

# **THE END OF A LONG TRANSITION?**

**Macedonia's readiness for EU candidacy**

**28 October 2005**

## Executive Summary

Mixed record of the EU following the failure of ratification of its first ever drafted constitution, on the one hand, and recent commitment shown to the enlargement, particularly in the cases of Turkey and Croatia, on the eve of 2006, the EU is faced with the big question whether to continue to demonstrate the commitment for the EU enlargement this time to the heart of the western Balkans region, towards Macedonia, success of which enlargement conditions the credibility of the EU's foreign policy.

Wider European and Balkan debate circles on EU enlargement currently have their ears in Brussels awaiting the avis of the Commission, which is to deliver whether Macedonia fulfils the conditions for candidacy and for negotiations for full Membership. The overall process of the European integration of Macedonia successfully started with the filling in the EC Questionnaire. However, as the date for the avis and for decision approaches, the calculations made for the rationale and benefits of enlargement to Macedonia, another western Balkan potential candidate after Croatia poses difficulty to EU officials and its member country representatives.

Macedonia as a whole, for EU is not an easy question. It does not have the appeal of the states that joined in 2004 or that are to join in near future. It is either less ready for membership and/or brings fewer advantages to EU than any of the previous round of candidates. Moreover, the decision for the candidacy of Macedonia will have to be made in the context of a rapidly and unexpectedly changed EU political environment.

Nevertheless, EU the option of not enlarging to Macedonia and to other countries of the western Balkans has taken off the table. Consensus on the EU enlargement to the western Balkans is growing day by day within both EU and the EU member states elite.

Thus, as Macedonia is getting embedded smoothly into the European integration processes, there is an important reason for EU to set a stage for shift in the countries' transition processes that will mark an irreversible process of institution and state building: to have Macedonia as a candidate country starting from December 2005 and to receive a favourable opinion by the EU to launch negotiations for full membership by 2006.

This analysis demonstrates the degree of progress made by Macedonia and the diverse costs and benefits it would bring to the Union.

# Map of Macedonia



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## ***Introduction***

The European Commission on 9<sup>th</sup> November 2005 is expected to deliver its opinion, *avis*, to the European Council on the readiness of Macedonia for EU membership. The *avis* will be a follow up to the screening process that Macedonia is going through at present. Screening process is still continuing, and its initial part was conducted in the period of October 2004 – February 2005 with the answering of the Questionnaire of the Commission that included hundreds of questions on overall governance of the country. This process was finished with the handing over the answers by the Government of Macedonia to the President of the European Commission Jose Manuel Barroso and to the Commissioner for Enlargement Olli Rehn, on the 14<sup>th</sup> February 2005 in Brussels. This set in motion the process, which could lead Macedonia joining the EU.

If this process that has already started does not become a victim of any unforeseen event, leaders of 25 EU member states that will assemble at a summit in United Kingdom under the British Presidency in December 2005 are likely to take positive decision to include Macedonia among the countries with candidate status.

The readiness issue of Macedonia for candidacy is not an easy question. It does not have the appeal of the states that joined in 2004 or that are to join in near future, like Turkey, Bulgaria, and Romania. It is either less ready for membership and/or brings fewer advantages to EU than any of the previous round of candidates. Moreover, the decision for the candidacy of Macedonia will have to be made in the context of a rapidly and unexpectedly changed EU political environment: failure with the ratification of the EU Constitution; growing uneasiness of the European public with the further enlargement; and fear of possible obstacles in the reform processes within Macedonia.

The decision to enlarge EU to Macedonia and to other potential candidate from the western Balkans was made at the Union's previous summits in Feira in June 2001, in Copenhagen in December 2002 and in Thessaloniki in June 2003 when the perspective of EU membership was offered to the countries of the region.

So the option of not enlarging to Macedonia and to other countries of the western Balkans has been taken off the table and it has become major priority among the governments of the region. Also, consensus on the EU enlargement to the western Balkans is growing day by day within both EU and the EU member states elite. EU Commissioner for Enlargement Olli Rehn, in his recent statement to the European Parliament, stated that it is its aim to have Opinion by the Commission on Macedonia on the agenda of the December European Council.<sup>1</sup>

If the process of preparation of the opinions of the European Commission in the period of December 1996 and July 1997 on the readiness of the candidate countries that became members at the last round of

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<sup>1</sup> Olli Rehn, "State of Play: Enlargement process," European Parliament Foreign Affairs Committee, 18 January 2005.

enlargement in May 2004 offers any lessons on the way the candidate countries were scrutinized prior to their accession negotiations, we will witness long and intense scrutiny of Macedonia in the next few months prior to the European Council in December. Therefore it is of interest to consider the readiness of Macedonia to become a candidate state for EU membership, first considering the current national, regional and taking EU circumstances into account, and by looking into Macedonia's transition from conflict situation to prospects for EU membership; second, to review its readiness in relation to the EU criteria for membership; and third and final part, a brief overview of why there should be enlargement to Macedonia from the country, regional and EU's perspective.

The big question now is whether the EU will continue to demonstrate the commitment for the EU enlargement towards Macedonia, to the heart of the western Balkan region, success of which conditions the credibility of the EU foreign policy.

### ***I. Macedonia re-emerging in the EU agenda***

Macedonia now in the year of 2005 is almost four years away from the end of the sporadic violent inter-ethnic incidents that flared up in March 2001. The year 2005 is not make or break year for the country, but it is a crucial stage in the process of shift of paradigms of Macedonian politics from post-conflict reconstruction to European integration. It is also year when other countries of the region as well are entering into the process of state-building and European integration: the EU is to embark upon the first enlargement negotiations towards the region by recently signing accession treaties with the two eastern Balkan candidates Bulgaria and Romania; negotiations are launched with Turkey and Croatia; status issues of Serbia-Montenegro and Kosovo are to be considered; and two of the EU police missions European Union Policy Mission in Bosnia and Proxima in Macedonia are to have their mandates ended by December this year. At the EU level, the issue of non-ratification of the EU Constitution has come to dominate the EU agenda at large. All of these events of "year 2005" have had their effects on the progress of Macedonia from aspirant state to a candidate for a full EU membership. But how the EU – Macedonia relations developed from the flare up of the conflict in 2001 to its today's association with the EU with the hope for candidacy and start of negotiations?

Macedonia has represented a key challenge for the European Union due to EU's increasing role in the country's political, security, and economic affairs. It has become main partner in trade and investment partner and it has played a major role in brokering the Ohrid Framework Agreement of August 2001 and maintaining momentum for its implementation thereafter. The events surrounding the conflict of 2001 increased the EU presence in the country overwhelmingly in comparison with its presence prior to the conflict. This became an important factor in stabilising the situation in the country and wider in the region. What we witnessed initially was association of the EU with Macedonia, rather than the other way around.

One of the key three strategic objectives of the Union as put at the European Security Strategy adopted in December 2003, is about the region of

the western Balkans and it aims restoring good government, fostering democracy, enabling the authorities in the region to tackle organised crime and putting the states of the region back on their feet. EU's involvement in stabilisation of Macedonia, besides other compelling issues in the international scene, has been one of the sources of "inspiration" for putting down the Strategy itself for the first time in the history of the Union. The issue of Macedonia produced awareness among the EU leaders of a need for strategic thinking on international security issues and the Strategy has been a product of this new thinking. This became a symbol of the Union's recognition of Macedonia as a part of the wider enlarged EU system. In turn, the heavy EU presence has had a powerful force for the promotion of the country as a "European country" that has increased prospects for its full EU membership.

When the EU was developing its policies towards the country and subsequently its presence, Macedonia has had all the advantages to experience intensively the EU effects. It had necessary political consensus already there for rapprochement of the country into the EU and the state institutions, despite existing weaknesses, had at least some initial capacity to take aboard and implement the EU standards. Also, the invitation of the country to the European Union to launch its military and police missions was a sign that the country is willing and able to transpose into its political and security system the logic, norms, and regulations associated with the European integration.

The country itself as well, on its part, has viewed the EU presence as a strategic symbol of its ambition to establish closer links with the EU in all areas, including full EU membership. As the EU's policies towards the country were progressing, Macedonia was right in this perspective as in June 2003, the European Council confirmed in Thessaloniki its commitment to enlarge the EU to Macedonia and to the wider region. At the Thessaloniki European Council it was also decided that the Stabilisation and Association Process, a process that regulates EU-western Balkans relations, will lead these countries all the way to the EU membership, and accordingly, the European Partnerships were adopted, similar to the Accession Partnerships offered to the countries that joined in May 2004, preparing these countries step by step towards the EU membership.

EU undertook other steps as well that were important milestones on the path of the country into the EU membership: member states of the EU ratified the Stabilisation and Association Agreement; European Commission opened tenders under the pre-accession assistance programmes PHARE, ISPA and SAPARD to the Stabilisation and Association Process countries; it allowed participation of Stabilisation and Association Process countries in the Community programmes and agencies; 25 EU member states together with the countries of Stabilisation and Association Process (plus other 6 countries of Southeast Europe) agreed on the basic principles in adopting a Treaty to establish Energy Community between them; in forming the new European Commission, new Commission President José Manuel Barrios combined EU enlargement with responsibility for the Western Balkans in one portfolio under Directorate General (DG) for Enlargement. All of these provided continuity to

the country's transition from being a "distant" state to a state with prospect for EU membership.

These developments brought new dynamics to the Macedonia's domestic politics and its foreign policy in the region and wider. In fact, they had snowball effects to the domestic changes and enhanced the reform agenda in the country. What we witness now is the major commitment of the government in reforming its constitution for providing a base for wider judiciary reforms; launching new economic reforms package and instituting other structural reforms; and finalising the implementation of the Ohrid Framework Agreement. This showed that the magnet of the prospects of EU membership could have strong effects particularly on the reform agenda of the countries of the region.

Subsequently, what Macedonia is experiencing is an irreversible process of democratisation and moving in the right and positive direction that leads Macedonia from Ohrid implementation into the track of accession to EU membership. This leaves Ohrid process behind by being fully implemented that in turn establishes a sustainable inter-ethnic negotiations and reconciliation structures. This sustainable system will not only solve the current inter-ethnic problems but also will be able to deal with the upcoming challenges to be faced in different areas on the way to EU membership.

## ***II. Assessing Macedonia's readiness for EU membership***

In this part we will try to present a "scorecard" for evaluating the progress of Macedonia in meeting the criteria for EU membership candidacy and the likely impact of its potential accession on EU itself. Of course, many other less tangible and political factors will come into play as the Union decides whether to go and accept the country to become candidate in December. However, this analysis provides at least a starting point for assessing Macedonia as the potential candidate.

EU Copenhagen Criteria, which was adopted at the European Council summit in Copenhagen in June 1993, introduced a number of criteria that prospective members are to meet prior to accession. These include:

- 1) Stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- 2) Functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union; and
- 3) The ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

Fourth criterion that has not been mentioned at the Copenhagen European Council of June 1993, but later has been added is the *administrative capacity of a country to put into effect the principles of democracy and the market economy and to apply and enforce the *acquis communautaire* in practice* (4<sup>th</sup> criterion).

As set out at the Thessaloniki Agenda on the western Balkans, adopted at the European Council of June 2003, in the case of Macedonia and other countries of the Stabilisation and Association Process, there are two additional criteria that need to be implemented prior to the EU membership. These

include: *regional cooperation* (5<sup>th</sup> criterion) and *justice and home affairs reforms* (6<sup>th</sup> criterion). One additional criterion that will be used in this report is the *post-conflict reconstruction* (7<sup>th</sup> criterion), as it is important considering Macedonia's transition from stabilisation to institution building. So, in total we have seven general criteria applying in the case of Macedonia on its way towards EU membership.

Assessing the progress of Macedonia in meeting these criteria is difficult because the criteria are vague and difficult to evaluate. Nevertheless, re-defining the criteria offers the possibility of evaluating the position of Macedonia vis-à-vis these criteria. Therefore, for this purpose, we have divided the criteria into following categories: political situation, economic outlook, ability to take on the *acquis*, administrative capacity, regional cooperation, reforms in justice and home affairs and post-conflict reconstruction. EU did not identify any particular level of progress as a "passing grade" for those seeking membership. But it certainly can be argued that any Stabilisation and Association Process country that matches or exceeds the level of achievement by any current EU member in terms of the specified political, economic, and other criteria should be regarded as minimally qualified to join EU, or at least to become an EU membership candidate.

## 1. Political situation

Assessing Macedonia's progress toward democracy is always difficult, but data from the Polity IV Project at the University of Maryland as well as data from the Freedom House, Transparency International, and annual reports of the European Commission provide a credible measure of political readiness of Macedonia.

At the Polity IV Project with data of 2003 on the democracy criterion, i.e. on general openness of political institutions, which ranges between 0 (low) and 10 (high) Macedonia scores 9 out of 10.<sup>2</sup>

At the most recent data of Freedom House for year 2005, Macedonia has been rated with 3 points in the field of political rights and 3 points in the sphere of civil liberties.<sup>3</sup> As such, its freedom rating is "partly free".

At the Transparency International's Corruption Perception Index of 2005, which relates to the perceptions of the degree of corruption as seen by business people and country analysts and ranges between 10 (highly clean)

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<sup>2</sup> Range = 0-10 (0 = low; 10 = high). All current EU countries score in the range of 7 to 10. Candidate countries Romania and Bulgaria score 8 and 9, respectively. SAP Countries are having following scores: Albania 7, in Bosnia we have interruption of national rule, Croatia 7, and Serbia and Montenegro 6.

<sup>3</sup> 1 represents the most free and 7 the least free rating. EU countries are in the range of 1 or 2 in political rights and civil liberties and all of them have the freedom rating of being "free". The candidate countries Bulgaria is having the score of 1 for political rights and 2 for civil liberties and its freedom rating is "free". Romania as well is rated as "free" with score 3 at the political rights and 2 at the civil liberties. Turkey is seen as "partly free" with scores 3 for political rights and 3 for civil liberties. SAP countries are having following scores: Albania 3 (PR) and 3 (CL) = "partly free"; Bosnia 4 (PR) and 3 (CL) = "partly free"; Croatia 2 (PR) and 2 (CL) = "free"; and Serbia and Montenegro 3 (PR) and 2 (CL) = "free". All SAP countries except Croatia receive a combined assessment as "partly free."

to 0 (highly corrupt), Macedonia scores 2.7, which is less corrupt than Albania among the SAP countries.<sup>4</sup>

An additional assessment of a country's progress towards democracy is conducted by the European Commission in its annual reporting of the progress of Macedonia in the framework of SAP.

In the most recent report, that of 2004, the EC states that the political situation in Macedonia has remained generally stable, building on the process initiated in 2001 at Ohrid which remains crucial to ensure the development of Macedonia as a unitary and multiethnic state. However, it notes that in many areas, the reform process is still in its infancy and will need further efforts to be converted into concrete changes and bring the expected benefits. It further notes that consolidating stability calls for continued effort from the government to implement fully the Framework Agreement and to strengthen the rule of law. The challenges that lie ahead, according to the EC, lie on decentralisation, good governance, reform in the security sector and rule of law.

## **2. Economic outlook**

According to Standard & Poor's, which recently assigned its 'BB/B' foreign currency and 'BB+/B' local currency sovereign credit ratings to Macedonia, the economic outlook of the country is positive, as the country has managed to maintain macroeconomic stability, inflation has remained in low single digits since the mid-1990s, and growth is forecast to average 4.2% between 2004 and 2006.

But according to S&P, the economic outlook is constrained by the ongoing importance of inter-ethnic relations, structural and governance issues in the economy, and a government expenditure structure that leaves little flexibility to reinvestment. There are also serious structural imbalances in the economy, such as very high levels of unemployment of around %40 of total workforce. In addition, there is poor governance in private and public sectors, corruption, a weak judiciary and red tape depressing domestic and foreign investment and hindering economic and employment growth.

Also, the EC's annual SAP reports provide a thorough assessment of economic reform in Macedonia. The EC views it as being successful in maintaining a stable macro-economic framework, that economic growth in 2003 recovered and inflation remained low, that monetary stability was maintained and the general government deficit was reduced by 4 percentage points compared to the previous year to a low 1.5% of GDP. However, it states that there are serious weaknesses in the functioning of the economy, business climate, competitiveness and enforcement of property rights that increasingly challenge the country's economic growth. The most worrying fact according to EC is the persistently high unemployment rate and the low level of the foreign direct investment, reflecting the still high perception of political risk and the difficult business environment.

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<sup>4</sup> EU countries' scores range between 9.6 (Finland) to 3.4 (Poland). Candidate countries range from 4.0 (Bulgaria), to 3.5 (Turkey) to 3.4 (Croatia) to 3.0 (Romania). SAP countries: Bosnia 2.9; Serbia and Montenegro 2.8; Albania 2.4.

### **3/4. Ability to take on acquis and Administrative capacity**

The entry into force of the Stabilisation and Association Agreement substantially increased the range and level of co-operation between Macedonia and the EU that has enhanced the administrative capability. In the government of Macedonia there is Secretariat for European Affairs, formerly Sector for European integration that coordinates overall process of the approximation of Macedonia to the acquis. Secretariat have played crucial role in mobilising all relevant branches of the government towards the goal of European integration. It has taken a number of measures which has accelerated EU oriented reforms including better co-ordination in the implementation of obligations deriving from the contractual relationship between Macedonia and the EU, and recommendations made within the SAP. It proved to be particularly useful recently in answering the Questionnaire of the European Commission delivered in October 2004.

Besides the Secretariat, there are committees and working groups that deal with the harmonisation of the national legislation with that of the EU. These committees and groups are already operative and they provide experts' opinion on draft laws and other legal acts from the perspective of their consistency with the acquis. Also, great progress has been made in the translation of the acquis into the local languages. Moreover, amendments have been made to the Government's internal rules that have reinforced the role of the Government's commissions (on the political system, on the economic system, on human resources and sustainable development) with regard to the harmonisation of national policies with those of the EU. There is a governmental rule that envisages a statement on compliance with EU legislation must accompany each draft legal text, which is submitted to the government.

However, there is still need for enhancement of the internal expertise in order to assess whether draft legislation is in line with the acquis. Also, despite the existence of various structures and instruments for the sake of taking on the EU candidacy obligations, capacity of the various administrative bodies involved in the process has not dramatically changed. Moreover, the link between strategic priorities and the definition and mobilisation of resources need to be clarified. In addition, training of civil servants involved in coordination of the EU integration process, including at local level, remains provisional.

### **5. Justice and Home Affairs reforms**

EU initiatives of establishing security and defence presence in Macedonia, in tandem with the overall European integration process, have been a tool in strengthening the reform agenda in the sector of justice and home affairs, particularly in the police as the country has been in need of support that will strengthen its ability to institute the rule of law, and maintain secure borders and monopoly over the means of coercion without undermining the rights of their fellow citizens.

The launched police mission in Macedonia, Proxima, with the European police officers monitoring, mentoring, and advising their local colleagues to

help them improve standards and strengthen the rule of law, are an important part of a EU support to the justice and home affairs reforms in the country.

Macedonia has also been facing the challenge of reforming its judiciary. Low salaries, poor infrastructure, and massive corruption have seriously damaged the performance of the judicial system in the country that have kept this important segment of public life as weak and unable to prosecute serious crimes. Lack of training of the judicial staff remains an important weakness in this regard. There are considerable backlogs of pending cases in the courts. There are more than 500,000 unresolved cases in the courts of Macedonia, as proven with the recent EU Questionnaire.

However, home affairs and justice reforms in the transitional country like that of Macedonia are a long-term processes and as such they can be destabilising in short term. Thus, it is the role of EU integration process that in this context plays a complementary role as the "hole opened at the pressure pot preventing explosion."

## **6. Regional and International Cooperation**

While future decisions on accession are likely to be decided as much depending on individual readiness level as by readiness of Macedonia to cooperate with the countries of the region as EU member states do. When we talk about the western Balkans we do not talk about the isolated region. The region of the western Balkans is enmeshed in a web of interdependence in terms of problems and desires. Most problems travel more easily over short distances than over long ones, problems are often associated with proximity. In the indivisibility of situations, we have set of states whose major problems are so interlinked that their problems cannot reasonably be analysed or resolved apart from one another.

How the country can better contribute to the resolution of some of the remaining problems in the region and how better links can be re-established with the former Yugoslav republics and with other countries in the region, has become a major challenge for the recent governments of Macedonia. This commitment has emerged as the important point in the entire process of Macedonia's path to EU membership as it has the potential to increase the stability and security, democracy and prosperity, and it can facilitate an effective management of tensions and it can act as an important confidence building measure. It also can have implications for the overall democratisation of the region.

It is this major striking feature of Macedonia that compels it to look for wider engagement in the regional affairs, including in security, economics, and politics and through that faster integration into the Euro-Atlantic structures.

There have been number of initiatives driven or initiated by Macedonia. The first one is the Adriatic cooperation or Adriatic Charter, initiated by Macedonia just prior to Prague Summit of NATO in November 2002. It includes Macedonia, Albania, and Croatia in terms of their integration into NATO. This cooperation was crowned with the signing of the Adriatic Charter on 2 May 2003 in Tirana and it includes a commitment of the signatories,

particularly of the US, to the territorial integrity and to their faster integration into NATO.

Another major initiative has been the cooperation among the countries of SAP as a preparation for the Thessaloniki Summit of EU that started with a joint letter of five presidents of these countries to Copenhagen European Council of December 2002.

Another recent initiative was the meeting of five SAP foreign ministers with French minister of foreign affairs that has established an informal cooperation framework among the five SAP foreign ministers, plus a foreign minister of a EU country.

These initiatives have established a new momentum for enhancing regional cooperation giving it a new content and dimension. The countries have started to demonstrate a considerable readiness to pledge and commit substantial effort for these kinds of initiatives.

As we witness, the only commonality in all these initiatives is their goal: Euro-Atlantic integration. It is the integration prospects that are in a way forcing the countries to cooperate with each other. It is also establishing convergent pressures across national boundaries and divides in the region.

This intensive effort for good neighbourly relations and functional cooperation besides above issues, are also the expression of the change that has happened in the country. Macedonia is experiencing structural changes. It is moving from conflict or post-conflict reconstruction to stabilisation and European integration. It is the implication of this change that has given it confidence and that in turn has led to the transformation of its role in wider regional affairs.

Macedonia has the most direct and obvious *political* and *security* interest in regional cooperation: a political interest in successfully getting together into the fold of the enlarged EU map; and security interest in stabilising the neighbourhood that has for more than a decade send destabilizing signals to Macedonia.

The cooperation with the International Criminal Tribunal for the former Yugoslavia in The Hague has so far met no difficulties. ICTY has just charged former minister of interior and a member of police forces for war crimes in the case of Ljuboten. Government has acted immediately by apprehending the member of the police forces and he has been extradited to The Hague.

## **7. Post-conflict reconstruction**

The weaknesses in public administration, particularly in fighting criminal violence, organised crime and corruption, are parts of the post-conflict reconstruction of Macedonia that continuously challenge the country and hinder its smooth transition to functioning democratic polity.

Armed insurgents or secessionist movements no longer challenge the country. Macedonia has passed the existential test of its transition; there is no question now about the prospect of its future existence. What it faces now is the risk of breakdown of law and order in parts of its territories, and the risk coming from the spread of criminal violence, organised crime and corruption. These risks are compounded by the lack of capacity of the country's home affairs and justice institutions, including police forces in dealing with those

challenges, including in apprehending, investigating and prosecuting the criminals.

This is not to say that these challenges have come to dominate the agenda of Macedonia and that they are issues exclusive to this country. What is important in Macedonia is the absence until recently of necessary normative and operational structures in the country's rule of law system that will make possible credible criminal investigation and the prosecution of crimes committed.

More lives were lost in criminal violence in Macedonia in the months after the end of the conflict in mid-2001 than during the heat of the conflict itself. In October 2004 – August 2005, Kondovo, a suburb of Skopje, Macedonia's capital, became a no-go area for Macedonian state security institutions. The suburb came under the control of an armed group expressing dissatisfaction with the political processes in the country. The issue was resolved after a quiet and long effort of the domestic political forces.

### ***III. Idealism or realism? The costs and benefits of the EU enlargement to Macedonia***

Meeting the minimal standards of EU criteria in no way assures Macedonia of being invited to the Union. Ultimately, EU members must agree that the decision makes sense from a strategic perspective. Even though EU's decision-making process is political, any analysis of the enlargement process must recognise that strategic rationale — the impact on EU's core mission (in our view, *reconciliation among the nations*) will be key in deciding whether to invite a particular country from the western Balkans to join, no matter how successful that country has been in meeting EU's criteria.

Despite the difficulties ahead, Macedonia's rapid progress in stabilisation and implementation of the Ohrid Framework Agreement, including the decentralisation and judiciary reforms (*read* implementing Copenhagen criteria) and its position in the western Balkan mosaic as the multiethnic state capable to contribute to the wider regional stability and security, has increased its appeal for EU membership.

The EU's wider presence in the country, as the main trading and investment partner, and as security and political arbiter, has made Macedonia to become EU "problem" and solutions to be sought to be EU solutions.

In addition, EU integration as a source for bridging divides among the different ethnicities in the country increases the strategic rationale for EU enlargement to Macedonia. The enlargement will contribute to enhanced stability and security for all countries in the area of the western Balkans. Macedonia's candidacy will have implications for all Balkan nations, including states, which do not join EU early, like Serbia. Any such decision will have a significant impact on strengthening the Balkan security environment and its timing, "year 2005", will have major implications to the transition of other countries as well. Enlargement to Macedonia will reinforce the tendency toward integration and cooperation in Europe based on shared democratic values and thereby curbing the countervailing tendency towards disintegration along ethnic and territorial lines in the Balkans.

As a multiethnic country, Macedonia is perfect model of the EU prospects in strengthening its open and democratic civil society of "unity in diversity", of social inclusion and of stronger interrelation in EU, which are inherent and shared goals of the European societies.

#### ***IV. Future prospects***

The lesson from Macedonia has been that comprehensive strategy of EU membership perspective "have targeted two birds with one stone": it has brought a remarkable irreversible process of stabilization of the country; and the country itself has been able to excel and overcome the European fears that it will introduce its own instability into the EU.

Thus, as Macedonia is getting embedded smoothly into the European integration processes, there is an important reason for EU to set a stage for another shift in the countries' transition processes that will mark an irreversible process of institution and state building.

The major step has been made at the strategic level by EU treating it as an area into which the EU intends to expand rather than as a distant region that needs to be stabilised. What remains is to take actions at the sub-sectoral level that will be complementary to the strategic decisions: to have Macedonia as a candidate country starting from December 2005 and to receive a favourable opinion by the EU to launch negotiations for full membership by 2006.

However, four weaknesses are to remain crucial for the promotion of the quest for Macedonia's EU membership. Overcoming these weaknesses will facilitate the establishment of conditions necessary for the country to become unambiguous credible candidate for EU membership:

First, building public support for the Framework Agreement and providing sustainability of the undertaken changes thereof. Despite the consensus among the all political parties for the implementation of the Agreement, the commitment to it has varied depended on the domestic political situation that has led some of the parties to oscillate between the commitment to it and nationalistic policies;

Second, building confidence among the country's ethnic groups particularly in the areas that were affected by the hostilities in 2001. Although most of refugees and displaced people have returned to their homes after the end of the conflict, damaged trust prevented hundreds of people following the suit; and

Third, providing support to the state institutions, including the Ministry of Interior that came to be pillar for the future stability of the country. Cases of mistreatment, misconduct or violation of procedures by the police has remained as a major issue in the work of the police. There have been incidents where the police has been involved that inappropriate planning and need for training of the police forces have come to fore. There has also been lack of thorough investigation and accordingly disciplinary measures into serious allegations of human rights violations by the police.

Fourth, what is lacking in the country is the economic growth that will help consolidate public support for the democratic reforms that has been instituted soon after Ohrid Agreement.

In sum, this short analysis demonstrates the degree of progress made by Macedonia and the diverse costs and benefits it would bring to the Union. Macedonia has made much progress on EU's criteria for being considered for membership and there are good strategic reasons to become a candidate. If the western Balkans has indeed changed, then EU should consider the choice of candidates and even the rationale for enlargement itself in light of the possible contribution to the EU's very core mission. Based on this, Macedonia seems qualified in this area.