
How to Save Macedonian Democratic Consolidation and EU Enlargement?

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Abstract. European Union (EU) enlargement is under threat. There is little enthusiasm among European member states for further enlarging the Union. The slowing down of the EU integration process in the Western Balkans has been accompanied by a slowdown in investment in the region by EU member states. The slow process of enlargement has negatively affected citizens' perceptions in the region. In the Western Balkans populist and authoritarian tendencies have grown. Macedonia is the exemplary of these processes. New regional powers, such as Turkey, Russia, and China threaten to use the impasse in the EU enlargement process. It is necessary to improve democratic consolidation in the Western Balkans and the EU to aid the process. Consolidation of democracy in the region depends on elite consensus and cooperation as well as remodelling key public institutions to be powerful and independent from party influences. The case of Macedonia is important to consider as this country has been for long time candidate for EU accession without being able to start negotiations. Tough reforms and European assistance are necessary to invigorate the democratization process in Macedonia and move on the enlargement agenda.

Keywords: EU enlargement, democratic consolidation, Western Balkans, Macedonia, crisis

1. Introduction

Europe and the enlargement face difficult times. There is little enthusiasm among European member states for further enlarging the Union. The slowing down of the EU integration process in the Western Balkans has been accompanied by a slowdown in investment in the region by EU member states. The slow process of enlargement has negatively affected citizens' perceptions in the region. In the Western Balkans populist and authoritarian tendencies have grown. Macedonia is the exemplary of these processes. It was granted an EU candidate status in 2005, and since 2009 the Commission has consistently recommended that negotiations be opened. The European Parliament has also incessantly supported opening accession negotiations. Nothing has happened, mainly due to the objections by Greece to the country's use of the name "Macedonia". Meanwhile the state of democratic consolidation has considerably worsened. Tough reforms and European assistance are necessary to invigorate the democratization process in Macedonia and move on the enlargement agenda.

2. State of play in the enlargement process

The Stabilisation and Association Process (SAP) –as a tailor-made, country-by-country, progressive approach and intermediate step on the path towards accession– has, since May 1999, been the centrepiece of EU strategy towards the Western Balkans. On 19 and 20 June 2000, at the Santa Maria de Feira European Council, all Western Balkan countries were considered as potential candidates for EU membership. A few months later, on 24 November 2000, the prospect of possible accession to the EU was confirmed at the Zagreb Summit. At the Thessaloniki European Council in June 2003, all EU member states declared their 'unequivocal support to the European perspective of the Western Balkan countries' and that 'the future of the Balkans is within the European Union.' Croatia became the newest member of the EU in 2013, but European Commission

President Jean-Claude Juncker epitomised, in July 2014, the current mood on enlargement inside the EU in the presentation of his political guidelines to the European Parliament: 'The EU needs to take a break from enlargement so that we can consolidate what has been achieved among the 28 [member states]. This is why, under my Presidency of the Commission, ongoing negotiations will continue, and notably the Western Balkans will need to keep a European perspective, but no further enlargement will take place over the next five years. Despite the pessimistic outlook for the next five years, there was some progress in the Western Balkan countries as far as enlargement is concerned during the period of the previous European Commission from 2009-2014.

The European Commission's approach has been to address fundamentals first, thus prioritising reforms related to:

- The rule of law and fundamental rights;
- Economic governance and improving economic competitiveness;
- Strengthening democratic institutions (European Commission, 2014)

These three pillars are interlinked, and progress in these areas is key to determining when countries will be fully ready to join the EU. In all the above fields, the Commission aims to make the maximum use of existing mechanisms and forums to drive reforms forward, for instance through SAA structures, accession negotiations, or Commission-led country-specific initiatives such as high-level dialogues or structured dialogues on the rule of law.

As regards the first pillar, the rule of law and fundamental rights, the Commission emphasizes that tackling rule of law early in the accession process maximises the time countries have to develop solid track records of reform implementation. Progress under chapters 23: judiciary and fundamental rights and 24: justice freedom and security will need to be made in parallel with progress in negotiations overall. The Commission recalls the existence of the "overall balance" clause of the negotiating frameworks and the possibility of stopping negotiations on other chapters if progress on rule of law issues lags behind. (European Commission, 2014:19)

The second pillar, strengthening economic governance and competitiveness in the enlargement countries, is crucial for meeting the economic criteria for EU membership. Reforms should be intensified to achieve sustainable growth, improve the business environment, and boost investment. The reform process must be intensified as the West Balkans lag behind European Union countries including the so-called new member states. Growth in the Western Balkans has slowed down since the Europe wide financial crisis, while employment creation is sluggish. Convergence of living standards towards the levels of EU economies is also trailing behind. The region suffers from low investment, while emigration from the region has again become a policy issue for both the EU and the Western Balkans. Overall, reforms are slowing down and the region faces the risk of permanent marginalisation on the periphery of Europe. On 12 May 2015, the Finance Ministers of the EU, and the Western Balkans adopted recommendations to ensure sound public finances and to increase competitiveness and long-term growth in the Western Balkans and Turkey. The recommendations are based on economic reform programmes, that "focus on the macroeconomic and fiscal policy framework and –for the first time– also on sectoral structural reforms, for instance regarding infrastructure, education and employment, industrial structures, business environment and trade integration". (Hahn 2015)

In connection with the third pillar, strengthening democratic institutions, the Commission wants to better integrate public administration reform into the enlargement process, establishing "special reform groups" with the enlargement countries "as a forum for addressing horizontal public administration reform issues from the relevant negotiating chapters, monitoring progress and ensuring consistency". (European Commission, 2014:20)

The implementation of various reforms in the candidate and potential candidate countries is receiving EU support under the new Instrument for Pre-Accession Assistance (IPA II). Through IPA II, the EU will provide EUR 11.7 billion for the period 2014-2020 to support the enlargement countries in their preparation for accession and to support regional and cross-border cooperation. It is envisioned that this will further strengthen the region's stability, its economy and its investment potential. IPA II is expected to facilitate stronger

ownership by the beneficiaries through integrating their own reform and development agendas. This mechanism is also expected to further anchor the civil society in the democratization and Europeanization process of the Western Balkans. The European Commission and the European Parliament are continuously working on enhancing the enlargement process in the Western Balkans.

Overall, the EU is a major reform-driving factor for the countries of the Western Balkans: Enlargement hinges on the idea of "the transformative power of the EU" (Grabbe, 2006). This extends further than democratisation and the rule of law. As a single market, the EU is the world's largest trade bloc, and it is scarcely imaginable that the small countries of the Western Balkans could achieve substantial growth and prosperity outside the EU. Nevertheless, past enlargement experience has demonstrated that "the EU's ability to trigger liberal democratic reforms in candidate countries should not be overestimated, especially when it faces illiberal and authoritarian governments". (Sedelmeier, 2014)

Indeed, both inside the EU and in the Western Balkan region, the enlargement project faces serious obstacles. European states face different problems of their own making. Citizens across the continent feel less connected with the European supranational institutions and globalization processes. Economic progress has been stagnating and populist leaders have exploited anti-elitist feelings. While enlargement is not on the agenda in Europe new actors such as Turkey and Russia have emerged in the region. Radical Islam has an influence among dissatisfied Muslim youth. While the modernisation process in the region has been stagnating, "a tarnished, divided EU is often powerless to make real changes to Balkan political dynamics of polarisation, zero-sum games, and toxic nationalism...progress on core European standards such as the rule of law, media freedom, and the fight against corruption is often superficial or simply non-existent, while independent monitors warn against rollbacks of the progress that has been made". (Lasheras, 2014)

Candidate countries have become increasingly aware that the negotiations will take a long time. For example for the 2004 enlargement negotiations lasted six years. Sofia and Bucarest joined the EU in 2007, negotiating for seven years. Croatia negotiated from

2005 to 2013. It is highly unlikely that any of the Western Balkan countries will be able to join the EU in such periods of time. Indeed, at the hearing in the European Parliament Committee on Foreign Affairs (AFET) of Johannes Hahn, the new Commissioner for European Neighbourhood Policy and Enlargement Negotiations, some MEPs feared that if too extended in time, the preparatory process could force some of the candidates to give up (Marini, 2014). Moreover, the Greek debt crisis dealt "a serious blow to the enlargement narrative as one of sustained convergence, EU-driven modernisation, and increasing prosperity" (O'Brennan, 2013: 40). The duration of the accession process and the declining level of foreign direct investment in the region heighten the feeling of indifference to the EU and the whole enlargement project among the regional elites, influencing a political culture of outright hostility between government and opposition parties and authoritarian tendencies in domestic politics.

As governments usurp democratic consolidation and the EU enlargement perspective of the Western Balkans slowly progress while economic recovery stalls, public confidence in further EU enlargement has begun to wane. Since 2011, according to the survey of Eurobarometer, it has dropped from 85 % to 79 % in Macedonia, and it has fallen from 72 % to 61% in Montenegro. In Serbia the support has remained around 58%. It has gone down from the initial 58% to 49% in 2012, to high 63% in the spring of 2014, to drop back to 58% in the autumn of 2014. The most recent public opinion survey by the Serbian European Integration Office conducted in December 2014 reveals a support of 44% to the question "If there was a referendum tomorrow on the following question "Do you support our country's integration in the European Union", how would you vote?" The support in this survey has been steadily decreasing since the peak 63% in April 2011.

WHAT IS YOUR OPINION ON FURTHER ENLARGEMENT OF THE EU TO INCLUDE OTHER COUNTRIES IN FUTURE YEARS? (%)

	FYROM	MONTE NEGRO	SERBIA
Autumn 2014	79	61	58
Spring 2014	77	69	63
Autumn 2013	79	64	50
Spring 2013	85	68	57
Autumn 2012	83	62	49
Spring 2012	88	62	58
Autumn 2011	85	72	
Spring 2011	84	72	
Autumn 2010	85		
Spring 2010	88		

Source: Eurobarometer,
http://ec.europa.eu/public_opinion/index_en.htm

3. Macedonia and EU enlargement

Macedonia was granted EU candidate status in 2005, and since 2009 the Commission has consistently recommended that negotiations be opened. The European Parliament has also incessantly supported opening accession negotiations. Nothing has happened, mainly due to the objections by Greece to the country's use of the name "Macedonia". Greece objects to the use of the name "Macedonia",

arguing that Macedon was an ancient Greek kingdom and Macedonia is the name of a region of Greece adjacent to the former Yugoslav republic that bears the same name. A solution to the name issue remains elusive for all sides, including EU officials and the EU High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission Federica Mogherini (Retman, 2014).

As far as starting negotiations for membership are concerned, beyond the Greek blockade over their objections to the use of the name Macedonia, the country faces a serious internal problem regarding democratic consolidation. Opposition parties have been boycotting parliament, accusing the governing coalition of fraud in the April 2014 election. In February 2015, Macedonia became immersed in a political imbroglio as the Social Democrat opposition leader Zoran Zaev began releasing recordings of illegally wire-tapped phone conversations. Prime Minister Nikola Gruevski and the Head of Intelligence Service Sasho Mijalkov faced accusations that during the past few years they had secretly and illegally wire-tapped some 20,000 people, including journalists, opposition leaders, businessmen, NGO activists, academics, religious leaders, members of the judiciary, and prominent intellectuals. The content of the wire-tapping conversations was disputed, and criminal charges were filed against Zaev, including incitement to "overthrow the constitutional order", and "espionage and violence against top state officials". For some time, all aspects of public life –from the bureaucracy to public enterprises to civil society– have been politicised. The recordings augmented the fear that the system of government has been designed with the objective of maximising wealth, power, and impunity for the benefit of particular groups and networks, rather than serving the public interest. Meanwhile Mijalkov, and the Ministers of Interior and Transport and Communications resigned, while Macedonia witnessed a bloody conflict with a terrorist group in Kumanovo in May 2015, and more opposition protests, some of which violent, and a massive support rally by the ruling VMRO-DPMNE.

An agreement, brokered by the European Union and the United States, was worked on in June and July 2015. Early general elections in April 2016 were announced. From 20 October 2015, a transitional government was installed including the two main parties, VMRO-

DPMNE and the Social Democratic Union (SDSM). A new special prosecutor was appointed to investigate alleged crimes implicated by the wiretapping scandal. As part of the agreement, Gruevski resigned in January 2016. The investigation into Gruevski and other politicians from VMRO-DPMNE was stopped in April 2016 by a pardon of the President Gjorge Ivanov, which resulted in several protests. VMRO-DPMNE allegedly did not agree with his action. Zaev supported the protests to overturn Ivanov's pardon referred to by some as the "Colorful Revolution". The protesters demanded that the government resigns, that a technical government is formed, and that the parliamentary elections planned for 5 June 2016 are cancelled, on the grounds that the conditions for free and transparent elections are not in place. The government and its supporters, who have organized pro-government rallies, maintained that the elections on June 5 are the only solution to the political crisis. Finally, early parliamentary elections were agreed upon and were held on 11 December 2016. The elections produced inconclusive results as the ruling party won 51 of the 120 seats in parliament and the SDSM 49 both proclaiming victory and insisting they would form the new government.

Generally the state of democracy in Macedonia is gravely endangered. For some time now all aspects of public life, from the bureaucracy to public enterprises to civil society have been politicized. Complains of political dominance of the media system; the structural inefficiency of the public administration, the rising costs of entry to politics of new subjects, weak execution of the regulations concerning the public financing of parties, the de-facto arbitrariness of many decision-making processes excluding wide and efficient public consultations, the lack of confidence of citizens in the institutions of the state, and the political class; the lack of a sense of state building attitudes in the public service are not new phenomena. The feeling among citizens is that the system is designed with the objective of maximizing wealth, power, and impunity for the benefit of particular groups and networks, rather than serving the public interest.

Among many in Macedonia a widespread "sense of impunity" of VMRO-DPMNE and DUI officials exists amplified by a long-standing absence of alternation in government. The feeling is that Prime Minister Gruevski and his associates have learnt to maximize

wealth and power for their own benefits while extracting large-scale resources from the society and employing part of those resources through clientelism and other means. All of these actions are seen as being taken in order to ensure their continuing positions, financial gain, and impunity. At the moment the legitimacy of public policy making is questioned, while social norms, and the trust in the public institutions shaken. The trust in the functioning system of checks and balances is broken. A belief that a systemic failure has occurred in the country is omnipresent.

Literature on state capture underscores that it presents unique difficulties for policy-makers, practitioners, and concerned citizens who wish to address it. One major challenge is simply gaining detailed documented information about actual structures and processes that accompany this phenomenon (Hellman et al.). EU Progress Reports, analyses by various think tanks and the content of the wire-taped conversations provide Macedonians with ample evidence, even if on a somewhat superficial level. Citizens need to focus on the second challenge, "creating sustained public pressure under which even captured institutions go against the interest of their captors and come back to serve their citizens under public scrutiny". The third challenge is keeping reformed institutions out of the orbit of state capture (Hellman et al). The following section presents a set of ideas how to make reforms so that there is a critical mass of agencies that are not under state capture, assuring that those institutions that have been reformed remain free of internal as well as external pressures.

4. Reforms and processes needed for European Macedonia

The first and immediate issue to be tackled with is to return politics to a sense of normality and decency. Being politician must not confer special privileges. Politicians must not abuse the system and have humility and accountability as virtues. Macedonian politicians should not enjoy extraordinary incomes; neither should they enjoy various hidden privileges as they do at present (for e.g. extra income from membership in various supervisory and governing boards, extravagant travel expenses and per diems, unlimited or unaccounted

usage of publically paid for mobile phones, automobiles or meals in restaurants). Politics in Macedonia must be open and transparent activity where public goods are not used for private or party benefits during electoral campaigns and beyond. Integrity means playing by the established rules, not subverting them, even for the sake of ideological or party gain. Politicians are elected by the citizens to make decisions on the basis of evidence based policy research conducted by public servants in cooperation with analysis of experts from think tanks, universities, trade unions, employers association, business associations and civil society activists, and in communication with the citizens. Politicians are not elected to seclude themselves and base their decisions on their own or party interests.

Furthermore, given that there are typical problems related to corruption and political/party influence on the independence of public institutions, the media, and the electoral processes, Macedonia should focus on strengthening the independence and the competencies of several public institutions that can influence the mentioned problematic areas. These include: the State Audit Office, the Media Regulatory Body, the Public Broadcasting Service, (MRT), the Ombudsperson Office, the Public Prosecutor, the Anti-corruption Commission, the State Electoral Commission, Commission on freedom of information, Anti-monopoly Commission, and the Commission for Protection from Discrimination. One could envision a system of election/appointment of officials in these bodies through a consensual vote in the parliament where for example the nominations would be confirmed by a strong majority and the candidates would have very strong qualifications. Among other things, the strengthening of the efficacy and the role of the mentioned institutions will in the short run influence the fairness of elections. Conducting free and fair elections, whereby voting will not be disputed by any party, should be a priority for the near future.

A key aspect of this engagement is to improve monitoring and evaluation of public policymaking in general. Macedonia should move from traditional monitoring which focuses on implementation monitoring, i.e. tracking inputs (money, resources, strategies), activities (what actually took place) and outputs (the products or services produced). This approach focuses on monitoring how well a

project, programme or policy is being implemented, and is often used to assess compliance with work plans and budget. The government should begin using results-based monitoring, which involves the regular collection of information on the public policy performance. Results-based monitoring demonstrates whether a given law, programme or policy is achieving its stated goals. However this should not be used as an incentive for further enlargement of the public administration but should be performed through reforming its present capacities and efficiency to fit the new results-based monitoring approach. This approach is in line with the EU accession strategy as the union repeatedly calls in all progress reports for the country output legitimacy to be strengthened rather than just focusing on the input legitimacy of decisions. It will inevitably need establishment of a monitoring and evaluation framework that is currently lacking, as well as acquiring certain sets of skills of civil servants as well as level of knowledge and awareness of public managers for results –based monitoring framework to be enforced–.

Performance-based budgeting is the practice of developing budgets based on the relationship between program funding levels and expected results from that program. The performance-based budgeting process is a tool that program administrators can use to manage more cost-efficient and effective budgeting outlays. It is a way to allocate resources to achieve specific objectives based on program goals and measured results. The key to understanding performance-based budgeting lies beneath the word "result". In this method, the entire planning and budgeting framework is result oriented. Program budgeting is not simply about changing the way a budget is presented, but about changing the way policy officials, the public and government staff think of the government, how they plan, manage and budget. Each line ministry and agency needs to engage in the process of developing a program structure for their budget. Line ministry management and staff –not consultants– must undertake the work. This also implies that a country should not simply import a program classification from another country and try to adopt it. In the same time the performance – based program budgeting is in line with the EU accession requirements for Macedonia and a commitment the Government fails to implement since 2009.

Macedonian government should in the long run establish results-based models of monitoring and evaluation, looking at outcomes and impacts, as opposed to the traditional monitoring and implementation orientation, which only looks at the inputs and milestones for project's implementation rather than program implementation. Performance-based monitoring, evaluation and budgeting must include systematic and continuous data collection on public policy implementation for performance measurement, and it must include indicator values against which progression towards meeting targets can be measured in line with objectives set. Furthermore it should facilitate adjustments and adaptation, thus making for more effective public policy management. This facilitation of full-fledged monitoring and evaluation through consensus and capacity development –with a view to increasing the efficiency and effectiveness of public policies– should be a priority. Regulatory impact assessments and other steps and commitments to performance-based budgeting already presuppose strategic planning for targets and indicators measurement. Pertinent to the success of the results based models of policy-making is time, for deliberation, for implementation, for adjustment and measurement of impact and results. The style of governance promoted in the last decade was rather contrary, marked by not inclusive policy making due to the lack of time, express procedures for adoption of new legislation successfully hidden behind the need to meet pressures for accelerating EU accession. Therefore, a new government should take it slowly, define several results per sectors and devote time for implementation that will allow time for measurement of results and deliberation of new policy solutions. Such improvements due to the currently low capacities of the government in monitoring and evaluation and performance budgeting can be bridged by the inclusion of independent experts and civil society actors.

Consequently, Macedonia must immediately thoroughly improve fiscal transparency the comprehensiveness, clarity, reliability, timeliness, and relevance of public reporting on the past, present, and future state of public finances is critical for effective fiscal management and accountability. It helps ensure that governments and the public have an accurate picture of public finances when making economic decisions, including of the costs and benefits of policy

changes and potential risks to public finances. The current crises revealed problems that originate from the lack of pre-budget statement and thereof lack of debate for the central budget in Parliament; lack of citizens budget and thereof user-friendly budget information sharing with ordinary citizens; absence of reporting the public debt in the budget document; absence of reporting the transfers of socially owned enterprises (such as ELEM, T-home, AEK and etc.) to other public enterprises such as JSP, MTV and others. The separate reporting of the external public debt is not sufficient, it needs to be included in the budget as it is financed and administered through the budget, as well as it needs to include debt not just towards external financial institutions but also commercial borrowers. Fiscal transparency should provide legislatures, markets, and citizens with the information they need to hold governments accountable.

By joining the Open Government Partnership, the government of Macedonia has pledged to continuously improve itself on the foundations of open, transparent, reliable and efficient government institutions that communicate and cooperate with the citizens. The obligations for transparent implementation of the government activities as well as inclusion of NGOs are proclaimed priorities that should be put in real use. It is an imperative that the civil sector is more actively used in the policy-making processes. Macedonia needs to develop a culture of inclusion and respect of rights for all citizens in the policy making and decision-making processes, including the adoption of laws and access to information. Better enforcement of the Law on Free Access to Public Character Information should also be a priority especially providing data to citizens first hand so that there is no actual need that one should use this Law to ask for certain information.

The reform of the judiciary should be a continuous process, important now as in the long run. Enforcement of anti-corruption legislation requires an efficient, predictable, and accountable judiciary, able to hold the executive accountable under the law, and to interpret and enforce the terms of the constitution. The independence of the judiciary from direct undue interference with adjudication by the government and the power to enforce its rulings are crucial in the anti-corruption efforts. Hereby, enforcement of rulings is the key issue and Macedonian government must consent to provide the

resources needed for enforcement. Given its stature, the Constitutional Court could contribute more to the development of public policies.

In the mid to long run, Macedonians of all credos must demand further democratization of our political parties. Ethnic parties should adopt more nuanced party platforms based on political ideologies rather than solely on advancing particular kin interests. The electoral system must not only equally take into consideration the role of women, going beyond the current 30% quota, but also present citizens with choices to elect candidates on the basis of individual virtues perhaps through using the open party lists model or a combination of a majoritarian and PR system as used in Germany. To reduce interethnic tensions electoral system to induce ethnic accommodation, for example, vote pooling could be used in local or presidential elections. Through vote pooling politicians in a heterogeneous society seek support outside their own group in order to win elections and voters exchange votes across group boundaries. Transparency of the elections must be raised both in terms of party financing and media coverage.

In the mid to long run Macedonians must also insist on deepening the decentralization processes. Deepening the principles of equitable and just representation defined with the Ohrid Framework Agreement to the municipal level in combination with moderated electoral campaigns as envisioned above should have a reconciliatory effect on interethnic relations in the country. Macedonia should focus on the implementation of the Strategy on Integrated Education and have a more proactive approach in order to ensure the ethnic, cultural and linguistic identities of all communities lowering the threshold of 20% for official use of minority languages. This threshold is one of the contentions point hovering over the census taking process.

Given the problems witnessed with the wire-tapping affair various forms of participatory democracy, such as the community forum program supported by the Swiss, should be taken into consideration in the mid to long run. Electronic participation at the problem defining level if not at the strategic planning and budgeting processes should be an aim for citizens to be able to effectively engage at on a local level. Overall, participatory budgeting which allows the

participation of citizens in the conception and/or allocation of public finances' should be a target. Doing so will encourage Macedonians to become part of the "public sphere" rather than to remain mired in the civic disengagement and apolitical cynicism that seems to have plagued our political systems in recent years. Such citizen engagement will increase social justice by involving the poor and excluded, and helps individuals become better citizens through oversight of public spending, thereby helping to reduce corruption and cronyism, empowering a more diverse range of political activists, reducing elitism and clientelism and, in the end, providing citizens with greater access to basic services and improved living conditions (Moynihan, 2007).

5. The need for an elite pact and a political settlement

The current state of affairs and elite conflict distinctively resembles the circumstances described by political scientists in literature on democratic transitions. Key authors in this field noted that the critical step for a successful democratization included transformation of disunified elites into consensually unified ones, through an elite settlement of basic disputes among elites (Higley and Burton, Burton and Higley, O'Donnell, G., and Schmitter, Higley and Gunther).¹ An elite pact, settlement or political settlement is a relatively rare event in which warring national elite factions suddenly and deliberately reorganize their relations by negotiating compromises on their most basic disagreements. Such pacts are the processes in which previously disunified and warring elites suddenly and deliberately reorganized their relations by negotiating compromises on their most basic disagreements, thereby achieving consensual unity and laying the basis for a stable democratic regime. Alternatively put, political pacts are a set of formal and informal agreements between contending political actors to diffuse potentially disruptive contestation; they establish a basis for restrained and peaceful political competition between major elite camps. An elite pact can also be defined as an explicit, but not always publicly explicated or justified, agreement

¹ All definitions are from the mentioned references.

among a select set of actors which seek to define (or better, to redefine) rules governing the exercise of power on the basis of mutual guarantees for the "vital interests" of those entering into it. The effect of these settlements is to fundamentally transform relations among existing elite factions, creating a consensually unified elite structure that provides a foundation for lasting political stability. After settlements, elites continue to be affiliated with conflicting parties, movements and beliefs, but they share a consensus about government institutions and the codes and rules of political competitions. The essence of an elite settlement is a bargain among elites that their respective supporters will accept.

In political science elite pacts are related to political settlements. Both are related to the current Macedonian crisis. Political settlements are the common understanding between elites about how power should be organised and exercised and include formal institutions and informal agreements. (DFID) Every state is based on a political settlement that represents the outcome of contention and bargaining between elites, and between social groups and those who occupy authority within the state and society more widely. The political settlements approach focuses on the formal and informal negotiations, bargains, pacts and agreements between elite actors, as crucial drivers of the locally effective institutions and policies that promote or frustrate the achievement of sustainable growth, political stability and socially inclusive development. OECD characterised the term as referring to how the balance of power between elite groups is settled through agreement around the rules of political engagement. (2011) Political settlement may be (re)shaped by the outcome of a single event (such as a peace agreement), or it may reflect an ongoing process of exchange and (re)negotiation that extends over time where what matters is the conduct of key actors.

Political scientists have argued that elite settlements are triggered by a sharp and profoundly dangerous crisis which drives elites to abandon competition and cooperate to effect a change of regime. Elite settlements occur through relatively quick negotiations among leaders of major elite factions. The negotiations are conducted by experienced political leaders. They are often face-to-face, partially secret, negotiations among paramount leaders of the major elite factions/parties. Through a combination of skill, desperation, and

accident, impasses are broken and crucial compromises are struck that result in formal written agreements. Written agreements commit elite factions publicly to the concessions and guarantees they have made. But formal agreements and constitutions by themselves hardly suffice to produce the common elite acceptance of a new code of political conduct, which is the most fundamental and lasting consequence of an elite settlement. Behind such agreements there must be a great deal of forbearance and conciliatory behaviour among the most central elite actors

Elite settlement as a new and transformed political order born of crisis and achieved through elite cooperation is crucial for our country. Elite settlement "tames" politics: leads to compromises among political leaders, generates shared practices among competing political elites and defines sanctions for violating that. After settlements, elites continue to be affiliated with conflicting parties, movements and beliefs, but they share a consensus about government institutions and the codes and rules of political competitions. Politics no longer kills, "is no longer a warlike affair, (...) affirms itself as the standard *modus operandi* of a polity"; only a settlement leads to a stable democracy (Sartori, 1995). We need such a settlement as soon as possible in Macedonia.

Macedonian politicians have for a long time disagreed about government institutions, engaged in fights for dominance, and had "the winner takes all" attitude. It is imperative for the political and social actors to understand that the consolidation of democracy comes through cooperation not based on self-interests but on society-oriented interests. In order for democracy to consolidate it is imperative for political parties and politicians to show political will in negotiations and institution building past petty and temporary interests. VMRO-DPMNE and SDSM must immediately open communication channels. There needs to be a quick agreement on the necessary steps forward. Action plans for reform of key institutions (such as the State Audit Office, the Media Regulatory Body, the Public Broadcasting Service, (MRT), the Ombudsperson Office, the Public Prosecutor, the Anti-corruption Commission, the State Electoral Commission, Commission on freedom of information, Anti-monopoly Commission, and the Commission for Protection from Discrimination) should be agreed upon. A census should be prepared

and organized as soon as possible, even if the question of ethnic belonging is not to be posed (language identification could be used in the census as this is actually key for policy making in education for example, not collecting data on ethnic identity will avoid unnecessary tensions over the Ohrid Agreement provisions of bestowing rights in local municipalities to populations over twenty percent, and would reduce unnecessary tensions over the ethnic balance in the country). A consensus should be sought for having a unified position on the Greek objections to the name. Within, constructive ideas should be discussed that can reach to the other side's position. Given that the reforms envisioned here are implemented and politics is returned to normal, they could bring a new dawn to democratic Macedonia and enhancement of the EU enlargement for this country.

6. EU to engage Macedonia and the region

From a strategic and geopolitical point of view, the EU should re-energise the enlargement process in the region. Nevertheless, an enhanced impetus for reform from the side of the governments in the Western Balkans is a prerequisite for the success of any continuation of the enlargement process. However strategic and geopolitically important the region may be, EU membership will not be realised unless the countries concerned undertake the necessary reforms. Transparency and accountability are needed in the reforms, hence more accent should be placed on improving institutions and agencies that monitor and evaluate public policymaking. Elites in the Western Balkans must be induced to drop the prevalent confrontational mentality and move from disunity to unity in working together to further the enlargement process and democratic rule in general. Regional cooperation should be enhanced, and the EU should assist this through the various forms of multilateral institutions currently in place. There is no point in working on EU accession if the region does not improve and does not coordinate better its own activities and projects aiming to help the life of ordinary citizens. Brussels should accept that some of the regional problems, especially those involving bilateral issues and concerning "good neighbourly" relations, will remain unresolved without the EU's direct involvement. Overall,

devoid of EU accession prospects, the Western Balkan countries face the risk of a social-economic implosion and authoritarian consolidation. The Western Balkan countries need more assistance and attention from the EU than the Central European candidates that acceded to the EU in and since 2004.

Politicians in the region must comprehend that the consolidation of democracy depends on elite consensus and cooperation. This is needed in the Western Balkans as soon as possible. Indeed, the EU should apply pressure on political parties in the Western Balkans to defuse the "winner takes all" mentality of political elites. Party dialogue and a culture of consensus-building over policy issues and institutions should be further promoted. To safeguard against the appropriation of the EU enlargement progress for the furtherance of individual party political interests, the EU should formally insist that candidates for key positions leading the respective country's accession process –Chief Negotiator, Minister and Deputy Minister of European Integration, Chair of the Parliamentary Committee for EU Enlargement and similar positions– are elected or appointed by a consensus among the political parties in the respective national parliaments–. The more the ruling and opposition parties are formally engaged in the enlargement process, the less they will be inclined to take a confrontational stand against the necessary reforms. Consensual policymaking will decrease inter-party bickering and defuse the tensions that contribute to the "winner takes all" mentality. Although it might look as if the EU were trying to interfere in the internal affairs of the countries in the region, this move would signal to the elites and to citizens in the region that political settlement and consensus over EU enlargement is a crucial issue for the democratisation and socio-economic development of the Western Balkans.

Problems related to corruption and party political influence on the independence of public institutions, the media, and electoral processes are prevalent throughout the Western Balkans, a point repeatedly made in the European Commission progress reports. To address these barriers to the EU integration of the region, the EU should use IPA II to further support reforms in the "enlargement countries". The EU should through IPA II continue to insist on reform of the judiciary in the region. The enforcement of anti-corruption

legislation requires an efficient, predictable, and accountable judiciary, able to hold the executive accountable under the law, and to interpret and enforce the terms of the constitution. The independence of the judiciary from direct undue interference –and the power to enforce its rulings– is crucial to anti-corruption efforts. The enforcement of rulings is the key issue, and governments in the Western Balkans must give their consent to provide the necessary resources. Given their stature, the constitutional courts in the region could contribute more to the development of public policies, and the EU could enhance this process through IPA II funds for think-tank analysis on the role and effectiveness of these courts or through twinning programmes to strengthen their capacity.

Overall these reforms and processes if put in place will greatly contribute to the strengthening of democratic consolidation in the countries of Western Balkans and improving of their readiness in the EU enlargement process. The reforms in the Balkans countries will not suffice if current populist anti-EU tendencies prevail among member states in upcoming elections around the continent. However, it is better for Western Balkan countries to be fully democratic for their own sake, and if the EU process becomes invigorated the better for them too

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