

## European Policy Institute (EPI) – Skopje

### Institute of Social Sciences and Humanities-Skopje

Brussels, December 2015

#### The EU revisits Macedonia: chances for a new approach?

Lacking a clear prospect for EU and NATO membership, the Republic of Macedonia's EU-driven reform process has reached a dead-end. As EU focus has shifted to other priorities, Macedonia has gradually backslid in democratic standards.

#### As Macedonia backslides...

The blocked EU and NATO accession by Greece due to the unresolved name issue was a pretext for the governing party<sup>1</sup> to shift public attention to an exclusivist nationalist narrative and away from its record of harsh backsliding on democratic standards. Over the past 10 years, the governing political parties have gradually captured Macedonian state institutions. The executive branch dominates the legislature and judiciary, and its reach has expanded into all aspects of society, including the media, academia, and, most alarmingly, the economy. Political clientelism undergirds a fundamentally unfair field for political competition. OSCE-ODIHR assessed the 2014 general elections and the 2013 local elections as “efficiently administered,” yet marked by an unfair advantage for the incumbents due to the systematic “blurring of state and party.”<sup>2</sup> The wiretapping scandal of 2015 has now revealed large-scale, high-level corruption, massive infringements on the right to private communications, and a lack of control over the state intelligence and security agencies.<sup>3</sup>

The multiethnic ruling coalition had managed to maintain an appearance of relative stability until this year's violence in Kumanovo drew attention to its fragility. The country remains ethnically divided. Albanians continue to live virtually in a parallel cultural and economic universe. The coalition does not reflect social stability, but a crude calculus between ruling political elites, the failure of which could quickly threaten the country's existence as a unitary state.

The government has perfected the skill of declarative compliance with the EU *acquis*, using the approximation process like a vise to tighten its control and suppress dissent through legislative constrictions and contradictions. State capture is put in force, *inter alia*, through excessive regulation whereby all policies are translated into overly detailed legislation that gives the executive branch absolute authority to make final decisions and levy draconian administrative fines. The authorities use this approach to silence and imprison political opponents and take control over companies and entire economic sectors. The same “reform” approach applied in the education and health care sectors is

---

<sup>1</sup> The Macedonian Internal Revolutionary Organization - Democratic Party for Macedonian National Unity (VMRO- DPMNE) has been in power since 2006 - until 2008 in coalition with the Democratic Party of the Albanians (DPA) and since 2008 in coalition with the Democratic Union of Integration (DUI).

<sup>2</sup> OSCE-ODIHR final report on the parliamentary elections of 2014.

<sup>3</sup> The Senior Expert Group's report of 2015 (the Priebe report) commissioned by the European Commission describes a lack of control over state security agencies.

undermining the possibility of high-quality education or essential health care services for all citizens.

While Macedonia rhetorically embraces EU and NATO integration, its alignment with the EU's Common Foreign and Security Policy has declined and pro-government media largely promote anti-EU and anti-NATO discourses. The majority of the population perceives the stalled integration process as unjust, and anti-EU sentiments are rising, setting ethnic communities further apart.

### ...the EU reconsiders

Desires for short-term macroeconomic and interethnic stability and “creating a climate” for resolution of the name issue have resulted in a permissive attitude from the EU toward Macedonia's worsening democratic record. Lacking the carrot and reluctant to use the stick, the EU has deprived itself of accession instruments, leverage, and, most importantly, credibility. The EU continued “repeating the same political criteria in a technical exercise of “ticking the boxes”, while the situation on the ground continued to deteriorate. The EU's responses to massive public spending and the sharp increase of the public debt (at 43.9 percent GDP in September 2015)<sup>4</sup> have been generally mild. Continuous loans from international financial institutions and commercial banks such as Deutsche Bank have assisted the government in strengthening its grip over the economy and using state coffers for party machine politics.

Until 2014 the European Commission was reluctant to “name and shame” the government for backsliding on the political criteria for accession. In June 2015, the Council called on “all political parties to honor their 2 June agreement and implement all recommendations of the Commission, starting with the urgent reform priorities,”<sup>5</sup> without identifying any culprits for the current crisis. Political Europe has failed to send a clear message against creeping authoritarianism and in support of democratic reforms.

The current effort of the EU and U.S. to bring the country back to “normality” through a brokered political agreement focuses on the current political elites and immediate issues of elections and distribution of power, while neglecting the urgent reform priorities the Commission itself has identified as essential to dismantling the system of political patronage and clientelism.<sup>6</sup> Compromising on democracy will continue to have a boomerang effect, triggering further instability with potential spillover effects to neighboring countries.

### Change of approach needed: EU membership perspective and consistency

In Macedonia, the EU has a unique chance to demonstrate its integrative capacity and ability to promote genuine political stability, economic reform, and Europeanization. Other actors can play a part in support to this policy.

The following actions are needed from the EU:

1. Decouple political conditionality from the name issue. The EU should initiate a plan for resolving the name dispute between Macedonia and Greece that would include confidence-building measures and a clear path to accession negotiations with a defined timeframe. Previous proposals (ESI) for resolution of the name issue at the end of the accession negotiations should be re-considered.

---

<sup>4</sup> Compared to the lowest 23% in 2008, expected to rise by the end of the year.

<sup>5</sup> Conclusions, EU Foreign Affairs Council, 25 June 2015

<sup>6</sup> The urgent reform priorities are based on the Priebe report. They are referenced in the political agreement (Przhino agreement).

2. Launch the screening process once Macedonia recommit to EU reform to generate leverage. Screening of chapters 23 (judiciary and fundamental rights) and 24 (justice, freedom and security) can be an especially effective instrument to address implementation of democratic standards.
3. Make the implementation of the EC urgent reform priorities based on the Priebe report a pre-condition for any election to be considered legitimate. EU institutions should track and publicize their findings monthly on the implementation of these priorities, including in Macedonian and in plain language to ensure that ordinary citizens can understand them.
4. Turn the focus in benchmarking and progress monitoring from supporting and registering legislative changes and/or establishing institutions to deeper policy impact analysis and effective monitoring of implementation and functioning of democratic institutions. Structured civil society involvement in any policy issue and effective parliamentary scrutiny should be considered pre-conditions for assessing progress on any issue.
5. Establish a regular forum (at least twice a year) that systematically includes local civil society in the high-level accession dialogue between the Macedonian government and the EC, building on and upgrading the parallel practices of thematic consultations already initiated by Commissioner Hahn and Macedonia's DPM for EU affairs.
6. Institute targeted sanctions against Macedonian officials obstructing the implementation of the political agreement and undermining the country's democratization (restrictions on admission, freezing of their funds and economic resources, and those of associated natural and legal persons).
7. Immediately provide IPA assistance to the Office of the Special Public Prosecutor to investigate cases connected to the wire-tapping scandals ("Bombs" and "Putsch").

The following action is needed from the EU, its member states, the U.S., and international financial institutions:

8. Coordinate aid policies on Macedonia to ensure that grants and loans are conditioned upon demonstrable progress in political and economic reform and on transparent and detailed budget.

The following action is needed from the European People's Party:

9. Send VMRO-DPMNE, as its associated member, a clear political message that authoritarian rule will not be tolerated and assist it in the implementation of the Przhino agreement.