



European Economic and Social Committee

REX/239
EU-Former Yugoslav
Republic of Macedonia

Brussels, 12 March 2008

OPINION

of the

European Economic and Social Committee

on

**Relations between the European Union and the Former Yugoslav Republic of Macedonia:
the role of civil society**
(own-initiative opinion)

On 16 February 2007 the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

Relations between the European Union and the Former Yugoslav Republic of Macedonia: the role of civil society.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 30 January 2008. The rapporteur was Mr Miklós Barabás.

At its 443rd plenary session, held on 12 and 13 March 2008 (meeting of 12 March 2008), the European Economic and Social Committee adopted the following opinion by 125 votes to one with three abstentions.

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1. Executive summary and main conclusions

- 1.1 The European Economic and Social Committee (EESC) recognises the important advances made by the Former Yugoslav Republic of Macedonia in terms of developing and stabilising its relations with the European Union (EU) with the ultimate objective of joining the EU. The candidate country status is an acknowledgement of the progress made so far. The EESC appreciates these positive developments against the background of the political, economic and social consequences of the conflicts in the region, the challenges of the transition period as well as the implementation of the Ohrid Framework Agreement.
- 1.2 The EESC is ready to support the Former Yugoslav Republic of Macedonia in its efforts to start the accession negotiations with the EU as soon as possible, preferably in 2008.
- 1.3 Taking into account the commitment of the EESC and representatives of Macedonian economic and social interest groups to strengthen dialogue and cooperation between organised civil society in the EU and the country, there is a need to prepare the ground for the accession of the Former Yugoslav Republic of Macedonia to the EU. In this process the creation of a Joint Consultative Committee with the EESC plays a highly important role. The identification of the Macedonian members of this joint body should be the result of an open, transparent and democratic process.
- 1.4 Within the context of accession to the EU, the EESC highlights the key role of Macedonian civil society in the formulation, implementation and monitoring of public policies and legislation (reform agenda) aimed at preparing the adoption of the EU acquis. To promote this process, Macedonian civil society should be involved in accession negotiations.

- 1.5 Different trade union federations should coexist on an equal footing. In order to create a favourable environment for achieving this goal, there is a need for specific legislation on trade unions and to reconsider and reduce the present requirement (of 33% of the workforce) for becoming a contractual partner in collective bargaining. This would be an important contribution to a strengthened social dialogue and to the full respect of trade union rights.
- 1.6 The development of and collaboration between existing employers' associations should be facilitated and the legislative framework revised in order to establish clear criteria for their participation in the Economic and Social Council (ESC).
- 1.7 The role of the Macedonian ESC should be strengthened; it should be made more representative with the participation of all stakeholders including civil society organisations. This would create a firm institutional base for conducting a meaningful dialogue on economic and social issues in genuine partnership. For such a development to take place, a new legal framework should be prepared with the involvement of the parties concerned and then promptly adopted.
- 1.8 The EESC expresses serious concern over the extremely high poverty and unemployment rates and calls on the Macedonian Government to provide for efficient policies to combat poverty and strengthen social cohesion.
- 1.9 The distribution of State resources as well as EU funds should be more pro-poor oriented and based on solidarity and social cohesion so as to reduce existing regional and ethnic disparities. Specific measures are needed to improve the situation of Romas.
- 1.10 The EESC welcomes the efforts and the adoption of the Strategy of the Government for Cooperation with Civil Society as a step towards providing a supportive environment for the development of organised civil society, and as a contribution for a meaningful and constructive civil dialogue.
- 1.11 Parallel to increased civic participation, the capacity of social and civil partners should be strengthened. An important aspect in this regard is the direct and indirect financial support mechanism of the Macedonian Government. Furthermore, specific educational programmes on the role of civil society should be introduced at school.

2. **Introduction**

- 2.1 On 9 April 2001, the Former Yugoslav Republic of Macedonia was the first country in the Western Balkans to sign, by an exchange of letters, a Stabilisation and Association Agreement, which entered into force on 1 April 2004.

- 2.2 The Former Yugoslav Republic of Macedonia officially applied for EU membership on 22 March 2004. On 9 November 2005, the European Commission issued a positive opinion on this application, and on 16 December 2005 the European Council decided to grant candidate country status to the Former Yugoslav Republic of Macedonia.
- 2.3 At the fourth meeting of the EU-Former Yugoslav Republic of Macedonia Stabilisation and Association (SA) Council on 24 July 2007, strong commitment to advancing the pace of reforms was noted. The SA Council also supported the creation of Joint Consultative Committees with the EESC and the Committee of the Regions.
- 2.4 The latest Progress Report on the Former Yugoslav Republic of Macedonia, released on 6 November 2007, evaluates the progress made in several fields but also enumerates the remaining serious challenges that the country has to face.
- 2.5 Within the context of the expected start of the accession negotiations, the EESC highlights the key role of civil society. Therefore, this opinion will focus on Macedonian civil society and its environment, opportunities and challenges; the social and civil dialogue in the country; the relations with the EU and the countries of the Western Balkans.

3. **Some specific features of the Macedonian civil society**

- 3.1 Civil society emerged in the late 19th and early 20th century and exerted a strong influence on the entire social development. The literary and cultural circles, charities and other citizens' initiatives provided for a basis for developing cultural, sport and various professional organisations. They were kept under political control during the Socialist period. Independence in 1990 and the transition period to parliamentary democracy have been a powerful incentive to strengthen the role of civil society in the country.
- 3.2 The re-emergence of Macedonian civil society in the early 1990s was strongly and positively influenced by the political developments of the country, paving the way for the creation of an independent, multi-faceted and service-oriented civil society. The other specific feature is the value-driven nature of the country's civil society that is largely regulated by a strong normative approach.
- 3.3 Macedonian civil society is characterised by limited breadth and depth of citizen's participation. While there is an increase in non-partisan political action of Macedonians, still only a minority of citizens (less than 30%) participate in civil society activities (charitable giving, membership of civil society organisations, volunteering, collective community action, etc.).

4. General context

4.1 Political Context: the Ohrid Framework Agreement and the Rule of Law

4.1.1 The Ohrid Framework Agreement¹ concluded in August 2001 and the rule of law are among the key factors for the political stability of the country. The Ohrid Framework Agreement has contributed to facing the challenges related to Macedonian diversity. It has also contributed towards establishing the foundations for stability and development, and has set the tempo for political, social, economic and inter-ethnic life.

4.1.2 After the parliamentary elections in 2006 and the formation of the new centre-right government, a new balance was needed. There is a need for the Government to dedicate itself to political dialogue and to securing the support of all political forces in the implementation of the country's EU agenda. There is progress in constructive political dialogue on issues of fundamental national importance. However, this process might be hampered by continued political tensions preventing better governance and the establishment of well-functioning democratic institutions.

4.1.3 Significant progress has been made with the implementation of the legislative part of the Ohrid Framework Agreement, whose provisions have been included in the Constitution following the adoption of amendments by the Parliament, as well as for the equitable representation of communities in public administration. The perception within the population that inter-ethnic relations represent the most important problem in their country has decreased from 41.4% in July 2001 to 1.4 % in March 2007. 19.7% of the citizens assessed inter-ethnic relations as "very bad" in January 2005, compared to 7.6% in March 2007².

4.1.4 Progress in education for communities, equitable representation and decentralisation has been registered. Since the Agreement represents "a framework", it allows room for interpretation and possible demands for supplementing measures. New challenges could be faced regarding the use of languages (Law on Languages, bilingualism of Skopje), the status of ethnic-Albanian ex-combatants, territorial organisation (Kičevo, 2008) and position of smaller and dispersed communities like Turks, Romas, Serbs, Bosniaks and Vlachs who form 10.6% of the population.

4.1.5 The situation of the Roma community continues to cause concern, even if the country is one of the committed participants in the "Decade for Inclusion of Roma 2005-2015".

¹ In the beginning of 2001, Macedonia faced armed clashes and crisis in its inter-ethnic relations. The political solution for the crises was the Framework Agreement (also known as Ohrid Agreement), agreed upon by the four leading political parties and guaranteed by the President of the Republic and the international community (EU and USA), on 13 August 2001 in Ohrid. The Framework Agreement has the aim to preserve the integrity and the unitary character of the State, to promote democracy and develop civil society; to promote Euro-Atlantic integration; and to develop a multi-cultural society, with an equitable inclusion of the ethnic communities. The legislative part of the Framework Agreement has been fulfilled in about four years, in July 2005.

² Early Warning Report – Former Yugoslav Republic of Macedonia, UNDP, Skopje, June 2007.

4.1.6 In the past, the country has been taking (too) slow steps towards strengthening the rule of law, mostly because of the structural weaknesses in the implementation of the laws and in the courts, politicised and weak public administration, corruption and organised crime. Today one can witness certain progress in these fields. The legal framework for strengthening the independence and the effectiveness of the judiciary is largely in place, since amendments were made to the Constitution in December 2005. The fight against corruption is high on the agenda of the Macedonian Government. In May 2007 the new State Programme for Prevention and Repression of the Corruption was enacted. Still, strong political will is required to step up efforts to combat corruption effectively.

4.2 Socio-economic Context: Jobless Growth

4.2.1 The Former Yugoslav Republic of Macedonia was less developed compared to the other republics in the former Yugoslav Federation and its economy was in a downturn for six years before independence. The first years of independence were hallmarked by their macroeconomic instability and an increase in the fiscal deficit. The crisis in the region, the Greek embargo, UN sanctions against the Federal Republic of Yugoslavia and the Kosovo crisis negatively influenced the economic and political situation in the country and contributed directly to the country's inability to focus on its own political and economic reforms.

4.2.2 Today the country enjoys relative macroeconomic stability based on a broad consensus on economic policies and is moving towards a larger degree of trade liberalisation (member of WTO and CEFTA). Still there is no proper economic development.

4.2.3 As a result there is a high degree of poverty in the country, with 29.8% of the Macedonian population living below the poverty line. Poverty is directly related to an extremely high unemployment rate (36%).

4.2.4 Poverty, social exclusion and high unemployment with poorly functioning labour markets are (negative) results of low economic growth (around 4%), inappropriate corporate structure (especially SME underperformance), rigid labour market, a weak education system and strong population growth. So far the Government has often used social welfare measures to handle poverty without an active employment policy.

4.2.5 Nevertheless the GDP growth of 7% registered in the first quarter of 2007 could be the long expected start of a more dynamic economic development cycle.

4.3 Socio-Cultural Context: Widespread Lack of Trust

- 4.3.1 Social relations are characterised by a widespread lack of trust, tolerance and public spiritedness. There is a low level of trust in public institutions. However, last year there was an increase in trust in the Government.
- 4.3.2 Tolerance according to the World Values Survey has the indicator of 2.08, which means that Macedonian society is characterised with a low level of tolerance. Intolerance is very high towards marginalised groups like drug users, alcoholics, homosexuals and Romas. Public spiritedness, measured through non-payment of public utilities (transport, water, etc.), taxes, or use of government benefits, is also at a low level.

5. **Macedonian civil society**

5.1 Legal Environment

- 5.1.1 Freedom of association is guaranteed by the Constitution (art. 20) and regulated by the Law on Citizen Associations and Foundations adopted in 1998.
- 5.1.2 Trade unions and association of employers lack regulations, since they are only covered by a few articles of the Labour Law and the Trade Company Law. There is a pressing need for the creation of a level playing field for social partners, especially in order to guarantee their independence. The chambers of commerce are regulated by a separate law.
- 5.1.3 Even with the recent improvements (Law on donations and sponsorships, etc.), the tax laws on civil society organisations (CSOs) and tax benefits for philanthropy are obstacles to further development.
- 5.1.4 A new Law on Citizen Associations and Foundations is under preparation. The major expected changes are: further improvement of the rights to set up CSOs, regulation of their economic activities and introduction of the status of public benefit organisation.

5.2 Snapshot of Macedonian Civil Society

5.2.1 Diversity and Representativeness of Civil Society Organisations (CSOs)

- 5.2.1.1 Macedonian organised civil society is composed of trade unions, citizen's organisations, and chambers of commerce, together with churches and religious communities. The associations of employers are a new phenomenon for the country and chambers of commerce (two of them exist at the national level: the Economic Chamber of Macedonia, SKM, and the Union of Chambers of Commerce, USKM) are still seen as representatives of the private sector.
- 5.2.1.2 The relationship between organisations of employers is made more complicated by the fact that only one of them (the Association of Employers of Macedonia, ZRM) is a member of the Macedonian Economic and Social Council (ESC). The other one, the Confederation of

Employers of the Republic of Macedonia (KRM), strives for a more open and inclusive attitude of the Macedonian ESC.

5.2.1.3 The trade unions are grouped in four confederations: the Federation of Trade Unions of Macedonia (SSM), the Confederation of Independent Unions (KNS), the Confederation of Trade Union Organisations of Macedonia (KSS) and the Union of Free and Autonomous Trade Unions (UNS). Rivalry and sometimes even hostile attitudes, with personal motivations, towards each other are characteristic features of their relations. This significantly weakens their negotiation position, especially vis-à-vis the government.

5.2.1.4 There are 5 289 CSOs registered in the country (2003). Almost all social groups are represented as components of civil society, with weaker participation of the poor, rural communities and ethnic communities, especially ethnic Albanians. A significant number of organisations (43%) are concentrated in the capital Skopje and CSOs are nearly non-existent in the rural areas.

5.2.2 Level of Organisation and Relations

5.2.2.1 There are around 200 umbrella bodies of CSOs in the country. The majority of organisations are members of a union, federation, platform or other umbrella body, based on type of CSOs or target group. These umbrella bodies play a significant role in consolidating the civil sector of the country.

5.2.2.2 Macedonian civil society is challenged to focus on communication, coordination and cooperation. Interaction/dialogue among employers, trade unions and other CSOs is practically nonexistent. However, the Civil Platform of Macedonia, with its 29 members, has set a positive example in this field.

5.3 Strengths and Weaknesses of Macedonian Civil Society

5.3.1 Strengths of the country's civil society are empowerment of citizens and high values of peace, gender equality and environmental sustainability.

5.3.2 The most significant impact of civil society is achieved in the area of empowering citizens, especially women and marginalised groups. There has been an increased participation of women in public life (Parliament, municipalities and CSOs).

5.3.3 Environmental organisations were a flagship in the period from 1996 to 2001, when as a result of their advocacy work, environmental sustainability was successfully mainstreamed by the Government. They still have a real potential for playing a positive role in the future.

- 5.3.4 Pluralism is in place among and practised by all major stakeholders in Macedonian organised civil society, even though the ability of an intra-sectoral dialogue should be developed and strengthened.
- 5.3.5 The weaknesses of civil society are: poverty eradication, transparency and self-regulation, practicing democracy, mutually indifferent civil society and private sector relations and insufficient resources and lack of diversification of financial resources (today there is a strong foreign donor dependency).
- 5.3.6 The legacy of the past combined with different positioning and attitudes towards each other (and the state), frequently with emotional "flavour", poses a significant obstacle to dialogue and action.
- 5.3.7 Churches and religious communities enjoy high public trust; trust is moderate as regards citizens' organisations, and trust is low as regards chambers of commerce and trade unions, the latter because of perceived worsening position of working people and lack of action.
- 6. Social and civil dialogue and the establishment of a Joint Consultative Committee with the EESC**
- 6.1 Social Dialogue
- 6.1.1 The framework
The Former Yugoslav Republic of Macedonia is a member of ILO and has ratified most of its Conventions. Some recently ratified cases are: Worst Forms of Child Labour Convention (C182) ratified in 2002 and Tripartite Consultation (International Labour Standards) Convention (C144) ratified in 2005.
- 6.1.2 Macedonian Economic and Social Council
The institutional framework for social dialogue, especially the tripartite dialogue practiced through the Macedonian Economic and Social Council, is at an early stage of development. The Economic and Social Council established in 1996 manages tripartite dialogue (trade unions and employers as partners of the Government) on the national level. However, the Council has limited scope for participation because it consists only of representatives of the Federation of Trade Unions of Macedonia (SSM), the Association of Employers of Macedonia and is chaired by the Minister of Labour and Social Policy.
- 6.1.3 This situation is seriously challenged by those organisations of employers and trade unions that are not members of the ESC and strongly criticise its work. There seems to be a general agreement, including from the point of view of the government, that the current legal framework should be amended and made clearer in identifying the criteria for participating in the ESC. However a protracted discussion can be foreseen to find a satisfactory solution and a new legal framework for the ESC.

6.1.4 Collective bargaining

There are two general collective agreements for the public and private sector, and about 24 collective agreements for different sectors. The present requirement of the trade unions is to organise 33% of the relevant workforce to become social partners in collective bargaining. This provision is seriously criticised by several trade unions who call for a substantial reduction of this threshold. Moreover, it proved to be difficult to provide clear evidence that an organisation had actually reached this threshold.

6.2 Civil Dialogue in light of the new Government Strategy

6.2.1 The first period in Government-CSOs relations was characterised by ad-hoc contacts and arrangements. The first step towards institutionalised relations was made in November 2004 with the creation of a Civil Society Unit within the Government.

6.2.2 In January 2007 a Strategy for Cooperation of the Government with the Civil Sector was adopted along with the Action Plan for its implementation. This document was the result of a proper consultation process.

6.2.3 The main strategic goals of the Strategy are: participation of the civil society sector in the process of policy making; inclusion of civil society in the process of EU integration; creation of more favourable conditions for the functioning of civil society; upgrading and enhancing the legal framework to improve the conditions of civil society; establishment of inter-institutional and cross-sectional cooperation.

6.3 Establishment of a Joint Consultative Committee (JCC) with the EESC

6.3.1 All stakeholders in the country attach great importance to the JCC with the EESC and urge its earliest possible setting up.

6.3.2 A properly composed JCC can be an effective instrument not only in bringing the country and its organised civil society closer to the EU but also in promoting dialogue among civil society organisations at the national level.

6.3.3 Serious efforts are needed from all the concerned parties to make sure that Macedonian members of the JCC are selected in an open, transparent and democratic manner and that they are legitimate and representative.

7. **The Former Yugoslav Republic of Macedonia, the EU and the Balkans**

7.1 State of EU – Former Yugoslav Republic of Macedonia Relations

7.1.1 Candidate country

The Former Yugoslav Republic of Macedonia is a candidate country and is preparing for the accession negotiations with the EU. It was the first country in the Western Balkans to sign a Stabilisation and Association Agreement (SAA) in April 2001. The Thessaloniki Summit held on 19-21 June 2003 introduced enhanced support for the accession to the EU of the Western Balkans countries. The Macedonian Government submitted its answers to the questionnaire of the European Commission on 14 February 2005, which formed a basis for the positive opinion issued by the Commission on 9 November 2005 and subsequently, for the decision of the European Council on 16 December 2005 granting the candidate status to the country.

7.1.2 Trade with EU

In 2006 total exports reached EUR 1.43 billion, and total imports EUR 2.25 billion. Trade with the EU was 51.85% of exports and 44% of imports came from EU member states. The top five EU trade partners are Germany, Greece, Italy, Slovenia and Poland.

Some of the trade issues to be tackled are: lack of integration of border services, lack of new technologies and paperless customs, products declaration and lack of referential laboratories for certificates (esp. in agriculture).

7.1.3 Visas

The mobility of people, especially in the field of business contacts, education and cultural exchanges are of key importance for the country building bridges to the EU. A visa facilitation and readmission agreement with the EU was signed on 18 September, 2007 as a transitional step towards a mutual visa-free travel regime. A dialogue on visa-free travel was launched on 20 February 2008.

7.1.4 EU Aid

EU aid to the country from 1992 to 2006 totalled EUR 800 million. The commitment for 2007–2009 is EUR 210 million.

7.2 The role of civil society in the EU integration process

7.2.1 European integration is an important challenge for civil society in the Former Yugoslav Republic of Macedonia. With the accession process, European integration is a powerful moving force for the further development of civil society. Civil society organisations are carriers of the new values, such as participatory democracy, inclusion, equality, transparency and accountability. CSOs also play an important role in mediating a traditional, multi-cultural and multi-ethnic Balkan society with post-modern Europe.

7.2.2 The Macedonian Government started to recognise the role of civil society in the EU integration process by including it as one of its strategic objectives.

7.2.3 EU support for civil society increased after the introduction of CARDS in 2001. A number of civil initiatives were supported, among them technical assistance for the elaboration of a

Government Strategy for Cooperation with Civil Society and support to the Civic Platform of Macedonia.

7.3 Balkan neighbourhood and networking

7.3.1. The Former Yugoslav Republic of Macedonia plays an active role in the field of regional cooperation with its commitment to the development of bilateral relations and good neighbourhood policy. It is an active player in such regional processes as the establishment of the Regional Cooperation Council (the Southeast European Cooperation Process (SEECP), the Energy Community Treaty, the European Common Aviation Area, the Southeast European Cooperative Initiative (SECI) and the Central European Free Trade Agreement (CEFTA). Within this context, national and local press has a special responsibility for playing a positive role in the development of those processes.

7.3.2. Networking and interaction at regional level is also increasing in other spheres, including civil society. There are positive cases of joint actions, with active Macedonian participation by employers' organisations, trade unions and other CSOs.

Brussels, 12 March 2008.

The President
of the
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Appendix

Profile

Country area: 25 713 sq. km

Population: 2 038 514 (2006)

Population density: 79/sq. km

Population below the age of 14: 20.1% (2006)

Urban population: 59.7 % (2005)

State system: Parliamentary democracy

Level of democracy according to Freedom House: Free (2006)

Participation of women in the national parliament: 30%

Ethnic affiliation: Macedonians 64.2%, Albanians 25.2%, Turks 3.8%, Roma 2.7%, Serbs 1.8%, Bosniaks 0.8%, Vlachs 0.5 %, other 1% (census 2002)

Religion: Orthodox 64.78%, Muslim 33.33%, Catholic 0.35%, Protestant 0.03%, Atheists 0.17%, Others 1.34% (census 2002)

Unemployment rate: 36% (2006)

Human development level (index and place): 0.801 (69)

GDP/citizen: 2 393\$ (8200 PPP in \$) (2006)