Macedonia: a superficial democracy in the shadow of crises

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Until 2008, Macedonia was leading the process of EU and NATO integration, and (after Croatia) was the fastest-reforming Western Balkan country. However, since Macedonia’s negotiations on joining the EU and NATO were blocked, in connection with its dispute with Greece, the Macedonian government has moved away from a policy of reform towards reinforcing its autocratic system and consolidating society behind nationalist slogans. Also the EU, which had hitherto been the driving force behind the changes, has due to its internal crises been paying little attention to violations of democratic standards in the Republic of Macedonia, tensions in relations between the Slavic Macedonians and the Albanian minority (which make up over 25% of the population), and the country’s permanent political domestic crises.

In 2015 a wave of anti-government protests and the publication of recordings of phone taps testifying to the state’s effective takeover by the ruling VMRO-DPMNE party, as well as armed clashes between the police and a group of armed Albanians in Kumanovo, led to an escalation of the political crisis and mobilised the government’s opponents. Thanks to the mediation of the EU, an agreement was negotiated in July 2015 that was supposed to lead to the democratisation of the country. This compromise, however, was only a tactical manoeuvre which allowed the ruling camp to ease tensions. Moreover, the increase in importance of the Balkan migration route meant that Macedonia’s stability began to play an important role in reducing migratory pressures on the EU’s boundaries, and the Macedonian government has become an important partner for the EU in resolving the crisis. Consequently, the EU’s emphasis on democratising the system has definitely lessened. At the same time, high frustration and social polarisation, in conjunction with an undemocratic system, means that stability is very fragile, and periodic escalations in tensions can be expected.

Consolidation of the ruling camp

The political scene in the Republic of Macedonia is dominated by four political parties, each controlled by powerful party leaders who take the key decisions along with a narrow group of cronies. The parties are divided along ethnic lines, and focus on discrediting their competitors as being unable to defend the interests of their own ethnic groups. The right-wing 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), under Zoran Zaev, mainly represent Slavic Macedonians. The votes of the Albanian minority are primarily competed for by the Democratic Union for Integration (DUI) of Ali Ahmeti, and the Democratic Party of Albanians (DPA) led by Menduh Thaçi.

VMRO-DPMNE came to power in 2006, presenting itself as a party of young Western-educated technocrats. It campaigned under slogans of undertaking a radical fight against corruption,
and the need for sweeping economic reforms and attracting foreign investors, which was supposed to overcome the very high unemployment levels. The VMRO-DPMNE soundly defeated the SDSM party, which had held power almost continuously (except for 1998-2001) since Macedonia declared independence in 1991.

The first years of the rule of Nikola Gruevski, who was Prime Minister until January 2016, brought about an improvement in the economic situation, and Macedonia became a leading reformer, according to the Doing Business rankings, by introducing pro-business measures. Red tape was cut back, which reduced the cost of doing business; taxation was simplified by introducing a flat tax system; and a number of privileges and incentives for foreign investors were proposed. The processes of integration with NATO and the EU were also significantly accelerated; Macedonia was to have been invited to join NATO at the 2008 Bucharest Summit, and the European Commission recommended the opening of accession negotiations in 2009.

The blocking of the Euro-Atlantic integration process due to the dispute with Greece was the turning point for VMRO-DPMNE. The party began to move away from its agenda of modernisation, and replaced it with nationalist slogans and the consolidation of its autocratic methods of governance. People who questioned Gruevski’s leadership were excluded from the party; power in the state and the party was taken over by a narrow group linked to the Prime Minister (including family members), and Macedonia became internationally isolated, coming into conflict with all of its neighbours and the EU. By taking control of the media and state institutions, conducting an appropriate economic policy, and monitoring the voting process, VMRO-DPMNE has won all the elections since 2006. However, social tensions have risen, on both ethnic and economic grounds. Despite its consistent economic growth, Macedonia remains one of the poorest countries in Europe, and the lack of democratic mechanisms for resolving conflicts means that tensions can quickly escalate into violent demonstrations and clashes with the police.

The state in the service of the party

One of VMRO-DPMNE’s tools to consolidate power, as has also been noted in the EU’s reports, is the subordination of state institutions to the party’s interests. It fills available public positions with its own supporters, whose job is to issue favourable decisions and deliver a sufficient number of votes in elections. This applies to the administration, the police, the public prosecutor’s office and the judiciary, all of which are used to fight political opponents and anyone critical of the government. The scale to which state institutions have been subordinated to a narrow group centred around PM Gruevski was highlighted by recordings the opposition has issued since February 2015 of a series of phone calls between members of the government, senior government officials, journalists, opposition politicians, judges and prosecutors (over 20,000 people in total had their phones tapped during a period of several years). A report from the European Commission confirmed that only the Macedonian special services would have had the opportunity to eavesdrop on citizens on such a scale. The re-


2 The head of the Security and Counterintelligence Agency until 2015 was Sasho Miyalkov, a cousin of the Prime Minister.
cordings indicate that not only were the opposition and journalists placed under surveillance, but also members of the ruling party itself. The state institutions’ reaction to the phone-tapping scandal was typical; the public prosecutor’s office initiated an investigation into the matter, but only against opposition representatives, on charges of disclosing documents or committing espionage, rather than on the numerous irregularities relating to the phone tapping or the surveillance itself. The media have hardly reported on this scandal at all.

**Economic policy as a method of buying votes**

In the period 2006-2015, Macedonia grew at a good, medium-paced level of 2.9% per year\(^3\). The accumulated foreign investment totalled US$5.1 billion in 2014, which is comparable to countries such as Albania or Bosnia and Herzegovina (mainly thanks to the low cost of labour).

Macedonia used to be the poorest republic of the former Yugoslavia, a fact which still influences overall standards of living: despite its stable growth, it remains one of the poorest countries in Europe, with \textit{per capita} GDP in 2014 of 37% of the EU average, according to PPP\(^4\). The rate of unemployment is one of the highest in Europe, at 28%. Since 2009-2010 economic growth has been stimulated above all by public sector investment and an increase in domestic demand, which has been achieved thanks to increases in pensions and subsidies, as well as in wages and employment in the public sector. These expenses are linked to the dynamic rise in public debt, from 24.1% of GDP in 2010 to 38.2% in 2015.

Meanwhile the private sector is underdeveloped, and often depends on the support of the government (monopolies) or government contracts. The size of hidden economy is estimated at between 24 and 47% of its GDP\(^5\). Tax avoidance by companies belonging to persons associated with the ruling elite is common\(^6\), often in exchange for their financial support of the government. Businessmen are also forced to finance investment supported by the government (such as churches), and there is no legal protection for private property and business activity (except for foreign companies, which are important for exports).

The rise in employment in the public sector has reduced unemployment, while at the same time the party has gained an instrument to wield significant influence on society by deciding whom to allot vacant posts to. According to official data, of over 690,000 employed people, 126,000 (18%) work in the state administration. This number seems to be a significant underestimate (for example, some people working on civil law contracts are not taken into account in the statistics), and the actual number of persons working in the administration may even exceed 40% of the total number in work\(^7\) (the average for OECD countries, together with employees of state enterprises, is 21%). Thousands of people work in businesses owned by oligarchs linked to the government. Another important way in which VMRO-DPMNE has built up its popularity is the system of subsidies.

\(^3\) For comparison, in this period Albania posted growth of 3.8%, and Serbia 1.8%.
\(^4\) Data from Eurostat in 2014.
\(^6\) \textit{Ibid.}, p. 61.
for agriculture introduced in 2007; these had previously been merely symbolic, but in 2015 they amounted to €150 million. These have not produced a significant increase in agricultural production; they are only social transfers and a tool to build up support among the electorate. Furthermore, the investment projects are actually being implemented just to achieve short-term objectives (increasing employment, rewarding favourably-inclined businessmen) rather than to lay the foundations for long-term growth, including the development of innovative sectors of the economy. One example is the flagship Skopje 2014 project (estimated to cost around €634 million), which has been carried out since 2010, mainly in the centre of the capital. In comparison, for the road investment in the period 2006-2015 it was allocated a total of €166 million. Meanwhile, the insufficient development of road infrastructure, just like the energy grid and the railways, constitutes a major barrier to further growth.

Media subjugated to the government

The fundamental reform of the media sector is one of the main conditions for holding democratic elections in the Republic of Macedonia, which in just four years has dropped 84 places in the World Press Freedom rankings, coming 123rd in 2014. Reports from both the OSCE and the EU refer to the significant influence of the ruling elites on the Macedonian media, which are mostly owned by people closely connected to the ruling camp; in addition, the government earmarks around 1% of GDP on campaigns in the media which support it. All four main Macedonian newspapers, as well as the most popular TV channels (TV Sitel, Kanal 5, Alpha, and the Albanian-language Alsat-M) are owned by businessmen linked to VMRO-DPMNE.

The media sector is controlled by people close to the governing elites, and journalists critical of the Government are also the targets of active hostility.

Media and journalists critical of the government are not only deprived of advertising contracts from the government, the public sector and businesses related to the ruling camp, but are also the targets of active hostility. The government uses administrative and penal-fiscal means to this end. In 2011, three newspapers (the daily Vreme, the tabloid Shpits, the Albanian-language Koha e Re) and the most popular TV station in the country, A1, were closed, which belong to the Plus Produkcja media company owned by Velija Ramkovski, who was arrested in connection with accusations of tax offences and money laundering. A similar scenario was applied in the case of the Telma TV station, which first was subjected to significant fines, and then in August 2015 its owners were arrested. Another tool for putting pressure on the media is the use of trials targeted directly at journalists, who have been sentenced to heavy fines and jail time. There have also been attempts at intimidation and beatings. Consequently, critical information about the government’s activities is only available to a narrow group of people, and most of the public only hear pro-government propaganda.

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8 For example, contracts constituting 33.1% of the Skopje 2014’s entire value went to the DG Beton Skopje company, whose owner Mincho Yordanov also has a stake in the newspaper Nova Makedoniya.

9 The costs of the project during its implementation have risen eightfold to €634 million, which represents around 22% of total annual budget expenditure. Detailed information about the project and its financing is available at http://skopje2014.prisma.birn.eu.com/en

10 In Macedonia is invested in road and rail infrastructure as never before, http://kurir.mk/en/?p=49143


The national revival programme

An important aspect of VMRO-DPMNE’s policy of the consolidation of power is its appeal to nationalist ideology and strengthening the Macedonian national identity, constructed on the basis of ancient tradition (Alexander the Great) and Orthodox culture, but in opposition to that of the neighbouring countries (Greece, Bulgaria and Serbia). The policy of strengthening Macedonian identity is addressed exclusively to Slavic Macedonians, who make up around 60% of the population, and disregards the heritage and traditions of the national minorities, the largest of which is the ethnic Albanians.

This policy deepens social antagonisms, but allows the ethnic Macedonians to consolidate around the ruling party, while strengthening their sense of threat by neighbouring states and minorities. Such rhetoric is deployed especially before the elections, and is accompanied by actions intended to deliberately provoke the minorities to radical actions, in order to distract from the failures of the government’s policy and discredit its political opponents, particularly the SDSM, who have been described as ‘traitors to the nation’ due to their less confrontational rhetoric in relation to Greece and the minorities. These measures are accepted by the ruling party’s Albanian coalition partner, which in exchange for admission to the government is supposed to keep the tension among Albanians at a level which does not threaten the stability of the state.

Domestically, a key manifestation of this policy is the above-mentioned Skopje 2014 project, which involves the construction of more than 150 buildings and monuments highlighting the ancient roots of the Macedonians, their medieval history and their Orthodox heritage. The project has been accompanied by educational and cultural programmes. Protests by the Albanian minority have led to the inclusion in the project of three memorials commemorating important personalities of Albanian origin, but these have not yet been built. In terms of foreign policy, this attitude is expressed mainly in the government’s uncompromising position in its negotiations with Greece, as well as disputes in the interpretation of the history with Bulgaria, and to a lesser extent with Serbia. Most recently, tensions have also arisen more frequently in relations with Albania and Kosovo in connection with the VMRO-DPMNE policy towards ethnic Albanians.

Albanians form a parallel society

Since its declaration of independence, Macedonia has been constructed as a state for Slav Macedonians, who predominated in the administration and the state’s security sector. The fact that Albanian parties have participated in government coalitions had not led to any improvement in the minority’s position in the country, which resulted in the clashes between Albanian guerrillas (the National Liberation Army or UÇK) and the army and police in 2001. EU and US mediation prevented the escalation of violence.

13 One example of such activities is a matter of the murder of five ethnic Macedonians in 2012 and the investigation and trial in this case, code-named ‘Monster’, which caused a number of protests by ethnic Albanians until the verdict. Statements by the Interior Minister, who had already accused radical Islamists of this crime at an early stage of the investigation, stoked the civic tensions and the subsequent ethnic minority protests. The trial of the six Albanians was not transparent, which further strengthened their suspicions that there was insufficient evidence of the accused parties’ guilt.

14 The preamble to the 1991 Constitution of the Republic of Macedonia was significant, as it stated that Macedonia was the state of the Macedonian people, who guarantee equal rights for minorities; compare the Communist version, which stated that Macedonia is a republic of Macedonians, Albanians, Turks, Roma, etc.
of the crisis and led to the signing of the Ohrid Agreement in 2001, which guaranteed a number of rights to the Albanian minority. These included the extension of the use of the Albanian language in government and education (including the opening of a university), proportional representation in administration, the requirement of a double majority on issues important to minorities, and the decentralisation of the state. The agreement was broadly accepted by the ethnic Albanians (90% fully or partially endorsed it), but it was and continues to be challenged by the Macedonians (55% do not support the agreement, in whole or in part)\textsuperscript{15}.

\textbf{VMRO-DPMNE’s strategy of excluding the Albanians increasingly prevents them from identifying with the common state or its foreign policy.}

The Ohrid Agreement was supposed to guarantee the construction of a multi-ethnic state, but it has in fact become the basis for the construction of two parallel societies, each with their own institutions, political parties, media and separate education systems. The VMRO-DPMNE’s methods of consolidating power at the level of the entire state have been copied by its coalition partner, the DUI, with regard to the Albanian minority. This party, which has its roots in the \textit{UÇK}, owes its position to the assignment of administrative posts reserved for minorities, control of the Albanian-language media, and its networks of clients. Officially the party declares itself to be the defender of Albanian interests, but in practice it draws tangible benefits from its joint rule of the state, and accepts the anti-Albanian rhetoric of its coalition partner. Both the ruling parties use the same methods – exploiting mutual concerns and fomenting ethnic stereotypes – to consolidate their electorates. Tensions are also deepened by VMRO-DPMNE’s rhetoric of fighting against radical Islam, for which it blames the Muslim Albanian minority, and which it uses to justify police actions against them. This also legitimises its authority on the international stage as an ally in the fight against terrorism. In this regard, the government’s policy actually contributes to radicalising the minorities, and the measures it takes serve more to consolidate public support than to combat real threats. VMRO-DPMNE’s strategy of excluding the Albanians increasingly prevents them from identifying with the common state or its foreign policy (the Albanians favour rapid integration with the EU and NATO, even at the expense of a change to the name of the state, which the majority of Macedonians reject). The policy of the government in Skopje, which the Albanians do not trust, means that minor incidents can easily grow into mass demonstrations. The Albanian minority is not currently ready to undertake military action against the government, but the leader of the DUI is finding it harder to control the mood, and his leadership has been challenged, which has been shown by divisions within the party and a number of incidents targeting its representatives (beatings and even murders).

\textbf{Weak opposition}

For the majority of society, the main problems are economic issues: unemployment, poverty and low salaries\textsuperscript{16}. Most of the public has no confidence in the state institutions (66% do not trust the judicial system, and 64% distrust the government)\textsuperscript{17}. However, this social frustration

\textsuperscript{15} According to a study from 2003 by R. Peshkopi, Conditioning Democratisation: Institutional Reforms and EU Membership Conditionality in Macedonia and Albania, London 2014, p. 71.


\textsuperscript{17} Ibid.
has not translated into support for the opposition. This is due not only to the autocratic system and the intimidation of the population (81% of Macedonians are afraid of the consequences of expressing their own opinion\textsuperscript{18}), but also to the lack of credibility of the opposition, and in particular the SDSM, which during its time in government laid the foundations for the present system based on corruption and nepotism. In this party, as in the ruling party, the elites have rarely been replaced, and the government of its long-time leader from Branko Crvenkovski (1992-1998), were linked to an opaque privatisation process and led to the emergence of the group of oligarchs which controled the state\textsuperscript{19}.

Zoran Zaev, a young local activist who has been the party’s leader since 2013, has proved unable to provide an attractive alternative to the current elite. The opposition has limited itself to boycotting parliament in order to push for early elections. Both the phone-tapping scandal, preceded by a backstage blackmail of the government, and the leaks about the contents of recordings which have not yet been published, indicate that Zaev has been more interested in taking a share of power than democratising the system. For this reason, the SDSM has been unable to create a protest movement along with civil organisations. Concern that the opposition will apply the same methods of the governance when it wins as the ruling party does now has also consolidated the beneficiaries of the current system. Macedonian society is also characterised by a high degree of acceptance of strong leadership, as well as a lack of ingrained democratic mechanisms. The most active people choose to emigrate; according to Gallup’s estimates over 300,000 people\textsuperscript{20} (15% of the population) have left Macedonia.

### The migration crisis breaks through Macedonia’s isolation

There is a consensus among Macedonia’s political elite that membership in Euro-Atlantic structures remains the country’s strategic goal, and that a pro-Western orientation is the cornerstone of foreign policy. At the same time, however, there is a perception among the Macedonian people, fuelled by the party in power, that the West, and above all the EU, have repeatedly betrayed Macedonia: first, when the EU did not recognise the country’s independence in 1991 because of the dispute with Greece; secondly in 2001, when the EU forced the political elites to conclude the controversial agreement with the Albanian minority in Ohrid; and thirdly in 2008, when it allowed Greece to block Macedonia’s membership in NATO and the EU, despite favourable decisions by international tribunals\textsuperscript{21}. In addition, the states which are seen as posing a threat to Macedonian sovereignty and national identity – Greece and Bulgaria – are members of both the EU and NATO. This tension is regularly exploited in VMRO-DPMNE’s rhetoric, and means that European integration is increasingly linked to an abdication of national identity. Consequently, although support for European integration is very high in Macedonia, only 26% of the population supports accession to the EU unconditionally (particularly the Albanian population), and 63% support it

\textsuperscript{18} H. Grabbe, The deep roots of Macedonia’s current turmoil – and the way forward, https://www.opendemocracy.net/can-europe-make-it/heather-grabbe’s/deep-roots-of-Macedonia’s-current-turmoil-% E2% 80% 93-and-way-forward

\textsuperscript{19} Macedonia’s Public Secret: How Corruption Drags the Country Down, www.crisisgroup.org/~/media/Files/europe/Macedonia%2015.pdf

\textsuperscript{20} Grabbe, op.cit.

\textsuperscript{21} In 2011, the International Court of Justice found that Greece’s opposition to the Republic of Macedonia’s application to join NATO in 2008 had violated an agreement between those two countries in 1995.
only if membership not be associated with the need to change the name of the state. Moreover, 59% of the population consider that the lack of progress in the negotiations is due to their blocking by Greece, and 51% think that Macedonia is ready for membership. This situation is very favourable to the ruling party, because it means that VMRO-DPMNE does not have to implement the reforms required by the EU, which would affect the power system and the position of the ruling camp in Macedonia.

The EU's policy towards the crisis in Macedonia has undermined the credibility of Brussels as an actor which attaches great importance to compliance with democratic standards.

A turning point has arrived with the migration crisis. As Macedonia drowns in internal disputes, it has become a major transit country for migrants trying to reach Western Europe, primarily Germany, from Greece via the Balkans. Greece’s policy of sending the migrants on to neighbouring states has led to Macedonia, which is not a member of the EU, becoming an important partner in efforts to block the influx of migrants into the EU. This has strengthened the ruling elite’s position and discouraged support for democratic experiments, as the process of democratic transformation may be accompanied by a weakening of state institutions and the escalation of internal tensions, which would reduce Macedonia’s ability to protect the border.

A missed opportunity for democratisation

In 2015, after Macedonia was swept by a wave of demonstrations by various social groups, and bloody clashes broke out in Kumanovo, the so-called Przhino agreement was signed, under pressure from the EU. This was intended to weaken the ruling party’s influence over the state institutions and create conditions to hold genuinely democratic elections, which were scheduled for 24 April 2016. The SDSM have returned to parliament, its representatives should have been included in the government, and Nikola Gruevski was to have resigned 100 days before the elections. Moreover, the Special Prosecutor was supposed to have investigated the irregularities revealed in the overheard recordings.

These conditions were in fact met, but in fact VMRO-DPMNE, with its network of loyal supporters, was able to prevent the actions intended to weaken its influence and to block the implementation of the settlement. The media laws have not been changed, nor has the voter list been verified in accordance with the recommendations by the OSCE. The media still clearly favour the ruling party, and the unreliable list of voters makes electoral fraud easy. The negotiations with the opposition, the government’s agreement to early elections, and the resignation of three of the most controversial ministers have allowed VMRO-DPMNE to calm social discontent, discourage further protests and demobilise supporters of a change of government. According to polls conducted at the turn of February, which give it 25% of the vote, the government has succeeded; only 13% of those surveyed would vote for the SDSM. At the same time, over 50% of the population refuses to declare its political preferences. VMRO-DPMNE is determined to confirm its dominance in the upcoming elections. Only by

22 From the name of the street where the EU delegation was staying. The agreement was concluded on 2 June, and was modified on 15 July 2015; Agreement in Skopje to overcome political crisis, https://ec.europa.eu/commission/2014-2019/hahn/announcements/agreement-skopje-overcome-political-crisis_en
23 Although the population of the Republic of Macedonia stands at 2,065,000, the register of voters contains up to 1,780,000, including many people resident at the same address, which suggests that there are many so-called ‘dead souls’ on the electoral rolls.
24 The DUI enjoys the support of 8.5% of the electorate, and the DPA 3.4%.
maintaining the status quo will it ensure its impunity and keep the ruling elites in power, even at the cost of – in their opinion – a temporary risk to the stability of the state which could be posed by reignited ethnic tensions. In February, the EU and the US demanded that the elections be postponed to 5 June this year, arguing that more time is needed to ensure democratic standards. This will only prolong the period of uncertainty, because the West is not interested in making an active and long-term commitment to the transformation of Macedonia, and the migration crisis has definitely weakened the pressure on the Skopje government to meet the conditions for democratising the system. The EU’s policy towards the crisis in Macedonia has undermined the credibility of Brussels as an actor which attaches great importance to compliance with long-term stability and democratic standards. Instead of a comprehensive solution to Macedonia’s problems, which would also involve negotiations with Greece and unblocking the process of EU integration, Brussels’ representatives have worked towards arranging a rapid agreement, the implementation of which has been questionable from the beginning, and where the chances of democratising the political system are not great. In addition, the EU’s cooperation with the government in Skopje on the migration question would legitimise the undemocratic VMRO-DPMNE government, thus weakening the position of the opposition and civil society. Macedonia’s structural problems will be further deepened, and social and ethnic tensions will continue to pose a threat to the stability of the state.