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Macedonia and Its OSCE Mission 2004-2006: Between Ohrid and Accession¹

The seventeenth of December 2005 will go down as one more significant date in Macedonia's short history as an independent state. On this day, the European Council of EU Heads of State and Government endorsed the European Commission's recommendation, which had been made in November, that Macedonia be granted candidate status for accession to the EU. The Commission's recommendation described Macedonia as having "stable democratic institutions which function properly, respecting the limits of their competences and co-operating with each other".² The governing coalition of SDSM, LDP, DUI, and several parties representing the smaller minorities³ saw this as an acknowledgement of their reform efforts and announced that EU accession negotiations would begin in 2007.⁴

Macedonia had already submitted its application for EU membership in March 2004 and had completed the Commission's comprehensive questionnaire on how it would uphold the *acquis communautaire* by January 2005.⁵

Since the 2001 conflict, the country has developed rapidly, undergoing far-reaching transformations. The bulk of this process is based upon the Ohrid Framework Agreement of August 2001, which was negotiated with the mediation of the EU and the US and helped to end the conflict. The provisions of the Framework Agreement, translated into changes to constitutional and statute law, had all been implemented by the summer of 2005. The granting of official EU candidacy status hence coincided with the completion of the process of implementing the Ohrid Agreement – a process that had radically transformed the country in the previous four years.

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- 1 The opinions expressed in this contribution are entirely those of the author and do not represent the positions of the OSCE, the government of any participating State or the Mission.
 - 2 Commission of the European Communities, *Communication from the Commission, Commission Opinion on the application from the former Yugoslav Republic of Macedonia for membership of the European Union*, COM (2005) 562, Brussels, 9 November 2005, at: http://ec.europa.eu/comm/enlargement/report_2005/pdf/package_v/com_562_final_en_opinion_fyrom.pdf.
 - 3 The coalition that held power from 2002 until July 2006 consisted of the Social Democratic Union of Macedonia (SDSM), the Liberal Democratic Party (LDP), the ethnically Albanian Democratic Union for Integration (DUI), the Democratic Party of Turks (TDP), the Democratic Party of Serbs in Macedonia (DPSM), the Democratic League of Bosniaks (DLB), and the United Party of Roma in Macedonia (UPRM).
 - 4 Over 95 per cent of the population are in favour of rapid accession.
 - 5 In April 2001, Macedonia became the first country in the Balkans to sign a Stabilization and Association Agreement with the EU.

Completion of the Ohrid Agenda

One of the key provisions of the agreement, the decentralization process officially began in July 2005 with the transfer of wide-ranging competencies in areas including health, social issues, education, local economic development, and culture from central to local control. Local government was thus granted power in the above fields before it is granted financial autonomy, following a two-year probationary period, in July 2007. However, before this could happen, many obstacles needed to be overcome. A precondition for decentralization according to the Ohrid Agreement was a redrawing of administrative boundaries. However, the agreement contained no details of the criteria by which the boundaries were to be redrawn, which made a lengthy and contentious negotiating process inevitable. A normally rather bureaucratic process turned, as so often in Macedonia, into a political issue. In 2004, after sometimes heated discussions, the SDSM and DUI coalition partners agreed on a compromise,⁶ which many saw as a purely political solution. The critics' main argument was that the proposed solution only took account of the interests of the governing parties, treating objective criteria for the redistribution of territory as secondary matters. In fact, a large proportion of the ethnic Macedonian population, as well as many small minorities, such as Turks, Serbs and Bosniaks, felt that their interests had been sacrificed in favour of the Albanian population, in particular. As a result, the referendum against the territorial reorganization that was the brainchild of a Macedonian diaspora organization, the World Macedonian Congress, received the broad support of the Macedonian population. The necessary number of signatures was assembled very quickly. The country was split into two camps: While the governing parties defended the new arrangements and called for a boycott of the referendum, they were opposed by a broad coalition of those who supported the referendum, which gained the support of virtually all Macedonia's opposition parties, as well as prominent members of civil society and artists. This alliance even overcame serious splits within the largest opposition party, the VMRO-DPMNE⁷. This is discussed in more detail below.

As well as this political split within the ethnic Macedonian population, the planned referendum also revealed how unstable inter-ethnic relations were just three years after the conflict. The majority of Albanians believed that a successful referendum would illegitimately deprive them of the gains they had made in the Ohrid Agreement, while the deep fears long entertained by Macedonians of an ethnically divided country or even of the breakaway of the regions with an Albanian majority were given new life.

6 The compromise planned to reduce the number of municipalities from 124 to 84. The DUI had originally demanded a reduction to 34, which is how many there had been before 1996.

7 Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity.

Precisely these fears were reinforced shortly before the referendum, when an armed Albanian group occupied Kondovo, a suburb of Skopje, announcing that they were willing to use armed force to defend the right of the Albanian population if the referendum was passed.

When the referendum failed in November 2004,⁸ the obscure political motives of the group, which consisted of former UÇK/NLA fighters and members of various criminal organizations, became obsolete, and it became apparent that the group was more interested in an amnesty for its criminal activities. With the help of Albanian parties and representatives of the international community, an agreement on the cessation of violence and the relief of the siege of Kondovo was finally agreed in December 2004. This agreement also contained a provision that the leaders of the group would initially face no charges. Later, however, the leaders of the group declared that they were prepared to go on trial after the authorities had guaranteed that proceedings would be fair.

The ultimate failure of the referendum also had political consequences:⁹ the then Prime Minister, Hari Kostov,¹⁰ who had assumed office after his predecessor, Branko Crvenkovski, was elected President in April 2004, stepped down. According to the official version, this was a result of insurmountable differences of opinion with his Albanian coalition partner, the DUI. He was replaced by the newly installed SDSM leader, Defence Minister Vlado Bučkovski. At a long-postponed party conference, Bučkovski had won out over internal rivals such as Deputy Prime Minister Radmila Šekerinska and the co-founder of the party, Tito Petkovski. After eight months without a leader, the feeling had grown in the SDSM that it was time to tend more closely to the concerns of Macedonian voters and to take the blame for excessive concessions made to Albanian interests. To do this would require a strong prime minister who had the support of the party. At the same time, however, the election of Bučkovski as SDSM chairman intensified divisions within the party, as is discussed below.

The adoption of the Law on the Use of Flags and Symbols of Ethnic Communities in July 2005 marked the completion of the process of implementing the legislative changes arising from the Ohrid Agreement. The law granted national minorities in Macedonia the right to use symbols and flags that they consider to represent their group. Turks are thus permitted to fly the Turkish national flag and Albanians to display the double-headed eagle on a red background, the national flag of Albania. The use of the Albanian flag, in

8 The referendum failed, as fewer than the required 50 per cent of the electorate participated.

9 The fact that the USA recognized Macedonia under the name that was used in the constitution, "Republic of Macedonia", thus going against the internationally agreed designation of "former Yugoslav Republic of Macedonia" only a few days before the referendum, is seen by many as one of the main reasons for the referendum's failure; another was the considerable pressure brought by the government on the electorate to boycott the referendum.

10 Hari Kostov is officially unaffiliated to any party, but is close to the SDSM.

particular, had been a cause of conflict in the past, for instance, in Tetovo and Gostivar in 1997.¹¹ As well as the legal regulations relating to the use of ethnic symbols, the Albanian side had also demanded comprehensive legislative reform in relation to the use of the Albanian language at the national level. However, here the gulf between the governing parties was too wide to bridge and the international community, which had played a mediating role in all areas of the implementation of the Ohrid Agreement up to then, agreed that such a far-reaching reform was not in the spirit of the agreement and that the use of minority languages was already sufficiently covered by existing law.

The Problem of Democratic Elections – Victory at Any Price

The local elections that had originally been set for the autumn of 2004 had to be postponed until spring 2005 owing to the referendum and the delay in implementing the redrawing of administrative boundaries. Despite assurances from political leaders to the contrary, the – now almost traditional – irregularities appeared, as documented in the final report of the OSCE's Office for Democratic Institutions and Human Rights (ODIHR).¹²

In general, the individual ballots complied with the OSCE's criteria for free and democratic elections. Nevertheless, a range of obvious and grave irregularities were observed, once more in the districts well known for such problems: Party activists stuffed ballot boxes – sometimes under the eyes of local and international observers – or openly threatened voters or electoral officials at gunpoint, individuals voted on behalf of family members or absent neighbours, ballot papers were stolen or intentionally spoiled, signatures on electoral lists were forged, and women were stopped from voting, to name just some examples. In many places, verbal confrontations between party activists led to physical violence.

In the run-up to the elections, the EU, in particular, had pushed for a well-regulated process in line with international standards that would prove that Macedonia was ready to join the EU. For the most part, these calls were ignored.

In the ethnic Albanian camp, the result of the election was a large-scale redistribution of power towards the governing DUI. In all but two municipalities, they now provided the mayors and municipal council majorities in all the districts with an ethnic Albanian majority population.

11 In July 1997, a police operation against the use of the Albanian national flag – forbidden at the time – by the mayors of Tetovo and Gostivar, Alajdin Demiri and Ruzi Osmani, left two people dead and 25 injured.

12 OSCE Office for Democratic Institutions and Human Rights, *Former Yugoslav Republic of Macedonia, Municipal Elections, 13 and 27 March, and 10 April 2005, OSCE/ODIHR Election Observation Mission Final Report*, Warsaw, 8 June 2005, at: http://www.osce.org/documents/odihr/2005/06/15001_en.pdf.

The opposition Democratic Party of Albanians (DPA), which had provided the majority of mayors since 2000, found itself facing a far stronger DUI, as it already had in the parliamentary elections of 2002. Facing defeat, the DPA boycotted the run-off ballot, claiming this was motivated by concern for party members, who were at the mercy of the aggression of DUI activists. Although the phenomenon of clashes between supporters of the two parties was real, the threat of defeat appeared to be the real reason for the DPA candidates' withdrawal. Following the critical assessment of the first round of elections by the ODIHR election observation mission, claiming to be the victims of the opposition's aggression presented a face-saving way out.

Within the Macedonian camp, the two largest political groupings exchanged control of their former strongholds. Whereas the SDSM had previously provided the mayors of all Macedonia's larger cities and the VMRO-DPMNE had ruled in rural areas, this was now reversed. The power shift was most obvious in the capital, Skopje, where the candidate of the governing coalition and incumbent mayor, the Liberal Democrat Risto Penov, stood against the businessman and parliamentarian Trifun Kostovski. Kostovski originally entered parliament in 2002 on the list of the SDSM coalition. However, during the debate over the redrawing of administrative boundaries, he increasingly distanced himself from the official government line and came out in support of the referendum. Finally, he registered as an independent candidate for the Skopje mayoral election, thereby breaking definitively from the SDSM. Because of his popularity and reputation as a successful businessman who had made a considerable fortune in the few years since independence, establishing an image as the patron of several civil society initiatives in the process, he was, from the start, considered the candidate most likely to win. His prospects of victory were raised even higher when he received the support of a broad coalition of opposition parties that had formed to support the referendum. Kostovski won in the second ballot. He had held an unassailable lead in the first round, but the opposition refused to acknowledge his victory. Both rounds of voting were also marred by irregularities.

The ruling SDSM lost its lead in most of the large urban municipalities to the opposition and was only able to take advantage of the split between the VMRO-DPMNE and the VMRO-People's Party (VMRO-NP) in rural areas in the east of the country. Overall, however, the SDSM and its DUI partner won a majority of mayoral contests and thus declared itself the winner.

In the end, the two VMRO factions won almost the same number of votes, although the electoral system meant that the VMRO-DPMNE won more mayoral offices than the VMRO-NP.

The first reaction of virtually all parties focused on the results and not the means by which they were achieved. There was therefore great astonishment when ODIHR's and the Council of Europe's election monitoring mission announced that the elections generally complied with democratic standards, despite significant irregularities.

It took several weeks and considerable international criticism for the government to declare, in the summer of 2005, that it was prepared to undertake electoral law reform on the basis of the recommendations made by ODIHR. Given that the European Commission was soon to make its assessment of Macedonia's readiness to join the EU, the authorities could not ignore the criticism and needed to show initiative. The OSCE Mission to Skopje grasped this initiative and observed the reform process in an advisory capacity until the adoption of a unified electoral code in the spring of 2006.

The Party Landscape – Fragmentation on the One Side, Consolidation on the Other

The Macedonian party landscape, which had been split into two large blocks since independence, underwent major changes in the aftermath of the 2004 presidential elections. While the dominant position of the governing DUI was increasingly consolidated on the Albanian side, the two large Macedonian parties underwent internal splits.¹³

Not quite a year after the former Prime Minister Ljubco Georgievski had relinquished the leadership of the VMRO-DPMNE in favour of his then deputy, Nikola Gruevski, a disagreement over the party's presidential candidate led a wing of the party to split off. After several failed attempts to remove Gruevski from power, Georgievski founded the VMRO-NP. Making use of the new law that allowed them to freely choose their party, the majority of VMRO-DPMNE MPs shifted allegiance to the new party. The two parties then began a lively struggle over which would be the most important opposition party. Although the VMRO-DPMNE had only half as many MPs, it was still the opposition party with the largest membership. As a result of this internal power struggle, the opposition was mainly preoccupied with its own affairs and unable to fully play its role of challenging the government.

A few months before the founding of the VMRO-NP, Gruevski had already expelled two former VMRO-DPMNE Vice Presidents and Ministers, Marjan Gjorcev and Dosta Dimovska, from the party as a consequence of internal quarrels. Each of them later founded his own party. Gruevski effected a major reshuffle of personnel within the VMRO-DPMNE.

The governing coalition profited for a long time from the weakness of the opposition, which allowed the largest governing party, the SDSM, to wait eight months before appointing a new chairman, after the former party leader and Prime Minister, Branko Crvenkovski, had been appointed President. The internal power struggle over Crvenkovski's succession also left its mark on the SDSM. His defeat in the party leadership election and the disputes over the redrawing of administrative boundaries ultimately led the former parlia-

13 Since the decision of the Constitutional Court of 22 December 2004, parliamentarians no longer lose their seat on changing parties.

mentary speaker and SDSM co-founder, Tito Petkovski, to leave the party in the late summer of 2005 and found the New Social Democratic Party (NSDP). In explaining his decision, he stated that he could no longer support the official party line.

The smaller coalition partner, the Liberal Democrats, also suffered the loss of a key member. The former deputy speaker, Liljana Popovska, had fallen into disfavour within the party, as a result of her vehement and outspoken support for the referendum against the territorial reorganization, which placed her in conflict with the official party line. In the summer of 2005, she also left the party and founded her own Party for the Democratic Reconstruction of Macedonia (DOM). DOM's manifesto targeted the liberal middle classes in urban areas, as had the original programme of the LDP. Thanks to her prominent position in the Macedonian women's movement, Popovska was also able to gain the support of a number of representatives of the Union of Women's Organizations of Macedonia (UWOM) for her party.

In both of these cases, as with the splitting of the VMRO-DPMNE, the new party was founded to compete with its former parent party. Both the NSDP and the DOM made an effort to be seen as multi-ethnic parties by calling for all ethnic groups to work collectively for the economic and social progress of the country.

Some commentators on the political situation in Macedonia consider the splitting process as detailed above to be a democratic step on the road to greater pluralism, while others have argued that a fragmentation of the political scene would make the formation of stable governing coalitions more difficult. There is clearly something to be said for both arguments. However, in the 15 years since Macedonia became independent, there have been numerous splits and new parties founded without any noticeable weakening of the political system. At the same time, it is likely to remain the case that the only way to achieve the majority necessary to govern will be by means of a coalition of several parties.

After more than three years of existence, the ethnic Albanian DUI party, part of the governing coalition, held its first party conference in the autumn of 2005. There, Ali Ahmeti was confirmed as chairman by a nearly unanimous vote. The party had waited a long time to take this step, probably out of a fear of internal power struggles between the various wings. Although small differences of opinion remained, the DUI leadership nonetheless emerged from the party conference strengthened, having succeeded in balancing the interests of the party's factions. The new leadership consists of representatives of the various wings that had formerly commanded more loyalty than the party as a whole. Ali Ahmeti represents the diaspora faction, while his deputies, Teuta Arifi and Rafiz Haliti, represent the "political or intellectual wing" and the former UÇK/NLA commanders, respectively.

After failing to have the results of the local elections in Albanian municipalities annulled, the DUI's main competitor within the Albanian camp,

the DPA, withdrew from the parliament and, between May 2005 and January 2006, implemented a total boycott of all political institutions. While this earned the party criticism from across the board, it allowed the DPA, which had just lost two elections, to concentrate on internal consolidation, and it emerged from its nearly ten-month boycott of parliament stronger and invigorated with new personnel. In January 2006, Bardhyl Mahmuti, the former vice president of Hashim Thaci's Democratic Party of Kosovo (PDK), announced his desire to join the DPA with the aim of strengthening the party sufficiently by the summer of 2006 so that it would be capable of defeating the DUI, despite the latter's large lead in all opinion polls. The DPA did succeed in gaining strength by incorporating several smaller parties and individuals. Nevertheless, the DUI continued to enjoy a large lead in the polls thanks to its success in implementing the constitutional changes stemming from the Ohrid Framework Agreement. The DUI has certainly done more for the rights of the Albanian minority in Macedonia than any previous Albanian governing party. Furthermore, it had also understood the importance of integrating the "new" requirements of the Albanian population for economic prosperity and social security into its campaign, while the DPA continued to campaign in terms of the national interest.

Priorities in the Work of the OSCE Mission – Targeted Support for Good Governance

The work of the OSCE Mission continued within the areas laid down by the Ohrid Framework Agreement, although it was adapted in line with the changing situation in the country. In particular, rule of law and good governance in all its facets were expanded to become the main priorities of the Mission's work. In this area are included support for reform of the police and judiciary, the fight against organized crime, and electoral law reform, the establishment of an effective ombudsman institution, and decentralization. In general, the work of the Mission tended to shift from security-related activities to targeted support for the development of more democratic and efficient state structures in both central and local government.

It is precisely in the areas of judicial reform and the establishment of the ombudsman institution that some of the most noteworthy successes have been achieved. Amendments to the constitution and successive legal changes have created the conditions for the establishment of a more transparent, efficient, and independent judicial system. Targeted special training measures have also increased the proportion of minorities in the judiciary, thus moving a further step closer to fulfilling the requirements of the Ohrid Agreement. The establishment of regional ombudsman institutions was not only supported, the process was brought to a provisional conclusion, with the opening

of six regional offices in the autumn of 2005. The focus in this area will now be on capacity building.

In addition, the work performed by the Mission in collaboration with international partners encompasses training programmes for judges, prosecutors, and lawyers in selected key areas. The Mission is also expanding its support for Macedonian NGOs in monitoring trials, especially those related to organized crime.

In the area of police reform, the Mission was able to complete its training of over 1,000 recruits from ethnic minorities and will now concentrate on training higher ranks in international policing standards. Capacity building was also continued in the area of community policing and supported by means of regularly convening citizen advisory groups. The improved security situation allowed the citizen advisory groups to tackle specific issues or local peculiarities more comprehensively and to seek collective solutions. The Mission also played a leading role in training efforts connected with the transformation of the military border guard into a border police force.

With the withdrawal of Proxima, the EU's police mission, in December 2005, the EU's presence in police-related matters was reduced to a small police advisory team (EUPAT), consisting of 20 advisors from EU member states, which was intended to bridge the gap until the start of a large-scale twinning project on police reform in June 2006. The Mission should therefore continue to concentrate its policing-related activities on specialist areas not dealt with by the EU.

The majority of the newly elected mayors and municipal councils lack experience in local government. The Mission therefore worked with the Macedonian local authorities' association to develop a handbook outlining their new tasks. On account of their newly expanded range of competency, the new local authorities felt themselves confronted by an immense pressure of expectation.¹⁴ The Mission trained more than 1,000 local government employees in their new areas of responsibility. In the OSCE's priority area of inter-ethnic relations, the Mission helped formulate municipal statutes – particularly in areas with a multi-ethnic population – and supported the establishment of local committees for inter-ethnic co-operation. In those municipalities, in particular, where boundary changes have created new majorities or minorities, local-level inter-ethnic relations are an important factor for inner stability. The work of local gender committees has also been supported.

While the Mission's field offices in Tetovo and Kumanovo were mostly charged with implementing confidence-building measures in the aftermath of the crisis, their role has evolved as the security situation in Macedonia has changed. Today, mission members in the field support the reform efforts of all departments of the Mission headquarters, providing assistance and advising during the implementation of local projects. This modified division of

14 According to opinion polls, mayors are the most popular politicians in the country; cf. UNDP Early Warning Report, March 2006.

tasks has proved very successful in the last few years, particularly with regard to decentralization. Recurring calls for the closure of the field offices therefore do not do justice to the changed reality and the Mission's new *modus operandi*. Effective support for Macedonia's reform efforts should therefore be supported on all levels.

After the Macedonian government had decided to reform the electoral code, following the criticism of the 2005 local elections, the Mission supported the government in elaborating a unified electoral code. Several of ODIHR's recommendations were in fact incorporated into the new legislation. For instance, the influence of political parties, which had had a role alongside judges as members of the election commissions, was reduced. Election commissions are now staffed by civil servants. Furthermore, quotas were introduced for ethnic minorities, and the proportion of men and women in the election commissions and candidate lists was laid down.

ODIHR's final report on the 2005 local elections cited the parties' lack of political will to respect electoral laws and problems in implementation as the main reasons for the existence of irregularities. Following the adoption of the unified electoral code, therefore, the work of the Mission concentrated on the role of political parties in the implementation of democratic standards in elections. To this end, the Mission and its international partners organized a series of regional conferences in Macedonia's six electoral districts, which aimed to raise awareness of the parties' responsibility at all levels for the orderly running of elections. Discussions of election standards were also held with the involvement of national and international experts, and a dialogue was started on opportunities to improve elections.

2006 Parliamentary Election Campaign: "It's the Economy, Stupid!"

Parliamentary elections were held in Macedonia on 5 July 2006. The EU had declared the elections to be one of the key criteria for the Commission report due in the autumn on Macedonia's progress in fulfilling its accession criteria. A repeat of the events of previous elections could have significantly dampened Macedonia's prospects of a rapid start to accession negotiations. Although all parties had avowed their support for the democratic process, there was cause to be sceptical as to whether the political will to comply with international standards was present.

Within the Macedonian population, there had been a rapid change of mood and many voters were not willing to let the prospect of EU membership be spoiled once again by the short-term desires of individual politicians or parties to seek total victory at all cost. Fifteen years after independence and the introduction of democracy, many Macedonians believed that their country was at a crossroads.

On 5 July 2006, the voters were confronted with an unprecedented number of candidates and parties, many of whom were fighting for political survival or at least to retain their place in the top tier of national politics. Both the incumbent Prime Minister and his main challenger, Gruevski, were under pressure from their own parties and had to face challenges from members of the parties they had formerly belonged to. Both blocs had again joined up with several smaller parties and minority representatives in order to strengthen their positions and contain a broad spectrum of parties that represent a variety of ethnic groups and political ideologies. Neither of these phenomena are so unusual in a multi-ethnic country where the personalities of leaders has always played a greater role in a party than ideologies.

On the Albanian side, a hitherto unprecedented level of competitiveness between the two largest parties, the DUI and the DPA, had been achieved, and this manifested itself in a number of violent clashes between activists of both parties. While the DUI had enjoyed a significant lead over the DPA in all pre-election opinion polls, the latter managed to close the gap in home stretch. Thus both sides missed no opportunity to demonstrate that each possessed sufficient manpower to defend the desired result against irregularities committed by the other side – using force if necessary.

Election day proceeded without major irregularities, and the conduct of the polls was assessed by the ODIHR election observation mission as having largely met OSCE commitments for democratic elections. Nevertheless, violent incidents, especially between activists of the ethnic Albanian parties, negatively impacted on the overall assessment.¹⁵

The election results partially confirmed findings of previous opinion polls that had revealed a split regarding the popularity of the governing parties. While the DUI enjoyed a high level of support on the basis of its successes in implementing the constitutional amendments stemming from the Ohrid Framework Agreement and the restoration of basic security, the SDSM experienced a steady decline in popularity. Clearly, the SDSM did not manage to make political capital among the ethnic Macedonian population out of the implementation of the agreement. And the topic of security, which had long overshadowed the real needs of the population, faded into the background.¹⁶

The general dissatisfaction that the governing coalition had to struggle with was based rather on the ailing economy, shockingly high unemployment, and steadily deteriorating social conditions in which large sections of the population live. In recent years, the government had failed to achieve sig-

15 Cf. OSCE Office for Democratic Institutions and Human Rights, *Former Yugoslav Republic of Macedonia, Parliamentary Elections, 5 July 2006, OSCE/ODIHR Election Observation Mission Final Report*, Warsaw, 18 September 2006, at: http://www.osce.org/documents/odihr/2006/09/20610_en.pdf.

16 According to the UNDP Early Warning Report from March 2006, personal security now only played a role for two per cent of the population, taking a backseat to issues such as the economy, social issues, and fear of unemployment.

nificant results in these areas, nor had the public promises to attract major international investors to the country been fulfilled.¹⁷

Despite the opening of a one-stop shop for government services, which was launched with the promise to clean up the public sector and increase its efficiency, no improvement of note was achieved.

The example of the successfully completed privatization of the state energy company ESM¹⁸ in the spring of 2006, during which the media speculated for weeks on what proportion of the sale price had been paid to the governing parties and company directors, showed that it was not only in the public perception that corruption continued to overshadow all reform efforts, thereby not helping to create a climate conducive to inward investment.

For its part, the opposition had announced that it would make economic and social issues the centre of its election campaign. However, it had also failed to present concrete plans, although it has promised tax reductions and a reform of the health service – notably two issues that unite the various ethnic groups. This was virtually the first time since the 2001 crisis that common rather than divergent interests had been of importance. The ongoing negotiations on the status of Kosovo and the still open question of the demarcation of the border between Macedonia and Kosovo had a decisive impact on the political climate prior to the elections.

The New Government – Ready to Cope With The Challenges?

The parliamentary elections of 5 July brought to power the opposition coalition under the leadership of the VMRO-DPMNE and its leader Nikola Gruevski. However, the results turned out to be less clear than predicted in the opinion polls. One can reasonably claim that the factors described above constituted the main reasons for the victory of the VMRO-DPMNE over the SDSM in the ethnic Macedonian camp, although there is also a tradition in Macedonia to vote against an old government rather than for a new one.

In the ethnic Albanian camp, the DUI managed to score the expected victory, although this was also less decisive than the polls had projected.

Only a few days after the elections, the winning VMRO-DPMNE party announced its partners in a new government. To the surprise of many, their number did not include the DUI, the party that had won the majority of ethnic Albanian votes. Instead, the VMRO-DPMNE had asked its traditional partner, the DPA, to join the coalition as its ethnic Albanian partner, alongside the Liberals, the Socialists, the NSDP, the DOM, and several smaller parties. The DUI protested strongly and demanded that any government had to be

17 The barriers most often cited as putting off the potential investors that Macedonia requires urgently to boost its economy are the country's excessive bureaucracy and the large number of outstanding property questions. Corruption also continues to play a major role.

18 *Elektrostanstvo na Makedonija*.

composed of the major parties of both camps. Nevertheless, the formation of the government reflected the constitutional and legal principles that define Macedonia as a parliamentary and not a consensus democracy.

The new Prime Minister, Nikola Gruevski, assembled a cabinet whose ministers had little political experience. He thus created the image of a new and clean team, with an average age of barely 35 years, that could tackle the country's main problems with fresh enthusiasm and start working to fulfil the promises of the election campaign: economic recovery and prosperity as well as fight against corruption. All this, of course, was to take place within the framework of EU and NATO integration. The success of the new government will strongly depend on its capacity to meet the high expectations of a population whose priorities have changed and which will hardly grant it the usual hundred-day grace period.

Conclusion

Macedonia has succeeded in making progress in many areas of public life. This is demonstrated not least by the fact that, for the first time in many years, issues such as inter-ethnic relations and internal stability did not dominate campaigning. There is widespread support for rapid accession to the EU, transcending both political camps and ethnic divisions. However, Macedonia is faced with a growing reluctance to support further enlargement on the part of the public in many EU states, and the political leaderships of those states have declared the internal reform of EU institutions to be a priority ahead of further growth. In some areas, such as decentralization and minority issues, Macedonia is on track to meet the criteria for EU entry – and is even ahead of other countries in the region. A major hurdle that remains, however, is the absence of elections that fully meet international democratic standards, although improvements have been made. There also needs to be an enormous effort to reform the judiciary and to fight corruption and crime, as well as to improve the economic and social situation.

As Macedonia has travelled the path described above, the work of the OSCE Mission has evolved to accord with the new reality. This is why it is expressly recognized by the host country as a partner in the work of reform. This proves that an OSCE Mission that provides targeted and results-oriented support can still be of great benefit along the road that leads to EU accession.