



Institute for Regional and International Studies

STRATEGY
FOR ASSISTING
THE PROCESS OF DECENTRALIZATION
IN THE REPUBLIC OF MACEDONIA BASED ON
BULGARIAN BEST PRACTICES

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STRATEGY FOR ASSISTING THE PROCESS OF DECENTRALIZATION IN THE REPUBLIC OF MACEDONIA BASED ON BULGARIAN BEST PRACTICES

“Country’s European integration hopes in jeopardy if progress on decentralization stalls”.

Michael Sahlin

Special Representative of the European Union in Skopje

INTRODUCTION

PROJECT RATIONALE

On March 22, 2004 Macedonia submitted its application for EU membership, which is regarded as a unique perspective and highly important instrument for maintaining country’s stability. In November 2005 the European Commission has adopted a recommendation at the Council to grant Macedonia the status of candidate country for EU membership. The Commission is expected to set a date for starting entry negotiations at the EU summit in December 2005. EU negotiations will provide the political elite in Macedonia with the necessary motivation for accomplishing political and economic transformation. Nevertheless, the tension and mistrust between the major ethnic groups in the country hinder the implementation of any real reforms.

Decentralization is key and technically complex element of the security framework of Macedonia as well as of the European perspective of the country. On the one hand side, the European Union as a genuine guarantor of the Ohrid Framework Agreement, providing for the settlement of the military conflict from 2001, expects Macedonia to undertake rapid actions towards decentralization for starting accession negotiations. On the other hand side, the process of decentralization is a major test for the interethnic relations in the republic.

As a former Yugoslav republic, Macedonia has inherited highly centralized system of government that deprives local communities of the opportunity to legitimately participate in resolving their own problems. After obtaining independence, reforms in this sphere have become hostage of the fears of ethnic conflict and, it has been difficult to talk about local self-government in Macedonia.

The deficiencies of democratic governance at local level impose the necessity of the elaboration and implementation of new policies, legal approaches and practices consistent with the EU accession requirements and with the Stabilization and Association Agreement between Macedonia and the European Union. Overcoming these deficits will allow Macedonia to go on from the stage of stabilization to that of the EU association.

Bulgaria, on the other hand, has successfully concluded the EU accession negotiation process. Searching for better representation of civic interests on local level, Bulgarian local government and NGOs have accumulated a positive track record of overcoming the difficulties and shortcomings Macedonia just have to settle. Therefore, the project focuses on the elaboration of a **strategy for transfer and adapting of the Bulgarian experience and good practices** in overcoming these deficits in the context of a complex political environment and ethnic conflict in Macedonia.

IRIS initiated the project after having a series of meetings and discussions with representatives of state authorities, political parties and non-governmental organizations in Macedonia.

Developing and implementing the project, IRIS built on its extensive experience of working on similar initiatives in the region of Southeastern Europe. To name but few: *Cooperation among Bulgarian and Macedonian Non-governmental Organizations for Political Resolution of Problems in Bilateral Relations; Security Challenges and Development of Southern Balkans; Civic Strategy for Developing Bulgarian – Serbian Bilateral Relations; Democratization and Local Development – Transfer of ‘Good Practices’ between Bulgarian and Serbian NGOs and Representatives of Local Authorities in the Border Regions.*

PROJECT GOALS

The main goal of the project is elaborating a **strategy for applying an integrated system of cross-border transfer of Bulgarian experience and good practices to Macedonia in overcoming deficiencies of the decentralization process and sustaining the citizens’ support for necessary reforms** within the context of the European integration.

The project has particularly focused on the following domains:

- Efficiency and accountability of local authorities;
- Active civic involvement and potential for influencing the decision-making process;
- Sustainable and effective partnership among various institutions, state authorities, representatives of non-governmental and business organizations, as well as transborder cooperation.

Elaborating the strategy for transfer of experience and good practices from Bulgaria to Macedonia, **the Institute for Regional and International Studies has adhered to the principles of regional cooperation and stability on the Balkans and resolution of remaining conflicts with concerted efforts based on modern European criteria and norms.**

The project goals have built on the completion of a set of streamlining objectives:

- Analysis and assessment of Bulgarian experience and best practices in the field of administrative reform and decentralization within the process of Bulgaria's accession to the EU;
- Analysis of the mechanisms and Bulgarian best practices of citizens' involvement in reforms at local level;
- Assessment of options for adapting the model applied in Bulgaria to the existing conditions of ethnic tension and distrust in the Republic of Macedonia;
- Identifying potential partners and mobilizing citizens' potential for implementing necessary reforms at local level in the Republic of Macedonia in view of the European integration and as a model for overcoming ethnic tension.
- Establishing mechanisms for sustainable and efficient cooperation among civic organizations and local authorities from Bulgaria and Republic of Macedonia;
- Exercising civic pressure for implementation of recommendations elicited within the project.

TARGET GROUP

The target group of the project included representatives of communities, organizations and institutions that are direct stakeholders and/ or show interest in local governance reforms in Bulgaria and Republic of Macedonia. Experts and local government officials have also been involved in the project as well as representatives of institutions and organizations capable of realizing in their work the analyses and recommendations generated in the course of the project.

PROJECT OUTPUT

Achieving the major goal – elaborating a strategy for applying an integrated system of cross-border transfer of experience and good practices from Bulgaria to Macedonia – facilitates the **development of cooperative processes between the two countries**, on one hand, and fits in the general framework of main national priorities – **democratic development, regional stability and European integration**.

Implementing the project brought about the following results:

- The know-how transfer facilitates the adoption of good governance practices at local level.
- Strengthening the capacity of civil organizations for defending positions in decision-making processes advances the consolidation of democratic governance.
- Representatives of different ethnic communities have participated in the project, which increases their capacity for active participation in various social activities.

- The project provides for establishing a network of civil organizations and representatives of local authorities from both countries, which will cooperate and further develop the goals set out in the strategy.
- Implementing the envisaged project activities promoted the efforts for confidence building among different ethnic communities in Macedonia as a part of the comprehensive process of integrating the country into the EU.

Implementing this project serves as blueprints for elaborating a model for sustainable development at local level that might be applicable in other countries of the Western Balkans on their way to Stabilization and Association.

POLITICAL CONTEXT ANALYSIS

DECENTRALIZATION IN THE REPUBLIC OF MACEDONIA: BACKGROUND AND CONTEXT OF A PROBLEMATIC PROCESS

A KEY MISTAKE

The process of decentralization has been introduced to the public as a process regulating difficult and complicated political problems in *a) domestic political aspect*: conflicts in a plural post-communist society with deep cleavages; intra-integrative problems – consolidation of this society; implementation of the Ohrid Framework Agreement, as well as *b) external integrative aspect*: country's accession to the EU and NATO.

As it has been witnessed, citizens were inaccurately informed (mostly for propaganda reasons) about issues, which in fact have very little in common with the process of real and genuine decentralization. Due to the problems Macedonia faced (the conflict in 2001), decentralization was meant indeed to play, in the meantime, such a stabilizing role in resolving complicated problems in Macedonia. Decentralization however had to be considered solely as one of the whole set of instruments in the complex specter of measures, mechanisms and policies, most of them envisaged and defined in the Ohrid Framework Agreement.

The important political factors – the official opposition and other politically organized forces, opposing the ruling power, spent lots of time and energy in arguing that “decentralization is an introduction to federalization, hence, leading to ultimate division and break-up of Macedonia.” Thus, an odd situation occurred in which two extremely opposed sides promoted two self-contradictory options – power-holders and parts of the civil/ non-government sector defined decentralization as a process rapidly accelerating the integration of the country into the EU and NATO, on one hand, and the political opposition backed by parts of non-political organizations and some public figures – on the other hand – which maintained that decentralization, the way it is set up, shoves Macedonia into an abyss.

The middle grounds of these two extremes have been least considered or totally ignored, namely that decentralization represents democracy in essence or at least what is meant in normal settings by the term “decentralization of local self-governance” – **bringing power closer to citizens**.

THE GENESIS OF PROBLEMS: DOMESTIC POLITICAL DISCORDS AND A FRAMEWORK OF CONFLICTING FACTORS

Problem 1: Whose country is this?

This proto-problem, a main source of discord, stems from the vagueness in the definition of the state. *According to what concept the state has been organized* is the major issue about which many and often contradictory definitions have been publicly launched. This problem is being multiplied when, without any good reason, in the ongoing political debate it is connected with the process of decentralization.

Current ideas, decisions and options circulating in public: a) “a conglomerate of parts of peoples and nations, ethnic communities, cultures, confessions and languages”; b) “Macedonian ethno-nation organized in its own nation-state with some national minorities”; c) “Switzerland on the Balkans”; d) “a bi-national state of Macedonian and Albanian people”; e) “a commonwealth of multiple ethnic communities”; f) “the nationality of citizens is judged upon their citizenship”.

Nominally and declaratory¹, Macedonia is conceived as “a conglomerate of parts of peoples and nations, in normative terms, it is also “a commonwealth of multiple ethnic communities and confessions, emphasizing one of the minority ethnic communities”, however², the Albanian.

Problem 2: Decentralized local self-governance in a political system of consociational democracy or something else?

The analysis of political practice reveals that, as many the definitions of the nature of a state are, the more various interpretations of what the constitutional and legal order and political system should be are multiplied.

The Ohrid Framework Agreement introduced in Macedonia a special form of consensual democracy, designed particularly to match the specificities of the plural, with deep cleavages, Macedonian society.

The more the Macedonian consociational model differs from the basics of the ideal theoretical type of consociationalism of Arend Lijphart, the greater in number the interpretations of how the political system should be set up and function are.

The problem here stems from the fact that the political elite, and mostly the public, is likely to conceive still quite vaguely the very concept of democracy after the change of the socialist

¹ According to the Preamble to the Constitution of November 2001, which actually results from the Ohrid Framework Agreement and represents the exit point of the conflict in 2001.

² In the remaining part of the Constitution, i.e. the normative part, particularly Articles 7, 8, 9, 19, 48, 56, 69, 77, 78, 86, 104 and 109, as well as some specific parliamentary voting mechanisms.

regime, yet much more incomprehensible the consociational democracy introduced lately is. There is a very limited knowledge how decentralized local self-government functions in political systems of consociational democracy. Detailed comparative analyses are lacking.

Problem 3: Ghettoization Trends

In Macedonia, the stability of inter-ethnic relations is volatile. It is yet fragile and a satisfactory level of mutual trust and normal active communication has not been achieved. The distrust between the two communities – the Macedonian majority and the Albanian minority, is evident. The integrative processes, if such occur at all, are obscure. On the contrary, there are **trends for ghettoization, separation and encapsulation within the borders of ethnic communities**³.

Even four years after signing the Framework Agreement, the re-settled people (refugees from the crisis regions in 2001) claim that the efforts for providing normal and secure conditions for refugees' return to their homes have not succeeded yet. According to their complaints, Albanians in former crisis regions demonstrate a behavior of domination. In their words, it is their Albanian neighbors who decide who of refugee Macedonians, when and under what conditions may return to their homes. The Albanians from these regions deny these allegations, and the competent authorities, the government and local administration have no clear stance and answer to this really problematic issue.

Actually, here we come to the main question: Are these problems and their resolution within the competence of the decentralized local government or not?

Problem 4: “We” – “They”

The process of decentralization started after several key laws have been passed – on local self-governance; on territorial organization of local self-governance in the Republic of Macedonia; on the city of Skopje and on municipal financing.

³ *Example 1:* Ethnic separation among students in primary and secondary schools, as well as among university students is a fact. Students in secondary schools in Kumanovo and Struga, after series of riots and assaults in the preceding period in a totally politicized atmosphere, have been studying separately already for several years at all school levels (or not studying at all – boycotting schools); or study together in common schools having meanwhile large-scale beatings among them. This is to show in a way that a kind of parallel schooling system has been restored, as well as a parallelism in the everyday life.

Example 2: A Professor in Sociology at the Faculty of Philosophy in Skopje, in the VREME newspaper, the issue of 30. 08. 2005, witnessed that “in the course of the last 15 years Macedonians have been moving at a large-scale from several parts of Skopje: Skopje-North, Topansko Pole, Bit Pazar and Chayr, which shows that there is an intensive and deep division of the population along the lines of ethnic and religious belonging.” The Professor assumes that when people leave a particular area just because people of different ethnic affiliation live next-door in the same area, then it is a solid indicator of existing deep cleavage between citizens.

The biggest problems occurred during the period August – November 2004 in relation with passing the Law on territorial organization of local self-governance in the Republic of Macedonia and the Law on the city of Skopje. This period was characterized by a hysteric political situation after the opposition initiated holding a referendum against these laws.

As a result of the coalition agreement between SDSM (Social-Democratic Union of Macedonia) and DUI (Democratic Union for Integration), the **Law on territorial organization provides for an accelerated change in the ethnic and demographic structure of most municipalities**, accompanied by an odd and unusual demand for losing the status of a municipality (several Albanian municipalities requested to give up their previous status of municipality and joined closest town-municipality). Environments have been created which in essence are not multiethnic but rather mixed, dominated by an ethnic community, which by the time of this gerrymandering has been in most cases a minority⁴. Town-centered municipalities have been enlarged by village-centered (rural) municipalities.

What are then the real political reasons for the territorial and numerical decrease or increase of one ethnic group at the expense of another? Is it likely aimed at achieving greater compactness of the Albanians in certain municipalities and in some parts of Skopje?

In this period a real nation-wide competition took place for roughly counting “us” and “them”. Macedonians in these places share the feeling of defeat, loss and despair – a mindset that has been sometimes, but steadily, induced and nurtured by some politicians and journalists.⁵

It was in this setting of conditions and circumstances, in which the process of decentralization has started.

⁴ Vladimir Jovanovski, a journalist at FORUM Political Magazine, in one of his analyses published in this magazine in September 2004 the following: “The number of Albanians in *Tetovo* has risen considerably from 45,000 previously to 60,000. Now 86,580 people live in the city beneath the Shar Mountain, 23 % of whom are Macedonians (previously 28 %) and 70 % Albanians. The number of the population in *Gostivar* has nearly doubled – from 49,000 to 81,000. After the accession of Vrutok, Dolna Banica, Sarbinovo and Chegrane, the proportion of local Macedonian population there has decreased even more than the case in Tetovo – from 26 % to 19 %. On the contrary, Albanians compellingly dominate now – 54,000 compared to previous 29,236. At present, two out of three citizens of Gostivar are Albanians, and the rest is either Macedonian, Turk, Roma or Serb; As far as *Struga* is concerned, the ethnic balance there is profoundly changed. The number of Macedonians before was 47.9 %, whereas after the new territorial re-organization this number has fallen to 32 %, as contrasted with Albanians, whose number has increased from 41.5 % to the overwhelming 56.8 %. The situation in *Kichevo* is the same. The current number of 9,000 Albanians will be increased in 2008, as negotiated, by other 11,000 Albanians from Zayas and by 10,000 from Osloimey, compared to the number of Macedonians which rises from 16,000 by statistically negligible 2,800 Macedonians from Vraneshtitsa and Drugovo.”

⁵ Yet, contrary to this mindset, there are also other views of journalists and commentators: “We cannot strife for the unitary character of Macedonia and against the partition of Macedonia with a referendum by which we clearly state that we fear that the new territorial organization will give Albanians compact territory and access to power holdings in local self-government. We consider these power holdings as instruments for ethnic cleansing of Macedonians and for separating the western part of the country into a version of the Greater Albania project”. *Trichkovski, B., Utrinski Vesnik Daily*

OHRID FRAMEWORK AGREEMENT

The Ohrid Framework Agreement introduces a change in the political system of Macedonia by amending the 1991 Constitution. The agreement builds mainly upon four pillars⁶: a) decentralization; b) adequate representation of Albanians in the state administration structures; c) education and language usage; d) special parliamentary procedures for passing laws, which concern rights of Albanians.

The anchor – the key principle, however, enshrined in the basics of the complex agreement, **is the negotiated and agreed power-sharing between Macedonians and Albanians**. The key issue here is whether this power-sharing occurred in a specific moment, i.e. should we consider it only as a single act, realized and completed in a particular historical moment by signing a written document, or this agreed upon power-sharing is an ongoing objective, being implemented daily, regularly and durably?

Problem 1: Inadequate Attitude towards the Framework Agreement – A Reason for the Problematic Decentralization

The real problems is that many people in Macedonia make haste announcing that the Ohrid Framework Agreement is a) already implemented; or b) non-functional; or c) “dead” (failed); or d) attack and question it in various ways; or e) try to invalidate it by means of “political subversion”.⁷ In short, all is done!

⁶ Though the structure of the agreement is comprised of more components, the listed four alongside the key principle (“the anchor”) are essential and important.

⁷ In Macedonian political process in the course of the last several years more political theses have been launched that by trickling the Agreement into the new Constitution of the Republic of Macedonia everything should be considered done, and currently it is the Constitution itself which is deemed to be applied. (*Branko Crvenkovski, an interview to Utrinski Vesnik Daily, Skopje*)

Expanding this argument says: “The Ohrid Framework Agreement does not exist anymore. It is sheer nonsense to proclaim this agreement or to endue it with some historic meaning. At the point when the agreement was transformed in Constitutional amendments and articles, the agreement expired. Now the Constitution of the Republic is in force. The problem with the Macedonian Constitution is not that it is hybrid of a civic and ethnic Constitution. The real problem is that the Constitution is not put into practice”. (*D. Mirchev, Dnevnik Daily, Skopje*). On the other hand, however, in most of the cases, A. Xafferri (DPA leader) and L. Georgievski (leader of VMRO-NP) have maintained that the Agreement is not enforced or that it failed, i.e. it has no future. That the agreement has earned many adversaries is manifested by the report (July/August) of the Macedonian Helsinki Committee for Human Rights. It is this organization that forwarded an analysis, according to which “the Agreement has not been concluded in the National Assembly (the Parliament), it is neither notarized nor legalized, hence causing no legal effect (it is neither a law nor directive, nor international treaty, simply not a legal act at all). The Helsinki Committee position did not remain unsupported. There are many Macedonian intellectuals and journalists, and politicians as well, who for some time now has been promoting the idea of “shedding some light, finding an answer to the question ‘What happened to us in 2001?’” For some of them it is easy to recognize an attempt to find (or construct) such an answer that would confirm the conflict has been a classical military aggression against Macedonia, realized from outside. Therefore, according to this logic, the agreement has to be legally delegitimized. Ultimately, the referendum against the Law on territorial organization of local self-government in November 2004 was in fact aimed at breaking the “backbone of the Agreement”, ergo, the outnumbered Macedonians to outvote the less-in-number Albanians.

The Agreement however is still in force. The decentralization is by itself an implementation of the agreement, and as we witness, the process is ongoing and not finished yet.

Problem 2: Communist Macedonia More Decentralized than Democratic Macedonia?

The “extended rights”, which Albanians acquired under the Ohrid Agreement, after the conflict in 2001, were in fact a package of rights that they have already nearly entirely enjoyed in the political system and under the 1974 Constitution of the former Socialist Republic of Macedonia. Problems erupted when the 1991 Constitution limited or directly deprived Albanians of these rights. In the period 1991 – 2001 Albanian political parties participating in the political process were promised amendments in the Constitution directed at extending right, but that did not happen. Actually, decentralization was undertaken as a duty by Macedonian politics (pursuant to the European Chart for Local Self-Government), but instead of applying these standards, just the opposite happened – the state has become even more centralized!

It is not clear whether there is some correlation or causation between the fact that the political factors that nullified in 1991 the then existing rights of Albanians are still important actors in Macedonian politics and the fact that decentralization is advancing slowly and problematically.

IMPORTANT QUESTIONS

The results of monitoring the process as well as according to the conclusions of the experts and public debates reveal that local authorities in most of the cases are not aware of what exactly has to be achieved. Decentralization is not precisely set, lacks any clear focus.

It is particularly unclear whether decentralization aims at achieving greater financial and fiscal autonomy for the municipality. Whether should these two objectives be achieved mainly as a result of a formal legal regulation or as a result of economic development and strengthening economic capacities of municipalities? Does a municipality have a formulated plan for strategic development of economic capacities with the ultimate goal of limiting poverty and unemployment? Does the municipality have a plan and program for partnership with the civil society sector, with citizens for successfully implementing decentralization, or citizens perceive this as another abstract issue of the high politics, which is of relevance only to politicians? Will adequate representation of minorities in administration be to the detriment of competence (hence, to the detriment of efficiency) of the apparatus? If not, what is the plan to achieve this without straining interethnic relations as a result of dismissing some people and employing others? How will the central ministries release the excessive staff by transferring it to municipal administration in a way that will satisfy the criteria of competence and efficiency, but also not adding excessive staff to local administration? Finally, how will municipal administration be kept non-partisan?

Have Macedonian municipalities prepared a plan, program and strategy to address these problematic issues for the benefit of the successful decentralization of local self-government?

GENERAL CONCLUSIONS

Decentralization will not address complicated internal and external political issues. **Successfully decentralized local authorities will be a key segment of a completed and consolidated democratic system.**

“The main feature of Macedonia, which can hardly be ignored, is the fragmentation of Macedonian society along the lines of different nations, religions and cultures, which requires a particular organization of this mixing into an adequate political system. In Macedonian politics consociational mode of addressing many problems is needed for successful but also necessarily delicate ethnic balancing at all levels of political decision-making. It is only how Macedonia may go the way to democratic consolidation.”⁸

The real threat to Macedonia is not the unreal fears of its partition, but its real falling behind, due to impeding the implementation of the Ohrid Agreement. The fate of Macedonia is focused on a single issue at that moment. Namely, the existence of Macedonia is connected to its accession to NATO (then the integration with the EU is deemed nearly inevitable). Outside these organizations, the future of Macedonia is considered quite difficult and very uncertain, most likely terminal. For the aims of the integration, Macedonia has to demonstrate that the political system, reconstructed by the Ohrid Framework Agreement, functions steadily under the conditions of liberal democracy and multicultural environment, which it itself originates from.

Macedonia has to demonstrate that it is a consolidated democracy, which by definition involves, among other things, decentralized local self-government. A destabilization or absence of such a system in itself debars the country from any integration processes.

⁸ *Maleski, D., Utrinski Vesnik Daily, Skopje*

NORMATIVE CONTEXT ANALYSIS

LOCAL SELF-GOVERNMENT IN THE REPUBLIC OF MACEDONIA

LEGAL BASIS

List of laws of importance to the local administration:

- Constitution of Republic of Macedonia
- Local Self-Government Act, Official Gazette of the Republic of Macedonia, 5/2002;
- Law on Local Elections, Official Gazette of the Republic of Macedonia, 46/1996, 12/2003, 35/2004, 52/2004, 60/2004;
- Law on finances of local self-government units, Official Gazette of the Republic of Macedonia 61/2004

Local Self-Government in Macedonia is one of the fundamental values of the constitutional order (article 8 of the Constitution). The Chapter 5 of the Constitution is dedicated to Local Self-Government.

STRUCTURE OF LOCAL AUTHORITIES

Size of territory and population

Size of territory: 25 333 km²

Population: 2 045 262 (2005)

<i>Major ethnic groups</i>	<i>Percentage</i>
Macedonian	64.2
Albanian	25.2
Turk	3.8
Roma	2.7
Serb	1.8
Other	2.3

ADMINISTRATIVE-TERRITORIAL DIVISION

Macedonia has a one-tier system of local self-government.

A municipality is based on the territory of one or more areas linked by the common needs and interests of the local population and where conditions exist both for economic and social development and for citizen participation in the decision-making process.

The territory of a municipality should represent a natural, geographical and economically linked entirety, with communication networks between the neighborhoods and gravitation towards a common center, as well as an infrastructure and public facilities.

The territorial division of the state and the area administered by each municipality is defined by law, more precisely by the law on territorial division of Macedonia and demarcation of the municipal boundaries. Both urban and rural municipalities form local government units. The former consists either of a sole town or a town and a number of villages close to it; the latter consist either of a sole village or a group of villages. The city of Skopje is a specific unit of local government, the organisation of which is regulated by a law of the same name. It actually covers 10 municipalities and shares its functions with them. The city of Skopje is not a superior authority to the municipalities.

LOCAL ELECTORAL SYSTEM

Macedonian local election system is defined in the Law on Local Elections, Official Gazette of the Republic of Macedonia 35/2004

Every citizen of Macedonia upon reaching 18 years of age acquires the right to vote. This right is equal, universal and direct, and is exercised in free elections by secret ballot. A citizen must be a permanent resident of the municipality where she/he votes.

Councillors and mayors are elected by popular vote. The number of councillors in the municipalities depends on the size of their population and is determined by law, more precisely by the Local Government Act.

<i>Number of residents in the municipality</i>	<i>Number of councillors</i>
up to 5000	9
5001 – 10000	11
10001 – 20000	15
20001 – 40000	19
40001 – 60000	23
60001 – 80000	27
80001 – 100000	31
more than 100000	33

Councillors are elected by proportional voting, according to the D'Hondt method. A list of candidates for the municipal council may be presented by officially registered political parties and groups of citizens as follows:

<i>Number of residents in the municipality</i>	<i>Number of citizens</i>
up to 10000	100
10001 – 30000	150
30001 – 50000	250
50001 – 100000	350
more than 100000	450
Skopje	1000

The candidates and the citizens supporting them must be both Macedonian citizens and permanent residents in the municipalities where they are nominated.

Not less than 30% of every sex should be presented in both half of the lists.

When more than 20% of the citizens of the municipality speak language, which is different from Macedonian language, the lists may be presented on that language. The same rule concerning language is used in the time of pre-election campaign and in the ballot and voting papers.

The nomination procedure and legal conditions for mayors are identical to those regarding the councillors.

A mayor is elected by a majority vote of the citizens on condition that at least one third the electors of the constituency in a particular municipality took part in the elections. If not, there will be a second round of elections for the first two candidates obtaining the biggest number of votes in the first round. The winner is the candidate who has obtained the majority of the votes in the second round of the election.

The bodies in charge of conducting the local elections are the State Electoral Commission, the Municipal electoral commissions, the city of Skopje Electoral Commission and the electoral boards.

The State Electoral Commission appoints both the members of the municipal electoral commissions and of the city of Skopje Electoral Commission with a mandate to serve for four years. The commissions are each composed of five members and their deputies, two from the national ruling party and two from those opposition parties that obtained the biggest number of the total votes at the last national elections. The fifth member of the commission is its chairman, chosen from the ranks of the judiciary.

The municipal electoral commissions are in charge of the preparation of elections from a technical point of view: that is the preparation of the lists of candidates, the appointment of members of the electoral boards, any decision on the parties' or citizens' complaints against the work of a particular electoral board, and the verification and public announcement of the election results in the municipalities.

The electoral boards are composed of five members; two of them belong to the ruling party (or coalition), another two are a member of the minority parties. They are in charge of the implementation of the voting procedure in the constituencies; this means both explaining the voting technique to the citizens and monitoring electoral procedure. The Local Election Law provides that the minority parties are entitled to directly supervise the regularity of the elections.

MUNICIPALITIES

The main administrative-territorial unit where local self-government is carried out is the Municipality. The municipalities are legal entities they have their property and budgets.

Municipal tasks and functions

The municipality shall have competences in the spheres of:

- Urban planning
- Ecology
- Local economic development
- Public and communal works
- Culture
- Sport and recreation
- Social protection and child welfare
- Education
- Healthcare
- Mobilization and protection from disasters of the population
- Fire protection
- Inspection
- Others, defined by law

DIRECT CITIZEN PARTICIPATION IN DECISION-MAKING

Citizens participate directly in decision-making on issues of local relevance through citizens' initiatives, gatherings of citizens and referenda. Public meetings and surveys could be used as a tool for citizens' participation.

The citizens have the right to propose to the council of the local government unit that it should adopt a certain proposal in order to resolve certain issues under its authority.

If it is supported by at least 10% of the electors, the above mentioned-proposal must be discussed by the council within the term determined by the statutes of the local government unit, or within ninety days at the latest.

A public meeting can be called for the entire municipality or for a part of it. The gathering is called by the mayor on his/her own initiative or upon the request of the municipal council or of at least 10% of the electorate in the municipality or the part of the municipality to which it appertains.

The local bodies are obliged to take into consideration the conclusions adopted at the public meetings when adopting measures or making decisions within ninety days.

The council of the local government unit may on its own initiative issue notice of a referendum concerning matters within its sphere of competence. The council of the local government unit is bound to issue notice of a referendum if requested by 20% of the electors in the local government unit. The decision resulting from the referendum will be adopted provided that more than half the total number of electors has cast their votes. The adopted resolution is binding on the council.

LOCAL SELF-GOVERNMENT BODIES

There are two municipal bodies – Municipal Council and Mayor.

Municipal Council

The council is the legislative body of the local government unit. The term of office of municipal councillors is four years.

The council shall:

- adopt the statutes of the municipality and the rules of procedure of the council;
- adopt the budget and the annual balance of accounts;
- adopt regulations implementing local government competencies;
- establish public services, public institutions and public enterprises and supervise their work;
- appoint members of the Governing Boards of public services, institutions and enterprises established by itself;
- carry out other work determined by law.

The council works in sessions that are convened by the president and must be attended by majority of the total number of councillors.

The council makes decisions by a majority vote of the councillors attending unless it is determined otherwise by law and the statutes. The statutes, rules of procedure, budget and balance of accounts are adopted by a majority vote of the total number of councillors. The sessions of the council are open to the public.

The president of the council

The president is a councillor. S/he can be nominated by a special nomination commission of the council, which is elected by the council immediately after the verification of the mandates of the councillors. This president will be elected by a majority vote of the total number of councillors. The president shall:

- summon and chair the sessions of the council;
- take care of the organization and work of the council;
- sign the regulations passed by the council.

Rights and responsibilities of the councillors

Council members have the right and duty to attend their council and commission's sessions. They have the right to pursue initiatives and proposals and put questions to the mayor. A councillor cannot be held to have committed a criminal offence owing to the views s/he has expressed or to the way s/he has voted in the council.

The office of councillor is unpaid. Of course, expenses incurred in order to attend meetings are reimbursed. The mandate of a councillor will be terminated in case of death, resignation, conviction for criminal charges.

When more than 20% of the citizens of the municipality speak language, which is different from Macedonian language, the documents of the council may be presented on that language, which in this case is an official language too.

Mayor

The mayor is the representative and executive power in the local government unit. The term of office of the mayor is four years.

The mayor shall:

- represent the local government unit;
- take care of and secure the implementation of the decisions of the council;

- take care of the implementation of the work entrusted to the local government unit by the central authorities;
- propose to the council the adoption of decisions and other measures within its competence;
- proposes and executes municipal budget;
- publicize the regulations passed by the council of the local government unit in the municipal official gazette;
- issue individual administrative decisions if entitled to do so in conformity with law and with the statutes of the local government unit;
- manage the municipal administration;
- manage the municipal property in conformity with the law and the statutes of the local government unit;
- carry out other work determined by law or by the statutes of the local government unit.

The mayoral office will be terminated in case of death, resignation, conviction for criminal charges, as well as in the case of absence for more than six months without justification.

Commission on Ethnic Relations

When more than 20% of the citizens of the municipality are from different ethnos the Ethnical commission is established.

The main task of the commission is to collect – it does not simply collect; it reviews and considers specific issues related to ethnic relations (see Article 55 of the Law on Local Self-government) specific ethnical problems and to present them to the Municipal council.

Municipal administration

The municipal administration consists of inspectorates, department and units. Its responsibilities include:

- preparation of regulations which are to be passed either by the council or mayor of the local self-government unit;
- carrying out expert and other work for the council and the mayor;
- following and analyzing the situation in specific fields and bringing initiatives and proposals to the mayor;
- carrying out other work entrusted by the council and by the mayor of the local self-government unit.

OFFICIAL USE OF LANGUAGES IN LOCAL SELF-GOVERNMENT UNITS

Local government units in which the population of other ethnicities exceeds 20% of the total population are considered to be local government units with a significant number or a majority of other nationalities.

At council meetings and meetings of other bodies of local government units with a majority/significant number of other nationalities, their language and alphabet have to be also in official use, in addition to the Macedonian language and its Cyrillic alphabet. The statutes, decisions, and other measures will be written and officially published both in the Macedonian language and its Cyrillic alphabet and the language and alphabet of the nationalities which form a majority/significant number of the population in that particular local government unit. The same will apply to the official use of the languages in the public services, public institutions and public enterprises established in such local government units.

LOCAL FINANCES

The law on local finances defines the main frame of social-economic development of the Macedonian local authorities. The structure and the content of the law are in conformity of the practices of Europe and create the opportunities of the local self-government units to have their essential autonomy. Of course, the situation with the financial autonomy is far from the best examples of Europe, where significant share of public services is rendered on local level and local authorities have a large scale of fiscal rights.

The main own incomes of the local self-government units are:

- property tax
- inheritance tax
- property transfer tax
- communal fees
- administrative fees
- other local fees
- revenues from ownership

The income tax is also partially municipal revenue.

The budget of the Central state subsidizes different operative and capital activities of the municipalities. The State subsidies' distribution is based on specific criteria and procedures in order to ensure equal and fair condition for local authorities.

The strategy of the first stage of fiscal decentralization of Macedonia is also part of that Law.

CONCLUSIONS

The analysis, based on the 3 main laws regulating local self-government in Macedonia shows:

- The main laws are in accordance with European charter for local self-government
- There is a stable base for development of local self-governance in Macedonia
- The laws try to create premises for multi-ethnic relations in the sphere of local democracy
- The first stage of fiscal decentralization process has already started
- The legislation is clear and comprehensible.

PRACTICAL CAVEATS

A PROMISING START

Has Macedonia found the ultimate model of decentralization? We say “ultimate” as far as for a period of less than 10 years two big reforms in decentralization has been launched. In 1996 the number of municipalities rose from 38 to 123 (and the City of Skopje as a separate local government). And in 2004 after much political confusion “in favor” and “against”, a new map of territorial organization was “drawn”, and the number of municipalities decreased by one-third – from 123 to 84 (plus the City of Skopje).

The new territorial organization of the country could not be averted even by the referendum incited by Macedonian opposition parties in 2004. Thus, a model and a process of decentralization came into existence, being vigorously challenged due to some “problematic” decisions mainly of political, but also of functional character.

Briefly prompting, the new map of territorial organization turned to be the major problem that brought about civil unrest among Macedonian population in some places; unrest that was successfully instigated by the opposition parties. It was mainly about the status of the capital city of Skopje, and two municipalities (Struga and Kichevo). Certainly, politicization is not only opposition’s fault since the main cause stemmed from the ruling authorities after 40 days of hard talks within the coalition of Macedonian parties (the Social-democratic Union of Macedonia and the Liberal-Democratic Party) and the Albanian party (Democratic Union for Integration). In the case of Skopje, the contentious issue yet during negotiations among coalition partners was how to (not to) find a solution for the use of Albanian language (so that Skopje becomes (does not become) a bilingual city), whereas in the cases of Struga and Kichevo by annexing some rural settlements, these towns became populated with an Albanian majority. In order to overrule this map of territorial organization, a referendum was held in November 2004, but in vain. So, this political action which had some characteristics of manipulating citizens’ feelings, failed. The allegations against the government that it artificially annexes several rural settlements (in this case – the municipality of Saraj along with the abolished municipality of Kondovo) were not supported. Actually, Skopje, Kichevo and Struga got back to the condition of 1963 till 1996 when they were functioning well in this period, incorporating those rural settlements, which were divided in separate municipalities according to the territorial organization of 1996. But what remained beyond the fervor of political strife about the territorial organization in 2004 were some critical remarks of experts who maintained that this model of decentralization would be inefficient in practice, mainly because some of the municipalities will be incapable of providing means for performing their duties.

A SMALL CONFUSION IN THE DUTIES IN THE DOMAIN OF EDUCATION

In the meanwhile new elections were held in March 2005, whilst from July 1, 2005 Macedonia, one of the most centralized countries in the Balkans, became one of the less centralized. Since that day the central authorities transferred to local authorities some of the duties in the field of fiscal policy, education, culture; duties that they previously didn't have.⁹

However, the first stumbling of new mayors in their duties was in the field of education. In August and September some mayors in Skopje municipalities, but also in some other towns, appointed the principals of schools. By then principals of primary and secondary schools used to be appointed by the Minister of Education and Science. However, by decentralization these powers were transferred to mayors. But those mayors who hastily nominated new school principals came into conflict with the new legal regulations, which they obviously have not read completely. The Ministry of Education and Science explained many times that the right of mayors to appoint school principals is not contentious, but the whole procedure has to be obeyed. The Macedonian Helsinki Committee for Human Rights also underscored this, reminding that the previous unrighteous appointment of principals (on behalf of the Ministry of Education) is now connected with new - unrighteous discharge. Is it a misunderstanding between the central and local power? At first sight, one may have the impression that one of the powers interferes in the competences of the other. Obviously, it is a matter of better resolution in the new model of decentralization, which in this case represents a positive step towards depoliticization of education.

What is the essence of the problem, which seems so difficult for mayors to conciliate with? Appointing school principals is indeed within the mayors' prerogatives (Article 89, paragraph 8, Law on Primary Schools, Official Gazette of the Republic of Macedonia 67/ 2004). The mayors have to appoint principals under the proposal of school boards, by nominating one of the applicants participating in the competition. These school boards consist of nine members, representing (by two members each) the Ministry of Education and Science, the municipality, as well as the school and parents, and the chairperson himself/ herself, who is also a member of the teaching staff at the school. If the mayor does not approve the candidate, he has the right to put the procedure back, but after the school board makes its second proposal, he is bound to sign the appointment.

It is to be considered here that out of 32 cases of appointments of school principals "outside the procedure", in 31 of the cases it was exactly what mayors of the opposition parties did, whereas only in one case it was done by a mayor of the ruling parties. Principals who were discharged filed complaints in the Government Subsidiary Commission on Labor Relations, most of which were satisfied (by the time of preparing the strategy, the complaint procedure has not been completed for all of the cases) and mayors' decisions were invalidated. Conducting research on

⁹ For the purposes of the strategy several interviews have been held with representatives of central and local authorities: Mr. Rizvan Sulejmani, Minister of Local Self-Government (20 October 2005); the President of the Association of Local Self-Government Entities (19 October 2005); the Head of the Cabinet of the Mayor of Skopje, Mr. Lovren Markik (21 October 2005); the Spokespersons of the Ministry of Education and Science, Suzana Djamtovska and Numan Salai (on several occasions in the period 16-21 October 2005).

this topic, within the contacts with the Ministry of Education and Science we were told that the legal procedure for appointing school principals is aimed at **depoliticization of schooling and education**. Actually, with this regulations the powers of the Minister are “taken” from and “given” to the school boards so that political affiliation of candidates may not influence the selection process. However, if the new regulation for transferring powers to the school boards leads towards depoliticization, it is nonetheless in favor of active principals who have been previously appointed by the central government.

The Association of Local Self-Government Entities (ALSGE) nonetheless insists on greater empowerment of mayors. Andrej Petrov, the President of ALSGE, considers that a new legal provision might work better if it envisages that school boards offer three candidates so that the mayor may have options in selecting one of them. Presently, the Ministry of Education and Science insists on its legal regulation. Even the Minister of Education and Science directly and even tactlessly told media in an interview (*Vreme* 22-23 October 2005) that mayors feel frustrated because of their new powers in the field of education. Minister Aziz Polojani said that he was under the impression that there is certain “trouble-making at any rate” in the field of education, which, according to him, aims at politicizing the education. In this context, we have to add that not only discharging and appointing principals, but also the redistribution of allocated budget funds for schools heated up the relations and communication between the Ministry of Education and Science, on one hand, and mayors, on the other. The mayors insist that funds allocated for school maintenance (by the end of the autumn most of these funds were allocated for heating) are insufficient, since they are twice less than the funds schools had spent last year. This debate lasted several weeks until the government assured mayors that funds for schools will be allocated in time. It has to be highlighted that funds for education will be redistributed by the central government until 2007, and then municipalities themselves will be in charge of budgeting this allocation.

SUCCESSFULLY ACCOMPLISHED TRANSFER OF POWERS

Despite the problems in the field of education, the process of transferring powers from the central to local government is deemed successful.

We came to this conclusion after being in contact with the major subjects involved in this process – the Ministry of Local Self-Government, on one side, and mayors, on the other. The Minister of Local Self-Governance, Rizvan Sulejmani, in a special interview for the purposes of the strategy, expressed hopes that applying this model of decentralization will place Macedonia in a leadership position in the region, especially due to the transfer of powers after 1 July 2005. The President of the Association of Local Self-Government Entities (ALSGE), Andrej Petrov, in another interview, also considers that mayors handle very well their duties, though, adding, “Not everything is so perfect.” The Ministry follows the development of this process by monitoring, direct observation or regular surveys and polls with local authorities and citizens for tracing success, but also for undertaking measures for resolving particular problems.

The Minister of Local Self-Governance is obviously right saying that the success is due to the good legal regulations, but also to good preparations (training representatives of local authorities). Therefore, after 1 July 2005 there were no problems not only with transferring powers and duties, but also assuming responsibilities about administration of abolished municipalities as well as administration that was within the central government, especially education and culture, two spheres that have not been within the competence of the local government before (more than 30,000 people involved in administration were transferred to municipalities). A debate remained about 370 administrative public servants from the Ministry of Transport and Communications, only 250 of whom could be employed within the local administration. The National Ombudsman also expressed a position on this issue, recommending that none of these people should lose their jobs.

The transfer of construction works (more than 500) is also considered successful, but the transfer of powers in fiscal policy to municipalities will remain a debatable issue in the relations between local and central authorities.

The competencies of municipalities (municipal councils and mayors) are regulated by four major laws (Law on Local Self-Government, Official Journal 45/ 2004, Law on Territorial Organization of Local Self-Government in the Republic of Macedonia, Official Journal 45/ 2004, Law on Financing the Local Self-Government Entities, Official Journal 61/ 2004, Law on the City of Skopje, Official Journal 5/ 2004), but also by other 38 laws, which involve separate segments of local governance, as well as by 65 regulations and ordinances. This elaborate legal framework conveys the intricacy of the matter, which has to lay down the foundations of local democracy, which besides delivering public services to citizens' needs, should also provide for equitable ethnic communities.

It is hardly a coincidence that these solutions are based on the Framework Agreement, which resolved in 2001 by political means the conflict that lasted several months between armed Albanian groups and government forces. **One of the main legal acquisitions transferred to local level is the right**, based on the amendment 5 of November 2005, which replaced Article 7 of 1991 Constitution, **for the usage in administrative matters of the language of that ethnic community, which represents at least 20 % of the local population**. It directly affects the Albanian ethnic community (its language is used in the Parliament, in personal IDs, in courts, etc.), but in one municipality (Skopje municipality of Shuto Orizare) the Roma language is also used, whilst in the municipality of Gostivar, because Turks there are less than 20 % of the population in the municipality, the Municipal Council has adjudicated to introduce the usage of the Turkish language in administrative matters, which is regarded as a positive example of decentralization that has been also instigated by good political will.

“BADINTER MAJORITY”

The Law on Local Self-Government envisages that some problems, which concern interethnic relations, in order to avoid majority rule, should be managed according to **the principle of decision-making with veto right**, the so-called “Badinter majority” (after the French Professor

in Constitutional Law, Robert Badinter, who is known in Macedonia for his positive opinion about the 1991 Constitution). Article 41 of this Law stipulates that this principle of decision-making is applicable to issues of cultural, religious and national identity. The veto right guarantees that smaller communities within a local entity can avoid majority rule whenever they feel threatened.

In the current analysis this principle of decision-making is set aside because it is one of the novelties of decentralization. There have been no records of decision-making applying this principle in any municipality so far, but it will be a pending issue in the future.

The Ministry of Local Self-Government and the ALSGE are positive about the Badinter Majority, emphasizing that when municipal council will have to deal with such an issue on their agenda, this principle will not only avoid majority rule, but also will make councillors of different ethnic affiliations talk and coordinate their views, which will ultimately bring about interethnic contacts and cooperation.

It is likely that such issues will occur in practice, but as a matter of fact what is guaranteed for Albanians in the Parliament (as a community, which fulfills the constitutional requirement for 20-percent part of the population in the Republic of Macedonia) is also guaranteed for Macedonians at local level in municipalities where Albanians are majority (in about 20 municipalities in Western Macedonia). Besides, the number of municipalities where Albanians will use the Badinter principle is quite small, because in most of “Macedonian” municipalities the number of Albanians is below 20 %.

Certainly, the interethnic problems will always attract attention and cause disagreements. There is only one occasion of confronted views until now, and it occurred in the municipality of Struga, where Macedonian councillors were overtaken by the decision of the municipal council dominated by Albanian parties to build a monument of a former commander of the Liberating People’s Army, which fought with government forces in 2001 and which is considered by Macedonians as paramilitary troops. The Badinter majority was not applied in this case, not only because Macedonian councillors were overtaken, but also because of the vagueness of Article 41 itself of the Law on Local Self-Government, an imprecision that could always be (mis)interpreted intentionally.

SKOPJE – A SPECIAL LOCAL GOVERNMENT WITH SPECIFIC PROBLEMS

The capital city of the Republic of Macedonia – Skopje, has a special status: the city itself is a special administrative local entity and is the only city, which has municipalities within it. Its status has been determined by the Law on the City of Skopje, promulgated in 2004, when the other decentralization laws have been also passed.

Those problems that occurred in a number of municipalities in a similar way affected the City of Skopje as well. It was especially the case with education (making clearer, whereas municipalities were given competences in the sphere of primary and secondary education, the administration of

the City of Skopje is competent only in sphere of secondary education). But what comes to account and further extends to central authorities is the transfer of financial funds to the City of Skopje. 90 % of the income from VAT (Value Added Tax) are allocated to municipalities, whereas 10 % are allocated to the City of Skopje and its municipalities, which nominally amounts to EURO 400,000, quite a modest amount to initiate whatever useful undertaking with it. But we have to underline that such redistribution was proposed by the Association of Local Self-Government Entities (ALSGE) and accepted by the Government, but the administration of the capital city and some other municipalities consider this redistribution improper because Skopje generates above 30 % of VAT and gets a rebate of only 10 %.

In the city of Skopje there was the biggest resistance towards the transfer of competences in the sphere of secondary education, under the pretext that school buildings are not transferred alongside with the schoolyards area, which remains under the jurisdiction of the Ministry of Transport and Communications. All other issues related to 21 schools are within the powers of the city of Skopje. The administration of the city of Skopje, in order to overcome the occurring problems, prepared a Memorandum of Understanding, not signed yet by all the representatives of Skopje municipalities, aiming at entering negotiations with the Government. In this memorandum of about 10 articles the city administration alarms especially the Government and the Ministry of Education and Science, on one hand, and the City of Skopje and its municipalities, on the other, about the problem with education - the financial difficulties in maintaining schools, accepting their previous arrears, and also taking up schools altogether with schoolyards area. The Memorandum calls for arranging in a contract the whole action of transferring the real estate and movable property of primary schools. At the end of this Memorandum, which by the time IRIS has been working on the strategy, was not signed by all mayors of municipalities, there is a clause: in case the Government and respective Ministries do not execute their activities, the City of Skopje and its municipalities will be forced to cancel taking up the institutional rights over primary and secondary schools.

What the new administration of the City of Skopje considers a problem is particularly the lack of disposable construction land, even the premises of the administration do not belong to the City. The City administration is discontented with their power for urban planning either, because these competences are given to municipalities. Thus, the city administration has little opportunity to influence detailed urban planning of Skopje municipalities. It can neither control them, nor modify them. It can only give advice on urban planning. Such a decision could bring about chaos and incongruence, and each municipality can give the city "its own image", differing from the others. There are also other misunderstandings between the City of Skopje and its municipalities, especially in the functioning of public community services providing companies (some municipalities avow their own companies), but also in some other functions, even in collecting taxes.

One of the articles in the Constitution envisages appropriate representation and advocacy of ethnic communities in the administration. It also refers to local self-government. In the city of Skopje there is no resistance that this will be one of the imperatives, however no real steps in that direction have been made yet. As far as the use of the second administrative (official) language – Albanian, is concerned, it is already introduced in the work of the meetings of the Council of the City of Skopje, even official stamps are bilingual, but another legal duty has not been fulfilled –

labels and signs on main streets (these are under city's supervision) are not written in Albanian yet due to two reasons – because there is no budget allocation for that, and also because a confusion occurred whether the City or the Ministry of Transport and Communications have to do it.

WHAT IS FORTHCOMING?

The decentralization, which “bestowed upon” municipalities’ great powers, will have to show yet the real benefits or shortcomings. The successful start with its initial shortcomings will have to be further verified in practice: whether the best and most functional model has been chosen; whether successes and shortcomings are accidental or not. One of the critics of decentralization, Prof. Dr. Biljana Vankovska, beholds a number of problems. She considers that normative decisions will be challenged by insufficient economic, social and other prerequisites for the successful completion of that process. She also objects restlessness: “We tackle this as if it is a matter of time and keeping deadlines rather than a process, which necessitates preparation and material resources.” Another issue is whether skeptical and critical Prof. Vankovska or the optimistic Minister of Local Self-Governance is right about the inherited administration. The Professor insists that it is politicized, whereas the Minister asserts that conditions are being created now for de-politicized administration. The answer is to be awaited. Will mayors’ powers turn into problems in practice? Hence, the question comes whether they can fulfill their duties. Will many municipalities, especially the rural ones, be able to fulfill their duties and perform functions well provided that they lack big businesses operating on their territories? A regional agency is already boosted, even by the legal provisions themselves, – for establishing common administration, hereby optimizing the costs of implementing projects of common interest. It is also to be seen how the “decentralization” in the sphere of interior affairs will function. There is a draft law, pursuant to which municipal councils will appoint local police chiefs after the proposal of the Minister of the Interior. The point, according to the Minister of Local Self-Governance, is to shove municipal councils in the responsible position of being in charge of security at local level.

Anyway, the “engine” called decentralized government started in the Republic of Macedonia. The speed of this “engine” will be seemingly adjusted to the conditions of the “road”, but whether Macedonia will really become a leader and a model referred to by the other Balkan countries, as the Minister of Local Self-Governance expects, is yet to be awaited, especially depending on how possible serious dysfunctions will be dealt with, and here the main threat is what all agree with – the fiscal policy.

ACTION PLAN

(1)

Strategic Goal	Problem Areas	Objectives and Tasks to be Realized	Target Group	Methods	Actions	Resources Needed
Assisting the process of decentralization in the Republic of Macedonia based on Bulgarian experience and good practices in decentralization and local development	1). <i>Financial autonomy of municipalities</i>	1). Providing an insight on complexities in Finance decentralization program in Bulgaria and available policy options	<ul style="list-style-type: none"> ▣ Mayors; ▣ Senior local administration officials and experts; ▣ Local NGOs 	<ul style="list-style-type: none"> ▣ <i>Creating a “pool” of shared expertise and interest</i> through a Bulgarian coordinating organization and the to-be Macedonian State-Public Commission on Decentralization; ▣ <i>Networking</i>; ▣ <i>Cross-border Municipal Management Forums (Roundtables/ Workshops)</i>; ▣ <i>Study visits and on-site training</i> 	<i>Cross-border Municipal Management Forum on Finance decentralization</i>	5,000 USD

(2)

Strategic Goal	Problem Areas	Objectives and Tasks to be Realized	Target Group	Methods	Actions	Resources Needed
Assisting the process of decentralization in the Republic of Macedonia based on Bulgarian experience and good practices in decentralization and local development	2). <i>Central – local relations</i>	2). Disclosing the <i>modi vivendi</i> (patterns for re-arrangements of relations) between local and central government bodies	<ul style="list-style-type: none"> ☐ Mayors; ☐ Senior local administration officials and experts; ☐ Local NGOs 	<ul style="list-style-type: none"> ☐ <i>Institutionalizing communication channels;</i> ☐ <i>Creating a “pool” of shared expertise and interest</i> through a Bulgarian coordinating organization and the to-be Macedonian State-Public Commission on Decentralization; 	<ul style="list-style-type: none"> ☐ Institutional decisions to be made in Macedonia – establishing a <i>State-Public Commission on Decentralization</i> to sustain the commenced process of decentralization; 	10,000 USD

(3)

Strategic Goal	Problem Areas	Objectives and Tasks to be Realized	Target Group	Methods	Actions	Resources Needed
Assisting the process of decentralization in the Republic of Macedonia based on Bulgarian experience and good practices in decentralization and local development	3). <i>Employing minority members</i> in local administration, not to the detriment of competence and efficiency	3). Sharing the experience of Bulgarian municipalities where officers from minority groups (Turkish and Roma) have been employed	<ul style="list-style-type: none"> ▣ Mayors; ▣ Senior local administration officials and experts; ▣ Local NGOs 	<ul style="list-style-type: none"> ▣ <i>Creating a “pool” of shared expertise and interest</i> through a Bulgarian coordinating organization and the to-be Macedonian State-Public Commission on Decentralization; ▣ <i>Networking;</i> ▣ <i>Cross-border Municipal Management Forums (Roundtables/ Workshops);</i> ▣ <i>Study visits and on-site training</i> 	<p>Study visit</p> <p>Mayors and senior municipal officials from Macedonia will visit their Bulgarian counterparts for on-site training.</p>	5,000 USD

(4)

Strategic Goal	Problem Areas	Objectives and Tasks to be Realized	Target Group	Methods	Actions	Resources Needed
Assisting the process of decentralization in the Republic of Macedonia based on Bulgarian experience and good practices in decentralization and local development	4). <i>Citizens' involvement in decentralization agenda-setting</i>	4). Raising public awareness in Macedonia through communicating patterns of civic engagement in local policy-making and administration in Bulgaria	<ul style="list-style-type: none"> ☐ Mayors; ☐ Senior local administration officials and experts; ☐ Local NGOs 	<ul style="list-style-type: none"> ☐ <i>Advocacy campaign</i> ☐ <i>Networking</i>; ☐ <i>Cross-border Municipal Management Forums (Roundtables/ Workshops)</i>; ☐ <i>Study visits and on-site training</i> 	Establishing local public council on decentralization	10,000 USD

(5)

Strategic Goal	Problem Areas	Objectives and Tasks to be Realized	Target Group	Methods	Actions	Resources Needed
Assisting the process of decentralization in the Republic of Macedonia based on Bulgarian experience and good practices in decentralization and local development	5). <i>Education</i>	5). Elucidating the quandaries local authorities in Bulgaria have in maintaining schools and solutions found	<ul style="list-style-type: none"> ☐ Mayors; ☐ Senior local administration officials and experts; ☐ Local NGOs 	<ul style="list-style-type: none"> ☐ <i>“Pooling” expertise;</i> ☐ <i>Cross-border Municipal Management Forums (Roundtables/ Workshops);</i> ☐ <i>Study visits and on-site training</i> 	Roundtable Study visit	5,000 USD 5,000 USD

(6)

Strategic Goal	Problem Areas	Objectives and Tasks to be Realized	Target Group	Methods	Actions	Resources Needed
Assisting the process of decentralization in the Republic of Macedonia based on Bulgarian experience and good practices in decentralization and local development	6). <i>Urban planning</i>	6). Explicating urban planning and construction regulations and policies in Bulgaria and the bulk of work municipalities do	<ul style="list-style-type: none"> ▣ Mayors; ▣ Senior local administration officials and experts; ▣ Local NGOs 	<ul style="list-style-type: none"> ▣ <i>“Pooling” expertise;</i> ▣ <i>Cross-border Municipal Management Forums (Roundtables/ Workshops);</i> 	Workshops in Sofia and Skopje	10,000 USD

(7)

Strategic Goal	Problem Areas	Objectives and Tasks to be Realized	Target Group	Methods	Actions	Resources Needed
Assisting the process of decentralization in the Republic of Macedonia based on Bulgarian experience and good practices in decentralization and local development	7). <i>Local economic development</i>	7). Expounding strategies for local and regional development in Bulgaria and most common handicaps	<ul style="list-style-type: none"> ☐ Mayors; ☐ Senior local administration officials and experts; ☐ Local NGOs 	<ul style="list-style-type: none"> ☐ <i>“Pooling” expertise;</i> ☐ <i>Cross-border Municipal Management Forums (Roundtables/ Workshops);</i> 	<i>Cross-border Municipal Management Forum European Funds and Programs on Municipal Level</i>	5,000 USD

(8)

Strategic Goal	Problem Areas	Objectives and Tasks to be Realized	Target Group	Methods	Actions	Resources Needed
Assisting the process of decentralization in the Republic of Macedonia based on Bulgarian experience and good practices in decentralization and local development	8). <i>Public and communal services</i>	8). Conveying some positive examples of providing public and communal services in Bulgaria	<ul style="list-style-type: none"> ▣ Mayors; ▣ Senior local administration officials and experts; ▣ Local NGOs 	<ul style="list-style-type: none"> ▣ <i>“Pooling” expertise;</i> ▣ <i>Cross-border Municipal Management Forums (Roundtables/ Workshops);</i> ▣ <i>Study visits and on-site training</i> 	Study visit to a Bulgarian town with success in specific communal areas	5,000 USD

(9)

Strategic Goal	Problem Areas	Objectives and Tasks to be Realized	Target Group	Methods	Actions	Resources Needed
Assisting the process of decentralization in the Republic of Macedonia based on Bulgarian experience and good practices in decentralization and local development	9). <i>De-politicization of local administration</i>	9). Passing on the highest achievements in Bulgarian legislative and administrative practice for de-politicization of public and civil servants	<ul style="list-style-type: none"> ☐ Mayors; ☐ Senior local administration officials and experts; ☐ Local NGOs 	<ul style="list-style-type: none"> ☐ <i>“Pooling” expertise;</i> ☐ <i>Cross-border Municipal Management Forums (Roundtables/ Workshops);</i> 	Roundtable	5,000 USD

IRIS COMMITMENT TO FOLLOW-UP ACTIVITIES

IRIS is committed to contribute to the implementation of the developed *Strategy for Assisting the Process of Decentralization in the Republic of Macedonia Based on Bulgarian Best Practices* by pledging its efforts for organizing and conducting some of the activities outlined in the Action Plan. IRIS will employ its extensive experience from similar initiatives in order to optimize the added value of its contribution to cross-border cooperation activities. These activities include:

Strategic Goal	Objectives	Target Group	Actions	Resources Needed
Assisting the process of decentralization in the Republic of Macedonia based on Bulgarian experience and good practices in decentralization and local development	1). Providing an insight on complexities in Finance decentralization program in Bulgaria and available policy options	<ul style="list-style-type: none"> ● Mayors; ● Senior local administration officials and experts; ● Local NGOs 	<i>Cross-border Municipal Management Forum on Finance Decentralization</i>	5,000 USD
	2). Sharing the experience of Bulgarian municipalities where officers from minority groups (Turkish and Roma) have been employed	<ul style="list-style-type: none"> ● Mayors; ● Senior local administration officials and experts; ● Local NGOs 	<i>Study visit</i> Mayors and senior municipal officials from Macedonia will visit their Bulgarian counterparts for on-site training.	5,000 USD
	3). Expounding strategies for local and regional development in Bulgaria and most common handicaps	<ul style="list-style-type: none"> ● Mayors; ● Senior local administration officials and experts; ● Local NGOs 	<i>Cross-border Municipal Management Forum European Funds and Programs on Municipal Level</i>	5,000 USD

	4). Passing on the highest achievements in Bulgarian legislative and administrative practice for de-politicization of public and civil servants	<ul style="list-style-type: none"> ☐ Mayors; ☐ Senior local administration officials and experts; ☐ Local NGOs 	Roundtable	5,000 USD
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APPENDIXES

LOCAL SELF-GOVERNMENT IN THE REPUBLIC OF MACEDONIA DURING THE SOCIALIST PERIOD



Territorial division according to the Law on Territories of the Regions and Municipalities in People's Republic of Macedonia, (Official Gazette N° 20, 1955).

Source: Nova Makedonija, 30 June 1997

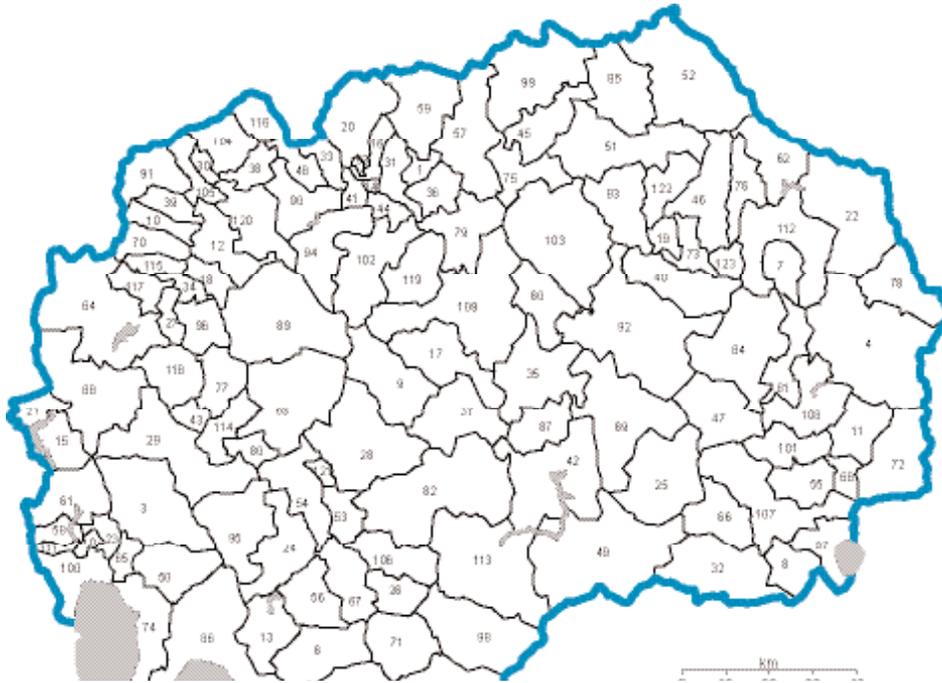
TERRITORIAL DIVISION ACCORDING TO THE PROVISIONS OF THE LAW ON TERRITORIES OF THE MUNICIPALITIES IN THE SOCIALIST REPUBLIC OF MACEDONIA SINCE 1965



Administrative-territorial division of 32 municipalities according to the provisions of the Law on Territories of the Municipalities in the Socialist Republic of Macedonia (Official Gazette N°2 1965)

Source: Nova Makedonija, 30 June 1997

TERRITORIAL DIVISION SINCE 1996



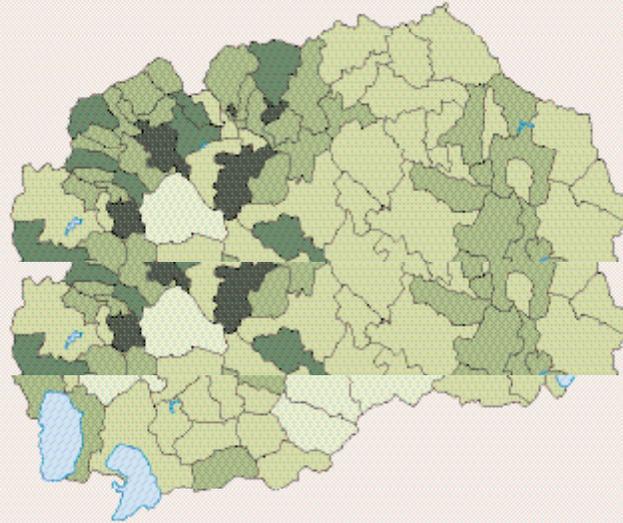
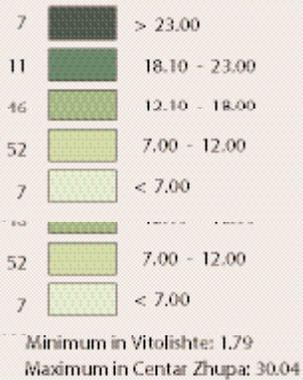
Territorial division since 1996 with 123 municipalities
Source: State Statistical Office

COMPETENCIES OF MUNICIPALITIES AS ENVISAGED IN TWO CONSTITUTIONS

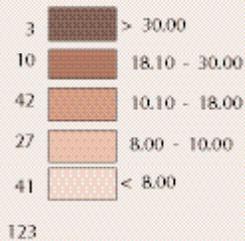
Competency	Art. 115 from the 1991 Constitution	Amendment XVII from 2001
Public Services		X
Urban Planning	X	X
Rural Planning		X
Protection of environment		X
Local Economic Development		X
Local Financing		X
Communal activities	X	X
Culture	X	X
Sport	X	X
Social and child care	X	X
Education		
Pre-school and primary education		X
Education		X
Health		
Primary health care	X	
Health care		X
Other areas specified in the law	X	X

Crude birth and death rates, 2002

Live birth rate, per 000 population
by municipality

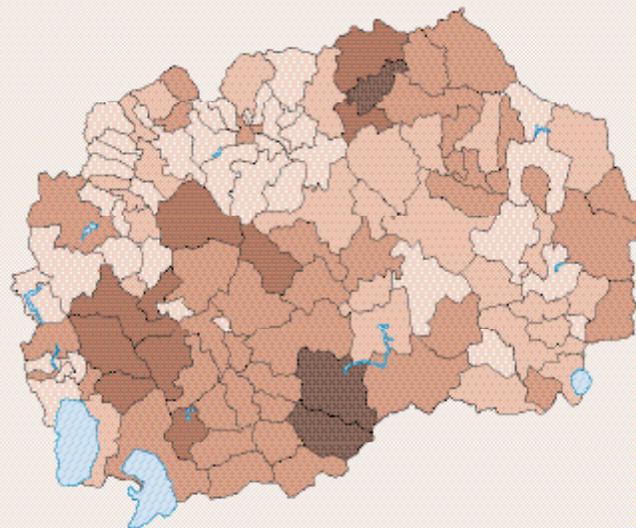


Death rate, per 000 population
by municipality



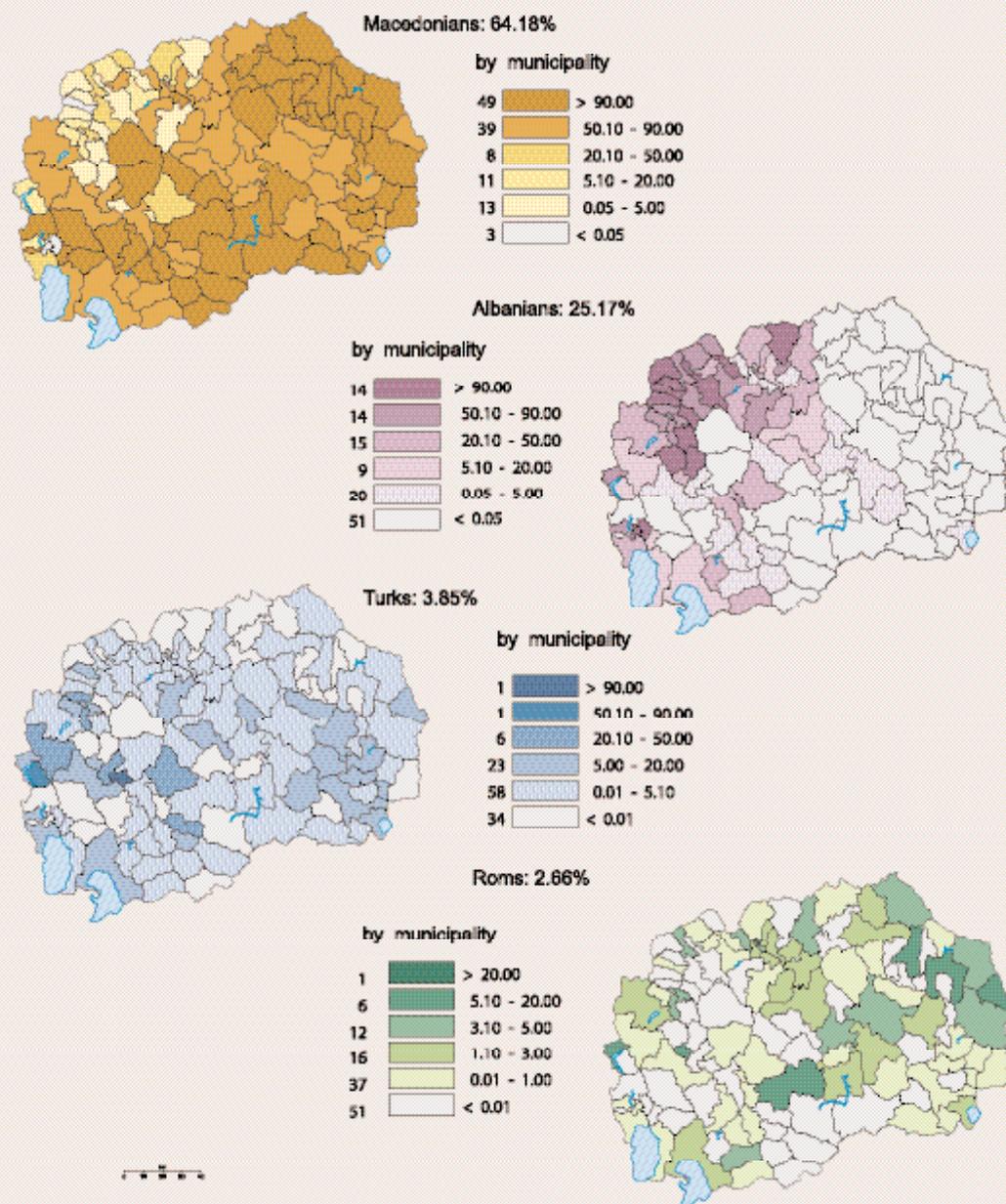
Macedonia

Death rate: 8.89
Minimum in Dolna Banjica: 3.32
Maximum in Staravina: 41.78



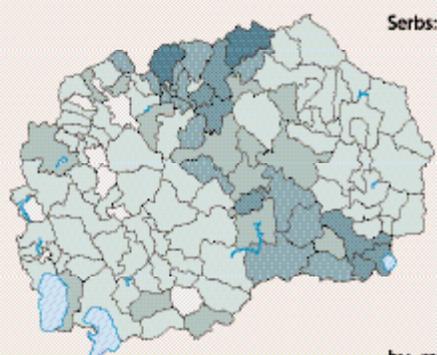
Source: State Statistical Office - Vital statistics survey, 2002

Population according to declared ethnic affiliation, 2002



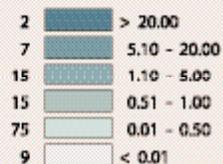
Source: Population Census, 2002

Population according to declared ethnic affiliation, 2002



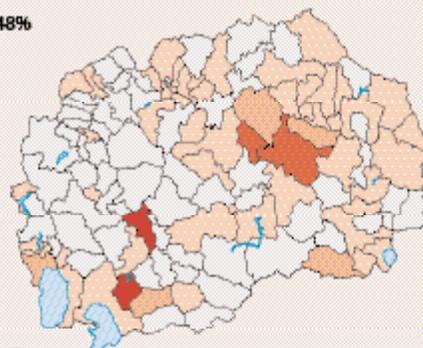
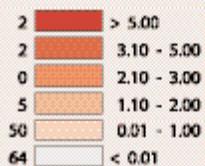
Serbs: 1.78%

by municipality



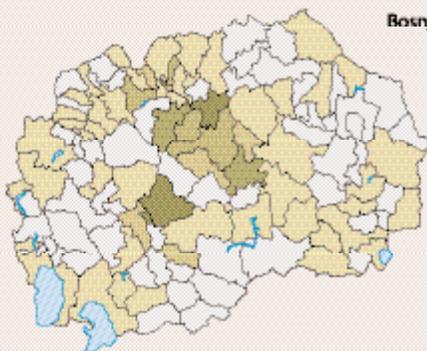
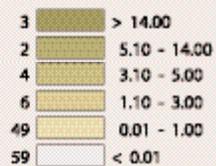
Vlachs: 0.48%

by municipality



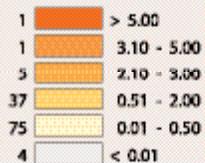
Bosnjaci: 0.84%

by municipality



Other ethnic groups: 1.04%

by municipality

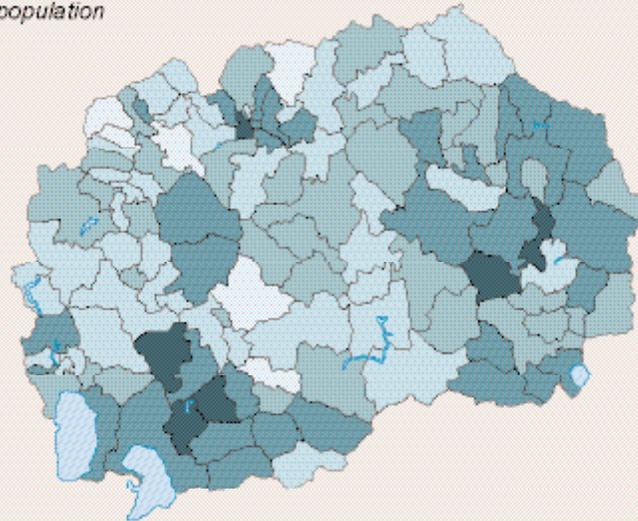
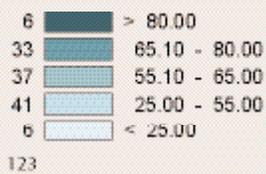


Source: Population Census, 2002

Labour force - employment and unemployment rate, 2002

Employed as % of the working age population

by municipality

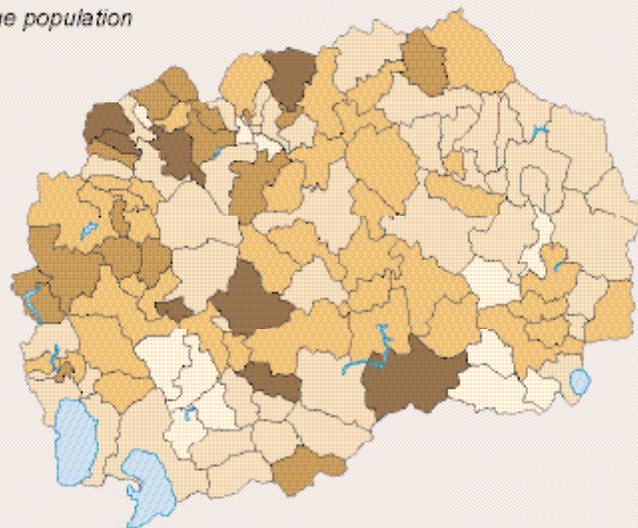
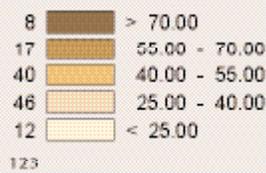


Macedonia

Rate of employment: 61.93%
Minimum in Zhelino: 20.58%
Maximum in Podaresh: 89.00%

Unemployed as % of the working age population

by municipality



Macedonia

Rate of unemployment: 38.07%
Minimum in Podaresh: 11.00%
Maximum in Zhelino: 79.42%

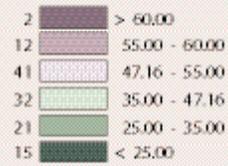


Source: Population Census, 2002

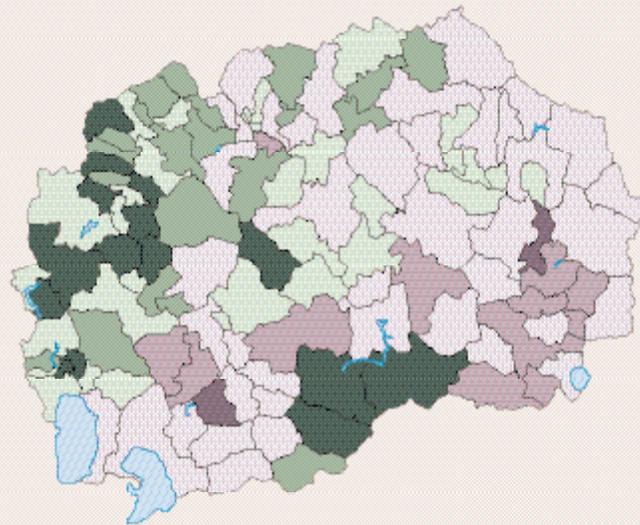
Population according to activity, 2002

Economically active population

by municipality



123

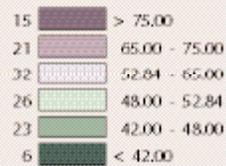


Macedonia

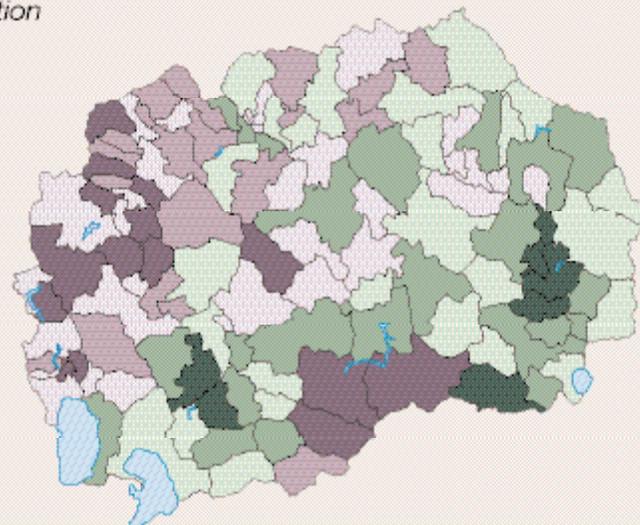
Activity rate : 47.16%
 Minimum in Vitolishte: 20.17 %
 Maximum in Podaresh: 64.41 %

Economically not active population

by municipality



123



Macedonia

Non activity rate : 52.84%
 Minimum in Podaresh: 35.59 %
 Maximum in Vitolishte: 79.83 %



Source: Population Census, 2002

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