Macedonia

by Jovan Bliznakovski

Capital: Skopje
Population: 2.1 million
GNI/capita, PPP: US$13,700

Source: World Bank World Development Indicators.

Nations in Transit Ratings and Averaged Scores

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NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. If consensus cannot be reached, Freedom House is responsible for the final ratings. The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year. The opinions expressed in this report are those of the author(s).
EXECUTIVE SUMMARY

Following the revelation of the “Wiretapping Affair” in 2015 and subsequent political agreement in June and July of that year, Macedonia found itself at a crossroads in 2016. On the one hand, the country was on the verge of proclaiming impunity for all of the alleged wrongdoings revealed in the wiretaps, while on the other hand, newly introduced checks and balances within the executive branch and the judicial system started to show some results. Political polarization between the government and the opposition became more pronounced as the ruling political elite struggled to remain in power.

Elections were postponed twice during the year before finally being held on 11 December. (The polls were almost held in May with only one list of candidates, belonging to the ruling Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity, or VMRO-DPMNE, and its allies.) A new protocol to the June/July 2015 political agreement, struck in July 2016, made competitive elections possible due to provisions relating to the revision of the electoral roll and balanced media reporting during election cycles. The actions of the ruling party and overall political climate prevented implementation of the Urgent Democratic Priorities commissioned by the European Union (EU). Instead, negotiations between the government and the opposition focused on immediate reforms needed to ensure credible elections. Substantial reforms are still needed to steer the country back onto the path to democratization.

The incumbent VMRO-DPMNE party won 51 seats in the 120-seat parliament in the December elections, while the opposition Social Democratic Union of Macedonia (SDSM) won 49 seats. Parties representing Macedonia’s Albanian minority took the remaining seats: the Democratic Union for Integration (DUI) won 10 seats, while the newly formed Besa and Alliance for Albanians won 5 and 3 seats, respectively, and the Democratic Party of Albanians (DPA) took 2 seats. Even though the ruling coalition—VMRO-DPMNE and DUI—managed to obtain the most seats within their ethnic blocs, their political influence waned between election cycles. The tight results between VMRO-DPMNE and SDSM, and the fragmentation of votes among minority Albanian parties, foreshadowed great uncertainty over a quick resolution to the ongoing political crisis or the ability of either major party to form a stable new coalition government. International observers noted persistent irregularities in the conduct of the elections.

The year was marked by dysfunctional governance. In January, longtime VMRO-DPMNE prime minister Nikola Gruevski—considered by many to be the main cause of the political crisis—tendered his resignation. This paved the way for a technical pre-election government, which governed until the December polls. The work of the interim government was marred by controversies. The June/July 2015 political agreement stipulated that ministries would be shared between VMRO-DPMNE and DUI; this created public confusion and contributed to the ineffective functioning of various sectors of government. Gruevski remained a crucial figure in Macedonian politics as the ruling party escalated its hostility toward the opposition, civil society, and the international community.

In April, President Gjorge Ivanov pardoned 56 individuals, mainly VMRO-DPMNE and SDSM politicians and their collaborators, in connection to allegations raised by the Wiretapping Affair. The Constitutional Court had previously declared that selected articles of the Law on Pardons, which restricted the presidential prerogative to issue pardons, were unconstitutional. This ruling created a legal vacuum, allowing President Ivanov to pardon those implicated in the scandal.

In response to the presidential pardons, civil society widely mobilized in protest across the country, confirming its rising role in helping to resolve the political and constitutional crises. The protest became known internationally as the “Colorful Revolution,” due to the protesters’ tactic of colorfully painting public buildings across the country. Daily protests demanded that political elites face criminal responsibility for their alleged wrongdoings and were organized from April to July in Skopje and other cities. While the swift reaction by civil society and the international community significantly contributed to the revocation of the presidential pardons in June, the climate for civic engagement worsened in 2016 as civil society remained excluded from policymaking and the political process, and subject to verbal
attacks from VMRO-DPMNE officials and progovernment media as well as surprised auditing from the financial authorities.

The work of the Special Public Prosecutor’s Office (SJO) in 2016 was actively hindered by the alleged failure of other judicial organs, especially the relevant courts, to sufficiently cooperate with the new body. While the SJO’s investigations created tangible pressure on the political elite—it successfully raised its first indictments in September and is considered one of the most trusted judicial institutions in the country—it remains to be seen whether its work will result in accountability under the law.

Corruption remains widespread in Macedonia on both the national and local level. Several high-profile cases, including the so-called Vault, Target, and Transporter investigations, illustrated the pervasiveness of corruption across all levels of Macedonian political life and implicated a number of prominent political figures, including former prime minister Gruevski and his cousin, the former chief of counterintelligence service Sasho Mijalkov.

The media environment continued to stagnate until amendments to the Electoral Code in July created greater opportunities to control and sanction biased media reporting, specifically from progovernment outlets. However, there is little evidence that these reforms have significantly changed the media climate in Macedonia, as they are limited to reporting carried out before and during election cycles. The state continues to exercise control over the media, impeding the country’s democratic path.

Macedonia remains an EU and NATO candidate but has been unable to open formal membership negotiations with the EU or join NATO due to the long-standing dispute with neighboring Greece over the historical and territorial implications of the name Macedonia.

Score Changes:

- **National Democratic Governance rating declined from 4.75 to 5.00** due to the further escalation of the political crisis caused by the presidential pardons, lack of political dialogue, and controversial and conflictual functioning of national political institutions.
- **Electoral Process rating declined from 3.75 to 4.00** as a result of the serial rescheduling of the general elections and persistence of electoral irregularities despite the legislative modifications and actions stipulated by the July 2016 political agreement.
- **Judicial Framework and Independence rating declined from 4.50 at 4.75** due to increased political influence over the judiciary as illustrated by the obstacles to the work of the Special Public Prosecutor’s Office.
- **Corruption rating declined from 4.50 to 4.75** due to the persistence of impunity in cases of high-level corruption, revealed to be more prevalent than previously thought.

As a result, Macedonia’s Democracy Score declined to 4.43.

**Outlook for 2017:** Macedonia’s further democratization and path towards EU integration will depend on the country’s ability to implement systemic reforms to pressing problems. For this to happen, the country needs to establish a stable, reform-oriented government. The December election results show that this will be a complicated task. The work of the SJO, until now still burdened with obstructions by political centers of power, will be very important for reinstating rule of law and reinvigorating the fight against corruption. Much will also depend on the ability to implement substantial reforms related to media independence. Civil society, revitalized by the Colorful Revolution, could play a constructive role if provided the space for action. Local elections were expected for the first half of 2017, but could be delayed due to political uncertainty following the general election in December.
The populist, conservative Internal Macedonian Revolutionary Organization–Democratic Party for Macedonian National Unity (VMRO-DPMNE) broadly undermined democracy and rule of law in 2016, leading the European Commission to dub the ruling party’s style of governance “state capture.” This was paralleled by a long-running standoff between the VMRO-DPMNE-led government and the Social Democratic Union of Macedonia (SDSM) opposition, as well as strong political polarization within institutions and society. The actions of the ruling party, coupled with the overall political climate, significantly affected the functioning of institutions and complemented persistent deficiencies in the political system’s division of power. Extensive negotiations between the four main political parties on reforms to the electoral process and media policies finally allowed the long-awaited elections envisaged in the June/July 2015 political agreement. The inter-party negotiations had broken down in March and were not officially resumed until July, when the parties agreed to a new protocol to the original agreement.

As a condition of the June/July 2015 agreement, Prime Minister Nikola Gruevski, from VMRO-DPMNE, tendered his resignation in January following 10 years at the helm. His successor, Emil Dimitriev, general secretary of VMRO-DPMNE, oversaw the transitional government tasked with guaranteeing free and credible elections by the 2015 agreement. The transitional government consisted of VMRO-DPMNE, the oppositional SDSM, and the ethnic-Albanian Democratic Union for Integration (DUI), a complex arrangement that involved shared management of some ministries between VMRO-DPMNE and SDSM. This cohabitation by the two major parties often resulted in internal conflicts, including within the Ministries of Internal Affairs, Labor and Social Policy, and Finance, which were plagued by conflicting directives, mass layoffs, and allegations of procedural breaches.

Gruevski’s formal resignation as prime minister did not prevent him from steering the actions of the government and ruling political party from behind the scenes. During the year, VMRO-DPMNE escalated hostilities towards the opposition, the international community, civil society, independent media, and the Special Public Prosecutor’s Office (SJO). In February, VMRO-DPMNE rejected further cooperation with the inter-party mediator appointed by the European Union (EU), who frequently criticized the actions of the party even during the negotiations. In December, Gruevski delivered a public speech in which he accused the international community of attempting to implement “post-election engineering” and refused to participate in any internationally mediated negotiations, declaring that the party would not allow further external “interference.”

Several other changes to the composition of government took place as a result of the political crisis. In April, DUI replaced all of its ministers with fresh faces in an attempt to mitigate growing discontent among its electorate triggered by revelations from the wiretapped conversations, which allegedly contain the voices of prominent DUI members. In June, the Minister of Finance, Zoran Stavreski (VMRO-DPMNE)—longtime member of the Gruevski government—resigned citing “health reasons.” Stavreski was replaced by Kiril Minoski (VMRO-DPMNE), head of the Public Revenue Office.

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### National Democratic Governance

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In April, President Gjorge Ivanov (VMRO-DPMNE) pardoned 56 politicians and their collaborators, most of whom were affiliated with VMRO-DPMNE or SDSM and allegedly involved in the Wiretapping Affair. The pardons were made possible by a controversial decision of the Constitutional Court in March wherein selected articles from the Law on Pardons were declared unconstitutional. President Ivanov’s decision sparked protests in Skopje and across the country, and he subsequently revoked the pardons in June following significant pressure from civil society and the international community.

During 2016, the parliament further derogated its legislative and oversight role by fast-tracking the adoption of new laws. MCIC, a national nongovernmental organization (NGO), found that in 2016, 238 of 314 draft laws (76%) were adopted by the parliament through this shortened procedure. The introduction of legislation through such a mechanism considerably limited the capacity of both MPs and stakeholders to become involved in the process. A parliamentary majority, comprised of VMRO-DPMNE and DUI, unilaterally decided many significant issues, while SDSM MPs continued to boycott in key moments of the political crisis. In order to comply with the July 2016 protocol, amendments and supplements were introduced in July to the Electoral Code, Law on Government, and Law on Audio and Audiovisual Media Services. However, the role of the parliament in the political and constitutional crises remained peripheral.

In the lead-up to the elections, a major precedent was created when the ruling majority pushed in January for a “prolonged” dissolution of parliament, effective from late February. This meant that the parliament simply scheduled a day for dissolution yet continued to hold sessions, contrary to the previous practice. The parliament revoked its decision in February but attempted the same move in April, which was later annulled by the Constitutional Court.

Interrelations among Macedonia’s ethnic groups did not directly challenge national security, and the political crisis did not contain pronounced ethnic components. However, the government failed to follow up on recommendations from the Ohrid Framework Agreement Review on Social Cohesion from 2015, thus missing an opportunity to improve interethnic cohesion.

Macedonia joined Austria, Croatia, Slovenia, and Serbia in attempting to stop the flow of migrants from the Middle East to Europe by implementing new rules of entry and shutting its border with Greece in February. This led to a buildup of migrants at the Idomeni border crossing and violent clashes between migrants and Macedonian police.

In August, more than 20 people were killed and many residential areas around Skopje heavily damaged in a devastating storm and flooding. The authorities failed to offer a swift response, highlighting the inability of Macedonian institutions to provide security to citizens.

Although the economic situation was a secondary concern amid preoccupations with the political crisis throughout 2016, the country’s economy continues to suffer from structural deficiencies. In particular, the European Commission cited the high level of unemployment (24 percent in the second quarter of 2016), the low level of competitiveness in the domestic private sector, the large informal economy, limited access to finance, and poor management of public finances as issues of major concern.

Electoral Process

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Macedonia’s election process worsened in 2016 due to uncertainty over the conduct of elections, constant pressure from VMRO-DPMNE on the election process, and the persistence of electoral irregularities despite legislative modifications and further actions stipulated in the 2015 political agreement.
The December elections were preceded by legislative reforms targeting a revision of the electoral roll and alleged biases in media reporting during the campaign period. In July, the Electoral Code was amended to authorize the State Electoral Commission (SEC) to conduct active registration of disputed voters by way of personal verification in SEC offices or through a designated electronic application. The electoral reforms further included provisions on preventing biased media reporting. In a joint opinion issued in October, the Venice Commission and OSCE/ODIHR advocated a further reform of the Electoral Code, stressing that a number of previous recommendations had not yet been implemented. The Venice Commission and OSCE/ODIHR specifically cited candidate registration, procedures for dismissing members of the electoral administration, restrictive campaign regulations, broad definitions of campaign activities, the absence of public hearings on complaints, and the introduction of an independent body to allocate seats and review electoral boundaries as areas needing reform in order to be consistent with the prior recommendations.

In the lead-up to the elections, and amid perpetual suspicion of fictitious entries on the voter register, the SEC conducted two separate operations to update and revise the electoral roll in February–March and July–August. The first review was unsatisfactory: following cross-checks of 11 registries and field checks of approximately 89,000 citizens, the SEC’s revision removed only 1,100 entries representing deceased persons from the electoral roll. The second review was better executed: the SEC issued a call for registration of 39,389 disputed persons (26 July–18 August) and declared a total of 30,467 entries unconfirmed. An additional registration period was opened prior to the elections, bringing the final number of entries removed from the roll to 28,341.

Following two failed attempts, general elections finally took place on 11 December. Elections were originally scheduled for 24 April, rescheduled for 5 June following a negative assessment from the United States and EU on the country’s readiness for credible elections, and abandoned once again after all political parties excluding VMRO-DPMNE and its coalition partners refused to participate. In the run-up to the 5 June elections, with only VMRO-DPMNE intending to participate, it appeared that the elections would proceed with only one candidate list, posing a significant risk to political pluralism. This move was eventually overthrown by joint pressure from remaining political actors, the international community, and civil society.

The December elections failed to provide a conclusive resolution to the ongoing political crisis; neither major party was able to secure a clear majority, yet both parties declared victory before all votes were counted. VMRO-DPMNE won the largest number of votes, though the results showed the ruling party had lost 10 seats compared with the previous election cycle. SDSM, conversely, gained an additional 15 seats. The largest ethnic-Albanian parties suffered significant disappointments: DUI lost 9 seats, while Democratic Party of Albanians (DPA) ended fourth in the Albanian bloc, losing 5 seats. Two new political forces emerged in the Albanian bloc—Besa and Alliance for Albanians. In addition, a number of SDSM votes came from predominantly Albanian-inhabited regions, a surprising outcome given the established trends of ethnically divided voting.

Irregularities continued to hamper the electoral process. While OSCE/ODIHR dubbed the poll as “competitive,” it noted that the election was conducted in an “environment characterized by a public mistrust in institutions and the political establishment” and amid allegations of voter coercion. Both OSCE/ODIHR monitors and domestic observation missions on the ground reported accusations of voter intimidation, vote buying, public servants being pressured to participate in party rallies, and misuse of administrative resources for party goals.

OSCE/ODIHR characterized the SEC’s preparation for the elections as “hampered by inefficient internal organization and politicized decision-making.” Public trust in the quality of the electoral process further deteriorated as a result of the SEC’s delay in publishing the preliminary results regarding distribution of parliamentary mandates and the drawn-out discussion of complaints of irregularities, which lasted for three straight days. The SEC responded to multiple
allegations of irregularities, voiced by both SDSM and Besa, concerning vote counting and the reporting of results at 16 polling stations. A revote was allowed only in one polling station in Tearce, following an appeal of the SEC’s decision against a revote that was overruled by the Administrative Court. The SEC was further subject to pressure from VMRO-DPMNE, whose supporters organized rallies in front of the Commission’s premises demanding the annulment of all complaints and the immediate declaration of victory for the ruling party.

- The election season featured harsh rhetoric, particularly from VMRO-DPMNE, whose campaign alleged the need to defend Macedonia’s unitary character from SDSM, claiming the opposition wants to federalize the country through the introduction of bilingualism at the national level. This rhetoric launched a vicious ethnocentric discourse in the lead-up to election day. VMRO-DPMNE also campaigned on a platform of economic development. Conversely, SDSM used the recordings captured in the wiretapping scandal to focus its campaign on the alleged wrongdoings of VMRO-DPMNE. A second component of SDSM’s platform was a proposal for economic development and EU and NATO integration, while also reaching out to Albanian voters by promising greater use of the Albanian language on the national level.

### Civil Society

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- In 2016, civil society organizations (CSOs) in Macedonia continued to operate in unfavorable conditions, facing stigmatization by VMRO-DPMNE officials and the progovernment media and exclusion from policy and decision-making processes. Progovernment groups became more active, while the government’s cooperation with CSOs occurred in a “tokenistic” style. Although the European Commission noted that the “climate in which civil society organizations operate worsened” between 2015 and 2016, the sector continued to perform a constructive role by creating constant pressure on political elites with demands for democratization and respect for the rule of law.

- Following the presidential pardons, NGOs, informal groups, and citizens mobilized in 13 cities across the country under the umbrella Protestiram (“I Protest”) movement. The protests, an almost daily occurrence until July, were later dubbed the “Colorful Revolution” due to the protesters’ shooting colored paintballs at the public buildings and monuments constructed in the controversial “Skopje 2014” project. In June, representatives from the civil sector submitted an EU request to include citizens in the negotiation process, but this demand was not met with a concrete response.

- The Colorful Revolution was largely peaceful. However, the authorities swiftly responded to sporadic violence as it occurred. Twelve protesters were apprehended on 13 April following the ransacking of the president’s office in which windows were broken and furniture set ablaze. More protesters were sanctioned for throwing paint on public buildings in the later phases of protesting. During the protests, the police were accused of restricting freedom of assembly in several situations, for example, the police did not allow protesters proximate access to the VMRO-DPMNE headquarters in Skopje. The European Center for Not-for-Profit Law highlighted general areas of concern with regard to freedom of assembly in Macedonia, including arbitrary interpretation of the liability of organizers by the authorities, pressure on citizens intended to discourage participation, excessive and indiscriminate use of force by the police, unauthorized video recording, and frequent criminal charges against protesters.

- Watchdog and research-oriented NGOs remained active in monitoring and reporting on the state of governance in the country. In July, a broad platform of these groups proposed a “Blueprint for
Urgent Democratic Reforms,” an extensive document identifying steps for democratization across various sectors. The document was widely endorsed by other NGOs and informal groups and, as such, represented an important civil society initiative for democratization. However, the escalating frequency of new legislation introduced by way of the “shortened procedure” essentially removed public consultation from the drafting process, aiding the decline of civic engagement in policymaking. The mandatory electronic consultation procedure—the public vehicle for feedback in early phases of legislative preparation—was used for only 21 draft laws during 2016, whereas the parliament adopted a total of 314 laws during the same period. Further, the minimal 10-day consultation period was not respected in more than half of the instances where public consultation occurred. The government established a Council for Cooperation with the civil sector in May and June, but 89 prominent national NGOs abstained from participating. As a result of the boycott, council members were selected from smaller or progovernment NGOs. In the run-up to the postponed June elections, several parallel and counter-protests were also organized by the progovernment Civil Movement for Defense (GDOM). GDOM supported and promoted VMRO-DPMNE’s position that elections should be held without hesitation and called on the Constitutional Court to temporarily ban movements and NGOs that it accused of “destroying Macedonia,” namely, supporters of the Colorful Revolution. However, an opinion survey from May found that support for Protestiram/Colorful Revolution outnumbered support for GDOM by more than two to one: 30 percent of respondents expressed support for Protestiram/Colorful Revolution, while only 12 percent supported GDOM.

- VMRO-DPMNE’s attempts to intimidate critical civil society groups culminated in a speech by Nikola Gruevski to supporters who gathered to protest outside SEC premises in December. There, Gruevski proclaimed the beginning of a process of “de-Sorosization,” sounding a direct warning to critically inclined NGOs alleged of having ties with the foundations of Hungarian-American philanthropist George Soros. A large part of the progovernment propaganda distributed in the aftermath of the Wiretapping Affair has portrayed a malicious collusion between the billionaire Soros and domestic NGOs and civic groups who were labeled as “traitors” and foreign “mercenaries.” During the election period, several national NGOs were targeted with surprise inspections from the Public Revenue Office. The activists accused the authorities of undue political pressure.

- In April, the ethnic-Albanian opposition organized its own protest demanding greater rights for Albanians, indicating some level of division in the antigovernment protests between Macedonia’s two main ethnic groups.

- In June, the movement Student Plenum claimed that student parliamentary elections at the University of St. Cyril and Methodius had been rigged by the incumbent president and members of the youth branch of VMRO-DPMNE. In support of their claims, Student Plenum presented video recordings of the violent removal of ballot boxes in several faculties. A tense protest took place in front of the headquarters of the student parliament, which was dispersed with police assistance. The elections were concluded without authorities acting upon the obvious infringements in the process.

Independent Media

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• The unfavorable climate for media independence represents one of the most contested issues in the political negotiations of 2016, and a key impediment to Macedonia’s democratization. The persistent negative state of media freedom stems mainly from the progovernment orientation of chief media outlets, which are selectively backed with public funds designated for the government’s promotional activities and campaigns. Consequently, media outlets are substantially polarized along political, ethnic, and linguistic lines, and progovernment media are hostile to the opposition and significantly biased in their reporting. Despite reforms stipulated in the 2015 political agreement, there have been no significant departures from this pattern.

• The July 2016 protocol established a Temporary Commission in the framework of the Agency of Audio and Audiovisual Media Services (AVMU), active from 100 days prior to the election until completion of the electoral process. The Temporary Commission was tasked with monitoring media biases and proposing sanctions where justified. The AVMU issued a total of 68 decisions for actions against infringements during the election cycle. However, it is doubtful whether these developments have improved the quality of media reporting. During the elections, the most popular progovernment electronic media channels reported positively on VMRO-DPMNE’s activities, while their coverage of opposition party activities remained predominantly negative or neutral.

• The protocol also stipulated introduction of a temporary chief editor for the news program of the public broadcaster, Macedonian Radio and Television (MRTV). The new chief editor would be tasked with guaranteeing balanced and fair media reporting during election cycles. Journalist Santa Argirova, SDSM’s pick for this position, assumed the post in September. The package of amendments to the Law on Audio and Audiovisual Media Services stipulated in the protocol—including introduction of an exclusive, 24/7 Albanian-language public channel—was adopted in July. This was done despite widespread objections from media organizations doubting the sufficiency of the amendments to curb political influence over the media.

• The number of televised political debates continued to grow, displaying stronger public discussion than in previous years. However, the increasing polarization of views among political opponents prevented effective debate. Prior to the December elections, progovernment TV stations elected not to invite SDSM members to participate in debates, while VMRO-DPMNE representatives, including Nikola Gruevski, refused to partake in debates organized by critically inclined media outlets.

• Similarly, the political discussion around the reforms from the political agreement on progovernment TV stations was marred by confrontational episodes between hosts and invited guests, despite attempts by progovernment outlets to display pluralism in their editorial policies through interviews with opposition politicians. In one example, SDSM leader Zoran Zaev was interviewed on the prominent progovernment TV Sitel on 10 February, but the episode turned into an aggressive confrontation staged by the host, Dragan Pavlovikj.

• The Association of Journalists of Macedonia (ZNM) noted 10 cases of intimidation and verbal and physical attacks against journalists in the first half of 2016. In addition, journalists reported destruction of their private property and preventive measures taken by the authorities to impede journalistic reporting, including deleting digital photographs, barring entry to the country, or banning journalists from covering court proceedings. Five cases of violence and intimidation are connected with media coverage of the April and May protests. On 13 April, five journalists were attacked by the police while covering the protest in front of the presidential office in Skopje.

• Although journalist associations and unions have repeatedly called for a collective agreement, labor rights for the sector are not yet regulated, creating a precarious situation wherein many journalists work without basic social security, benefits, or a minimum wage. The workforce is polarized between two professional organizations, the Association of Journalists of Macedonia (ZNM) and the Macedonian Association of Journalists (MAN), the latter openly promotes VMRO-DPMNE’s positions on media independence.
• Journalist Zoran Bozhinovski was extradited to Macedonia from Serbia in April and is on trial for alleged participation in an espionage group in the so-called Spy case. Media organizations, including ZNM, organized a protest in August claiming that the case is politically motivated.

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• Local government reform began in 2002 with decentralization from the national to the local level. The success of this process has been questioned, however, with some observers arguing that decentralization has been hampered by a lack of financial independence for local authorities. Many local governments are financially weak and still dependent on the central government. The European Commission identified significant barriers preventing some municipalities from carrying out their authority, including “central budget underfunding and low capacity of local tax collection.” There are also claims of cases where funds have been distributed from the central to the local level according to political party affiliation, favoring municipalities where the government coalition holds power.

• Two SJO investigations in 2016 illustrated cases of abuse of power and interference in local jurisdictions. In the first, the VMRO-DPMNE mayor of Bitola, Vladimir Taleski, as well as municipality officials, primary school directors, local civil servants, and transport company employees were suspected of benefiting from alleged municipal budget graft. The second SJO case related to a 2013 physical attack on the Centar municipality premises in Skopje during a session of the local council. The attack was motivated by the council’s decision to stop the planned building of a church on municipality territory; the church had been envisioned in the VMRO-DPMNE-instigated “Skopje 2014” infrastructure project. Among those suspected of organizing the violence is VMRO-DPMNE leader Nikola Gruevski, accused of calling for the assault of opposition Liberal Democratic Party (LDP) mayor Vladimir Zhernovski.

• During the Colorful Revolution, citizens frequently protested in front of municipality buildings across the country, highlighting the overreaching party influence in both local and central governance. Mass protests against local political elites were held in Bitola, Kumanovo, Shtip, Strumica, Prilep, and Ohrid. The protests in Bitola against Mayor Taleski were among the largest.

• Local elections will be held in the first half of 2017. Currently, VMRO-DPMNE and DUI dominate municipal governance, while SDSM and DPA hold a small portion of mayoralties and councils, including three SDSM-held municipalities within Skopje (Aerodrom, Karpoš, and Centar) and a number of other important municipalities across the country (Bitola, Kumanovo, Struga, and Strumica). Several municipalities are governed by political parties that represent smaller ethnic communities. The results of the general elections suggest that a shift of power at the local level is possible, as SDSM won the largest number of votes in several municipalities in Skopje and other cities across the country, including Berovo, Bogdanci, Dojran, and Krushevo—municipalities previously held by VMRO-DPMNE. The emergence and electoral success of Besa and Alliance for Albanians, and voter backlash against DUI and DPA, also indicate that long-held party loyalties are subject to change within Albanian-dominated municipalities.

Judicial Framework and Independence

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• Political interference with the judiciary worsened in Macedonia in 2016. The presidential pardons of individuals implicated in the wiretapping affair were made possible by a controversial decision of the Constitutional Court, which declared selected provisions in the Law on Pardons unconstitutional. These efforts were aided by the basic courts as well as the existing Public Prosecutor’s Office (JO), hence obstructing the work of the newly formed Special Public Prosecutors Office (SJO). The SJO’s requests for detention and search warrants were largely denied by the courts, confirming previous indications that judicial institutions lacked independence.\textsuperscript{85} The SJO claimed that other prosecutorial institutions, namely JO and the Council of Public Prosecutors, failed to sufficiently cooperate on certain cases. In one instance, the JO finally provided the SJO with documents pertaining to the so-called Coup case in late June,\textsuperscript{86} even though its jurisdiction was established in December 2015.\textsuperscript{87} The SJO’s work was also impeded by frequent verbal attacks and public smears from VMRO-DPMNE officials\textsuperscript{88} and progovernment media.\textsuperscript{89}

• Unlike the SJO, the JO continued to support VMRO-DPMNE politicians while operating against politicians from SDSM, who were accused of involvement in the wiretapping scandal by both the JO and VMRO-DPMNE. The operational divisions between the two prosecutorial branches, and the JO’s lack of independence, were clearly displayed in November when the SJO opened a case—popularly known as “Target”—against VMRO-DPMNE-affiliated individuals suspected of involvement in the wiretaps. Among those implicated in the Target case was Saso Mijalkov, former chief of the counterintelligence service and Nikola’s Gruevski’s cousin.\textsuperscript{90} The JO had already initiated the “Coup” case accusing SDSM leader Zoran Zaev and three other individuals of the same offense.

• Despite this interference, the SJO managed to achieve a measure of success in its work. The office publicly reported on nine ongoing investigations relating to crimes of electoral fraud, unauthorized audio and video recording, unauthorized destruction of wiretapping equipment, violence against political representatives, criminal association, torture, economic crimes, and corruption.\textsuperscript{91} The SJO successfully raised its first indictments in September, namely, two wiretapping cases that involved 21 individuals including former prime minister Gruevski.\textsuperscript{92}

• In support of the SJO’s work, Macedonia’s parliamentary Assembly discussed a proposal in October to amend legislation in order to prolong the legally stipulated deadline for raising indictments set at 18 months after the SJO assumes jurisdiction over a case.\textsuperscript{93} This proposal was voted down by the VMRO-DPMNE majority,\textsuperscript{94} alongside other proposed amendments to provide the SJO with more autonomy in handling protected witnesses.\textsuperscript{95} Support for the SJO from civil society came in the form of a demand by Colorful Revolution protesters to establish a Special Court to deal with indictments raised by the SJO. This demand was never legislatively considered. The failure of the Assembly, particularly the VMRO-DPMNE majority, to respond to these demands contributed to the unfavorable environment in which the SJO operated.

• Despite impediments during the year, the SJO became the most trusted of all judicial institutions in the country, surpassing both the JO and the courts. A public opinion survey found that, on a scale of one (lowest) to five (highest), the SJO received an average grade of 3.22, compared to the JO’s 2.32.\textsuperscript{96}

• The performance of the Constitutional Court in 2016 was questionable and further undermined the principle of constitutionality. Judicial determinations often parroted VMRO-DPMNE positions and closely followed the dynamics of the political crisis. In February, following a judicial deadlock regarding the “prolonged” dissolution of parliament, the court recused itself, citing a lack of competence in resolving the issue.\textsuperscript{97} This stand was subsequently reversed in May when the parliamentary dissolution was declared unconstitutional.\textsuperscript{98} In March, the court declared selected articles in the Law on Pardons unconstitutional, thus paving the way for the controversial
Although the articles in question permitted the president to grant pardons, the power was restrictively construed and prevented the president from exercising this authority in relation to certain offenses. In a split judgment, the court repealed the offending provisions, thereby allowing the pardons to proceed. The court also delayed a decision on the constitutionality of the SJO, leaving the legality of its existence uncertain until the end of the year.

- During 2016, the courts held numerous sessions on sensitive and politically disputed cases that came to acquire popular nicknames, i.e., “Divo Naselje,” “Coup,” “Protesters,” “Spy,” “Monster,” and “Rover.” However, none of these were resolved by the end of the year. The hearings were often rescheduled on procedural grounds and with little public information, casting more doubts on the impartiality and effectiveness of the judicial system.

### Corruption

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- The Wiretapping Case revealed that a number of top officials had engaged in corrupt activities. When the SJO assumed jurisdiction over the matter, it effectively became the country’s leading anticorruption institution, particularly in light of the inertia displayed by existing anti-graft bodies. However, none of the investigations initiated by the SJO were resolved by the courts, leading to uncertain outcomes in the fight against corruption. The absence of a concrete response to widespread, low-level corruption—despite ample evidence—illustrates the growing inability of institutions to tackle the problem, even as public awareness of the extent of corruption spreads, often by way of highly publicized cases or scandals. In June, the mayor of Bitola, Vladimir Taleski, was placed under house arrest following an investigation. The SJO alleged that Taleski was part of a group of municipal officials, school administrators, and transport company employees who jointly embezzled €365,000 ($385,000) by manipulating tenders designated to fund student transport. The case became popularly known as “Transporter.” In September, the SJO initiated investigative proceedings against four officials from the Administration for Security and Counterintelligence and the Ministry of Internal Affairs. In this case—known as “Vault”—the four officials along with former counterintelligence chief Sasho Mijalkov were suspected of corrupt activity in relation to procurement of spying equipment, allegedly achieving financial gains of €860,000 ($908,000). The Basic Court in Skopje subsequently froze the financial transactions of the company through which allegedly corrupt transactions took place. Several other scandals were brought to public attention with no response from the authorities. In October, the Center for Investigative Journalism–SCOOP Macedonia released a documentary claiming that VMRO-DPMNE had become the richest political party in Europe since gaining power and now possessed property worth €60 million ($66 million). SEC member and former MP Silvana Boneva (VMRO-DPMNE) was embroiled in controversy when it was found that she used €12,000 ($12,600) for local travel expenses in only six months.

- A survey on public perceptions and experiences of corruption conducted at the beginning of the year found that nearly a third of the population (30.5 percent) had been pressured by corruption and nearly every third citizen had paid a bribe in the past year (29.2 percent). Nearly half of all citizens believe that most civil servants are susceptible to corrupt activities (46 percent). In addition, a majority of citizens surveyed expressed distrust towards the various institutions tasked with tackling corruption, including the courts (63 percent); the JO (60 percent); the government, the Ministry of Internal Affairs, and the State Commission for Prevention of Corruption (SCPC) (all 58 percent); and the SJO (50 percent).
• The SCPC continued to avoid addressing the contents of the wiretapped recordings or controversies surrounding impediments to SJO operations. In April, the commission faced strong public criticism when its president refused to provide former prime minister Gruevski’s declaration of assets. Following pressure from the public and civil society, the commission provided the declaration several days later.

• In March, the Law on Protection of Whistleblowers entered into force, but its contents and implementation were widely criticized. The Venice Commission issued several remarks critical of the contents of the law, namely, its lack of safeguard mechanisms for public disclosure of corrupt actions, unspecified safeguards against criminal sanctions, and civil liability of whistleblowers.

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2 VMRO-DPMNE, SDSM, the Democratic Union for Integration (DUI), and the Democratic Party of Albanians (DPA).


11 See “5-ти јун, нов датум за предвремени парламентарни избори” [“5th of June, new date for snap parliamentary elections”], MRT, 24 February 2016, http://mrt.com.mk/node/30135; and Katerina Blazhevska, “Уставниот суд ја отклучи преговора за Собранието” [“The Constitutional Court unlocked the Assembly’s door”], DW in Macedonian, 18 May 2016, http://www.dw.com/mk/%D1%83%D1%81%D1%82%D0%B0%D0%B2%D0%BD%D0%B8%D0%BE%D1%82-%D1%81%D1%83%D0%B4-%D1%98%D0%B0-%D0%BE%BD%BA%D0%BB%D1%83%D1%87%D0%B8-%D0%B2%D1%80%D0%B0%D1%82%D0%B0%D1%82%D0%BD%D0%B8%D0%BE/a-19265013.


17 “Охрановски: Нови правила по доминиканскио и гречкиот граничен превоз”, MRT, 24 February 2016, http://mrt.com.mk/node/30135; and Katerina Blazhevska, “Уставниот суд ја отклучи преговора за Собранието” [“The Constitutional Court unlocked the Assembly’s door”], DW in Macedonian, 18 May 2016, http://www.dw.com/mk/%D1%83%D1%81%D1%82%D0%B0%D0%B2%D0%BD%D0%B8%D0%BE%D1%82-%D1%81%D1%83%D0%B4-%D1%98%D0%B0-%D0%BE%BD%BA%D0%BB%D1%83%D1%87%D0%B8-%D0%B2%D1%80%D0%B0%D1%82%D0%B0%D1%82%D0%BD%D0%B8%D0%BE/a-19265013.


22 “Охрановски: Нови правила по доминиканскио и гречкиот граничен превоз”, MRT, 24 February 2016, http://mrt.com.mk/node/30135; and Katerina Blazhevska, “Уставниот суд ја отклучи преговора за Собранието” [“The Constitutional Court unlocked the Assembly’s door”], DW in Macedonian, 18 May 2016, http://www.dw.com/mk/%D1%83%D1%81%D1%82%D0%B0%D0%B2%D0%BD%D0%B8%D0%BE%D1%82-%D1%81%D1%83%D0%B4-%D1%98%D0%B0-%D0%BE%BD%BA%D0%BB%D1%83%D1%87%D0%B8-%D0%B2%D1%80%D0%B0%D1%82%D0%B0%D1%82%D0%BD%D0%B8%D0%BE/a-19265013.


According to the results published by the State Electoral Commission (SEC), VMRO-DPMNE won 454,577 votes and 51 MP mandates; SDSM 436,981 votes and 49 mandates; DUI 86,796 votes and 10 mandates; while the rest of the spoils were divided by the opposition ethnic Albanian political parties: Besa, who won 57,868 votes and 5 mandates; the “Alliance for Albanians” 35,121 votes and 3 mandates; and DPA which won 30,964 votes and 2 MP mandates. The voter turnout was high: a total of 1,191,852 voters cast ballots (66.79%) in the six electoral units in the country and in the seventh unit for the out-of-country voters. See: “Резултати” (“Results”), Web-portal of the State Electoral Commission, https://rezultati.sec.mk/Parliamentary/Results?cs=mk&K&rd=r1.


“Груевски: Кантонализација антрепиозна скака пред растурење на една држава без војна се и вие не ни треба!” [Grujevski: Cantonization is the last step before breaking up a country without war – we do not need such a thing!], Republika, 28 November 2016, http://republika.mk/691736.
This representation conjoined with the overall attempt of VMRO-DPMNE to depict the “Wiretapping Affair” as an attempt of foreign interference in domestic issues.


“VIDEOS: Изборите се ништовни, украдени се гласачките кутии” [“VIDEO: The elections are invalid, the ballot boxes have been stolen”], Radio MOF, 30 June 2016, http://www.radiomof.mk/video-studentski-plenum-izborite-se-nishtovni-ukradeni-se-glasachki-kutii.


An overview of AMVU’s initiated proceedings can be accessed at: http://avmu.mk/images/Pregled_povedeni_prekrsonci_11.01.2017.docx.

See the several reports by MODEM: http://respublica.edu.mk/modemizvestai.


VMRO-DPMNE’s leader Gruevski refused to participate in a TV debate between him and the president of SDSM Zaev just days before the elections. Several debates between representatives of VMRO-DPMNE and opposition parties nevertheless took place. The most notable happened on November 29 on ALSAT-M TV between candidates from the first election unit, where both VMRO-DPMNE’s candidate, Nikola Popovski, and SDSM’s Stevo Pendarovski were present. The debate can be accessed at: https://www.youtube.com/watch?v=Q2Nuwa02cs&feature=youtu.be.


Association of Journalist of Macedonia (ZNM), “Случаи на повреда на правата на новинарите и реакција на институциите” [“Cases of violation of rights of journalist and reactions by the institutions”], ZNM, July 2016, http://znm.org.mk/wp-content/uploads/2016/03/%D0%A1%D0%BF%D1%83%D1%87%D0%B0%D0%B8-%D0%BD%D0%B0-%D0%BF%D0%BE%D0%B2%D1%80%D0%B5%D0%B4%D0%BD%D0%B0-%D0%B7%D0%B0%D0%B4%D0%BD%D0%B8%D0%BD%D0%B1%82-%D0%BD%D0%BE%D0%B2%D0%BD%D0%B0%D1%80%D0%B8%D1%82-%D1%98%D1%83%D0%BD%D0%B8-2016-MK.docx.

Ibid.


102 bid., pp. 9.

103 Boris Georgievski, “Груевски обвинет за поттикнување насилиство во Центар” [“Grujevski accused for calling for violence in Center”], DW in Macedonian, 9 November 2016, [http://www.dw.com/mk/%D0%B3%D1%80%D1%83%D0%B5%D0%B2%D1%81%D0%BA%D0%B8-%D0%BE%D0%B1%D0%B2%D0%BD%D0%BD%D0%B5%D1%82%D0%B7%D0%B0-%D0%BF%D0%BE%D1%82%D1%82%D0%B8%D0%BA%D0%BD%D1%83%D0%BD%01%9A%D0%B5-%D0%BD%D0%B0%D1%81%D0%B8%D0%BB%D1%81%D1%82%D0%B2%D0%BE-%D0%B2%D0%BE-%D1%86%D0%B5%D0%BD%D1%82%D0%B0%D1%82%D0%B0%D1%80/a-19554254?maca=maz-rss-maz-pol_makedonija_timemk-4727-xml-mrss](http://www.dw.com/mk/%D0%B3%D1%80%D1%83%D0%B5%D0%B2%D1%81%D0%BA%D0%B8-%D0%BE%D0%B1%D0%B2%D0%BD%D0%BD%D0%B5%D1%82%D0%B7%D0%B0-%D0%BF%D0%BE%D1%82%D1%82%D0%B8%D0%BA%D0%BD%D1%83%D0%BD%01%9A%D0%B5-%D0%BD%D0%B0%D1%81%D0%B8%D0%BB%D1%81%D1%82%D0%B2%D0%BE-%D0%B2%D0%BE-%D1%86%D0%B5%D0%BD%D1%82%D0%B0%D1%82%D0%B0%D1%80/a-19554254?maca=maz-rss-maz-pol_makedonija_timemk-4727-xml-mrss).

104 See, for example, “СЈО троши втроглашки сума на плати за вработените и соработниците” [“SJO is spending a large amount of money for the employees and collaborators”], Vecher, 30 August 2016, [http://vecer.mk/makedonija/sjo-troshi-vtroglavi-sumi-za-plati-za-ovbivinite-i-sorabotnicite](http://vecer.mk/makedonija/sjo-troshi-vtroglavi-sumi-za-plati-za-ovbivinite-i-sorabotnicite).

105 Ibid., pp. 9.


108 See, for example, “СЈО троши втроглашки сума на плати за вработените и соработниците” [“SJO is spending a large amount of money for the employees and collaborators”], Vecher, 30 August 2016, [http://vecer.mk/makedonija/sjo-troshi-vtroglavi-sumi-za-plati-za-ovbivinite-i-sorabotnicite](http://vecer.mk/makedonija/sjo-troshi-vtroglavi-sumi-za-plati-za-ovbivinite-i-sorabotnicite).


95 Ibid.
96 Institute for Democracy “Societas Civilis” (IDSCS), “What kind of situation is this?! Public opinion survey on the current political events in Macedonia”, IDSCS, May 2016, https://drive.google.com/file/d/0Bza7D7EZXE4cVJYVFdSWmFZc28/view.
104 “Блокирана сврчката на правното лице во случајот ‘Трезор’” [“The bank account of the legal entity in the case ‘Vault’ is blocked”], SJO web-site, 7 October 2016, http://www.jonsk.mk/2016/10/07/%D0%B1%D0%BB%D0%BE%D0%BA%D0%B8%D1%80%D0%B0%D0%BD-%D0%BB-%D1%81%D0%BC%D0%B5%D1%82%D0%BA%D0%B0%D1%82%D0%B0-%D0%BD%D0%B0-%D0%BF%D1%80%D0%B0%D0%B2%D0%BD%D0%BE%D1%82%D0%BE-%D0%B8%D0%B5%D0%B2/.
108 Ibid., pp. 31.
109 Ibid., pp. 39.
112 See, for example, “Властта спеччува ‘сверкчите’ да пријавуваат кriminal во државните институции” [“The ruling party prevents the whistleblowers to report crime in the state institutions”], commentary by