality barracks, to express discontent for the wrongly interpreted changes of municipality Detailed Urban Plans for as they said a church was to be removed from the plan. In reality that was not true, and suspicions were that the mayor's intent was to intervene on other DUP locations which were not to the liking of the government, like maintaining the central green areas instead of unjustifiably erecting huge buildings in the city center, for which undoubtedly there were private economic interests involved. Protesters showed inexplicable aggression, vandalized public property, broke doors, windows, fences, physically hurt elected councilors and the lives of people were endangered. Zernovski however is determined in the future to revise all problematic DUP.

Last but not least, was the public exposure of the dubious spending of public money for the "Skopje 2014" project, for which the Centar citizens were never consulted. The mayor stated that in the last four years the money taken from the municipality budget for the needs for monuments of the government project were bigger than the money allocated for all municipality authorizations together, as building streets, walkways, water pipelines, sewage systems, green areas etc.

As promised, after winning the local elections in the Centar (Skopje) municipality, the mayor Andrej Zernovski other than calling the official state organs in charge, on May 18 organized a special auditing process for the municipality of the project "Skopje 2014", performed by two former members of the government Anticorruption Committee Dragan Malinovski and Slagjana Taseva. Initial results showed that there are doubts for financial malversations and are identified series of illegal activities while performing the project procedures during the previous mayor's mandate. The investigative team announced that shall send the report to the Public prosecutor, since as they said - it is a material for which the authorities should seriously take under consideration and call on responsibility in the case. Conclusions state that the municipality was not legally in charge to build monuments of national importance (the relevant law makes a distinction what kind of monuments may be built by which authority - national or local and based on what procedure); should not have built buildings on the banks of the river Vardar; the mayor was not acting in accordance with his scope of authority; there was serious lack of rule of law on central and local level; funds were directed for the project purposes from the central budget to the municipality's account which

were legally unfounded; projects have been realized in a way that create space for irregularities and budget money abuse, etc. According to the two experts, municipality persons in charge headed by the then mayor were consciously involving themselves in projects which were not in their authority. What's more, for example some monuments were made in bronze, while in the documentation it was stated that they are in marble, which significantly raised the price (from 5 million denars to 45 million denars).

Tender was always gained although offer prices were the highest „Fonderia F. Marinelli“ and „PietroBazzanti&F“, although they did not submit bank guarantees, which is one of the conditions for tender participation. Larger part of the accepted author calculations were at a flat rate, without clear specification of the announced expenses and as such cannot be subject to evaluation. In that way, authors took huge amounts of money without the possibility to be justified. There is serious discrepancy and manipulation with the institute- public procurement by negotiation, without publishing a public announcement, as with the author is concluded an agreement for producing contents which have not been subject to the competition. In that way, the other authors have been excluded and the selected author was able to make direct agreement with the municipality and to set fantastically high sums for author's honorarium and expenses.

The current mayor announced that starting from September it is expected in the audit to be included the State Audit Office which replied positively on the mayor's request. In addition, the same documents shall be revised by an independent audit house. He stated that the findings were shocking and that they will influence many events. "We are not surprised, but this exceeded our wildest expectations, now it is clear what was the whole battle over municipality Centar about" he added.

"The Government announced the project Skopje 2014 as the largest project, but turned out to be the largest affair. It is striking the fact that if there were no such deeds, the municipality could have saved eight million Euros. This is a classical example for illegal set up tenders. The Government claimed that it was about patriotism but here isn't about building, but stealing" said Zernovski. "A favored Italian firm is not at all registered for casting monuments, but for embroidery and antique furniture. At the tenders were accepted offers which were more expensive than the other offers in up to 227% of the other prices. It remains to be seen what are the answers of those who concluded the agreements where did the difference of 8 million Euros go?" added Zernovski.

SDSM MPs from Centar municipality announced that shall ask for supervision discussion over the Skopje 2014 project upon which legal requirements and the Law on Assembly the Prime Minister and the Minister of Culture are obliged to come and to answer to many questions regarding this project. As for the monument's destiny, he announced that citizens will have a say at a referendum organized together with the presidential and the probable parliamentarian

elections in order additional expenses to be avoided. As reactions from the VMRO-DPMNE party were vigorous, Zernovski stated: "I cannot be more surprised of the last week VMRO-DPMNE press conference directed to me, in which they said that it will be proven that there is nothing criminal in the Skopje 2014 project. Did the Prime Minister not know what has been done? Therefore, I called him and the Minister of Culture to come at this press conference and to give answers to many questions. Unfortunately they did not come"- he said. He also announced that the material shall be given to the Prosecutor's Office although he wondered why there was no reaction on the preliminary findings he already sent them. He said that he would firstly like to hear what the prosecution has to say and as further steps he does not exclude the responsibility of persons working in the municipality administration.

Follows the interesting official Second Report on the experts' findings on Skopje 2014 Project in the part that refers to municipality Center:

## SECOND REPORT ON THE FACTUAL CONDITION FOR REALISATION OF THE SKOPJE 2014 PROJECT THROUGH MUNICIPALITY CENTER PUBLIC PROCUREMENTS FOR WORKMANSHIP OF THE MONUMENTS

In the first part of this report, the subject of the analysis was the legal framework which was valid at that time and should have been applied when making the decisions for placement of the monuments and other accompanying contents, which as a considerable part of the Skopje 2014 Project were realized by the Municipality Center. In this report, having analyzed the established system of decision making, it was concluded that the Municipality formally conducted the procedures in all phases of the process of realization of the project, but in fact it did not secure the necessary legitimacy, objectivity and accountability in spending the budget funds.

Precisely, this aspect, i.e. the application of law and the positive practices in the conducted public procurements, is the subject of the analysis of this second report. Here, the analysis is divided in two segments. The first segment refers to the negotiations of the Municipality with the authors, whose application works were previously been selected by the Municipality Council, and the second segment is the conducted public procurement for workmanship (casting or workmanship in marble) of the monuments. We name this text as a "second report", and not as final, because we are deeply convinced that there is still a space for further analysis going to the very end of each and every pore of this mega project. This particularly applies to the analysis of the part of the documentation that refers to the foreign companies – economic operators, who has received the biggest part of the funds spent on workmanship of the monuments, the financial transactions of these companies, etc. However, for such a check it is necessary to have an adequate involvement of a series of national and foreign state bodies. Therefore, this report remains open for further replenishment, after receiving new, relevant information and knowledge.

The conclusions contained in the second report are based on the analysis of the documentation received and presented by the Municipality Center, both in the segment of the negotiations with the authors, and in the inspection of the original documents of the bidders who participated in the public calls for workmanship of the monuments, as well. Having in mind that this second report is the continuation of the first one, and aiming to capture one integral view of the realization of the Skopje 2014 Project, which was realized through the Municipality Center, we hereby present the conclusions from the first report:

1. The Municipality Center did not have a jurisdiction to perform this type of objects.
2. The Municipality Center did not have a jurisdiction to perform objects on the river Vardar.
3. The Mayor of the Municipality Center did not act according to his legal authority and responsibility to control the legality of the regulations brought by the Council of the Municipality.
4. The functioning of the legal state was seriously disturbed, i.e. the rule of law both on the local and central level.
5. The transfer of funds for this purpose from the central budget to the account of the Municipality Center had no legal justification.
6. The realization of the projects was conducted in a way that created space for irregularities and misuse of the budget funds.
7. In many important stages of the procedure, the realization of the projects was left without any clearly visible and effective control.

## I PUBLIC PROCUREMENT FOR WORKMANSHIP OF MODELS

### 1. Procedure for public procurement with negotiating

After selecting the design solution, there comes the next phase, the public procurement for workmanship of the models of the monument and its reliefs. Having in mind that it is about works of art of authors, this public procurement is conducted without a public announcement, i.e. with direct negotiating between the Municipality and the author of the chosen design solution, in accordance with article 99 from the Law of Public Procurement (LPP). However, although it is about mutual negotiating, in this process it is necessary to ensure a real substantiated match of the positions of both parties, which will result at the end with objective and market sustainable agreement. The phases of the procedure were mainly based on the phases established in the LPP. This procedure regularly started with making decision for public procurement for workmanship of models of sculpture and reliefs without a public announcement. The decisions were made by the Mayor of the Municipality Center. On the basis of this decision, the authors submitted a written offer, in form of a draft-calculation of their expenditures and the author's royalties. After the reception of the calculation, the Commission for public procurement, with a help of competent persons, negotiated with the author until they agreed on the acceptable offer at the end.

After such coordination of efforts, the Mayor made the decision which contained the agreed price, and after that a contract was signed with the author.

## 2. Irregularities in the conducted procedure

From the contents of the documentation which refers to this phase of realization of the project, it can be concluded that the negotiating process with the authors is highly problematic for several reasons.

2.1. The format of the draft-calculations which were submitted by the authors in most of the cases was identical. Almost all of the authors submitted similar draft-calculations, in which one can notice identical formulations and the way of presenting the expenditures and their prices. This leads to a conclusion that there was a certain coordination between the authors and the Municipality.

2.2. The draft-calculations are flat rate. In the stated positions usually there are general formulations that the offered prices include author's royalties, materials, labor, space, design of constructions, etc. Such approach of the authors does not allow any check of the type, measurements and prices of the elements on which basis the calculation has been made, so that the total price which was agreed in the direct negotiating has no adequate explanation.

2.3. There are no criteria and parameters set for evaluation. The Commission for public procurement, supported by the external experts engaged in this process, was obliged to set objective criteria and parameters, in order to have a clear view of the stated expenditures upon evaluation of the offers. Also, they were obliged to ask from the authors clear, precise and checkable draft-calculations, suitable for evaluation. However, this was not done, and this serious omission of the Commission for public procurement resulted in acceptance of offers with calculated absolutely unreal and unclear expenditures, such as: renting a hanger for 6 eur per m<sup>2</sup>, in a situation when the market price for such space is up to 2 eur per m<sup>2</sup>; Item "other small expenditures of 5.000,00 eur" following after previously stated all possible costs; purchase of tools for making the models, which is unjustifiable, since it is expected that the authors have their own tools and there is no logic these tools to be on the account of the Municipality.; stating an expenditure of 17.000,00 eur for collaborators and other workers, without giving their number and for how long they will be engaged, etc.

2.4. An efficient control mechanism is not established. Additional reason for doubting the reality of the accepted draft-calculations is the fact that the authors did not have an obligation to give any report to anybody about it, to whom and how much they really paid for the calculated and paid expenditures by the Municipality. Simply, these costs, together with their royalties were paid to their account and they independently handled the financial resources. If one also takes into consideration the fact that in the structure of the agreed price with the authors, the presented expenditures are a dominant part compared to the height of the author's royalties, it's getting obvious that the segment of material costs is a real enigma and gives a room for serious manipulations.

In the calculation of the author Valentina Stevanovska, given for the object with a working title "Warrior on a horse" in each of the positions (warrior, relieves,

soldiers and lions) there is one identical unclear formulation that the offered price includes: "Author's royalties, materials, workers, space, modeling, casting in plaster (negative-positive), casting in polyester (negative-positive), transport of plaster, transport of clay, design of constructions." Such description of expenditures does not allow any check of the type, measurements and prices of the elements on which basis the calculation has been made, so that the total price which was agreed in direct negotiating in the amount of 649.000,00 eur, has no adequate explanation. Unclear are the calculated quantities of relieves, since in the author's calculation it's total of 225 m<sup>2</sup>, whilst in the tender technical specification for casting the quantity is 137 m<sup>2</sup>. For making the models of the relieves the author calculated a total price of 315.000,00 eur "Warrior on a horse" at each of the positions (warrior, relieves, soldiers and lions) there is one unclear formulation that the offered price includes: "Author's royalties, materials, workers, space, modeling, casting in plaster (negative-positive), casting in polyester (negative-positive), transport of plaster, transport of clay, design of constructions." Such description of expenditures does not allow any check of the type, measurements and prices of the elements on which basis the calculation has been made, so that the total price which was agreed in direct negotiating in the amount of 649.000,00 eur, has no adequate explanation. Unclear are the calculated quantities of relieves, since in the author's calculation it's total of 225 m<sup>2</sup>, whilst in the tender technical specification for casting it stands a quantity of 137 m<sup>2</sup>. For making the models of the relieves the author calculated a total price of 315.000,00 eur.

2.5. Deterioration from the project program. Another reason for this phase of the realization of the project to be problematic is the considerable deterioration at workmanship of the monuments from the one contained in the project program upon announcing the calls for a design solution. Namely, according to article 106 from the LPP—the contractual body gives all the information, terms, conditions and criteria in the tender documentation, so that the potential participants could be provided with correct and complete information for the selection of the design solution. This was also the case now, and upon announcement of the competition, the Municipality handed out the project program which contained all the characteristics of the monument to the interested authors. This means that the project program presents a given task which determines the content of the monument, the character of the figure, or the event which has to be marked, the location of placement and the planned dimensions. In such a defined framework, the authors realize their idea and creativity. However, there are examples when the author respected the rules and conditions of the competition until the selection of the design solution, but in the phase of direct negotiating considerably deteriorated from the project program.

This total desertion of the contents of the project program is a serious misuse and manipulation of the institute – public procurement with negotiating, without announcing a public call, since the author stipulates a contract for workmanship of contents which were not subject of the competition. Thus, the selected author

is enabled through a direct settlement with the Municipality to conclude fantastically high amounts for author's royalties and expenditures.

*The most striking example of deterioration from the given project program is the monument "Warrior" (Filip II of Makedon)*The object with a working title "Warrior" (Filip II of Makedon). In this case it is not about deterioration from the project program, but complete redesign and over sizing. The subject of the competition for design solution no. 08/08 was: Monumental sculpture of a warrior with a fountain, made of durable material, which incorporate in the given architectural space. The work of the author Valentina Stevanovska was selected, but instead of one sculpture and one fountain, the author was awarded a contract for making one sculpture of warrior, four fountains, with accompanying sculptures of soldiers, mothers, lions, horses, etc. i.e. an entire complex of monuments, fountains and sculptures. The total amount which was paid to the author for such a modified project is 91.331.765,00 den., or almost 1.500.000,00 eur. Detailed information for this example are given in the part that refers to the object "Warrior«

2.6. Difference in the displayed and realized quantities. The analysis shows cases when the authors made lesser quantities of certain elements compared to those given in the draft-calculation and accepted by the Municipality. This resulted with unjustified pay offs to the authors and companies that later built the monuments. Such is the example with the surface of the relieves of the four lions which are placed on the Goce Delchev bridge. From the calculation of the author Konstantin Janev, besides the two lions, he was supposed to make 34 m<sup>2</sup> of relieves also, but from the acceptance minute can be seen that he made 5.52m<sup>2</sup> less. The same happens with the authors Darko Dukovski and Elena Dukovska, who made the other two lions and relieves, so they also delivered for 5.92 m<sup>2</sup> smaller surface of relieves. If it is taken into consideration that in their calculations they asked for those relieves 1.500,00 eur per 1m<sup>2</sup>, it turns out that only with this example they unjustifiably received total of 17.760,00 eur.

However, this amount is not the final damage done to the Municipality budget, since in the tender documentation for casting the relieves of the four lions it is estimated a total surface of 74m<sup>2</sup>, and casted 17.84 m<sup>2</sup> less. The public procurement contract for casting the lions was awarded to Fonderia Ferdinando Marinelli from Italy, and if one looks at the annex that the Municipality concluded with this company for the relieves on the fountain of "Warrior on a horse", it can be seen that the price for casting is 7.500,00 eur per 1 m<sup>2</sup>. The conclusion is that the Municipality unjustifiably paid to Ferdinando Marinelli for not casted 17,84 m<sup>2</sup> of relieves in the amount of 133.800,00 eur. **The total damage for the Municipality, only on the basis of this item – relieves is 151.560,00 eur** (17.760 for the authors + 133.800 for casting)

## PUBLIC PROCUREMENT FOR WORKMANSHIP OF THE MONUMENTS

### 1.Procedure for public procurement for workmanship of the monuments

The workmanship of the monuments, sculptures and relieves was done by open procedure for public procurement with announcement of an international call. The subject of the public procurement was casting in bronze, or workmanship of the monument in marble. The Mayor of the Municipality made a decision for the public procurement, which contained the need of procurement, the height of the planned budget funds as well as the composition of the Commission assigned to conduct the procurement. In the tender documentation, the Municipality determined the minimum requirements which the economic operators were obliged to fulfill in order to qualify and their offers to be evaluated. Also, the technical specifications for the subject of the public procurement were the integral part of the tender documentation.

## 2. Irregularities of the conducted procedure

From the analysis of the available documentation, the public procurements for workmanship of the monuments can be divided in two parts depending on the time period when they were conducted: First part, in the period June 2008 – June 2010, and the second part from the middle of 2010 to the beginning of 2013. The basic and only element by which these two periods essentially differ is the way of implementation the rules for competitiveness and real market competition of the potential economic operators.

2.1. Favoring bidders and creation of conditions for circumventing the competition. In the first mentioned period, there is an intensive representation of the bidders **Fonderia Artistica Ferdinando Marinelli** and **Pietro Bazzanti& F** from Florence – Italy. These two economic operators are proprietary connected through the person Ferdinando Marinelli from Florence, who acts as their authorized person and also as a joint signatory. The favoring of these two companies was conducted in a way that all the rest of the participants in the public procurement from various reasons were eliminated from the tender, and thus the Fonderia Artistica Ferdinando Marinelli or Pietro Bazzanti& F. remained the only bidders. From the inspection of the submitted documentation can be concluded that in many cases, the rest of the bidders were eliminated without clearly explained reasons, i.e. with explanations that are contrary to the contents of the tender dossier of these economic operators.

## 2.2. High requirement for the economic and financial condition of the economic operators

From the analysis of the conducted procedures, it is noticeable that at the beginning, i.e. in the public procurements for workmanship of the monuments of Goce Delchev, Dame Gruev, Warrior on a horse and the lions on Goce Delchev bridge, an enormously high requirement for the economic and financial condition of the economic operators was set, namely, 3million eur annual turnover for the last three years. Obviously, this requirement is disproportional to the subject of the contract for public procurement, and is not allowed with the provisions of the Law for public procurement. The consequence of such definition in the tender documentation is absence of elementary competition in all these procedures. Evidently from the documentation, this requirement could not be fulfilled by anyone of the potential economic operators, and so they were forced to seek for economic and financial support from other subjects

2.3. Unequal treatment of the bidders. Opposed to this rigorous treatment of the rest of the participants in the procedures, the Municipality had totally opposite, and unacceptable tolerant attitude towards the tender documentation submitted by Fonderia Ferdinando Marinelli and Pietro Bazzanti & F. Section III of this report contains details of the analyzed cases, but generally, all the bids from Fonderia Ferdinando Marinelli and Pietro Bazzanti & F. contain the same flaws, and because of that they should not have been accepted as complete, and had to have been eliminated by the Municipality. The analysis of the bids and the accompanying documentation of these companies indicates that they contain a multitude of flaws, both from formal and essential aspect as well. In most of the cases where these companies were awarded with contracts (as the only qualified bidders), highly problematic are the documents for proving their capability of doing business related to the subject of the public procurement, the economic and financial capability, as well as the technical and professional capability. An example of formal but at the same time an essential flaw of the bids is the tender documentation for professional capability of the bidder **Pietro Bazzanti & F.**, who won the tenders for building the monuments of Tsar Samoil, Metodija Andonov Chento and Tsar Justinian I, besides the fact that it is evident that this economic operator is not registered for performing activity related to the subject of the contract for public procurement.

According to this, for the workmanship (casting in bronze and workmanship in marble), only for the above mentioned 11 monuments, the Municipality Center paid to Fonderia Ferdinando Marinelli and Pietro Bazzanti & F. the amount of 487.962.558,00 den., or approximately 8.000.000,00 Euro more than really offered and what could be really gotten as a price from the other bidders.

From the above presented table 3, one can notice the trend of increased interest and participation of a number of economic operators right after the termination of the practice of eliminating the offers from other participants, i.e. when evaluation of other companies started besides those of Ferdinando Marinelli. So, on the tenders no.02/2010, 03/2010 and 10/2010 4-5 economic operators participated and were evaluated, which opened a space for competition and obtaining more favorable prices for the Municipality.

#### 2.4. Introduction of electronic auction

The second period starts with the tender no.11/2010 for casting the monument of Dimitrija Chupovski announced in June 2010. In this procedure for the first time the electronic auction was introduced, as the last phase of the public procurement. In this public procurement, as in the rest concluding with no.24/2012, it is noticeable that there is a huge decrease of the bidders' prices in the phase of the electronic auction. This fact leads to the conclusion that in the previous period, an enormous amount of money was unjustifiably spent from the budget of the Municipality Center, solely because of the manner in which they conducted the public procurements, when, with illegal favoring of the Ferdinando Marinelli companies from Florence, they prevented the real competition

## **CONCLUSIONS**

- 1.** The procedure for building monuments and sculptures, which were realized through the Municipality Center, is conducted with a serious violation of the Law for public procurements;
- 2.** The direct negotiating for stipulating contracts with the authors whose design solutions were accepted, was conducted in a manner which did not allow check up of the agreed price. Most of the accepted draft-calculations of the authors are flat rate, without clear specification of the projected expenditures and as such they are not eligible for evaluation. In this way, the authors were paid enormous amounts of financial means, without any possibility to check their justification;
- 3.** In the Municipality Center there was no adequate control as to whether the authors made and delivered the models, by type and quantities which were agreed and paid by the Municipality. This resulted in unjustified pay offs of enormous financial means to the authors and to companies that casted the elements;
- 4.** Most part of the procedures for selection of economic operators for casting and working in marble the monuments and relieves were conducted without providing even an elementary competition;
- 5.** In couple of occasions, the Municipality Center made problematic decisions which eliminated the competitors to the companies of Ferdinando Marineli from Italy. On the other hand, the Municipality Centre illegally provided advantage and privileged positions to the economic operators Fonderia Ferdinando Marinelli and Pietro Bazzanti & F. for winning the tenders.
- 6.** The indicated irregularities in the procedures for public procurement resulted with caused damage to the Municipality's budget in the amount of approximately 8.000.000,00eur, only on the basis of workmanship of the monuments (with casting and in marble).

Andrej Zernovski publicly submitted a verbal criminal denunciation for the Minister of Culture Elizabeta Kancevska Mileska for grounded suspicion of abuse of official position and authorization under article 353 paragraph 5 from the Criminal law, for damaging the Budget of the Republic of Macedonia valued of over 3,5 billion denars or more than 58 million Euros. The mayor suspected that the minister against the articles of the Law on monuments the minister participated, incited and abused her function in a way that in the name of the Ministry submitted 13 initiatives to the Centar municipality for erecting 22 monumental markings, although it is clear that according to content these were memorial monuments for which in charge is not the municipality, but the Assembly of the Republic of Macedonia by obtaining Badenter majority. SDSM also publicly exposed all the additional (annex) agreements signed by the Minister of Culture for the building »Old Theatre« valued over 33 million Euros.

### **4.7. The Case of Miroslav Shipovic in Relation to Centar Events**

Miroslav Shipovic who is the SDSM carrier of the council's list in Centar municipality was suspected for fraud in the case Mashinopromet, a case dated

back from 2011. The police accused Sipovic of being the main suspect in a one-million-euro fraud case while last month were arrested 12 people in relation to the case, most of whom have been board members at Masinopromet. On October 15 due to issued international warrant he was arrested at the Vienna airport while returning home from a private stay in the United States. On November 22<sup>nd</sup> he was extradited to Macedonia and presently he is in custody. The family and the party demanded Shipovic to be released and to allow him to defend himself from freedom. Impression is that in spite of the bail guarantees offered by him and SDSM, authorities keep him in prison in order to obstruct the work and decision-making of Centar municipality, as the number of council seats differ for only one seat- VMRO-DPMNE coalition has 10 seats while SDSM coalition has 11 seats.

Charges against Sipovic and his arrest sparked opposition protests and fears of a new political crisis. Social Democrats denounced his arrest as being politically motivated and protested at the Criminal court in Skopje demanding his release. In another protest, the opposition froze its mayors' participation in the Association of Municipalities. Opposition legislators also pulled out of the parliamentary body tasked with implementing the report on last December's 24 incidents in parliament, which caused a lengthy political crisis.

#### **4.8. Assembly Book or Rules and Election Codex Interventions**

Both VMRO-DPMNE and SDSM do not exclude the possibility to suggest changes in the current Book of Rules which was brought at the beginning of the year without any opposition participation. In fact, voting took place at the moment of opposition boycott and its complete absence from the Assembly. VMRO-DPMNE would like to include at least the agreed part of the Report in the Book of rules as the ruling party by its own initiative limited the MP discussion duration at the assembly committees, by which was automatically shortened the discussion on the budget.

Similar task is amending the Election Codex, since Brussels has repeatedly emphasized that OSCE/ODIHR recommendations should be included in the law. Vice-premier Fatmir Besimi stated in the Assembly that he hopes for consensus to be achieved for including the change in the election codex. However, political circles believe that this issue can be another problematic point to be agreed upon by the political actors. The last changes in the Election Codex were accomplished without the opposition consent, and due to that they were considering boycotting the local elections. The new SDSM leader Zoran Zaev stated that the opposition will not agree to participate again on elections without a complete implementation of the OSCE/ODIHR recommendations.

Macedonia has a serious challenge to organize fair and democratic elections, while the problems are repeated continuously- said Gert Arens the OSCE/ODIHR chief of monitoring mission on the local elections in 2013 at the meeting with

opposition leader Zoran Zaev. Collocutors talked about the incomplete implementation of the OSCE/ODIHR recommendations to the Electoral codex, and comments were given regarding the election irregularities during the local elections. Arens said that most important is the political will by all political actors in the country to follow and completely implement the OSCE/ODIHR recommendations while SDSM said that they do not have priority demands as all recommendations are priorities.

The opposition accused VMRO DPMNE of obstructing efforts to clean up the electoral roll ahead of the March presidential elections by using its majority on the commission. According to a so-called gentlemen's deal between the parties, the opposition proposed the head of the commission (Boris Kondarko) but the ruling parties have a majority on the body. In reply, Prime Minister Nikola Gruevski accused Kondarko of blocking the effective work of the commission and urged "his boss", Zaev, to order him to end this blockade. Kondarko denied the accusation. Both he and the opposition directed responsibility towards the Justice and the Police Ministries, which responsible for feeding the commission with accurate data.

SDSM says that 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. Opposition says these non-existent votes are used to tip election results in the government's favour. After Kondarko resigned "for personal reasons", the Assembly elected Nikola Rilkoski as the new Head of the State Election Commission (DIK). Kondarko's stated reasons for quitting left many observers unconvinced, as it came after he became caught in a public exchange of accusations between Prime Minister Nikola Gruevski and the opposition leader, Zoran Zaev.

New election commission chief who comes from the ranks of the opposition Social Democrats says ridding the electoral roll of fictional or deceased voters before March elections will be his priority. "I intend from the start to clean up the election roll as soon as, and as well as, possible, because that is one of our biggest issues," Rilkoski told media. "That way we will have fair and democratic elections, which will be acknowledged by the international community," he added.

The OSCE, which has monitored Macedonian elections in the past, has described voter's list as unusually large for a country of just over 2 million people. The OSCE said it suspected the roll contained various fictional and deceased voters and urged officials to check the list. Despite assertions by the Justice Ministry that it has purged the roll several times, it has continued to grow, prompting repeated protests by the opposition. The electoral roll in 2008 contained 1,779,000 voters. In February 2010, after it was allegedly cleaned up, it rose to 1,792,000 voters and in March 2011, the Electoral Commission added some 43,000 more, bringing the total to 1,835,000.

The use of state resources for party purposes during campaigning is the key remark in the final report of the international observers, so they suggested to the authorities greater political will in securing the clear division between the state and the party. It is obvious that financing is the weakest part of the elections everywhere – said Marcin Valecki from OSCE/ODIHR at the conference organized on election legislature. Recommendations are to legally determine the media role and to set efficient control mechanisms. Another problem is the discounts that some media give to parties, while they are presented as donations. Therefore the giver and the receiver of donation should submit reports according to which audits can easily determine which media donated how much and according to that to pay tax, said the MOST executive director Darko Aleksov.

By end-December the joint working group in charge for change in the Electoral codex closed most of the opened issues. Still, disagreement was for the way the two sides understood the formulation “public appearance” prior to elections or during the campaign. SDSM under public appearance understood that officials must not open new capacities and throw founding shovels in front of newly founded buildings, and for that reason should not hold press conferences in party headquarters. Other than this disagreement, both parties set the highest sum of money that a legal person may donate for the campaign in up to 50.000 Euros, agreed on equal media presentation in the national radio diffuse service MTV. Diaspora vote is removed from the discussion for better times as it was anticipated that this is not as important for presidential elections. It remains to be seen whether agreeing parties will stick to the promised principles in practice.

#### **4.9. Reactions on the Lustration Process**

The Macedonian Academy of Arts and Sciences issued an official statement as a reaction of the lustration of the deceased famous Macedonian poet and member of the Academy Slavko Janevski, a former MAAS member. MAAS states that decisively opposes every attempt for abuse of the lustration process for undermining the institutions of the state, of the cultural, educational and other institutions and in this context of the position and role of the Academy as the highest scientific and art institution of special interest for the Republic of Macedonia.

It is said that the Academy is the pillar of Macedonian statehood, Macedonian culture and ethnic identity and of the Macedonian multicultural society while its scientific and artistic contribution is well known and acknowledged worldwide. “The Academy considers that due to the consistent application of the rule of law as the highest state interest, the lustration procedure should completely be subdued to the rules and standards anticipated with the European convention for human rights, which is part of the domestic legal system and has superior meaning in relation to the law” – it is said in the statement. MAAS announced that in the first half of September shall call its Assembly in which shall discuss for

the wider aspects and consequences of the so far application of the lustration process in the Republic of Macedonia.

Another academic who has been recently lustrated was the famous writer Bozin Pavlovski. He fiercely criticized the authorities for it, revealing the problems and irregularities the process was applying. Out of revolt, he revoked his membership in the Macedonian Academy of Arts and Sciences.

On the other hand the law's judicial review was procedurally dragged at the Constitutional Court due to alleged technical formalities such as shorthand preparation from the public hearing on the law which took place in May. In November, the Court rejected the judge-referee's suggestion to decide on imposing temporary measures of freezing all activities related to the law prior to the future Court's decision. There is a probability that the Constitutional Court will decide for the third time on this subject in the first months of 2014.

By January 15, 2014 the mandate of the current Committee for Verification of Facts (Lustration Committee) terminates and in the Assembly is due a procedure for electing new members. Most of the current members have applied for a new term, but as it would have been custom the Committee to include both members from the position and the opposition the process will face difficulties. It remains to be seen whether smaller opposition parties will decide to propose their cadres. Due to the tremendous dissatisfaction of the Committee's work as it is believed that the process is biased and serves as a tool for dealing with political opponents, SDSM is neither agreeing to delegate any members in the body and nor to vote for the proposed candidates, thus not providing the necessary special majority for election. The ruling party intends to elect the new Committee members at the second attempt, as for the second time is requested only simple majority.

#### **4.10. Macedonia's Relations with Bulgaria**

Even from 2005 the then PM Buckovski during the visit of the then Bulgarian PM in Skopje stated that talks evolved on the initiative according to which the two countries can jointly celebrate a couple of holidays, primarily the Day of the all-Slavic enlightened educators Cyril and Methodius and the Ilinden Uprising. However, the Macedonian side bears mistrust regarding the sincere wishes coming from Bulgaria to lower down the tones that have been raised recently between the two countries and having Bulgaria complaining on EU level regarding the criterion of good neighborly relations in the EU. Some analysts believe that this position is due to the current complicated multiparty and uneasy coalition government now in power in Bulgaria where there is no dominant single party leading the political process. It is believed that the Bulgarian right-wing party has a certain special emotional relations towards Macedonia, looking at it as the closest of all other Balkan countries and in a more positive stance. For Macedonia is questionable the position brokered from Bulgaria that mutual

relations should be settled as between Austria and Germany who practically speak the same language. Apparently, for Macedonians this is not acceptable, especially because by that is denied the Macedonian language.

The questionable Friendship Agreement on which insists Bulgaria is still stuck because of the Bulgarian insisting on the language put in it to be by the template of what has been accepted 13 years ago by the then Prime Minister Georgievski. Then the two governments signed an agreement in which was stated "Macedonian in accordance with the Constitution of the Republic of Macedonia", by which it is seen that Sofia does not accept the Macedonian language as different from the Bulgarian and that is recognized as such as long as the Macedonian Constitution says so. For the Macedonian side is problematic the part of the agreement in which stands the rights of the minorities and in which Bulgaria does not allow to be included the word "reciprocity". By doing that, Bulgaria wants to obtain special status of (according to that country) "numerous Bulgarian minority in Macedonia" and does not want to accept Macedonia to take care on the Macedonian minority in Bulgaria. Other smaller problems are located regarding historical figures for which is still under debate whether they have been Bulgarians or Macedonians, but these issues are considered as rather minor in comparison to the above mentioned issues. Therefore, Macedonian authorities believe that the country should not avoid signing an agreement, but it must not be offensive for the Macedonians. It must be signed in the form in which it will be acceptable by both sides in the effort to find formulations and manners of approach for the issue.

#### **4.11. External Testing Challenged**

Over 25.000 citizens from 17 cities throughout the country signed the petition initiated by the Youth Educational Forum (YEF) by which is demanded the external testing organized for the first time this year to be pronounced as a pilot project. YEF claims that the Ministry of Education itself has confirmed technical omissions in the testing (time frames have been breached, criteria were unfair, pupils were not able to fairly submit complaints etc), and the organization calls upon the Ministry statement that no pupil will be damaged by this testing. The petition was handed over to the Ministry of Education, but there was no positive response on the plea, because the Minister Spiro Ristovski stated that the Government will not back off from its position.

#### **4.12. Gay Marriages Forbidden?**

The VMRO-DPMNE Assembly group before the summer holidays came with an initiative for constitutional change in which marriage is to be defined as a community exclusively of one man and one woman and that only such a unity shall be able to have legal effects. Currently, Article 40 of the Constitution states that the state provides special care and protection of the family and that legal relations in marriage, family and marital union are regulated by law. By this new

definition the initiators want to strengthen the constitutional guarantees against legalization of homosexual marriages and the possibility for them to adopt children. The VMRO-DPMNE MP group says that orphans could be adopted exclusively by a marital union of one man and one women or single parents. DUI and SDSM have been reserved about this suggestion and finally, this suggestion did not obtain the necessary votes support in the Assembly. Many estimated this initiative as an insincere act of the party on power to push forward its “conservative” agenda knowing in advance that it will not be successful.

#### **4.13. Hi-tech Forensic Equipment Purchase**

Ministry of education purchased crime and forensic laboratories for the needs of the Macedonian Radio Television, which is a public service. At least this is what it is stated in the document published on the Procurement Bureau web-site. The Ministry announced that it concluded an agreement with the French firm “Morfo” in the value of 2,5 million Euros for purchasing two laboratories, out of which one for the Faculty for Security and one for the Macedonian radio-television, for the needs of as it is said - “laboratories for criminal registration and identification”. There was no official explanation why the national television MTV would need such a purchase. The Ministry of Education however confirmed that this purchase is part of the Government call for equipping the educational and scientific laboratories. Still, professors from the Faculty of Security claim that the equipment (three forensic laboratories in a total value of three million Euros, - a computer hardware and software for electronic communications following, electronic microscope and an automatic system for registration papillary lines) never arrived at the university, instead it was directly transferred to the Ministry of Interiors, for which submitted denunciation to the prosecutors’ office and a case has been opened. Similarly, MTV never received the purchased equipment.

#### **4.14. Liberal Party Initiative on Presidential Elections**

In September the Liberal Party gave initiative for change of the election of the President of the Republic. Instead of organizing two-round majority elections, suggestion is the future Macedonian presidents to be elected by 2/3 support of the Assembly votes, that is by use of the so called Badenter principle. The party suggests election of a Vice-President as well, which will be of a different ethnic origin than the President elected in the same way as the President. As reasons for the suggestion are mentioned: the systemic reflection of the ethnic variety of the citizens; control of the legislative over the executive power and decrease of the election process expenditures.

#### **4.15. SDSM Vice-President Sekerinska Raised Corruption Suspicions**

SDSM called the State Anticorruption committee to react to the official statement/record submitted to the Anticorruption Committee by secret police chief Sasho Mijalkov, cousin of the Prime Minister, as it is believed that he did

not declare correctly his property, justifying himself that it is practically a technical mistake and the authorities in charge should commence a procedure for determining the source of his property. Mijalkov stated that it was a »technical mistake« to make an omission of non-declaring 700.000 Euros. SDSM states that contrary to this, Mijalkov in 2008 stated that he owns jewelry and art objects in the value of 80.000 Euros. The Anticorruption committee delayed its reaction, after which practically justified the position that there are no dubious moments in this case.

As SDSM vice-president Ramila Sekerinska stated, VMRO-DPMNE is over 7 years on power in Macedonia, and opposition has been accused for many things including crime and corruption, but 7 years already all they do is talk. »Fact is if they had found anything on us, the slightest prove I would have been in prison long time already and that is known by the Macedonian public« she said. She commented, due to the position accusations for the mountain cottage owned by the mother in law. She also compared the unwillingness of the Anticorruption committee to look deeper on cases for candidate mayors for the position for which there are still no announcements on findings, as opposed to the opposition mayor candidates.

Commenting on Mijalkov she said: facts are irrefutable and they cannot be denied by the authorities which usually avoid the truth. Fact is that Mijalkov did not declare his property, he broke the law on a couple of occasions and avoided to speak about his property status, the Anticorruption committee closed the eyes in front of the data non-coincidence and does not work in accordance with law. She criticized that Mijalkov not only was »confused« with figures, he also forgot to declare a firm which he founded on his name in the meantime, 7 months ago. The only reaction that the public got is the information by the Anticorruption Committee is that Mijalkov updates his records, which means that others may do the same when they are caught, but not before that, - she said, criticizing the servility of the state institutions towards the government.

SDSM spokesperson Shilegov said that Mijalkov in a period of 6 days had already two different explanations. On 31<sup>st</sup> October stated that in the first file he made an unintentional mistake where he announced the value of jewelry in Euros. On November 6<sup>th</sup> when Anticorruption committee demanded from him to change his record, he noted that he made several technical omissions as there was change in the graph "other property" where he corrected the sum from Euros in denars and unintentionally added one zero more in the denars column. SDSM also reminded that is dubious the claim that Mijalkov did not declare one firm bought in the Czech Republic, as the basic share was 7.800 Euros, which was less than the legally determined sum of 20 average salaries above which sum the law anticipated change notification. But, the Anticorruption Committee did not check that the set level at that time when registration was made was lower than that sum, that is was 6.823 Euros, meaning that the sum limit exceeded the

legal limit for 1000 Euros. In addition the Anticorruption Committee stated that property abroad is not subject to domestic law as it falls under the foreign laws.

## **5. PARTY DEVELOPMENTS**

### **5.1. Macedonian Media Named Potential Presidential Candidates**

Year-end is the time when major political parties are starting to bid the names for potential presidential candidates. Much opposition criticism is directed against the current president Gjorge Ivanov who according to them was practically invisible and extremely servile and obedient to the ruling party and all its policies. DUI's leader Ali Ahmeti publicly declared that his party will not back another mandate of the current president, and called for finding a consensual candidate which will be supported by citizens belonging to different ethnic and religious affiliation. Antonio Milososki (VMRO-DPMNE) reacted by saying that his party is not burdened with who will be backed up by whom, as the President in Macedonia is elected by 40% of the total number of voters. He complained on the offenses directed to the current President, estimating that it is demonstrated a lack of culture, having in mind the fact that Ivanov was elected on legitimate elections thus the offense is directed to those who elected him. Regarding DUI's position Milososki said that his party respects it, meaning that coalition partners not always have to have the same opinion on all issues.

At the beginning of 2014 speculations were still growing over likely candidates and the possibility of incumbent Gjorge Ivanov running for another term. VMRO-DPMNE member Jove Kekenovski who is a university professor put a self-candidacy hoping to win support on his party convention. Other VMRO-DPMNE potential candidates for which the public speaks are Srdjan Kerim (diplomat and former Minister of Exteriors) and Zoran Stavreski (currently Minister of Finance). Both of Macedonia's main political blocs were keeping silent about who will stand in the 2014 presidential election, but media have been still busy drawing up lists of the most likely contenders. Gjorge Ivanov, the current president, who won his first term in 2009 with support from the main ruling VMRO DPMNE party, came out top in a recent opinion poll, *Utrinski Vesnik* newspaper says. Citing a survey commissioned by the opposition Social Democrats, the paper said Ivanov was rated more positively than any other potential candidate from the ruling party. Ivanov has not suggested that he will run next March. Nor has his possible rival, Srgjan Kerim, a seasoned diplomat and a former president of the UN General Assembly.

According to the survey, whose existence the opposition declined to confirm, Stevo Pendarovski, currently a university professor and former advisor to Macedonian presidents Boris Trajkovski and Branko Crvenkovski, tops the list of potential opposition candidates. Pendarovski is leading Denko Maleski, another

experienced diplomat seen as close to the opposition, who was also Macedonia's first foreign minister after independence in the 1990s. According to the daily, the former Central Bank governor Petar Goshev, as well as Zoran Stavreski, the vice-prime minister and finance minister, both figured in the survey but got lower rating. However a recent statement by the junior party in the ruling coalition, the ethnic Albanian Democratic Union for Integration, DUI, could have dented Ivanov's chances. Earlier this month, the DUI's head, Ali Ahmeti, said his party would probably not support the incumbent president if he ran again. "We have not seen anything bad from him but there was nothing positive, either," Ahmeti remarked. The DUI chief said his party would prefer a consensus candidate who would be acceptable to both Macedonians and ethnic Albanians, who make up a quarter of the population. In the presidential run-off in 2009, Ivanov won a convincing victory over his opposition rival, Ljubomir Frckoski, largely because of support from the DUI.

During Ivanov's annual address to the Assembly, there were many empty MP seats, but in particular those belonging to DUI's MPs. DUI's MP Jakupi said that the few of them who were present demonstrated respect towards the institution President of the Republic, while the departing president has not justified the support of the Albanians in Macedonia.

## **5.2. In a Search for a Better Chance - Parties Regrouping**

Analysts believe that at the next parliamentary elections, which may probably take place at the same time with the presidential ones in spring 2014, there is a possibility that several coalitions shall compete. SDSM will participate with LDP, NSDP and other ideologically similar parties, while the right wing VMRO-DPMNE shall maintain its own current coalition partners. It is still dubious whether United for Macedonia and Dignity shall form special right-wing coalition, whereas another group will be formed as the "center" having Alliance for positive Macedonia, GROM and other smaller parties which at the local elections were participating independently.

It is believed, according to many public opinion research polls, that Macedonia has about 40% (at times 30% or up to 50%) of undecided voters, which means that they may "float" in their party preferences from elections to elections. It is assumed that for these voters it is not sufficient to be attracted with employment promises, rather they would be more attracted to comprehensive party programs and political personalities, at the same time showing that opportunities are equally offered for everyone, not only for privileged categories.

In October, "with a high tone of democratic culture and mutual respect"- as stated by its leader Stojance Angelov, the party "Dignity" departed from the "Union for the Future" (the opposition coalition lead by SDSM). As he said, "Dignity" is above all a patriotic party. "Differing from many others, we prove our patriotism fighting for Macedonia. Neither in 2001 nor today we give up from our battle for

Macedonia. "Dignity" will never cease to fight and save Struga, Kichevo, Gostivar, Tetovo and all the other Macedonian cities and villages endangered with the greater-Albanian extremism. "Dignity" shall never accept professional interpretation of the Amnesty law for amnestying the war criminals from the Hague cases. Dignity shall fight to the end against the humiliation of the Macedonian people by putting NLA fighters to be equalized with the defenders"-said Angelov. He explicitly denied any possibility of creating a coalition with the ruling VMRO-DPMNE.

### **5.3. Liberal Party Presented its Doctrine**

"Turn 2018" is the name of the doctrine document of the Liberal Party, presented on its 23rd founding anniversary. Its President Ivon Velichkovski reaffirmed the party ideological position, - that of reformed liberalism which includes a social-liberal platform and firm belief in the concept of the rule of law, respect of human and civil individual and collective rights and freedoms, private property and economic initiatives protection. The doctrine confirms that there are no negotiations for the freedoms of the Macedonian citizen, Europe and the world. LP believes that the citizen cannot depend upon the state which is created, financed and built by him.

The Liberal Party offers Turn 2018, according to which Macedonia is open and integrative society where the citizen as free thinking individual limits the state, but not his thought; is socially responsible and shows solidarity, defends its opinion equally with the right of a different opinion and opposes fake social norms and values. Liberal doctrine does not negotiate on the secularity of state and society, the rights of women, pluralism of information and freedom of expression, rights of the marginalized groups, freedom of choice of sexual orientation, right of a healthy environment and food, and confirms the cooperation with the civic sector.

Doctrine position is: consolidated and successful nation, civic Constitutional concept, republican state regime, accepting the model of parliamentary democracy. Macedonian nation is perceived according to the modern political definition, as is seen as the nation of all ethnic groups living in Macedonia and have Macedonian citizenship. It is a nation with reconciled differences, a community that values the effort and work, profit and success but offer solidarity help. Macedonia is seen as a country with strong middle class, with set a new social contract of the carriers of power with the middle class. This Doctrine promotes politics which shall not fire employed persons only on the basis of political revenge.

Economic development is priority, therefore the party seeks rightful budgeting for responsible managing: nothing is free, while successful managing is harmonization between public revenues and expenditures without suffocating the national economy. Therefore is recommended: wise fiscal policy and responsible getting into debt with deficit of maximum 3% of GDP; decreased taxes for the

business without hidden expenditures; time limited progressive taxation for filling the budget hole; providing one, single tax amnesty; redefining subsidies and widening them on the educational sphere; creating basic conditions for housing of socially endangered families; improving public procurement and return of quality as a choice criterion; responsible and profitable public property management; promoting public-private partnership for investing in competitive services.

The Liberal Party opposes state protectionism and puts the investor on a pedestal. The focus is not solely on big enterprises and supports the European strategy for economic growth 2020.

#### **5.4. GROM (Citizens' Option for Macedonia)**

Citizen's Option for Macedonia or GROM is a party founded by the current Karposh mayor Stevco Jakimovski, who broke away from SDSM during the last local elections (see previous Barometer). He publicly announced that the party is receiving transferred local councilors from other political parties or independent councilors from total of seven municipalities in the country. Jakimovski stated that these councilors shall strive for citizen's interests and be constructive in the municipalities where are elected, but shall follow GROM's program. It remains to be seen whether the party will firmly offer a "third" political alternative as opposed to the already existing to major blocks in the Macedonian campus or shall be discretely inclined to create a coalition with the ruling party.

#### **5.5. Citizen's Alliance for Positive Macedonia is Formed**

On November 10 was formed a new party in the Macedonian political spectrum, named Citizen's Alliance for Positive Macedonia. At the party promotion, there was much enthusiasm and pomp, and critiques were given for the condition Macedonia is in currently, but still there was restraint on the absence of democracy and journalists' freedoms. Main initiators for forming that party were the well known businessman Mincho Jordanov, the journalist Ljupco Zikov and the former SDSM Prime Minister and Faculty of Law professor Vlado Buckovski.

In its speech, Buckovski emphasized that the Citizen's Alliance shall try to create something new, a multiethnic option that will fight for positive civic Macedonia in which there will be no hate speech and large antagonism among political parties. He welcomed Zaev's attitude on the name issue and emphasized that his unwillingness to change the constitutional name and no touching the identity of the Macedonian people is a large step forward in building a national consensus on the issue. Buckovski's critique towards the ruling party was that by its efforts to become a movement in fact strives to reintroduce the one party system in Macedonia, something which is very bad for the state. But he added that the efforts SDSM to be the sole opposition party is bad for Macedonia and that his party shall not allow that. Buckovski enumerated most of the new faces which will

be carriers of political activities which are of non-Macedonian ethnic origin by which the party shows that it strives to be a multicultural civic political party.

Buckovski surprised the party supporters by stating that Civic Alliance shall invite those who feel as Bulgarians and said that Macedonia has no right to forbid them to be Bulgarians same as Greece has no right to forbid them to be Macedonians. He added that the party shall strive for building special relations with Bulgaria.

The future Civic Alliance leader Ljupco Zikov had a fierce speech in which he said that in a few years Macedonia shall become a country without people as until now in a 12 year period from the state moved out 340.000 citizens. He directed critiques for the government's economic policies above all for badly performed agricultural subsidies which are unproductive, for focusing solely on foreign investors instead of helping the domestic ones. Zikov stated that if Macedonia wants can have 6% growth annually, but only one should seriously work on that, pointing to Turkey as a good example. He said that in this moment Macedonia is a crazy state like a wrongly buttoned shirt at which everybody laughs and looks ugly, while its people feel uncomfortable. Zikov called upon the public to arrange and button the shirt as it should.

## **5.6. Early Fall Elections Idea Failed**

As negotiations between the two sides on the December 24 events in the Inquiry Committee were going hard, VMRO-DPMNE was looking at the possibility for organizing early elections in autumn. Media said that the decision for party mobilization from September 1<sup>st</sup> was spread in all branch party offices. This move was done, as the party decided: not to give way to the opposition pressure and conclude that Constitution has been breached on December 24; to pass by all means media law which was under preparation as VMRO-DPMNE knew that it is unconstitutional and against the EU requests, but intention was to deal with media until early presidential and parliamentarian elections are organized; the upcoming EU report was going to be negative on democratic processes, freedoms and media; and VMRO-DPMNE knew that DUI staying with them in the government in fact loses voters support so the party notified DUI to vote Assembly dissolution after the EU report. Viewed from an internal party perspective, estimations are that the party was mobilized for achieving clash with SDSM in order to provoke elections and to have fake clash with DUI and stimulate complete in-field mobilization encompassing the highest number of people possible in order to prevent similar mobilization by SDSM for attracting the undecided voters. Main PR accent was intended to be given to the name issue and propagating that if SDSM comes to power shall change it.

Analysts estimate that VMRO-DPMNE shall try to make internal restructurings and shall try to secure new capital entry by those who in the future would like to get a share of the gains; shall make new membership mobilization which starts to disintegrate due to absence of any activity which is meaningful to the living needs

of the population; shall rearrange the spheres of influence with DUI and shall strengthen the mutual disturbed relations; shall take the last minute possibility for continuation of his rule before the appearance of the negative results of his economic voluntarism; shall defocus citizens' attention from the everyday problems and shall mobilize them around state-national issues; shall delay even more the process of solving the name issue; there shall be a grounded justification to have no sufficient time for implementation of the OSCE/ODIHR election recommendations; voters lists shall not be cleaned up as they should; population census shall be further delayed and authorities will be playing with probable figures instead of realistic prognosis; money from the new loans shall be used for unproductive employments, new employments in the administration and widening up the VMRO-DPMNE supporters' body; instead of reports about what has been done the party shall enter in a new pre-election promises by which are citizens and its own party membership are cheated; shall be paid old debts to the VMRO-DPMNE membership and new shall be created; shall be disabled the opposition which is in the phase of consolidation; shall not be impeded the election frauds; shall disable the possibility of forming a technocratic government which will be the sole hope for organizing minimum democratic free and fair elections; it will be generated a new wave of hatred among people, ethnic divisions, religious hatred, ideological enemies etc.

Officially, Gruevski threw the glove to the opposition for calling on early elections in October in order "for citizens decide which version of the Committee negotiated text of the agreement is correct". Analysts believed that opposition should not take the challenge from a person who is already on power and sees himself as someone who has vision for the state and allegedly leads the country to progress and prosperity. As they said - "What would be the point of calling for new elections then?" Finally, as the flow of events deflated the election possibility, all these considerations were delayed for the next opportunity.

Opposition analysts believe that the Gruevski era has already reached her peak, after which, inevitably shall start to show a downwards trend. It is believed that this sobering up trend in the Macedonian case may move slowly and very painfully, a long awakening from the lost big hopes, while the Gruevski period later shall not be perceived as the golden era of the Macedonian transition. There may be attempts to cover this uninterrupted rule of VMRO-DPMNE by imposing new processes with even bigger hopes, which may be proven not too hard to be achieved due to the voter majority that lives in deep poverty and fear in a pre-political time which genetically was built up in the Macedonian essence by the end of the 19<sup>th</sup> until mid 20<sup>th</sup> century (from VMRO 1893 to ASNOM 1944) and after the 45 year break to emerge again accompanied with impoverishment and mutual hatred among citizens in the country. One of the main characteristics of the Gruevist times is the continuous "successful" war propaganda for conquering and keeping the power, with parallel application of the Machiavelli doctrine "the goal justifies the mean". All that stands on the way of the power is removed rudely and violently either with arrests, set judicial processes, by satanization,

proclaiming traitors, enemies and informers, by non-constitutional illegal and unfair lustration, by forming parallel institutions to those which should control the abuses of power. Opposition believes that all government institutions legislative, executive, judiciary and monetary are under the direct influence and control of the power and government. Fear, poverty, corruptive spending of budget money, speedy indebteding of the state are main characteristics of the suspended Macedonian democracy. As the most important strategic mistake of Gruevism is the democracy blockade, limited freedom and endangerment of human rights. During Gruevski's rule maintaining of power is done through fear, unbridled squandering of people's money and corruptive elections with borrowed money in foreign and domestic banks, abolishing debate and difference in opinions, violent and unconstitutional suspension of parliamentary decision-making. There is dramatic discontinuity with the recent past and the WWII liberation movement, including the successes of the first Macedonian state that reached its highest affirmation in its total history of existence.

Analysts say that for SDSM of utmost importance is to convince its voters and the opposition disposed citizens that in spite of all illegalities and tricks Gruevski can be defeated on elections, - it is necessary only to show power and high turnout. It is believed that Macedonia is found for a longer period of time in an absurd situation as great number of the population is dissatisfied with the impoverishment and the arrogant state power whose international reputation equals zero, while on the other side there is the belief that media tycoons together with the Gruevski clan are invincible at elections. Key opposition explanation is that this government has imposed a media monopoly and a system abuse of all state resources in the function of eliminating political competition and shamelessly makes efforts for election fraud. The official government explanation is that they are preferred because of their promises realized, their honesty, building and creating monumental projects and by being real patriots. Aim is to discourage the undecided voters and to demotivate them to participate in »in advance set or bought elections«. Here the opposition has to fight with all possible means for obtaining fair elections and to warn all executors of such policies that these are criminal deeds for which immediately after state power changes they will have to end up in prison together with those who ordered the deed.

Election analysts believe that if SDSM manages to win in Kumanovo, Strumica and in Centar municipality where Gruevski's government invested most (as it did in local elections), with more efforts, it can win everywhere. Data below show that SDSM election success greatly depends on the undecided voters turnout who if not sufficiently motivated, stay and home and by abstaining practically decide the elections' victor. Therefore, SDSM should build a disciplined votes support, like VMRO-DPMNE does, since SDSM voters are not transferred to the opponent's conto, but they simply do now show up at the polls.

Year of Elections	Total number of votes SDSM	Total number of votes VMRO-DPMNE
2002 (turnout 73,4%, voted 1.195.887 citizens)	497.324 (42%)	299.179 (25%)
2006 (voted 974.891 citizens)	218.463 (23,3%)	304.463 (32,5%)
2011 (voted 1.124.064 citizens)	368.496 (32,7%)	438.138 (38,9%)

Linked with this election behavior, which reflects the political culture of the Macedonian voter, VMRO-DPMNE thinking again of organizing early elections, was constructing a new election strategy. Namely, the party Executive Committee decided to have presidential together with early national elections. The date for setting the national elections is going to coincide with the second round of presidential elections. Calculations are that even without the support of DUI as the coalition partner, a VMRO-DPMNE presidential candidate can make it to the second round, after which as the Constitution demands for the second round at least a 40% voters turnout for the president to be legitimately elected, it will be secured by the turnout voters who will come to the polls anyway due to the national elections voting at the very same day. On the threats of Ali Ahmeti that DUI hasn't decided if the party shall support Gjorge Ivanov for another mandate and that DUI wants to be asked for the personality of the new presidential candidate rumor has it that Gruevski thought of a new strategy. It remains to be seen how these plans shall be realized.

Commenting on the possibility of early elections, Zoran Zaev (SDSM) stated that he has been the party leader for four and a half months and that he is ready for elections, as he has a party program to offer to voters and the cadres structure is completed. The question however is whether SDSM shall legitimize once more non-legitimate and criminal elections, since the voters' figures to a great extent do not coincide. According to 2002 census, the country had 2 millions and 100.000 persons (and currently it is very dubious whether the population is still as much in numbers as then) out of which 550.000 are minors who do not have the right to vote to have 1 million and 780.000 voters in the voter's list. Migrations that took place in the last years have definitely changed the figures, but this has to be accurately corrected by the State Statistics Office. What's more one cannot go to elections in which the government one day prior to elections pays out agricultural subsidies, when two days prior to elections pays 12 million Euros for the media, when in campaign participate state administration appointees who are active in the party campaign etc.

### **5.7. SDSM – New Offensive, Program and Voters Approach**

After election of the new party leadership and party organs, SDSM started to apply its new opposition strategy. The party opened among its membership but also among the widest public a debate on the new program concept (platform)

which should precisely picture the vision for improving the situation the country is in. The party is firmly determined to move the competition with VMRO-DPMNE on issues that tackle at most the ordinary citizens – poverty and corruption. Zaev completely changed the so far SDSM tactics in taking over the power and announced a quick entry in winning the social and economic policies of Gruevski which until now were his strongest bastion. He presented publicly the substance and measures of future SDSM political activities in order to offer more qualitative alternative of the government's policies. It is about policies on which intensively worked the highest party leadership, the MP group, the executive and central committee, SDSM membership, as well as domestic and foreign experts. Basic slogan is "Let's Bring Back the Middle Class" which aims to bring back the significance, position and dignity of the huge number of Macedonian citizens who belong or should belong to the middle social layers of society and who impoverished during the transition in the 90's. The party started the presentation of the measures included in the new party Program through open and public forums and debates throughout the country. Zaev stressed that SDSM expects feedback from the citizens in written or electronic form, suggestions and critiques from people of various professions, experts, civic organizations or other individuals. Presentation of program had the active participation of all the party organs and members. Debate was planned to terminate until December 15 when will be collected all additional suggestions and opinions and shall be incorporated in the election Program. SDSM intends to strive for the program's practical realization in order to improve the life of every citizen and family in Macedonia. The Program shall have numerous practical policy suggestions and measures for all areas of living. The party hopes to recuperate from a shattering defeat suffered in the local elections this spring. Since 2006, the party has lost all seven elections to VMRO DPMNE, including general, local and presidential polls.

If the party wins the next general election, the SDSM promises to start construction of three stretches of highway, from the central town of Veles to Prilep and Bitola, from Stip to Kocani, and from Strumica to the border with Bulgaria. The Social Democrats also pledge to continue construction of two other stretches of highway stretches that the government of Nikola Gruevski has promised to start. Another measure tackles long overdue plans to bring natural gas to more companies and households. The pledge is to build a main national gas grid that will reach all main urban centres and include many smaller areas as well. Finally, the Social Democrats promise to finance 320 business ideas a year with 10,000 euro each through 16 planned business "incubators" dotted across the country. "These are capital investments that will employ young people who would otherwise leave the country, owing to our high unemployment," the SDSM head, Zoran Zaev, said. "This will create more than 5,000 new jobs, above all for young people," Zaev added.

Firsts of the project suggestions by SDSM was the "Project for VAT return for every citizen" which aims to 15% offer VAT tax return to every citizen. Effects expected are: to return to citizens 130 million Euros annually or about 20 to 30

thousand denars (300 to 500 EUR) tax return to every family that owns fiscal receipts; this will increase the citizen's motivation to insist in collecting legal receipts and decrease tax evasion; tax return shall be performed every three months; by this measure it is expected citizen's purchasing power to increase.

The ruling centre-right VMRO DPMNE party of Nikola Gruevski said the opposition promises were totally unreal. "You either have to be ignorant about how capital investments are done or a blunt liar to arbitrarily promise investments that would take 3 billion euro to realize," the party said.

There is a debate among the intellectuals and analysts whether it is a good move for Zaev and SDSM to get into populist waters and compete on this field with VMRO-DPMNE, as the social democrats are supposed to be perceived as more intellectual, less conservative and more open minded, pro-alternative and less populist. The new SDSM leadership shows other approaches that the previous did not practice (going to church, dancing folk dances, going around in markets, villages) and raises the competitiveness in fields the political opponent thought he had supremacy. Some wondered is the arrival of Zaev the end of party's elitism and the debate is still lingering. Zaev by nature is not perceived as an elitist, but populism is the thing that may revive SDSM and make a comeback to power. Zaev is not disturbed with the existing party factions, but tries to strengthen his position through introducing new members in party organs and bodies. He follows his political instincts and breaks the image of VMRO-DPMNE being the peasant's party and SDSM being the statehood establishing party which waits for people to be dissatisfied by the political opponent and return. This is why PM Gruevski is truly alarmed by Zaev who is his natural competitor in areas where he thought he had no competition.

## **5.8. Zaev Public Address and Interviews**

In one of his numerous speeches, SDSM leader Zoran Zaev confirmed that in Macedonia exist many economic hardships, while democracy is on a very low level: "Thousands of people are jobless and fight with poverty. Corruption and crime reached unforeseen levels, democratic processes are in regression, numerous young people have no perspective at home so they leave for abroad"- he said. But he also said that these were the exact words PM Gruevski stated when he came on power in 2006 and after eight years of his rule, things are the same or even worse: - democracy is executed, economy is brought at the brink of collapse, social justice is disturbed, and the country has never been more distanced from the European Union. Zaev seeks a more elaborate analysis and debate in the country in order to be identified the disastrous facts which are not in favor for Macedonia. "But in conditions when the public is silenced, the real experts marginalized, and media under whole dictate of the government, such debate becomes a mission impossible" he added.

He made a list of issues of what Gruevski who is as said - "the last transition politician" promised but didn't deliver: Gruevski is on power as a minister and prime minister 11 years while VMRO-DPMNE as a party is on power for total of 13 years, giving high promises on the Macedonian economy but exactly in this field omissions were the largest; Gruevski promised a yearly GDP growth of 6 to 8%, but this figures were never achieved as the average of all the years he is in power is 2,6%; Gruevski promised gradual decrease of debts but did the opposite and became an expert for indebting the country, as until June this year the total debt is 2,7 billion Euros or 34,1% of GDP, while only the internal debt by the end of this year shall grow to 1 billion Euros and the "hidden debt" is still unknown; in 7 years Gruevski spent 17,5 billion Euros budget money, and they did not solve any economic problem; the monstrous project Skopje 2014 who was anticipated to cost 80 million Euros is estimated to terminate in a round figure of over 500 million Euros (if 1km highway costs about 1 million Euros, then 500 km of highway are cemented in monuments, baroque and corruption); Gruevski's governments did not invest in road infrastructure nor in railway and brought Macedonia to become a hostage due to lack of energy; not a single energy capacity has been built, the existing ones are in terrible condition and are a reservoir for party employments; other than Strumica and Kumanovo use of gas as the cheapest energy is not spread in other cities in Macedonia; Macedonia is on the last place in the region in foreign investments, in spite of all the road-shows advertisements and other huge expenses done by the Government, instead there are dubious businessmen to whom the government offers extraordinary privileges; domestic firms exist on the edge of survival, suffocating in debts, under constant threat of inspections, blackmail, racket paying, enormous fines, obligations to fire the employed, while only those close to the government are getting lucrative deals, building party oligarchy; to the future generations Gruevski leaves only debts and destroyed economy- Zaev said.

"Seven years ago Gruevski announced reforms for smaller and more efficient administration and reducing bureaucracy. But, today it is huge and non-efficient and Macedonia has become a bureaucratic country as never before. Gruevski governments in continuity increased the subsidy money for agriculture, reaching hundreds of millions of Euros, but effects are none or insignificant, as they have character of social aid. Agriculture participation in GDP in 2006 was 10,5% while in 2012 decreased to 9,8%. Subsidies and agricultural land are distributed without clear criteria and serve as a tool for buying off votes."

"Gruevski's key promise was starting EU membership negotiations and full NATO membership, but he still has not started negotiations and Macedonia is still not a NATO member. Macedonia under Gruevski's leadership this year had the largest defeat and failure in Euro-integration processes as in the last European Summit Macedonia did not succeed to enter in any document, was not mentioned in any conclusion while other countries from the region who recently were European outsiders intensively progress."

“Gruevski’s rule devastated the social fabric in the country, since instead of democratization and securing freedom of speech and media freedom Macedonia is ranked worse than Kongo and Zambia. This is proven by series of international reports - today journalists are humiliated, oppressed, removed from ether and the public. In custody without credible argumentation is Tomislav Kezarovski and the research for Nikola Mladenov’s death was amateurish. Macedonia is a country where the government occupied the media, while suggested media law shall mean completion of the media control and its dependence from the power holders.”

“Macedonia is among the rare countries in the world where are political prisoners, judiciary organs and persecution close their eyes over the obvious crimes of the government, and all those who are against it are expressly condemned to prison sentence. In Macedonia is set a party, corrupt, quasi judiciary system which judges in a servile manner by in advance written accusations and judgments.”

“Macedonia is a state in which the government in a most brutal and violent manner breaks the Constitution and the laws. The country is ruled by a crazy party structure which the legal findings and conclusions of the Committee for breach of the Constitution and use of force while kicking out journalists and opposition MPs from the Assembly hall compares them with toilet paper. This is a government that enjoys in everyday rape of democratic foundations of the country.”

“In Macedonia there are no state institutions, as they are transformed into party sections of VMRO-DPMNE. Macedonia is a state where the government provokes internal divisions, intra and interethnic conflicts and seriously endangers the country’s peace and stability. Macedonia is a state of political and economic exodus. Hundreds of thousands of people running away from Gruevski’s strategies left their homes. Those who remained, live in fear, poverty, hardly surviving with their salaries and pensions which are the smallest in Europe. Macedonia is a state in which reigns organized crime and institutionalized corruption installed and controlled by Gruevski’s family clan.”

“Respected citizens, SDSM will firmly prevail and do everything to stop this squandering devastation by the carriers of power who lead the state in total collapse. We are convinced that in our state it is possible to live differently and better. Macedonian citizens deserve quiet and peaceful life, they deserve state of social justice, economic stability, human rights and freedoms, mutual respect and tolerance. A state in which can one decently live and earn. They deserve Macedonia as part of the European family of peoples and nations. SDSM has a single goal: to create successful Macedonia for the good of all our people.” stressed Zaev.

After a long period, the national Macedonian TV (MTV) invited the opposition leader Zoran Zaev for an interview. The public perceived the questions as awkward, tendentious and the interview was lead in a tensed atmosphere. One of the questions was Zaev to enumerate three investments from the SDSM period of rule, on which Zaev replied that Johnson Control came during the SDSM rule with PM Buckovski and then mentioned other investments as well. Then he was asked why the opposition constantly attacks MTV of being a service to the government on what Zaev said that if MTV wants to be a real national service should not talk all the time about issues that are practically attacks instructed by VMRO-DPMNE, but that it should talk realistically about things going on in the state. Zaev wondered how it is possible until now not to be reported about none of the SDSM tribunes that were made over one hundred all around the country. Asked about the tenders of the Zaev family, he replied that the Zaev wealth was created during the VMRO-DPMNE rule, so it is impossible to speak about state protection of his family businesses, because all the time the family companies are surrounded with controls and are paying high penalties. Regarding presidential candidates, Zaev said that the party for now has about eight potential candidates but in a few weeks the number will decrease to three to four. He said that the party seeks non-party candidate who shall be acceptable for the citizens and the other parties. At the end he stated that SDSM will win on the next elections regardless whether it will take place only presidential or national elections as well.

At the Channel 24 interview, Zaev said that the opposition has the duty to react in all cases when arrests are abused for political purposes, like the Kezarovski case or the case of Shipovic who is the President of the Centar municipality council, instead of letting him defend himself from home. Zaev believes that in principle Shipovich (the carrier of the SDSM list in Centar municipality) should not submit his resignation from the councilors list and plea guilty. Zaev announced measures as a reaction of the Shipovic arrest which however remain a secret. It is a principle reaction for all those arrested and who are in pre-trial confinement, which is applied as a form of punishment. There is no presumption of innocence, and final goal is to block the work of Centar municipality in order not to be discovered the crime with Skopje 2014 and other business interests in building construction out of the project.

On the question why opposition threatens that it will not participate on the next elections Zaev said that for once Macedonia should have fair elections, since last elections were very dubious and opposition hardly won in few municipalities although there was expected great victory. It was obvious that people were bought out or intimidated- he said.

On the question whether SDSM has a fractions clash between »Brankovists« and »Zaevists« he said that the party is homogenous and democratic and all have a right to opinion but also work together for taking down from power of the least transition politician of Macedonia and that is Nikola Gruevski.

Regarding relations with Albanian parties, Zaev said that he will do all that it is possible for the future of the state and that he hopes to build consensus on the name issue with all ethnic groups in Macedonia, but unfortunately there is no political will for that.

On the name issue he said that we all agree that it is an imposed, non-principled non-rational step from Greece towards Macedonia, especially because it uses the advantages as EU member to put veto and to use all kinds of mechanisms to block our way towards EU and NATO. »We have sent a message that we have absolutely positive stimulus on this matter because we know our red lines and they are the same as the governments. No one can touch our national identity our language, culture, special ethnic identity. We are talking about renaming FYROM, on what it now means current use of the reference in international institutions. VMRO-DPMNE does not want to build a common position because it leads a populist politics for eight years now. Gruevski points the strongest before the citizens with these nationalistic moves, which of course citizens like to hear and that is why they gain votes and we all remain poor, isolated from participation in the international market, EU, NATO which mean good above all economic perspective for the citizens but also bring democracy.« he said. The party so far is stating that when PM Gruevski sits on the table with the leaders of major political parties in the country and informs them about the process current stadium, then SDSM announced that shall express its concrete position on the negotiations.

At a later date, Zaev for Radio Free Europe stated that opposition does not accept any bidding with geographic determinant before the name Macedonia. This confused VMRO-DPMNE, as this statement was given prior to the new round of talks in New York. The strike was perceived as a hit at the backbone of fake patriotism and the fundament of prolonged rule which only delays the explosion which may occur in public when it will be known (as rumors say) that Gruevski prepares a compromise with the constitutional name. Zaev said that he gives complete support and appeal to the government to build together a consensus for this issue for the country to become stronger before the eyes of Europe, the whole world and Greece as the neighbor in order to solve the issue more easily. Analysts said that this statement showed a couple of things: that international factors must take under consideration the opposition stance on the matter; Gruevski should see and feel how his populist weapons look in other political actor's hands; Gruevski should seek a consensus with the opposition on this matter, categorically indicating that exclusive riding on patriotism of only one leader and party is terminated.

### **5.9. Prominent SDSM Members Promote Aspects of the Party Program**

Frosina Remenski stated that SDSM has made in the second half of this year big steps in creating strategies and policies, which effects are positive. The Statute

has been changed and upgraded opening possibilities for efficient application of policies and program positions of the party. Also, party political program has been prepared and incorporated are the basic projects for society continuing and long-term stabilization with measures for life improvement and standard of living. "No one from us expects populist biddings which do not fit the statehood approach the party has. All who prepared the program were unanimous on the fact that financial dependence on the state of the socially endangered groups, the unemployment, poverty, workplaces instability and party suitability as criterion for employment are factors that influence their own future and the state power is able to put pressure on these categories. Standard improvement will increase the people's empowerment and shall develop again the preconditions for responsible and critically disposed citizens."... "SDSM would like citizens to know that the party is serious in its intents to seriously introduce efficient measures which will return the lost values and shall revive and recover all areas of economy and society."- she said.

As the VAT tax return idea was preventively and aggressively criticized by VMRO-DPMNE, reply came from Kire Naumov, the SDSM president of the Council on Economic Issues who was in charge for the program idea. As the World Bank states Macedonia today has the largest social discrepancies than any other country in Europe, - the richest 20% of the population spends as much as the remaining 80%. The richest 10% of the citizens spends income that is for 17 times bigger than the income of the poorest 10% of the population. So, this inequality is the largest one than the inequality that existed in 1998, out of the 15 years back then until today SDSM was on power only four years, while VMRO-DPMNE was on power 11 years during which disappeared the middle class in the country. He said that VMRO-DPMNE seems to take care of the citizens, but in reality it constantly impoverishes them in order to maintain them in fear and dependence. If there is going to be economic development there must be employment, better living standard and democracy, so people shall live in financial stability and have foreseeable future. He suggests income for agricultural economic activity to be excluded from personal income tax. Those who own more apartments should pay more tax for them.

Kire Naumov in October commented the enormous debts the Government is making, as every month it spends 30 millions more than it can collect, as it needs to pay salaries, pensions, subsidies, social transfers etc, so the result is continuous in-debting. Only in October the government borrowed new 40 million Euros by which the public debt is amounted to fantastic 2 billions and 736 million Euros. Starting from 2008 this government doubled the public debt- he said.

Another new SDSM measure promoted by Faculty of Law professor Renata Deskoska and member of the Executive Committee is regarding government accountability in the democracy and the rule of law Program segment. She emphasized that the SDSM government shall be transparent, accountable and responsible; and shall conduct public debates on all significant issues on which

shall be respected the principle of free speech and real opinions exchange aiming better politics to be achieved. For that purpose SDSM shall include the monthly obligation by in advance determined order, for ministers to participate in debate at the public radio diffusion service together with opposition representatives. Public radio diffuse service shall become a citizen's service which will be corrector of the government's policies and not a propaganda bulletin. SDSM priority shall be the transparent spending of budget money and the public will have overview in spending on each item of the budget and for every type of expenses government shall be publicly accountable. SDSM shall introduce obligation for the Minister of Finance to participate in public debate together with suggested opposition representatives and by that the Assembly dignity shall be restored. SDSM plans the number of laws that would be brought by a speedy procedure to be set to minimum as well as the fines which are now prescribed as general policy aimed to fill in the budget shall be decreased to 50%.

Renata Deskoska in December commented on the 13 demands SDSM group delivered to the working group for improvement of the election legislation, as a March 1st agreement requirement. Requests refer to prohibition of abuse of budget money, meaning separation of the state and party function; to be set a fixed sum on maximum donations by the legal persons (30.000 Euros); to be forbidden for media to donate during election campaign as they are obliged to have a single unified price list for all campaign participants; equalizing the vote weight and value between the domestic and diaspora vote, which will require to have a minimum percent of inscribed voters in the voter's list abroad to decrease the big votes value discrepancy; voters' marking to be performed with visible ink as there were examples of abuse of the right to vote on the last elections same people were voting in several places; to be decreased the sum legally allowed to be spent per voter from 180 denars (3 EUR) to 90 denars (1,5 EUR). There are also other suggestions referring to the equal access in media, detailed media rules, diminishing the time for paid political advertisement, equal access especially to the public radio-diffuse service, giving real operative authority to the State Election Commission for having the voter's list etc.

Having possibility to buy off active working years and introducing social pension, return of the model for going to pension for women (with 35 working years) and men (with 40 working years) and increase the social aid to 40% in the future four years (every year per 10%), are the key points of Zaev's social program. He said that these ideas are achievable according to the analysis made which also indicate that that over 30% of the citizens live very poorly while the richest 20% have income as much as the remaining 80% of the country's inhabitants. »Macedonia has thousands of citizens over the age of 65 who lack up to five years of working experience in order to achieve their right to pension. With our program measures they will be able to buy off the remaining years while those who will not be able to do so, the SDSM government shall introduce social pension which at the beginning shall be 40% of the average age pension in the

country. By these measures, will be created two basis upon which one may obtain pension- based on age (like the present solution) and on basis of years of working experience.

In cooperation with pensioners associations, SDSM intends to change the way of nivelating of the level of pensions. At present pensions are influenced equally the change of living expenses and salaries change, but in the future pensions level shall depend more from the change of life expenses than from the salaries change, which estimation shall be done on every three months, as it is beneficial for the pensioners. Increase of social aid shall be done for 40% of all socially endangered categories. There will be a special law for people with special needs as well in order to deal with the multiple problems these persons face in everyday life.

At the Shtip Program promotion, Zaev stated that the period of rule of this government is ending but citizens need to be brave and opt for the SDSM program offer. He said that considering the government aggressive reaction on the proposed SDSM programs it is obvious that the opponent party is afraid of the competition.

Zaev said that today in the real sector are working around 85.000 persons, in public administration more than 150.000 persons and over 200.000 pensioners, a system which is not sustainable for a long time, as it is a system under rent. »Every family has growing credits, increasing debts, a lot of people are under pressure from executors, unpaid credits, unpaid bills and insecure future. Firms are brought down to their knees, the state is over-debted. The state debt together with the municipalities' debt and all public enterprises debt exceeds the barrier of 40% of GDP. With the new credits taken the state by mid 2015 shall exceed the 50% of GDP. We gallop towards the situation Greece had and that seems inevitable.«- he stresses

Zaev offered five measures for the agricultural producers: secure and timely subsidies with equal access to all agricultural producers to subsidies sharing; no personal income tax for agricultural producers; equal treatment for agricultural producers pensioning and introduction of beneficial working years for professional agricultural producers; investments for irrigation systems of 10 million Euros annually; green petrol and budget support for productivity increase, finalization and agricultural products export.

In Gevgelija, Zaev said: novelties in the profit tax involve that as it is currently 10%, out of which total sum 70% shall be paid to the state while the remaining 30% shall be given to a sports club or for education, culture, science. He criticized the government for its budget non-transparency, as it is not known the government on what will spend how much. He also anticipated a minimum wage of 450 Euros which will be for the textile worker, the craftsman and the agricultural producer as it is the minimum for survival of an average family. He

accused the government for the irresponsible squandering of budget money as every year it spends 180 million Euros on monuments.

In November SDSM accused PM Gruevski that he has no credibility whatsoever to talk about energy issues. His latest promise of 400 hydro power plants comes after 4 years of the largest historic promise that he will secure 8 million Euros of investments. In 7 years of his rule, no energy capacity has been built. The average yearly production of electrical energy is decreased for almost 8% in relation to the period up to 2006. Electricity import increased for 60%, and for which purchase in a dubious manner and through unclear procedures are spent hundreds of millions of Euros annually. In addition, Gruevski's government increased the cheap tariff which is a serious strike over people's standard of living.

SDSM former mayor candidate from Prilep Hari Lokvenec and Executive committee member, presented in Prilep the party program measures referring to auto routes, gasification and youth employment. Continuation in construction of the auto route Kichevo-Ohrid and Skopje-Shtip and its finishing; project documentation preparation, expropriation and start of construction of three significant road directions with underground infrastructure- Veles-Prilep-Bitola, Shtip-Kochani including three stripes to Delchevo and Udivo-Veljusa-Strumica with the Novo Selo border crossing; Water supply pipeline to Prilep and gasification of the road direction Veles-Prilep-Bitola; building railway network Miravci-Udovo-Stryumica and connecting with Petrich Bulgaria; construction of gas network from Shtip to Kochani and Delchevo. Second significant proposed measure is building main national gas network up to the big urban centres and setting a system of compression and decompression of natural gas for smaller cities and municipalities. Zaev also announced financing of 320 business ideas every year for people who are not in an economic condition to start a business in the amount of 10.000 Euros per business and opening of 16 business incubators around the country.

SDSM vice-president Damjan Manchevski stated that Gruevski's government in 7 years managed to build only 7 km of auto routes by which made Macedonia the black hole in Europe and in the Balkans. Instead of taking European loans or IPA funds, the government took Chinese loans twice or three time higher the normal price of a kilometer built auto route. Manchevski said that estimations are that Macedonia will get in a new debt of 800 million Euros making the public debt a 40% of GDP.

#### **5.10. PM Gruevski's New Year Interview on the national MTV**

On a particularly long New Year's interview on the Macedonian Television, PM Gruevski tried to praise the government's work and to comment on the results achieved. He praised that decreased the unemployment rate from 38% to 28%

which happened as a result of the positive economic policies under his leadership. Other arguments were: that due to the EU and worldwide economic crisis Macedonia was greatly damaged and that is the reason why he did not succeed to improve the country's economic situation; the project Skopje 2014 reflected in a very good way upon constructing companies and with that project he saved them from financial ruining; Macedonia does not have high in-debt and in vain the opposition criticized; there are no political prisoners in Macedonia and elaborated why he thought that Kezarovski is rightfully in prison. He stressed his belief that now democracy in the country has incomparably improved as well as the situation in the judiciary.

## 6. RESEARCH, POLLS, RATINGS

### 6.1. Zaev-Gruevski Rating and Other Issues in Polls

The public opinion telephone poll was performed by the agency "Rating" was performed on a sample of 1.560 citizens in the period of July 24-29 for the weekly "Fokus". Results show that the advantage that VMRO-DPMNE had by having Nikola Gruevski as leader is gradually decreasing and that Zoran Zaev as the new SDSM leader improves the image of his party and shows a potential for positive future development. Follow selected poll data:

Question: Generally speaking, would you say that your opinion on the VMRO-DPMNE leader Nikola Gruevski/SDSM leader Zoran Zaev is:

<b><i>Nikola Gruevski</i></b>	<b><i>Zoran Zaev</i></b>
Positive 54%	Positive 49%
Negative 42%	Negative 36%

Breakdown of gradual positive and negative estimations is as follows:

	<b><i>Nikola Gruevski</i></b>	<b><i>Zoran Zaev</i></b>
Completely positive	17%	11%
Mainly positive	36,8%	38%
Mainly negative	18,5%	18,8%
Completely negative	23,9%	17,1%
Have no opinion	2,9%	14,5%
Refuses to answer	0,8%	0,6%

Comparing the leader' characteristics - like honesty or not being corrupt, having sincerity and trust in what each is talking about, closeness to people, problem solving ability, visionary ability and having new ideas, independence in problem-

solving, citizens in Zaev see a person closer to the people, more sincere, a person that may be trusted, but also capable. Gruevski maintains smaller advantage in the domains of honesty, visionary approach and problem-solving independence. However, interesting indicator represents the opinion of the polled group of “floating” voters (approximately estimated that they consist 40% of the voters in the country) who are in sum giving advantage to Zaev or equal scores in all leader’s characteristics in comparison to Gruevski. In terms of having capability in leading concrete policies, Gruevski was showing advantage in leading the economic domain and fight against crime and corruption. There is a slight Zaev advantage in the country’s chance to enter NATO and EU, while in other domains results are similar. Still, ethnic data breakdown show that ethnic Albanians in all issues consider that Zoran Zaev would be a better prime minister than Nikola Gruevski. Estimations are that these positive perceptions by the Albanians make SDSM more suitable for creating a future coalition government, but also set a cooperation probability for the next presidential elections.

As Gjorge Ivanov, the current President of the Republic was mentioned as one of the potential candidates for the presidential elections due to take place in 2014, it is interesting that the “Ipsos strategic pulse” poll in July showed he holds only a 2% rating. Contrary to this, Gruevski at that point of time had 25% rating while the opposition was still divided between the former SDSM leader Branko Crvenkovski (5%) and the current Zoran Zaev (3%).

In September, “Fokus” published again results of a “Rating” public opinion poll related to the rule of the current government (VMRO-DPMNE is on power seven years already) since in August 28 was created the first coalition government lead by this party. On the question whether the situation in Macedonia in the last seven years improved or not, citizens replied that it improved “significantly”-10,6%, “a little”- 36,5%, “remained the same”-14,7%, “worsened a little”-15,6% and “worsened significantly”-22,3%. If one gathers the percents of answers “remained the same” and the negative ones, the total is 52,6% as opposed to the positive answers total 47%. Still, the ethnic breakdown shows different trends, as the polled Macedonians in 53,8% of the cases thought that the situation improved, as opposed to 29% of Albanians who think the same. Still, 70,5% of the polled Albanians think that the situation either remained the same or worsened.

About 58% of the polled think that Macedonia is moving in the wrong direction, while 35% think that the country is moving in the right direction. Polled Macedonians in 40% of the cases believe that the country is moving in the right direction, while 76% of the Albanians perceive that the country is moving in the wrong direction.

On the question “What is your level of satisfaction regarding the manner in which Nikola Gruevski performs the function Prime Minister of the Republic of Macedonia?”, answers are: completely satisfied-13,5%, mainly satisfied – 34%,

mainly dissatisfied-17,6% and not satisfied at all-33%. The total of the “satisfied” group is higher than the general average among the Macedonians (56,5%), while the dissatisfied group indicates dissatisfaction much more than the general average among the Albanians (75,6%).

About 60% of the polled opted for early elections, while 31% replied negatively for such a possibility. The population is divided regarding the dilemma whether parliamentary elections that may be conducted by this government shall be fair and democratic. The same percent of answers was obtained for the alternative “they will not be fair and democratic” (44,1%) and “they will be fair and democratic” (44,6%).

Party rating for this poll in September showed the following party rating: VMRO-DPMNE 29,8%, SDSM 22,4%, DUI 7,4%, DPA 4,6%, LDP 1%, NDP 1,1%, other parties 1,6% and undecided 32,1%. However, other public opinion polls conducted by year-end showed that the difference in support of the two major parties (VMRO-DPMNE and SDSM) changes rapidly in favor of SDSM.

In October “Focus” published a new set of poll results referring to the current issues that occupied the political scene in Macedonia. Namely, the numerous employments in the public enterprise “Macedonian Forests” which were done through public lottery organized by the state, raised suspicions that the government is practically finding a convenient way to employ its own party supporters. Obviously this was the general impression of the public as well, since 58,6% of the polled believed that these employments are “party employments”. 32% of the polled believe that employments are done in a non-selective and non-party way while the rest gave no answer. Predominantly more than the general average (75%), the polled ethnic Albanians believe that these employments were “party employments”.

Similar trend is shown about the government announcements that shall employ 400 policemen, hundreds of people who have special health needs, 290 psychologists, pedagogues and other persons in budget supported institutions. Still, 61,6% of respondents believe that these are party employments which meant to be effectuated for the ruling party benefit at the next parliamentary elections, while 30,8% of the polled believe that these institutions are in real need for such employees.

Regarding the arrest of Miroslav Shipovic, the carrier of the SDSM council’s list in municipality Centar, for which severe election battles were lead (see previous Barometer) and still are since the difference in municipality seats between the two party blocks is only one seat, 48% of the polled believe that his arrest is politically motivated in order to be blocked the work of Centar municipality. 34% disagree with this opinion, while 17,8% gave no answer. On this case half of the polled (50,7%) think that the opposition request for Shipovic not to be held in custody and to be released in order to defend himself from freedom is justified

(as he was arrested on his flight back to Macedonia, while he previously knew that he is going to be arrested), 35% believe the request is not justified, while the rest of the polled gave no answer.

Larger percent of the polled (68,8%) agree that in Macedonia people are afraid to publicly criticize the government, while 28,7% disagree with this position. Ethnic Macedonians agree with this position in 66% of the cases (a bit lesser than the average) while ethnic Albanians agree in 77% of the cases.

Regarding the latest suggestion for solving the name dispute with Greece, in the Macedonian media was published that the suggestion has been prepared in the United Nations, but in narrow coordination with Brussels and Washington, for which the governments in Skopje and Athens should give their answers soon. To test the citizen's disposition, the question posed to the polled was: The latest suggestion for compromise with Greece regarding the differences on the name is "Upper Republic of Macedonia". If by the compromise the Macedonian national identity is not going to be protected, would it be for you the name "Upper Republic of Macedonia" an acceptable solution?

As expected, analysis of ethnic Macedonians answers, compared with the ones of the ethnic Albanians differ diametrically. Namely, 65% of the Macedonians are against change of the name under these conditions, while 29% would accept such a change. Contrary to this, 59% of the polled Albanians think that it is an acceptable solution, while 25% of the same group would not accept it. The agency Rating on this issue has been following the public opinion on this issue and states that for the last years the citizen's disposition hasn't changed.

As it is known, position and opposition did not agree on the estimations regarding last year's events on December 24<sup>th</sup> in the Assembly. Since these events created opposed opinions in the public, the poll question were as follows: Has the Committee for clarifying the December 24 events with its report contributed to: Complete/partly/not at all clarification of events? Only 5% replied that the Committee helped for complete clarification of events, 38% think that it did not help at all, while 37% think that things were only partly clarified. In addition, every fifth citizen did not answer or stated that is not sufficiently informed to have a position on the matter. Confusing messages issued by the parties and the opposed opinions after signing the conclusions obviously divided the public opinion and the whole event was "shirked" without producing real responsibility and consequences.

Mutual position-opposition accusations in the period after December 24 can mainly be summarized in two key messages. Opposition accused the government and the President of the Assembly that by removing the opposition MPs and the journalists from the Assembly was a breach of the Constitution, while the Government accused that opposition made an attempt for coup d'etat and for violent takeover of power. To obtain the citizen's impression, respondents

were asked: “How much you agree with the sentence- On December 24<sup>th</sup> the opposition made an attempt for coup d’etat and for violent takeover of power” and “How much you agree with the sentence- With the violent overthrow of MPs and journalists on December 24 has been breached the Constitution of Macedonia”. It can be concluded that major part (64%) of the citizens agree with the opposition that the Constitution has been breached, compared with 34% of the polled who mainly or completely agree with the government’s position. About 18% of the polled believe that both parties have their share of the blame for the December events.

After terminating the Committee’s work, PM Gruevski publicly demanded the opposition to excuse itself to the Assembly’s speaker Trajko Veljanovski for the attack while opposition publicly demanded Veljanovski to resign. In the poll however, the number citizens who thought that Veljanovski should resign was almost double than the ones who thought that he ought to have got an excuse from the opposition.

After the lustration of distinguished members of the Macedonian Academy of Arts and Sciences and of long time deceased well-known writers and the debate about whether the whole lustration process is constitutional or not a dilemma was opened regarding the manner in which the process is conducted, and whether citizens approve it or not. On the question “Do you approve or not the manner in which lustration is conducted”, only 11% of the polled replied that they completely approve it. About 24% mainly approve it, while 38% do not approve it at all and additional 17% mainly do not approve it. There were no differences in the percents obtained in various ethnic groups compared with the general trend.

The arrest and detention a couple of months ago of the Nova Makedonija journalist Tomislav Kezarovski, charged that in an article five years ago he disclosed the name of a protected witness, caused protests by the journalists who interpreted it as a method of journalists’ intimidation by the government. The case raised concerns by OSCE representatives, as well as UN rapporteurs. On the question “According to your understanding about the Kezarovski case, do you approve or disapprove the detention decision?”, only 8% of the polled approved the detention measure, while 40% disapproved it and half of the polled were not sufficiently informed about the case.

Data show that according to the level of foreign direct investments Macedonia is found in the last place, in spite of government’s spending huge amounts of money for road shows and promotions. Out of all these events most noticeable was the appearance of the Indian billionaire Subrata Roy who showed intention to invest in the Ohrid village of Ljubaniste to build a paradise for casino tourism and to invest in milking cows, export of milk and dairy products. As the Macedonian public vigorously commented that this investor is a world famous crook who only makes promises but never delivers, the poll contained the following question: “What is your opinion about the Indian billionaire Subrata Roy

who announces big investments in Macedonia?”. Larger part of the polled did not form a positive opinion about this investor. The number of those who had completely negative opinion about Subrata Roy was three times larger than the ones who had completely positive opinion. In sum, 39% had completely or partly positive opinion of him, while 51% had completely or mainly negative opinion. On the question “Do you believe that the promised investments in Ohrid and Dzumajlija will be realized?” positively replied 32% and negatively 58,5% of the polled.

## **6.2. IFEMES Report on Macedonia: Self-isolation, Poverty, Unemployment**

The international institute IFEMES believes that there is still very little possibility that Macedonia shall start negotiations with EU despite the positive EU attitude. EU expressed readiness to mediate in the negotiations between Skopje and Athens regarding the name issue, if both sides tender to the things agreed, above all concerning PM Gruevski who mainly had solist appearances and was not holding itself to the agreement. The Institute estimates that Gruevski in the beginning, after the elections in 2006, was acting maturely and unbiased stating that he wants to be Prime Minister to all the Macedonian citizens regardless their origin or political affiliation, as it seemed at the time that VMRO-DPMNE was successfully transformed into a reformed party. However, findings are that since 2006 the country found itself in self-isolation, nepotism, empowerishment, unemployment, society stagnation in all segments, non-transparency, only formal existing of multiparty system, corruption. Unemployment currently is officially 29%, but it is said that it does not reflect the real situation, as the Macedonian government does not create conditions for new, real workplaces. IFEMES claims that the reason for increase of the employed figures is that it has been increased the number of employed in the administration in the last seven years from 90.000 to about 170.000. Also, the methodology of counting the unemployed has been changed, as the Agency deletes each person who did not find work in a one-year period, while the average salary is said to be increased to 400 EUR but in reality only the salary computing methodology has been changed.

## **6.3. Measuring Corruption and Media Freedom**

According to Freedom House, regarding media freedom Macedonia is on the 116 position and is listed in the group of countries having partly media freedom. Before Macedonia are Bulgaria, Croatia (64<sup>th</sup> place), Serbia (63<sup>rd</sup> place) Romania (42<sup>nd</sup> place), Slovenia (35<sup>th</sup> place).

According to Transparency International report for 2013, Macedonia is on the 67<sup>th</sup> place according to the level of corruption out of total of 174 countries, which is an improvement for two places in the list since last year. Before Macedonia are Croatia (57<sup>th</sup> place), Turkey (53<sup>rd</sup> place), Slovenia (43<sup>rd</sup> place). Macedonia shares the 67<sup>th</sup> place with Montenegro, while Bosnia & Herzegovina and Serbia

share the 72nd place, Bulgaria is on the 77th place, Greece on the 8th place, Kosovo on the 111th place and Albania on the 116th place.

At the workshop organized and conducted by OSCE and the State Anti-corruption Commission the agency »Rating« presented a research regarding the perception of corruption existing at the local self-government level. The telephone poll was conducted from 28 October to November 1st at a sample of 1080 citizens from all municipalities countrywide. Results indicate that in the local self-government corruption is at most present in the employment policy (45%), in the work of the inspection services (26%) and in the public procurement processes of the municipality (22%). In larger cities and in Skopje, compared to smaller municipalities and villages, the polled more often believe that corruption is present during issuing building permits by the municipality, as well as in the process of introducing detailed urban plans or changing them. Rather high is the percent of those who believe that the municipality budget money are not spent for the needs of the citizens. However, lesser are the figures that believe that money are not allocated for the real needs in municipalities that show high level of knowledge about the actual municipality work.

Mayors are perceived as the most susceptible to corruption (24%), then follow the inspectors (18%) and the municipality administration (14,5%). There is obviously greater suspicion over corruption coming from the institutions that have the executive decision-making power and/or the possibility of discretionary decisions. Councilors in the municipality councils are much less (8%) perceived as corrupt. 6,5% of the polled stated that for finishing a job at the municipality were requested to give money, in-kind or other favor, meaning that they were directly exposed to corruption. 7% of the polled notified an illegality or irregularity which is under the municipality authority, but even 85% of them were dissatisfied of the results of their intervention. In general, citizens think that there is less corruption than two years ago, while 19% of the polled believe that it increased.

#### **6.4. MOST: The Macedonian Government is the most Non-transparent in the Region**

In December, the civic organization MOST presented an analysis which is part of a regional research titled »Use of new media in the government's transparency« in which are included governments and ministries of Serbia, Bosnia & Herzegovina and Montenegro. Monitoring activities are directed towards work transparency, budget transparency, free access to information's of public character, participation of interested parties in creating policies and use of new technologies to communicate with the citizens.

According to the Macedonian analysis, out of all the ministries only the Ministry of Health published the 2013 budget on its web-site, by which fulfilled the obligation for budget transparency. No ministry however on its site had information for budgets in the last three years, while there was no final account for 2012. At the

same time, very few (one) ministries published a public procurement plan for next year.

Data show that only the Ministry of Interiors published information about a conducted public procurement, while the Ministry of Informatics and Administration published the public procurement for next year. The same ministry is the only one that published the regulations which are part of the ministry itself. Regarding transparency of work, best was proven the Ministry of Finance which has fulfilled 58% of the indicators in this area, then follows the Ministry of Transport and Communications with 54%, while third is the Ministry of Interiors with 50% accomplishment. Still, compared to the other countries, the Macedonian Government is the most non-transparent, as there is lack of data regarding the Budget, free access of public information and interested parties participation- in these areas none of the indicators has been fulfilled. Macedonian government is better then the others only in using new technologies for communication with the citizens.

The Law for Access to Information of Public Character is published in seven ministries' web site, but no ministry published on its site what kind of requests were addressed to the institutions, what kind of information was requested, whether they were accepted or denied, practically there were no statistics at all concerning the law application in practice.

## **6.5. Citizen's Suffering Worldwide Measured**

During the global financial crisis, suffering increased globally. According to a survey recently published by Gallup, 14% of the world's population was suffering in 2012, compared to 11% on average before the recession began. In the United States, only 4% of the people surveyed reported being unhappy with their lives last year, up only slightly from 3% last year. In some parts of the world, conditions are much more dire. In Bulgaria, the country with the worst numbers, 39% of the population was suffering in 2012. In eight countries, 30% or more of the population rated their life satisfaction as a four or worse on a scale of 1-10. These countries are plagued by disease, extreme poverty, political corruption and armed conflict.

Syria, which doesn't quite make the list with 29% of the population suffering in 2012, is embroiled in a civil war. In many of the countries with highest levels of suffering, however, war does not appear to be a key factor. According to Gallup Analyst Jan Sonnenschein, suffering can be traced to extreme dissatisfaction with the local governments. "In Bulgaria, Hungary, and Armenia, there isn't a civil war, like in Syria." Instead, residents are "extremely disappointed with their leaders because they haven't seen any progress whatsoever." This disappointment in leaders is often a product of high levels of corruption, explained Sonnenschein. In Bulgaria, more than 3 in 4 residents said the country's political parties were corrupt, one of the highest rates in the world,

according to Transparency International. Students in the country recently led another wave of protests as allegations of corruption continue to be raised against the government.

While unemployment rates are not available for all of these countries, many had among the highest levels of unemployment in the world. Macedonia, for example, had an unemployment rate of more than 30% in 2012, the highest of any nation reporting to the International Monetary Fund. Nearly all of the countries with high levels of suffering had unemployment rates in excess of 10%.

To identify the countries suffering the most, Gallup's Global Suffering made a survey of 143 countries, in which were rated eight countries where more than 30% of the people surveyed in 2012 rated their current life satisfaction as a four or worse on a scale of 1-10 in 2012<sup>1</sup>. Among these ten states on the seventh place is Macedonia. For Macedonia, the percent of Suffering is 31%, the GDP per capita is \$10,465 and the percent who view the government as corrupt is 51%. As many as 31% of surveyed Macedonians said they were unhappy with their lives in 2012, up from 25% in 2011. Since its founding in 1991, the Republic of Macedonia has struggled with conflicts between the country's Orthodox Christian majority and its Muslim Albanian minority, which makes up about one-quarter of the population. The country's economy is in a dire state. As of 2011, more than 30% of the country's population lived in poverty, one of the highest rates in the world. In 2012, the country was one of just a few to see GDP contract. Macedonia had the highest unemployment rate of any country reporting to the IMF at 31.3% in 2012. The country also has problems with corruption. According to Transparency International's recent survey, 77% of the Macedonian population believed the nation's public officials and civil servants force was corrupt, and 87% thought the police were corrupt, both among the highest in the world.

### **6.7. Global Policy: Citizen's Views**

At a poll conducted by the Macedonian Center for International Cooperation, titled "Global Leadership, Neighborhood and Relations With Bulgaria", while estimating foreign governments from the aspect of global policy, Macedonian citizens expressed their best opinion for Germany (14,5%), followed by Turkey, USA (11%) and Switzerland (10%). As the friendliest country, the respondents mentioned Turkey (16%), and then followed Serbia (12%), USA (8%) and Germany (8%).

### **6.8. Poll in Centar Municipality Shows a Public Opinion Shift**

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<sup>1</sup> They also expected their life satisfaction five years in the future to be a four or worse as well. In addition to Gallup's results, were reviewed International Monetary Fund data on GDP per capita, GDP, and unemployment, all for 2012, and public perception of corruption from Transparency International 2013 Corruption Perception Index. Additional country-specific data came from the CIA World Factbook, the U.S.State Department, and, the IMF.

Centar municipality was the focus of attention during the recent local elections, due to numerous irregularities noted in the OSCE/ODIHR and other reports. After the opposition came to office, it faced many problems in the effort to perform its duties. After completing the first 100 days in office, the municipality authorities publicly reported about the things done in that period, after which followed a telephone public opinion poll in December 20-23, conducted by "Rating", on a representative sample of 850 adult citizens living on the municipality territory.

Results indicate that if municipality elections were held tomorrow, the Union for the future council list (the current local coalition in office) led by SDSM would win almost double the number of votes (29,4%) than the VMRO-DPMNE coalition would gain (16,7%). If standard estimation projections would be used, it turns out that if local elections were held today, SDSM coalition would gain 15 seats, while the VMRO-DPMNE coalition would win 8 seats, as opposed to today's 12:11 seats (one seat difference in favor of the SDSM list). Other parties would win 3,3% of the votes. The remaining half of the polled population is undecided, that is they do not know which coalition they would support. On the last local elections, held in March this year, the SDSM lead council list won 47,5% of the votes, while the VMRO-DPMNE council list won 42,5% of the votes.

The poll also tackled the level of satisfaction regarding the current situation of the country. 48% of the polled think that the country is moving in the wrong direction, as opposed to 28,5% who think the opposite. Compared with the March 2013 trend, when 28,5% thought that Macedonia is moving in the wrong direction, currently this negative opinion is shared among much higher percent of the population, as data now show. Increased is also the number of respondents who have no answer to the question.

About 43% of the polled have trust in the government while 50,9% do not. Regarding Prime Minister Gruevski, 49% of the polled have trust in him, while 37% do not. From March to December is noted decline in the trust citizens have towards the Government.

## **6.9. Macedonians Give 'Skopje 2014' Thumbs Down**

A majority of Macedonians do not approve of the government-sponsored revamp of the capital, "Skopje 2014", a recent poll shows. Most Macedonians do not like the chosen artistic styles of the Skopje makeover, disapprove of the price and would not like it to continue, a survey by the Institute of Social Sciences and Humanities Skopje, ISSHS, a local research institution, says.

The research was carried out in September as part of a wider policy analysis called "Who owns Alexander the Great?": A Question Upon Which EU Enlargement Relies," which is studying the Skopje revamp plan in the context of the ongoing "name" dispute between Macedonia and Greece. "According to the results of our poll, 73% out of the entire population, and 66.5% out of the ethnic

Macedonian majority, believe the project should not continue,” the Institute says in its conclusions. It adds that “disapproval is expressly linked with the financial aspect of the Project, seen as overly costly for a state which is at the bottom of economic prosperity in Europe in spite of its positive macroeconomic trends”.

The poll shows that only 24% of the respondents like the appearance of the buildings and monuments that form the project, while 22% partially like it. Another 45% of the respondents said they do not like it. “If the Project's aim is to ameliorate the sense of frustration by the indefinitely prolonged [EU and NATO] accession process... it evidently does not succeed in doing so,” the ISSHS says. Drawing inspiration from the architectural styles of Classical Antiquity, the project that was launched in 2010 envisages the construction of more than 20 buildings, including, museums, theatres, concert halls, hotels and offices. Many more bronze and marble statues are also being erected to adorn the surroundings, including a triumphal arch, some 15 equestrian statues and a memorial complex dedicated to fallen heroes.

Greece has already objected to the erection of monuments dedicated to Alexander and Philip, seeing them as an exclusive part of its own Hellenic heritage. According to the accompanying ISSHS analysis, the focus of the government's ambitious project is to establish the era of Antiquity as the cultural and historic basis of Macedonia's modern identity. But “project's narrative seems to be at odds with the governing perception of the matter measured nationwide through the poll”, the Institute adds. The poll shows that only 5.8% of the entire population, and only 7.6% of ethnic Macedonians attach much importance to the period of Antiquity for the formation of the Macedonian identity.

As opposed to this, the Medieval period of Orthodox Slavic Christianity is the defining historic period for 20% of people. The more recent past, since the country gained independence from Yugoslavia in the 1990s, is the defining period for another 20% of the respondents. Another 17% mentioned the period of Socialism in federal Yugoslavia while almost 14% said the key era was at the turn of 20th century struggle, during the time of the Macedonian struggle for liberation from the Ottoman Empire.