

Macedonia: Arrested Development

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This year's election politics are just one more obstacle on the bumpy path towards European membership.

A series of elections scheduled for this year in Macedonia could delay reforms vital to the country's hopes of joining the European Union.

Macedonia's EU membership bid, presented in Dublin in March, committed the country to pressing forward with much-needed reforms.

With an over-centralised government, a slow and ineffective judiciary, widespread corruption, one of Europe's poorest economies and a swollen state sector, there are many obstacles for Macedonia to overcome before it can even contemplate integration into Europe.

But 2004 has turned into a major election year in Macedonia, and attention is currently focused on a series of upcoming ballots.

With four national votes due to take place by the end of the year, Macedonians are facing a tidal wave of campaigning from presidential and local candidates.

And whilst the politicians involved in this flurry of electioneering are largely united in their enthusiasm for EU membership, experts warn that the reforms needed to realise the dream may be put on hold as they gear up to face the polls.

THE EU BID

The submission of Macedonia's application to join the EU is only the first small step towards full membership. The Council of Ministers will have to review the bid and – if they give the green light – the European Commission, EC, will then assess Macedonia's chances of obtaining candidate status. All of this could take between a year and 18 months.

"The EC will be sending a lot of questions to Macedonia. The authorities here must then respond and [the] Commission then will decide whether to give Macedonia a positive or negative response," Soren Jessen Petersen, the EU special representative to Macedonia, told IWPR.

"The answer very much depends on the government's performance in this period. Reforms... must continue," added Petersen. "A lot of things must be done."

Many observers stand by the belief that Macedonia has what it takes to become a fully-fledged, successful member of the EU.

The country has come a long way since the ethnic conflict that shook it in 2001 – ironically soon after it became the first country in the region to sign a Stabilisation and Association Agreement with the EU.

Six months of ethnic clashes came to an end in August that year with a Western-brokered peace deal signed in Ohrid, which granted Albanians greater rights. Former leaders of the Albanian insurgents afterwards turned to politics, securing seats in parliament in the 2002 election.

Since then parliament has adopted most provisions of the peace deal, the security situation has visibly improved and international peacekeepers have left the country. This stability proved solid when recent ethnic clashes in neighboring Kosovo, which could easily have unsettled Macedonia, failed to do so.

Backers of Macedonia's bid insist the country is no worse off than many of this year's intake to the EU were when they first began their application process and, whilst acknowledging the need for further reform, they say the chances of such changes being implemented would be greater under Europe's watchful eye.

Current prime minister Branko Crvenkovski – who emerged as frontrunner in the April 14 first round of the presidential election – says Macedonia's EU application could help it bridge ethnic and religious divisions.

“The EU project enjoys a broad consensus. Macedonia is way ahead in this process [of integration] compared to other countries from the region. That is why we decided to be the second country in the region, after Croatia, to apply.”

Crvenkovski insists that Macedonians are braced for the difficulties that lie ahead. “We are fully aware of them,” he said. “This is our chance and it is up to us whether we take it.”

FROM OHRID TO BRUSSELS?

But there is a real need for the Macedonian government to push forward with changes if it is to succeed in its bid to join the EU.

One key problem is a stifling centralisation of power, which makes local government impotent and leaves ordinary people feeling alienated from an unresponsive bureaucracy.

As the last key component of the Ohrid peace deal, the progress of decentralisation could have a marked effect on Macedonia's EU application bid. European diplomats have warned that delivery on the Ohrid provisions will be crucial when it comes to judging Macedonia's application.

“Decentralisation needs to be adopted, as it is key to the perception of Macedonia's application in Europe,” one diplomat told IWPR. “The decentralisation package is fundamental and it needs to be delivered soon.”

LEGAL REFORMS SLOW IN COMING

Macedonia also has a long way to go before it can meet EU membership criteria with regards to the rule of law.

Great efforts have been made to harmonise much of the state's laws with those of Brussels. But while the statute books may have been changed, applying new laws through cumbersome state and judicial bureaucracies has proved a bigger challenge.

This April's EU Commission progress report on Macedonia was critical on this point: "Macedonia has made slow progress in strengthening the rule of law, mainly due to structural weaknesses of the law enforcement and judicial institutions, politicised and poor public administration, corruption and organised crime."

Macedonia's judicial system suffers from poor resources, weak infrastructure and a lack of specialised staff and, as a result, many cases drag on for years without resolution. The process of appointing judges is politicised, and judges are perceived to be far from independent. There is an understandable lack of public confidence in the system.

Vlado Kambovski, former justice minister who is now a law professor, says there are reforms in the pipeline intended to solve the problem of blatant political interference in court proceedings.

"Reforms will bring the judiciary into a position of independence and authoritative power, so they are not [as now] an extended hand of the executive," he said.

The government says it is working on measures to bolster court independence by shifting control of the judicial budget from the justice ministry to the supreme court and the Judicial Council, a body consisting of a panel of judges.

According to deputy justice minister Meri Mladenovska, this change will shore up the courts' economic independence and, as a result, "the judiciary will be able to build up its autonomous position with regard to the executive".

But Victor Ullom, head of the OSCE's rule of law office in Skopje, which monitors court proceedings and promotes judicial reform, says much remains to be done.

"A timetable is difficult to ascertain, due to [the] legislature's pre-occupation with other matters," he said.

Professor Kambovski expressed scepticism about the pace of change and argued that the international community needs to put pressure on the Macedonian government and set strict deadlines for judicial reforms. "I am not an optimist," he said.

Another tricky issue for Macedonia, with regards to the rule of law, is the widespread problem of corruption.

"The high level of corruption and the mistrust towards institutions it generates remain a deterrent factor to growth and investment, and beyond this, to the success of many reforms which have been initiated to accelerate the transition of the country towards a modern democracy and economy," said the last report by the European Commission.

The government has taken some steps to deal with the problem – establishing, for instance, a specialised "Anti-Corruption Commission" in 2002 as a part of a plan to fight organised crime.

But so far there has been little sign of concrete improvement. Dozens of high-profile corruption cases involving former top officials and government ministers remain stuck in the courts after more than a year, as defence lawyers find new ways to stall the proceedings. Since the election of the current coalition government led by the Social Democratic Alliance of Macedonia, SDSM, in late 2002, not one of the scores of corruption cases brought to trial involving officials has resulted in a conviction.

Slagana Taseva, formerly president of the Anti-Corruption Commission and now head of the country's police academy, says the problem is down to a lack of coordination between the various agencies that take part in clearing out these legal cases.

"In many cases the police fulfil their part of the work, which is then stalled by the prosecution or the courts, most frequently due to political influences," she said.

"We need reforms that bring in sanctions against those that politically affect the process."

STILL AMONG EUROPE'S POOREST

Macedonia's rotten judicial system is partly responsible for a chronic lack of foreign investment since the country gained independence in 1991.

Macedonia remains one of Europe's poorest countries, and unemployment is running at 37 per cent.

While neighbouring states such as Bulgaria have recorded foreign investment in the hundreds of millions, Macedonia came out of 2003 with fewer than 100 million dollars invested from abroad.

The most recent International Monetary Fund report on Macedonia, published in November 2003, was damning in its assessment of the country's potential to attract outside money. "Macedonia does not present an environment conducive to attracting investment, whether foreign or domestic," it warned bluntly. "As a result, the Macedonian economy is only midway in the transition to a stable market-oriented economy."

The view from Skopje is that a green light from Brussels would be enough to stimulate investment on its own.

"A positive reply from the EU for our application will be a positive message to investors that there is no political risk", said economy professor Ljubomir Kekenovski. He gave the example of Bulgaria, which experienced a large-scale investments boom after the EU announced plans to make it part of the union.

But others argue that the health of Macedonia's economy actually depends on fundamental reforms.

"Investments will not come to Macedonia if investors believe the legal system will not or cannot protect their investments," one western diplomat told IWPR.

Ljupco Zikov, editor of the financial weekly Kapital, agreed that investors will stay away until they see changes made to the long and painstaking procedures required to register a company, and a legal system that guarantees protection of investments.

Macedonia's economy is also held back by a swollen public sector - of a total of 270,000 registered employed persons in Macedonia, more than 120,000 work in the state sector.

Zikov points to an obsession with bureaucracy, which keeps many people employed shuffling paper.

“We have a huge administration that has not seen any reform in 15 years, despite government pledges to bring it down to 60,000 people and make it effective,” he said.

While the government has promised to reduce the state sector by four per cent annually, in reality the number of officials looks likely to rise as another 600 new members are hired from ethnic minority groups, in accordance with the Ohrid peace deal.

POLITICS COULD HOLD UP PROGRESS

Few would dispute the need for across-the-board reforms if Macedonia is to stand any chance of succeeding in its EU bid. But observers warn that the series of elections planned this year could lead to much-needed change being shelved for the time being. With the first round of presidential elections already held on April 14, the second round scheduled for April 28, and two rounds of local elections set to take place in the autumn, politicians are likely to have other things on their minds.

Critics point to the fact that six government ministers, including those in charge of defence, finance and foreign affairs, are currently working on Crvenkovski's campaign team for the presidency. They have insisted that they can do both jobs at the same time despite a recommendation from the Anti-Corruption Commission that they suspend their ministerial activity for the duration of the campaign.

“The partisan involvement of government ministers in Crvenkovski's campaign will put reform on hold,” said Vlatko Gjorcev, spokesman for the opposition VMRO party.

Even members of the SDSM have expressed frustration. “Not only are we entering an election season... but nearly half the government is working on the premier's election campaign,” complained one party official. “That means many important activities, as well as reforms, are at a halt.”

Analysts have also expressed concern about the implications of Crvenkovski's victory in the first round of presidential elections. If successful in the second round, Crvenkovski will have to resign from his post as prime minister and leader of the SDSM, which could lead to months of decision-making.

“Both the government and SDSM will be left without a president. That means the entire government will resign and the party will have to choose a leader,” said a political analyst who asked not to be named. “We are talking about months of political bickering before a new premier is designated and parliament votes in a new government. In the meantime, parliament will be blocked and unable to proceed with key issues, such as decentralisation.”

Reforms in the justice system could take even longer to push through than decentralisation. Experts say that the Ohrid agreement, with its emphasis on decentralisation and the creation of a truly multi-ethnic civil service, has pushed the more tricky issue of judicial reforms off the agenda.

“I believe that once the decentralisation process is finished, these reforms will proceed,” one legal expert involved in the process told IWPR. “But it looks like that will only be after the summer break, when we will be in an election season once again.”

This year's elections are also likely to delay the reforms needed to streamline Macedonia's public sector

and boost its economy. Analysts say the government is reluctant to cut government-funded jobs, a move which in the short-term would add to already soaring unemployment, during the election season.

Echoing these concerns about the effect the elections could have on the reform process, former foreign minister and law professor Denko Maleski told IWPR that he hoped care would be taken to avoid further delays.

“In the past 10 years we wasted a lot of time in this area. I hope that the upcoming months of elections will not affect the reform process. That is, if we have learned the lessons from the past,” he said.

Other observers argue that, despite the upheaval, if the elections are conducted properly they will at least give Macedonia a chance to prove itself to the world.

The death of President Boris Trajkovski and the wave of violence that hit Kosovo in March were serious tests of how far Macedonia has really come. It passed both tests with relative ease, moving swiftly to elect a new president and isolate itself from the trouble next door.

“I think the forthcoming elections are another test. If all passes well, and I am confident that will be the case, such elections will be one step [towards the] European family,” said Petersen.

So far the signs are good. Campaigning in the first round of the presidential elections in April went smoothly, with no trace of the violence that has marred previous polls, and international observers praised the authorities for running an efficient and open ballot.

But an international analyst contacted by IWPR noted that the increasing level of stability is no reason to become complacent about reform.

“For Macedonia it is no longer a question of survival but development, moving away from its embryonic state into a fully fledged European country regardless of uncertainty elsewhere in the region,” said the analyst, who requested anonymity.

“Post conflict stabilisation in Macedonia seems to be over. The long-haul job of institution building has only just begun.”

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