

The former Yugoslav Republic of Macedonia in a state of uncertainty

SUMMARY

The former Yugoslav Republic of Macedonia is to hold preliminary parliamentary elections in December; these are long overdue and have been postponed twice. The country is going through an extended period of uncertainty, to which continued political instability, the migrant influx, backsliding in areas such as rule of law and media freedom, mistrust towards institutions and not least, a stalled EU accession process, have contributed substantially.

A wiretapping scandal in early 2015 pushed the country into possibly its worst crisis since the inter-ethnic clashes of 2001, and sparked numerous protests throughout 2015 and 2016. Public trust in the government eroded as the release of illegally recorded conversations exposed abuse in the form of corruption, voter fraud, suppression of free media and efforts to manipulate the judiciary. The resulting political insecurity reignited inter-ethnic tensions and affected the economy.

The EU stepped in as mediator, helping the main political parties reach an agreement and commit to reforms. Nevertheless, the agreement's slow implementation, the worsening rule of law and slack reforms have further compromised EU membership prospects, which had already been clouded by the long-running name dispute with Greece. Questions have also been raised about how efficient and sufficient the EU approach is with regard to both the country and the broader region. Once a frontrunner in the region's shared efforts to join the EU, FYR Macedonia now trails.

Elections are widely seen as a necessary first step out of the present unsustainable situation. Failure to establish a working government and parliament is expected to indefinitely prolong the crisis and bring further uncertainty.



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Prolonged political crisis: the context

In 2015, due to its position along a busy migrant route, and to a series of internal developments that hindered its democratisation process, FYR Macedonia was thrust into the spotlight of international attention. Ever since, it has been going through a deep political crisis that has discredited government institutions and instilled unpredictability. This situation has been detrimental to the country's international image, EU accession process and business attractiveness. In a 2015 [commentary](#), the Centre for European Policy Studies (CEPS) claimed it would be no exaggeration to describe the country's case as 'the most problematic and the most acute in the Balkan region'.



Political instability is no novelty for FYR Macedonia, given its deeply polarised political system. The opposition has boycotted the Parliament multiple times in recent years. For instance, in December 2012 opposition MPs and media were [ejected](#) from parliament for refusing to vote on the proposed government budget they claimed was profligate. In April 2014 the opposition rejected the election results and renewed its boycott. Since then, political confrontation has been [on the rise](#), reaching a peak in 2015, when a major wiretapping scandal rocked the country.

Illegal wiretaps revealed in February 2015

As mentioned above, the opposition has been staging a boycott since 2014, accusing the ruling Internal Macedonian Revolutionary Organisation–Democratic Party for Macedonian National Unity (VMRO-DPMNE) of holding the media, judiciary and other state institutions in its grip to stay in power. In February 2015, the conflict deteriorated when the opposition Social Democratic Union of Macedonia (SDSM) released recorded phone conversations, compromising prominent politicians and testifying to the '[state's effective takeover](#)' by the ruling party. Allegedly, [over 20 000 people](#) had been [listened to](#) illegally. The tapes suggested the involvement of Prime Minister Nikola Gruevski and other officials in electoral fraud, corruption, abuse of office and political tampering with the judiciary and the media, among others. The prime minister claimed the tapes had been 'fabricated' by unnamed foreign intelligence services and given to SDSM to destabilise the country. While their origin remains unconfirmed, the recorded voices are said to be 'clearly recognisable' and the authenticity of the conversations has not been denied. Accused of trying to 'overthrow the constitutional order', SDSM leader Zoran Zaev was placed under arrest but was released shortly thereafter. Several officials subsequently resigned and mass protests called on the prime minister to resign.

The Kumanovo incident: May 2015

In May 2015, the crisis was fuelled further by an incident in the town of Kumanovo, where a clash between the police and a group of persons they identified as 'Albanian terrorists' left victims on both sides. While the authorities claimed that the incident took place to prevent the alleged terrorists from carrying out terror attacks, sceptics suspected that it was a [ploy](#) used by the government

to shift public attention away from the wiretaps scandal. Some observers [feared](#) that the incident could rekindle inter-ethnic tension and even send ripples across the region. Since then, there have been anti- and pro-government protests and resignations by the interior and transport ministers and the chief of the secret police. Additionally, public discontent with poor economic conditions has [deepened](#) the growing antagonism among the main parties, and trade unions, NGOs, journalists and students have recently staged protests. Along with migration-related challenges, these factors have only contributed to the situation of instability.

The role of the EU: mediation and monitoring

For decades, the EU has provided FYR Macedonia with substantial support for its reforms, democratisation and Euro-Atlantic integration. Although the EU's transformative influence is undeniable, it has been criticised for having made the country ['wait at its gates'](#) for too long, thus gradually [losing leverage](#) over it.

Euro-Atlantic integration is a strategic priority for FYR Macedonia, but a series of external and internal factors have hindered progress towards it. In 2001, the country was the first among the Western Balkan countries to sign a stabilisation and association agreement with the EU. It has held EU candidate status the longest, since 2005. Despite this promising start, progress has stalled, to a great extent due to the name dispute with Greece. While [formally supporting](#) the country's accession process, Greece insists that the constitutional name – 'Republic of Macedonia' – infers a territorial claim on its northern province, which Skopje rejects. The first to recognise FYR Macedonia as an independent country, Bulgaria also supports its accession bid despite having vetoed the start of accession talks in 2012 due to disputes on history and culture. These external factors are coupled by internal ones, such as a lack of progress in rule of law and judicial reform. The country has the region's [worst media freedom record](#). The inherent political instability speaks of institutional weakness and fragile inter-ethnic relations. Since 2009, the Commission has issued successive recommendations for the start of accession talks that the Council has not endorsed. In a 2016 [resolution](#), the European Parliament underlined that a positive recommendation is now pending the implementation of the 2015 EU- brokered Pržino Agreement (see below), and on the holding of free and fair elections.

In 2015, the Commission set out an updated EU [enlargement strategy](#), in which it identified a set of 'fundamentals' forming the backbone of its enlargement policy, among them rule of law, fundamental rights, democratic institutions, public administration reform, economic development and competitiveness. The Commission's 2016 [Global Strategy](#) for foreign and security policy reconfirmed this approach. Now, the EU's [challenge](#) is to act consistently and demonstrate a long-term strategic approach by addressing the origins of detrimental developments. Particularly in the context of the current crisis, external voices have been warning the EU against giving up genuine democratisation for stability's sake.

In December 2012, the EU, represented by former Commissioner Štefan Füle and Members of the EP, helped the political parties reach a deal to end the [parliamentary crisis](#) and set up a committee of inquiry to streamline the work of the parliament. In 2015, the EU stepped in again to mediate the political dialogue. A team of senior rule-of-law experts led by former Commission Director Reinhard Priebe were asked to analyse the situation and make recommendations. Their findings fed into a list of ['urgent reform priorities'](#). Apart from that, Commissioner Johannes Hahn and a delegation of MEPs (Ivo Vajgl (ALDE, Slovenia), Richard Howitt (S&D, UK) and Eduard Kukan, (EPP, Slovakia), mediated the talks between the four main political parties, which ended with the ['Pržino Agreement'](#). Its implementation has become a cornerstone of progress, as confirmed in

the Commission's 2016 [report](#). Recently, Germany has appointed a [special envoy](#), Johannes Haindl, to facilitate the talks and step up pressure on the parties, alongside the EU and the USA.

The 'Priebe' report: June 2015

In June 2015, the senior experts' group appointed by the Commission published the ['Priebe' report](#), which acknowledged shortcomings in five main areas of concern: interception of communications; judiciary and prosecution services; external oversight by independent bodies; elections; and the media. The report identified a major gap between existing legislation and its implementation, deemed inefficient. It outlined a set of recommendations regarding state intelligence services, media and elections, which were not exhaustive and did not provide for any specific deadlines.

Urgent reform priorities for FYR Macedonia: June 2015

Based on the Priebe report, the Commission drew up a list of [urgent reform priorities](#) addressing systemic weaknesses concerning rule of law and fundamental rights, public administration, freedom of expression and electoral reform. The measures included depoliticising the appointment and promotion of judges, ensuring their professionalism and autonomy, and putting in place functioning judicial and parliamentary oversight of the interception of communications. The electoral reform was to be completed in line with OSCE/ODIHR and Venice Commission recommendations, inter alia, by auditing the voters' register for voter data accuracy. FYR Macedonia also had to ensure political independence of the public-service broadcaster, strict rules on government advertising in the media, access to information and a lower number of defamation cases. The EU was to monitor implementation in the framework of the [high-level accession dialogue](#) and through contacts with all relevant stakeholders.

The Pržino Agreement: June/July 2015

The EU-mediated dialogue resulted in the signing of the above-mentioned Pržino Agreement by the four main political parties, which committed to carrying forward the Euro-Atlantic process, adhering to democratic principles and ending the crisis. The parties agreed to establish a transitional period and hold early elections. A [protocol](#) followed in July, setting out precise steps and deadlines for remedying the situation. In practical terms, the opposition was to return to the parliament, stop releasing leaked recordings, hand them over to the public prosecutor and chair a dedicated committee to look into the wiretaps and the functioning of the state intelligence services. Opposition nominees were to take up ministerial posts in the Ministries of the Interior and Labour and Social Affairs, as well as deputy ministerial posts elsewhere, entitling them to veto and review all matters related to organising the elections scheduled for April 2016. The government was to resign 100 days before the elections, to be replaced with a transitional one whose sole task would be to organise early elections.

In line with the Commission-identified urgent reform priorities, the Pržino Agreement envisaged [cleaning the electoral roll](#), enacting media reforms aimed at achieving unbiased reporting, and removing political pressure on voters (by introducing changes to the electoral legislation and the State Electoral Commission). Last but not least, September 2015 was set as the deadline for appointing a new special prosecutor with full autonomy to investigate allegations related to the wiretaps. These steps provoked a mix of reactions. For instance, [local analysts](#) expressed hope that a transitional government might be a solution to the crisis, or might at least help restore the institutions' lost credibility. The [Balkan Fund](#) pointed out 'two major flaws' of Pržino: expecting a

compromised government to work ethically, that is, against its interest, and setting an election date without tying it to concrete results. Following Pržino, the EU's involvement has been [crucial](#) in ensuring the implementation of the agreed measures.

Post Pržino: implementing measures and subsequent developments

Despite the EU's mediation and the international community's overall support, resolving the crisis lies mainly in the hands of the four main political parties. Due to a lack of political will, some reforms have been either partially implemented or put on hold, and the ruling party and the opposition have accused each other of undermining the Pržino compromise. The power-sharing scheme and the fixed election date had an initial [calming effect](#) on the crisis. Some key requirements were met, at least formally: the opposition returned to parliament, no further wiretaps were released, and a special prosecutor was appointed. Furthermore, the opposition filled its allocated posts and a parliamentary committee on intercepted communication was set up. Last but not least, Nikola Gruevski resigned and was [replaced](#) by the ruling party's secretary-general, Emil Dimitriev. However, these steps did not bring sufficient progress and elections were twice put off.

Presidential pardon: exacerbating the crisis

In March 2016, amidst an ongoing investigation for electoral fraud, the Constitutional Court [decided](#) to restore President Ivanov's right to pardon people convicted of certain crimes. In April, he applied it by suspending legal proceedings against more than 50 senior officials implicated in the wiretaps scandal. This immediately [provoked](#) renewed protests, calls for impeachment and public [demands](#) under the hashtag #Protestiram, as well as another postponement of the elections. Faced by unequivocal international condemnation, the president [revoked](#) the controversial pardons in June 2016.

July 2016 Agreement

The inefficient implementation of the Pržino Agreement prompted the main parties to sign [another agreement](#) covering several key topics: the voters' roll, the media, an assessment of progress and the special prosecutor (see Table 1). On 31 August, the political parties assessed progress and chose a new election date; in September, they formed a new [transitional government](#).

Electoral and media reform

To carry out the electoral reform – a crucial precondition for holding early elections – the main parties set up a working group. In November 2015, the parliament adopted the Law on Amending and Supplementing the Electoral Code. Changes included introducing a procedure for maintaining, updating and deleting data from the voters' roll. New provisions gave the SEC sole responsibility for maintaining this list. In October 2016, the Venice Commission and the OSCE/ODIHR issued a [joint opinion](#) on these amendments, acknowledging that a number of previous recommendations had been [addressed](#), in particular regarding the principle of equal suffrage for out-of-country

Table 1: Envisaged measures, July 2016. Source: [EEAS](#).

Voters List	Amending the Electoral Code; SEC to adjust voters list according to findings
Media	Amending the AVMS law and Electoral Code and setting up an ad hoc body to monitor compliance with media provisions in the electoral code; amending the media legislation within six months after the elections; the opposition to appoint an editor-in-chief of the public service broadcaster (MRTV)
Assessment of progress	Setting the election date by 31 August 2016 and appointing an interim government 100 days ahead of elections; suspending the Law on Internal Affairs until 1 January 2017
Special Prosecutor	Aligning legislation on the special prosecutor with the future Constitutional Court decision
Reforms	Setting up a parliamentary working group with civil society and experts to monitor reform process

voting; SEC composition and competences; party- and campaign-finance reporting and auditing; and procedures to enhance electoral rolls' accuracy. However, it also admitted that some gaps and ambiguities remained. The Electoral Code was amended again in July 2016, and although further amendments are encouraged after the election, its current shape has been assessed as adequate for the conduct of democratic elections.

Media reforms

Fundamental media sector reform is a necessity in a country whose [World Press Freedom rankings](#) have recently dropped significantly. Following the Pržino Agreement, in March 2016 the opposition presented a [draft law](#) amending the Law on Audio and Audiovisual Media Services. Although several journalists' associations backed it, it was not approved in parliament. Balanced media coverage (or the lack thereof) and media ownership have been among the thorny issues needing addressed. A 2016 [report](#) by the [Institute for Communication Studies](#) claimed that most media in the country are under the ruling party's direct influence. As a remedy, the report proposes measures such as rendering the Agency for Audio and Audiovisual Media Services (AAVMS) politically neutral, relieving the public service broadcaster (MRTV) from political pressure, and ensuring a greater level of political pluralism among private broadcasters. It calls for urgent amendment of the Law on AAVMS as well as its consequent proper implementation.

As agreed, September 2016 saw the [appointment](#) of an editor-in-chief for the public-service broadcaster and the creation of an ad hoc body to monitor the media coverage of the election process. The amended Electoral Code ensures more balanced and fair media coverage and a strengthened media monitoring role of the AAVMS, and prohibits the media from financing political party campaigns. Despite these positive steps, more clarity on the requirements for neutral reporting during pre-campaign periods is needed. Concerns also remain over the public-service broadcaster's balance in reporting.

Special prosecutor

The appointment of a [special prosecutor](#) (SP), mandated to investigate allegations flowing from the wiretaps, was one of the priorities envisaged in the Pržino Agreement. Katica Janeva was appointed to the post in September 2015, as a [counterpart to the existing public prosecutor](#). Warding off domestic attacks against her turned out to be a major issue. Since then, the SP has encountered [serious obstacles](#) posed by the ruling party, the [Skopje Criminal Court](#) and the public prosecutor. Many of the SP's demands have been rejected, the media has accused Katica Janeva's office of working under opposition instructions, and the Constitutional Court has [questioned](#) the SP's legality. Despite the obstacles, the SP started a number of [high-profile investigations](#) (six officially launched [investigations](#), with more cases in the pre-investigation phase). In September 2016, the SP raised its [first indictments](#) in two cases linked to the wiretaps scandal. Among the cases under investigation are '[Fortress](#)', investigating the [destruction](#) of the equipment used for making the illegal wiretaps; '[Titanic](#)', looking into electoral fraud; and '[Torture](#)', investigating the use of torture against a former interior minister while under arrest. In October 2016, the SP launched an investigation to establish whether [government funds](#) earmarked for the 'Skopje 2014' construction project had been misappropriated.

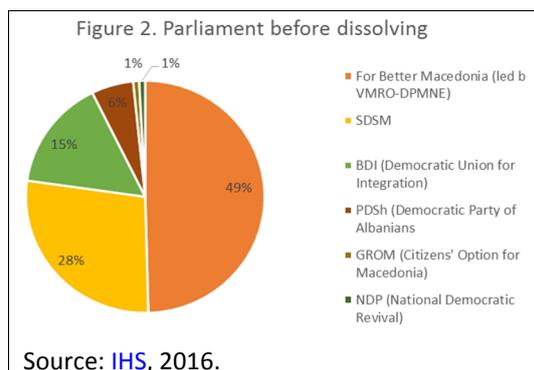
Forthcoming elections and main political parties

Early elections are expected to be a first step out of the current crisis, but organising them has proved difficult, as shown by the two postponements so far. In April, the opposition

requested more time for clearing the voter register. In June, it promised to boycott the elections over concerns about the legitimacy of the vote results, and the Constitutional Court declared the dissolution of the Parliament unconstitutional. In August 2016, a third election date (11 December) was [chosen](#), which was [officially announced](#) before the Parliament [dissolved](#) in October. The OSCE's large [observation mission](#) and the EU experts on the ground will monitor closely what promise to be hotly contested elections.

Main political parties

FYR Macedonia's [ethnic composition](#) (64 % Macedonians and 25 % Albanians being the largest groups) is reflected in its political system. Since 1991, Macedonians have prevailed in the administration. Albanian parties have participated in several governments, yet their claim to greater political presence led to violent clashes in 2001. The [Ohrid Framework Agreement](#) put an end to those and ensured extended use of the Albanian language, proportional representation, a rule for a double majority on minority issues, and decentralisation of the state. Since 1991, [four main political parties](#), divided along ethnic lines but united by [strong commitment](#) to Euro-Atlantic integration, have rotated in power. The Internal Macedonian Revolutionary Organisation–Democratic Party for Macedonian National Unity ([VMRO-DPMNE](#)), led by Nikola Gruevski, and the opposition Social Democratic Union of Macedonia ([SDSM](#)), led by Zoran Zaev, mainly represent the Macedonians. The main Albanian parties are the Democratic Union for Integration ([DUI](#)) and the Democratic Party of Albanians ([DPA](#)). A number of small ethnic parties represent other minorities, but have a limited role compared to the established model (Figure 2).



The ruling [centre-right VMRO-DPMNE](#), an associate member of the European People's Party, came to power in 1998 and has governed the country without a break since 2006. Its main priorities are fighting corruption, enacting ambitious economic reforms and attracting foreign investment. It has a nationalist stance and strongly affirms the national identity. Although perceived as deepening social antagonism through its

policies, the party has encouraged ethnic Macedonians to consolidate around it. As for the EU, the ruling party's increasingly authoritarian leadership, its meddling in the affairs of the independent media and its alleged uncompromising stance on the name dispute with Greece have been points of concern. On the other hand, its measures to improve the business environment (cutting red tape, introducing a flat-tax system, incentives for investors, and pro-market reforms) have been seen as positive.

Starting in 1991, the centre-left [SDSM](#), successor to the communist party and current associate of the Party of European Socialists, stayed in government for over a decade (except for 1998-2001). Since 2006, it has been in opposition. SDSM draws support mainly from ethnic Macedonians, but its attitude towards minorities is perceived as more [conciliatory](#) and more accommodating on the name issue. For the first time in the country's political history, the ethnic voting pattern is expected to [shift](#) in December 2016, with the SDSM claiming Albanian votes. The ongoing crisis has raised its popularity but has not helped it cast off the criticism it drew while in government.

[DUI](#) is the biggest Albanian party and a VMRO-DPMNE coalition partner since 2008. Created in 2002 by Ali Ahmeti, a former Albanian rebel leader, its main goal is to improve

the Albanian minority's rights and representation in the institutions. The second big Albanian party, the [DPA](#), created in 1997 by Menduh Thaçi, also works for the interests of ethnic Albanians and for the full implementation of the Ohrid Agreement. DUI has been in power longer and has been criticised for not having delivered on solving the issue of Albanian language use, but is still seen as the Albanian party with the highest support.

Outlook

For months, FYR Macedonia has been trapped in a complex, uncertain political situation with no parallel in recent years. Whether the elections will bring a lasting solution to the deadlock remains to be seen, but one thing is certain: the results will have a short-term impact on the political environment, which is likely to remain volatile. Apart from this imminent political choice, addressing the underlying causes of the crisis – abuse of power, widespread corruption, political influence over the judiciary and the media, to name a few – [remains on the table](#) in the long run. Currently, support for the special prosecutor and for giving civil society a bigger role can help restore trust in government institutions. Externally, the crisis is affecting what some observers define as a stalling EU accession process and can have a [potentially destabilising](#) effect on the region. Although the EU's credibility and public support for it [have diminished](#) in recent years, EU membership remains a priority. Challenges also remain: the name dispute with Greece, the EU's own internal troubles, and the perceived low priority given to enlargement, among others. EU accession negotiations have admittedly had a transformative effect, which prompts many observers to call for a more decisive, 'hands-on' EU approach to reforms in the country, including socioeconomic ones. The EU is urged to be more critical of developments that undermine its core values and principles, and to focus on longer-term democratisation reforms rather than on short-term stability.

Main references

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