



PRESS RELEASE

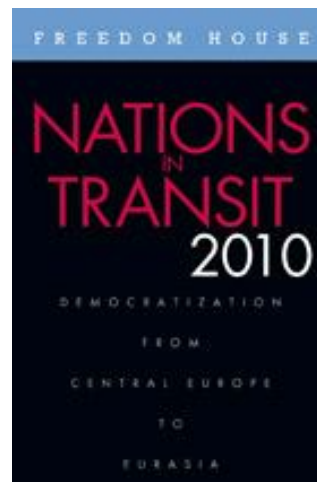
30th of June, 2010

The democratic development of Republic of Macedonia in 2009, "Nations in Transit", report executed by Freedom House

REPUBLIC OF MACEDONIA: 3, 79

The OHRID Institute for Economic Strategies and International Affairs announces the newest report published and executed by "Freedom House". In the "Nations in Transit 2010" Republic of Macedonia has 3, 79 rating.

Freedom House rates countries with points from 1 to 7 - one being the highest and seven being the lowest in democratic development. In eight categories on which the rating is based, Macedonia has made progress in its electoral process from 3.50 to 3.25 and in the fight against corruption - 4.25 to 4.00. Ratings in other categories remain the same as in the previous report - independence of media (4.25), civil society (3.25), national democratic governance (4.00), local democratic governance (3.75) and judicial framework and independence (4.00).



Considering the independence of media, Freedom House says that the collection of fees by the public service broadcasters and the Broadcasting Council remained problematic. The media faced political pressures during the 2009 election campaign. A few television stations were considered to be politically influenced since the owners of these outlets were also presidents of political parties. Journalists protested the current libel law, and many were sued for libel during the year.

In terms of the electoral process, it is said that presidential and local elections were peaceful meeting most of the international standards for democratic elections.

Regarding national democratic governance, in 2009 there was further progress in Macedonia in implementing the provisions of the 2001 Ohrid Agreement, particularly, implementation of the decentralization process, use of minority languages, and equitable representation. Despite occasional interethnic tensions during the year, conflicts were minimal regarding



implementation of the Ohrid Agreement. Parties vying for the vote of a specific ethnic group often distinguished themselves by resorting to radical rhetoric, according to Freedom House.

Considering local democratic governance, it is highlighted that 68 out of 85 municipalities entered the second phase of fiscal decentralization. The administrative capacities of some municipalities and the transparency and accountability of the local administration (particularly financial controls) remained very low. Upon demands by the Association of Local Government (ZELS), the central government indicated willingness to gradually (until 2012) increase the percentage of value-added tax allocations to the municipalities from 3 to 4 percent, but refused to change the percentage allocation of personal income tax. While decentralization processes continues, much work is still needed, the report says.

On civil society, in 2009, the government adjusted its stance regarding the third sector, introducing mechanisms for consulting with civil society organizations on legislation, such as posting draft bills on ministry Web sites for public participation in working groups. A new government decision also improved selection procedures and evaluation criteria for public financing of civil society organizations. Yet government officials still rarely engaged civil society groups by inviting them to comment on and influence pending policies or legislation. Freedom House notes that civil society and student organizations protested the planned building of a church on the main square in the capital, Skopje that a clash broke out between protesters and counter demonstrators, during which police were slow to react.

Judicial framework and independence remained a challenge for Macedonia in 2009 as well. The Judicial Council appointed a total of 38 new judges as well as 4 new presidents of courts. Aiming at greater efficiency, the courts' budget was increased by 8 percent compared with 2008. In 2009, there were allegations that the government drafted blacklists of judges and politically meddled in the work of the judiciary, according to Freedom House.

In 2009 the government continued with an aggressive media campaign to raise awareness about the fight against corruption. The new Law on Internal Affairs was enacted in July. A number of public officials were detained in anticorruption operations in 2009 and there were judicial decisions regarding corruption among high public officials during the year. Amendments to the Law on Financing of Political Parties were adopted as well as amendments to the criminal code, says the report.

In its outlook for 2010, Freedom House says that the consolidation of Macedonia is under question due to increased interethnic tensions between the majority Macedonians and minority Albanians, exacerbated by the de facto blocked Euro-Atlantic integration of the country. Additional delay of the Europeanization of Macedonia risks further antagonizing interethnic relations. Nationalism could become a dominant force in a country that already once experienced a warlike conflict in 2001.