

Balkans Briefing

Skopje/Washington/Brussels, 4 September 2000



MACEDONIAN GOVERNMENT EXPECTS SETBACK IN LOCAL ELECTIONS

Introduction

The Macedonian electorate will drag itself wearily to the polls on 10 September 2000. This year's local elections follow the 1999 presidential election, 1998 parliamentary elections, and 1996 local elections. The chronic campaign cycle, seemingly endless political sloganeering, and constant criticism from international observers have created fatigue among the electorate. As in 1996, the local elections will have hardly anything to do with running municipal governments, and everything to do with validating the current national government. Early polls indicate most voters will use the opportunity to voice their frustration against the ruling coalition.

The date itself caused much debate and dissatisfaction. Opposition parties charged that such an early date would place them at a distinct disadvantage because of the short preparation time for their campaigns (August is traditionally the month for summer holidays). The early election date also allows the ruling coalition to avoid a bruising parliamentary battle that was sure to result from any attempts to pass new legislation affecting local government such as financing, decentralisation and electoral procedures.

There is a complete absence of debate concerning significant local issues despite the fact that most of the electorate believes that their public services and basic quality of life have deteriorated considerably. The election results are expected to reflect the actual drop in popularity of the national governing coalition comprised of the Macedonia Internal Revolutionary Organisation-Democratic Party for Macedonia, the Democratic Alternative, and the Democratic Party of Albanians (VMRO-DPMNE/DA/DPA). It is widely expected that the coalition parties will lose a significant number of the votes they garnered during the 1998 parliamentary elections. The only question is to what extent their electorate has shrunk, and how much of it the largest opposition party, the Social Democratic Union of Macedonia (SDSM), has managed to take over.

Government Coalition Fights to Regain Confidence of Electorate

The local elections are serving as a backdrop to a repeated clash between the two large blocs of political parties. The VMRO-DPMNE-led coalition claims that during its two years in office, it has passed the reforms that SDSM did not have the courage to pass during its seven-year tenure. The government counts as significant achievements the introduction of the value added tax (VAT), health care reform, return of nationalised property and the

return of all foreign exchange deposits lost during the separation from the former Yugoslavia. The government has also started the sorely needed reconstruction of government and public administration reform. In July 2000, the number of government ministries was reduced from 24 to fifteen.

There are essentially four problems working against the government: increased taxes and cost of living expenses, unprecedented levels of unemployment, growing concerns about institutional corruption, and anxiety on the part of ethnic Macedonians that ethnic Albanians are receiving far too much from this government. Taxes and the price of gasoline and electrical power have increased dramatically since VMRO-DPMNE took office in 1998. According to a recent joint study conducted by the World Bank and the International Monetary Fund (IMF), more than 20 per cent of the population live below minimum existence (about 160 dinars per day). About 56 per cent of the population have less money in real terms than did in 1990.¹

Nearly every family in the country has first-hand experience with unemployment. A recent study conducted by the European Statistic Bureau (Eurostat) and the International Labour Organisation found that 257,485 people of a total working population of 802,553 were unemployed. More than half of the 32 per cent of unemployed people are young and have never held a job; 170,000 of the unemployed are between the ages of 15 and 29.²

The government has pledged to lower the percentage of the population living in poverty by 3 per cent, to increase net production by 25 per cent before the year 2003, and to increase wages annually by 2 per cent. International donors have pledged support in pursuit of these goals but few tangible results will be felt by the electorate before elections.

The government is fighting charges that its lack of transparency in economic policy has led to dishonest sales of state assets. Recent purchases of the country's oil refinery, mines, pharmaceutical industry and banks by foreign companies—the Greeks especially—have led to charges that the government is interested only in gaining financial commissions rather than preserving the country's vital resources and industries. Corruption has flourished since international sanctions were imposed on the former Yugoslavia in 1992. Macedonians were adept at smuggling petrol, medicine, coffee and cigarettes, and the previous government took a steep commission. This legacy continues but to many Macedonians, the corruption and bribes seem more obvious now. The level of corruption has also descended to an everyday level. Many people complain that it now takes many more bribes to grease the wheels for a building permit, telephone line installation, car registration permit, and so forth than was the case in the past.

Ethnic Tensions Rise to the Surface

Macedonians are increasingly expressing their concerns that inter-ethnic relations are not moving in the right direction. The war in Kosovo seriously strained the already uneasy co-existence between the two largest ethnic groups in the country. There is a pervasive

¹ *Utrinski Vesnik*, 26 June 2000, p.1.

² *Vecer*, 13 July 2000, p. 1.

atmosphere of insecurity and negativity among ethnic Macedonians. Ethnic Albanians, on the other hand, are more optimistic. They see independence for Kosovo as a positive achievement rather than something to be feared. Exact figures are unattainable, but any casual visitor to the major cities in western Macedonia sees that the ethnic Albanian sub-economy is doing much better than any part of eastern or southern Macedonia, which are predominately ethnic Macedonian.

The VMRO-DPMNE party has been stung by accusations among its own rank and file that it is catering to the ethnic Albanians. Critics believe that there have been excessive concessions to minorities. VMRO-DPMNE leaders in response point to the improved cross-border links with neighbouring Albania, Bulgaria and Greece and assert that these closer relations, in turn, have reduced ethnic tensions in the region. The foreign policy achievements, however, have had little or no resonance among ethnic Macedonian voters.

Through the VMRO-DA-DPA coalition, the government has agreed to the establishment of a new multi-lingual university in the ethnic Albanian heartland of Totovo that will focus on teacher training, business management and public administration. For the first time, higher education courses will be taught in the Albanian language. Many Macedonians oppose the establishment of an Albanian-language university and blame President Boris Trajkovski (VMRO-DPMNE) because they believe he owes his election to the ethnic Albanians. After the first round of voting in last year's presidential election, his opponent Tito Petkovski of SDSM led by more than 130,000 votes using an electoral strategy based on anti-Albanian rhetoric. Trajkovski handily won the second round but many Macedonians believe he made some deal with the ethnic Albanians, who were ordered by their party to ensure his victory.

The electoral support of ethnic Albanians for Trajkovski has fuelled speculation among the opposition parties about the existence of a secret pre-poll agreement between the governing VMRO-DPMNE and the DPA to divide the country into ethnic Macedonian and Albanian parts. This fear led to protests by opposition parties against ethnic Albanians, their alleged involvement in election irregularities and their presumed collaboration with the ethnic Albanian political leaders in Kosovo and Albania.

Ethnic Albanian Parties Play to Nationalist Sentiment

The ethnic Albanian electorate is expected to follow its usual pattern of voting for their own parties' candidates in the first round and then throwing their support behind the coalition's candidates for the second round. The two largest ethnic Albanian political parties, DPA and the Party for Democratic Prosperity (PDP) will field candidates for the towns and cities where ethnic Albanians are a majority. The two parties will contest very few ethnically mixed districts.

DPA's participation in government has caused the PDP to play to nationalist sentiments. PDP, until the 1996 local elections, was the uncontested ruling party of the ethnic Albanians' intellectual elite and ruling class. Since the party's resounding defeats in the 1996 and 1998 parliamentary elections, PDP has become more radical in its rhetoric while failing to solve its internal divisions. The intra-party clash of personalities has practically

paralysed the PDP. Nonetheless, PDP has forced DPA to strike a more nationalist tone in its own campaign rhetoric.

Local Elections Everything But Local

The prominence of national issues in this campaign reflects, in part, Macedonia's highly centralised system of government, itself a subject of controversy. The failure of the state to deliver the most basic services at the local level such as water, electricity, and adequate roads has caused some erosion of the public's faith in the present institutions of multiethnic democracy. There have been renewed calls for a federal system. But many ethnic Macedonians fear that this would be the first step towards dismemberment of the country. They believe that some of the proposed changes to local government financing and administration would lead to devolution and eventually the presumed Albanian goal of a separate western Macedonia and its eventual annexation to an independent Kosovo.

The Social Democratic Union (SDSM) has made the nation's security its primary campaign theme. The party continues to portray the country as awash with gun smugglers and weapons. The party continuously hints at some type of quid pro quo agreement among the coalition partners. Former Prime Minister Branko Crvenkovski has charged the VMRO-DPMNE with making a silent agreement with DPA to share the profits from smuggling and illegal drugs, weapons and cigarette trafficking.

Party Alignments a Precursor to National Elections

After many false starts, VMRO-DPMNE and DA have managed to agree on a joint appearance for the elections. DA has fared poorly among the electorate since coming to office, but despite much grumbling amongst VMRO-DPMNE party activists, it continues to occupy key ministerial posts. VMRO-DPMNE, however, needs the DA in government to act as a buffer between it and the ethnic Albanian party DPA. VMRO-DPMNE needs an ethnic Albanian party in the coalition in order to govern, yet the party is also keen to keep DPA from being viewed as a "full partner" in the coalition.

DPA has promised to support the VMRO-DPMNE-DA candidates that enter the second round. In ethnically mixed areas, DPA will support the VMRO-DPMNE-DA lists but not join an official coalition. Unofficially, the division of council lists will be divided 2:1 between VMRO and DA.

SDSM, on the other hand, renewed their old partnership with the Socialist Party (SPM) but also made deals with the Liberal Democrats and League for Democracy. Some of the minor parties, such as the Liberals and the Democratic Alliance will field their own candidates but remain open to joining one of the larger blocs for the second round.

Race for Mayor of Skopje as Tough as It Gets

The battle for the mayor of Skopje will probably be the most interesting race in the country. Established as a single electoral unit, Skopje has been run by Risto Penov, the dark horse Democratic Party (DP) candidate who was elected in 1996. His victory was attributed to

support from the VMRO-DPMNE electorate, which triumphed in the local elections and set the stage for their major comeback in the 1998 parliamentary elections.

Petar Goshev stepped down as party leader of the DP after its devastating defeat in the parliamentary elections. Risto Penov soon took over the DP presidency. The party joined with the Liberal Party for a short period and then severed its ties, although that party is now called the Liberal-Democratic Party. Widely supported in the beginning of his term, Penov has subsequently lost much of his popularity and support. He had to work with a largely dysfunctional city council comprised of an almost equal proportion of SDSM and VMRO-DPMNE members. On more than a few occasions, his plans were in direct collision with those of the central government, the city architects, and the directors of public services.

Penov has announced his candidacy for a second term and will be supported by SDSM, which until recently opposed him. His main opponent will be the man he defeated in 1996—Ljupco Nikolovski Fufo, the most famous restaurant owner in Skopje, who will be supported by VMRO-DPMNE and DA. Fufo was formerly President of the city council from 1991-1996 and elected as a candidate of VMRO-DPMNE. In 1996, Fufo ran as an independent candidate and came in second to Penov and well ahead of SDSM candidate Jovica Ugrinovski and Liberal party candidate Darko Markovich.

The ethnic Albanians could swing the election. DPA Vice President Menduh Thaci stated in an interview with TV Telma³ that 18 per cent of the population in Skopje is ethnic Albanian and that they will all support the VMRO-DPMNE-DA candidate in the second round. VMRO-DPMNE will suffer another blow to its credibility among the ethnic Macedonians if the race is close and its outcome determined by the ethnic Albanians. The potential for party-sanctioned cheating is quite high in this race. Should there be a repeat of widespread voting irregularities as in the 1999 presidential elections, the country as a whole will lose faith in the integrity of the electoral process.

Restoring Faith in the Electoral System

The early election date announced by President of the Macedonian Parliament Savo Klimovski, a member of the Democratic Alternative (DA), legally avoided the need to pass new legislation regulating local elections. The elections will be conducted under election procedures set forth in the 1996 local elections law. These regulations mean that there will be a proportional model used for the city council lists that will have 13-23 members, and a majority model for the mayors. This also means that voting for city councils will be completed in one round, while the election of many mayors will require two rounds.

These local elections come on the heels of the rather ignoble presidential election held last autumn. More than 1.6 million voters registered in the 31 October 1999 poll. In the first round of those elections, six candidates contended for presidency and there were few irregularities noted. The second round on 14 November was marred by irregularities in western (ethnic Albanian) Macedonia and around Skopje. International and domestic

³ 28 June 2000.

monitors reported large-scale proxy voting, ballot stuffing and an unrealistically high voter turnout.

There was also an over-representation of party activists at polling stations, which created a tense atmosphere and led to violence in some stations. The withdrawal of opposition SDSM party monitors due to security concerns only added to the confusion and reduced transparency of the elections. Due to these irregularities, the Supreme Electoral Commission ordered a repeat of the election process in 230 polling stations, most of them located in areas with an ethnic Albanian majority.

Many Macedonians lack confidence in the electoral process and are embarrassed by the widespread cheating during the presidential election. Since most of the obvious irregularities and violence occurred in western Macedonia, it has increased tensions between ethnic Macedonians and Albanians.

In an Unusual Move, OSCE Agrees to Monitor Local Elections

Organisation for Security and Co-operation in Europe (OSCE) Representative to Macedonia Carlo Ungaro announced that the organisation would monitor the local elections in Macedonia, a departure from previous practice. The OSCE said that although it was not their regular practice to monitor local elections, they would help this time because the political parties in power and in opposition were receptive to the suggestion. The opposition parties, SDSM in particular, welcomed the announcement. SDSM alleges that that more than 70 polling stations have been identified as problematic and bear the need for close scrutiny⁴. The SPM party spokesman interpreted the decision as an indication that Macedonia was not a democracy and that the current government plans to "forge the elections."⁵ VMRO-DPMNE, on the other hand, welcomed the announcement and said that the presence of international monitors was good for everyone and proved that the government was not afraid of their presence.⁶

OSCE said approximately 100 international observers would fly into the country especially for the elections and 100 more of the resident expatriates would serve as monitors. The OSCE mission will deliver their preliminary evaluation of the elections on election day and issue a comprehensive final report a month after the elections.

Two international non-governmental organisations, the National Democratic Institute for International Affairs (NDI) and the Institute for Sustainable Communities, are providing training and grants of \$10,000 to support local NGOs in monitoring the elections, voter education, and other election related issues. Seven domestic NGOs have formed a coalition to monitor the elections: Youth Council, European House, NGO Associations fo Veles, Republic Organisation for Protection of Roma Rights, Democracy Development Association of Gevgelija, and the Association of Women Organisations.

⁴ *Dnevnik*, 4 August 2000, p.1.

⁵ *Ibid.*

⁶ *Nova Makedonija*, 4 August 2000, p. 1.

Picking Up the Pieces after the Campaign

Campaigning has produced two significant problems. One is the tendency for SDSM to depict the local security situation in overly stark terms. SDSM charges the government with jeopardising Macedonian security and military preparedness by depending on "unreliable" partners such as NATO. This has created a public black lash against the NATO forces and the United States. According to a poll conducted by the U.S. State Department Office of Research, about 68 per cent of ethnic Macedonians oppose the presence of NATO troops in their country. A majority (77 per cent) say the troops contribute not very much or not at all to their personal sense of security. Ethnic Albanians, however, support the troop presence (95 per cent) and feel safer because of it (87 per cent a great deal or a fair amount safer).⁷

The second problem is the increased despondency of the electorate. There is a growing sense that elections in Macedonia will always be irregular and subject to international scrutiny. The Macedonians fear they will forever be typecast in the Balkan mode of corruption, inter-ethnic violence and widespread voting fraud.

Demonstrated irregularities in the local elections voting would likely cause a resurgence of political tension. This would exacerbate existing tensions resulting from the conviction of the largest opposition party, the SDSM, that last year's presidential elections were illegitimate. These two factors would cast a shadow over Macedonia's political stability and raise the spectre of a sharp deterioration in relations between the two largest ethnic groups in the country.

Skopje/Washington/Brussels, 4 September 2000

⁷ Conducted by the U. S. State Department Office of Research, 19-31 March 2000.

ANNEX

MAJOR MACEDONIAN POLITICAL PARTIES AND COALITIONS

VMRO-DPMNE

Macedonia Internal Revolutionary Organisation-Democratic Party for Macedonia National Unity: the biggest party group in the current government, a three-party coalition comprising of the VMRO-DPMNE, DA and DPA, which was formed after the parliamentary elections of October 1998.

SDSM

Social Democratic Union of Macedonia: largest opposition party, in power until 1998.

DA

Democratic Alternative: formed in 1998, in government since 1998.

LDP

Liberal Democratic Party: small centrist party, briefly in the government in the summer of 1999, but never formally joined the three-party ruling coalition.

DPA

Democratic Party of Albanians: one of the two major ethnic Albanian parties, in government since 1998.

PDP

Party for Democratic Prosperity: the other major ethnic Albanian party, in government until 1998, since then in the opposition.