



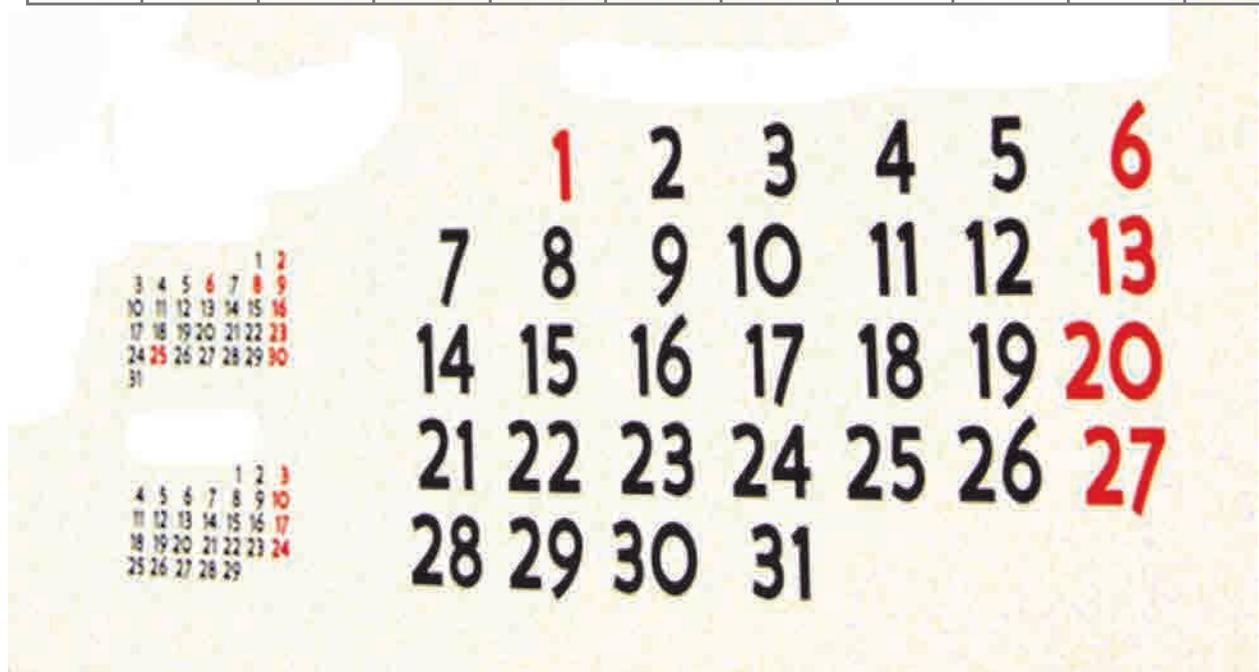
Center for Research and Policy Making



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# ANNUAL | REPORT | 2008

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## INTRODUCTION

Founded in 2004 under the Macedonian law as a “civic association” (or an NGO) the Center for Research and Policy Making- CRPM engages in policy analysis, seeking to open the policy making process to citizens, improve laws., assess institutional capacities for their implementation as well as monitor and evaluate how much these policies are creating public value or are directed towards the “Europeanization” of Macedonia. We also deliver trainings, make evaluations of donor programs in Macedonia and the region and conduct surveys of public opinion. The CRPM regularly organizes forums, roundtables, and debates offering to policy makers “just-in-time” policy recommendations that are product of comprehensive policy research, well argued and focused on Government actions on policy issues subject to the CRPM’s research interest. The research activities and analysis of CRPM’s team are followed with advocacy efforts that are fully aligned with the communication and advocacy strategy of the organization. Some of our policy proposals are being accepted by the government, while others, although there is an intense public discussion, are not. By many indicators such as policy impact or media appearances and commentaries, today CRPM is the leading Macedonian think tank. Where we stand today, however, is a result of a permanent and ainstaking effort resulting in continuous growth. This part of the document tells the success story of this organization providing you with the idea of what CRPM was, is, and ultimately wants to become.

## MISSION

CRPM is an organization that has a mission to promote good governance and development in Macedonia on the basis of relevant, evidence based policy research, capacity building and trainings, evaluations, analyses and surveys, without regard to and independently of the particular Interests of any group of the society, either political, social or economic.

CRPM’s core values, the essential and enduring tenets, are: being a pioneer in detecting important deficiencies in the functioning of the society and the public policies, providing cutting edge policy analysis, hard work and individual productivity, working on elevation of the Macedonian culture and national status in the world.

## VISION

CRPM’s envisioned future is to become the biggest most influential Balkan think tank Offering sound analysis and advice and influencing the policy agenda of Macedonia and the Southeast European region in various areas, offering abundance of research resources (data bases; books; articles; papers; internet based resources and other logistical support) to individual researchers, professionals, journalist, students, civil society organizations and interested parties.

**B A C K G R O U N D**

No important national or regional policy issues will be discussed without CRPM experts taking part in the debate offering analysis on the issue. CRPM will be sought to provide policy advice by governments, civil society organizations and private companies. We believe that CRPM research work carried on with patience and persistence will bring new life to public policy, good governance will be advanced, knowledge increased, and human life improved. We will be respected and admired by our peers and academics. Our analyses and policy solutions will be actively sought by governments and companies. Management gurus will use CRPM as an example of excellent management and progressive thinking. The best up-and-coming people in the academic world will seek to cooperate with our think tank. Employed staff will give unsolicited feedback that they love what they are doing. They will willingly work hard because they will feel that our think tank contributes to their and the society's life in a positive way.

## WE AS A THINK- TANK

Ever since its founding CRPM was not a “typical” NGO. CRPM is a think tank, an organization, which generates policy-oriented research, analysis and advice on domestic and international issues that enables policymakers and the public to make informed decisions about public policy issues.<sup>i</sup> We “play a mediating function between the government & the public, transform ideas and problems into policy issues, identify, articulate, and evaluate current or emerging issues, problems or proposals, and provide a constructive forum & facilitate the process of exchange of ideas.”<sup>ii</sup> In CRPM we put the emphasis they place on research and analysis. Similarly to think tanks around the world CRPM functions like a research department at a university promoting a greater understanding of important social, economic, and political issues confronting society. Unlike universities, however, “the seminars and workshops they [CRPM] offer and the studies produced are generally intended for policymakers, not students.

## WHAT WE DO DAY TO DAY

- > We carry out "basic research on policy problems and policy solutions";
- > We gather evidence for responsive policy making and
- > We provide "advice on immediate policy concerns that are being considered by government officials";
- > We evaluate government and international donors programs;
- > We "serve as facilitators of issue networks and the exchange of ideas";
- > We “open the policy process to other state and non state actors not principally engaged in policy making”
- > We help interpret "policies and current events for the electronic and print media."<sup>iv</sup>

Using policy research methodology CRPM gathers evidence and knowledge, analyzes and Offers policy options to the government, local self-government, civil and private sector on all current Macedonian and European developments. CRPM is specialized in monitoring the policy making process and its outputs, providing analysis for issues that needs to be addressed by different stakeholders, thus providing opportunities for informed decision making. The organization is responsive to current developments through permanent monitoring of the emerging issues that should be addressed, providing accurate and comprehensive analysis. As a relatively new organization, CRPM recognized the need of continuous follow up of its progress and staff conducts regular annual internal reflection regarding the successes, challenges and future objectives. The organization has highly skilled and dedicated personnel that has clear description of responsibilities and is capable to undertake and complete activities that move the organization toward the accomplishment of its mission. The skills of the staff contribute to the recognizable expertise that CRPM has among the players in the civil society sector, and the relevant stakeholders within the Local and National Government.

**MAIN ACTIVITIES**

**POLICY ANALYSIS**

CRPM works on several research areas focusing on issues such as: Do current policies Affect economic growth? What are the policy options to improve them and increase level of democracy and competitiveness of Macedonian economy?  
 CRPM team engages infinding answers to These questions in all policy areas by employing various research methodologies qualitative research through interviews of stakeholders, surveys, site visits, focus groups, cost-benefit and SWOT analysis.

**TRAININGS**

CRPM provides trainings in policy analysis and policy making, strategic planning, evaluation and monitoring. The training sessions are interactive and consist of many practical examples and case studies. Exemplary sessions of these trainings are the following:  
 Defining public policy, what is policy, what is public policy, what ‘should’ public policy do, who makes public policies, key stakeholders, defining strategic planning, how strategic plans are made in Macedonia, Regulatory impact Assessment.

**SURVEYING**

CRPM has a network of trained and experienced surveyors to conduct field and phone surveys. The CRPM surveying team provides the following services:  
 Preparation of questionnaire, Creating a representative sample for the target group, Surveying, Entering data in SPSS, Quality control, Validating data, Data processing, Data analysis, Report writing (narrative, statistical and analytical)

**EVALUATIONS**

CRPM works on evaluations of completed projects of various clients, prepares evaluations and advice on how to improve workings of different organizations and companies, expert evaluations of democratic processes in Macedonia, and assessment of development policies of international donors. Evaluations are conducted using quantitative and qualitative research methods.

## METHODOLOGY

CRPM uses quantitative and qualitative methods; the theory of policy analysis, strategic planning for local development; theory of public value, situation analysis, stakeholder analysis; theory of policy transfer and theory of multiculturalism. The research team collects all available statistical data and reviews the reports and papers written by various institutions and individuals (foreign and domestic). This theoretical and desk top research is in great extend combined with field research of the real-life problems in Macedonia. The research team collects evidence when visiting the localities, institutions, people, groups, and on the basis of its experience and observation analyses the developments that have been identified in the course of the research. The qualitative methods that the research team uses are the following: observation, interview, Focus group surveys. On the other hand we also use quantitative methods, surveys in particular.

The CRPM team as a whole has an expertise in such various disciplines as economics, property legislation, policy analysis, sociology, local government, education health and social protection, budget monitoring, gender studies, European integration, ethnic relations and minority rights and Diaspora politics (including the issue of remittances). Thorough inter-disciplinary field research is thus supported by the latest conceptual thinking. The main resource the organization is the intellectual capital held within CRPM.

A great diversity of methods, problems, and research techniques can be applied. Analyses can be narrative, quantitative, and comparative across nations, across sectors, between single sectors across nations, and so on. As a consequence, no ideal model or theory for studying policy can be identified. What is important to note is that CRPM projects result in policy studies which synthesize the findings of the research and offer practical policy recommendations.

## MANAGEMENT STYLE AND ORGANIZATION CULTURE

The management style is participatory. The researchers and analysts are partners in a joint project of Europeanization of Macedonia through better public policy being implemented. All decisions are being discussed and decided through brain storming and everyone's opinion weighs the same. If a deadlock builds up the executive committee or the executive manager make the final decision. The organizational culture is of a think tank that focuses on the results rather than on formal practices and rules. CRPM has a Code of Conduct adopted in 2007 which defines the organizational procedures and hierarchies. The everyday CRPM work is done in a pleasant environment with respect among all of the team members. Our professionalism is reflected in the business communication with our partners, associates and the public.

Furthermore, CRPM has an advisory board that opines on the strategic plans of the organization as well as on specific policy papers and analyses. The organization is open to comments, suggestions and criticisms from the general public or the local policy experts. CRPM aims at growth that is sustainable and real, organizational or individual vanity is not a principle that is useful for such a goal.

Center for Research and Policy Making has been formed by a multi-disciplinary team bringing together people with different backgrounds and professional and research interests, and includes considerable experience of the way the Macedonian policy process works. The CRPM members are specialized in project management and policy research and analysis, training and capacity building, and policy advice.

### **ANALYSTS**

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 Ms. Ana Nikolovska, MA  
 Mr. Igor Nikolovski

### **TECHNICAL STAFF**

Mr. Aleksandar Colovic  
 Mr. Zarko Cvetkovski  
 Mr. Zhivko Daskalovski

## RESULTS 2004-2009

The main results include 40 projects implemented, out of which 16 were regional projects ; 5 evaluations; 9 capacity building/training programs; 2 international conferences, 3 policy workshops.

### CRPM OUTPUTS

- › 5 evaluation reports (including *Gender responsive budgeting*, *UNDP Blue Ribbon Report*);
- › 9 training curricula developed and delivered (trainings in Decentralization and Power Sharing in Multiethnic Societies; Basic Benefit Package Costing Assessment; Policy Analysis and EU Integrations; Policy Analysis, EU Policies and Communication Strategies for Enlargement; Budget Analysis and Policy Making; Public Policy Analysis; Budgeting and Budget Monitoring; and Fine-tuning Strategic Plans with Budget Drafting);
- › 4 guides (including the *Guide to Budgets and Budget monitoring*);
- › 11 policy studies (including *The Macedonian Pension Reform- Too Expensive and Overregulated* and *The Independence of Kosovo and the Consolidation of Macedonia –A Reason to Worry?*);
- › 14 occasional papers (including *The Macedonian Health Insurance: The State of Affairs* and *The Role of the State in the Health Care Reforms in Western Europe and Macedonia*);
- › 17 policy briefs (analyzing issues such as Recognition of diplomas earned abroad, Accreditation of private universities, Sport betting, Budget air lines);
- › 15 editorials/ commentaries published on the web site
- › Networking and advocacy
- CRPM organized 5 press conferences and 3 policy workshops
- CRPM is the initiator and founder of the Macedonian Think Tank Network, and is a member of the Global Development Network and PASOS
- CRPM is invited to various discussion forums and round tables
- All CRPM policy products were disseminated electronically to approximately 5000 recipients, while hard copies are sent to key stakeholders
- CRPM produces a quarterly newsletter

While the outputs produced by CRPM are impressive they do not tell the whole picture. Not only CRPM has produced a great number of excellent analyses but these were widely cited and reported by the media. In most of the cases our studies were a source of information or a reason why to make a story. In the spring of 2008 CRPM reached a very big level of visibility in the public, both in Macedonia and in the Balkans. A dozen of news reports were published regarding the latest CRPM activities and papers. The largest news agencies and media from Macedonia and from the region reported on our products. A part of our media clipping is available at our site under CRPM in the media<sup>vii</sup>.

In fact, in the last five years various CRPM studies were cited and expert commentaries were published in all the relevant Macedonian electronic and press media: MTV, A1, Sitel, Telma, Kanal 5, Alsat-M TV, Dnevnik, Vreme, Utrinski Vesnik, Večer, Shpic, Vest, Koha, Lajmi, Fakti, Globus, Kapital, Forum, Nedelno Vreme, Macedonian Diplomatic Bulletin, Radio Free Europe, BIRN, BBC in Macedonian, and Deutsche Welle in Macedonian, as well as international media such as Alfa TV, ERT 1, Mega TV, all from Greece, Blic from Serbia, Focus Information Agency and Kapital from Bulgaria, Deutsche Welle Radio from Germany, Kathimerini from Greece, Turkish Daily News from Turkey, Osservatorio sui Balcani from Italy, Australian Macedonian Weekly from Australia and Financial Times from the UK. Experts note that “the amount of media coverage think tanks generate may indicate how much influence they have placing issues on the political agenda.”<sup>viii</sup> Think tanks measure success “not by profit margins but by how much influence they have in shaping public opinion and the policy preferences and choices of leaders.”<sup>ix</sup> Clearly CRPM has had a huge influence placing issues on the Macedonian policy agenda through the media.

CRPM tries not only to make first class analysis but also to influence policy making and induce changes where necessary. To do so we rely much on the same strategies think tanks around the world use such as, holding public forums and conferences to discuss various policy issues; publishing, opinion pieces, newsletters, policy briefs, and studies for wide distribution, creating a web page on the internet, enhancing media exposure, holding informal meetings with key policy makers to discuss the think tank studies to outline a range of policy options public officials have at their disposal.

We are proud to report that since its founding CRPM outperformed all the other Macedonian policy research institutes in influencing policy changes. *Civicus* a report on the state of affairs in the civil society in Macedonia notes that in the period 2002-2005, the 29 non-governmental organizations, members of the nation-wide *Civic Platform*, undertook 33 initiatives aiming to influence public policies in Macedonia. Only 10 of these initiatives were successful.<sup>xiii</sup> Many leading Macedonian NGOs such as the Center for Civic initiatives, as well as foundations such as the Foundation Open Society Institute Macedonia, and the Macedonian Center for International Cooperation are part of this platform.

On the other hand, just in 2007 CRPM has influenced policy changes in five areas. Our policy studies and advocacy have resulted in changes of the laws regulating the policies concerning the recognition of diplomas earned by Macedonians at foreign universities. CRPM policy analyses have also directly influenced changes in the pension system regulation, the work of the betting houses and the policies stimulating low budget airlines to fly to Macedonia.

We have also succeeded in having EU accept Macedonia's sub-regional association with Turkey within the system of diagonal cummulation of rules of origin.

Just for illustration in the very same year, the CRPM team in cooperation with the General Secretariat of the government and with financial support of the Norwegian Foreign Ministry and technical assistance of STATKONSULT implemented 7 training sessions to increase the policy making capacity of the Government of Macedonia. In the latest Progress Report on the Macedonian accession to the EU (issued November 1st 2007) the European Commission has recognized this activity writing that in Macedonia "progress has been made in the training of civil servants at local level."(p.8) In 2007 the CRPM team also delivered six training sessions in public policy-making to civil servants from the local government. Using practical and innovative methods CRPM continued its capacity building training in analysis and policy making for the staff of the 84 municipalities throughout Macedonia. Case studies were used to bring the theory of policy making closer to the everyday responsibilities of the Local self-government units as policy makers. The trainings were delivered in six regions of the country.

In addition, in 2007 CRPM trained nine watchdog organizations to monitor the making and execution of the national budget, the project strengthening capacities of local NGO's, businesses and the media providing them with the necessary skills and knowledge to understand the budgetary process. After the training the participants conducted sectoral budget analysis in the areas of their interest and operation. The analyses are used to inform policy discussions during the parliamentary debate on the adoption of the 2008 budget. Furthermore in 2007 CRPM, in cooperation with Friedrich Ebert Stiftung Foundation (FES), delivered trainings on "Policy making and transparent budgeting." The training was developed based on the Citizens Budget Guide published by CRPM and FES in 2006. Three groups of participants were targeted: representatives from municipalities, NGO's and interested citizens. CRPM delivered altogether seven trainings throughout the county with more than 140 participants. The trainings were needed to support the decentralization process and inform the public servants in the local self-government to open policy making and budgetary process to citizens. Finally, in 2007 CRPM delivered trainings to central government officials on Fine-tuning Strategic Plans with Budget Drafting.

The Costing of health services project led to new pricing of the health services in Macedonia promoted in January 2009 and introduction of the DRG payment system for hospital services.

The Monitoring of the roadmap for visa liberalization identified that Macedonia has fulfilled all conditions for visa liberalization which was later endorsed in July 2009 by the European Commission.

The Constitutional Court of Macedonia took the same stand as CRPM on the introduction of religious education in public schools in Macedonia.

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**Macedonian Politics**

- › Are we to change the name to enter NATO? (survey)
- › To recognize Kosovo or not- a Macedonian dilemma (survey)
- › Public opinion polls for 2009 elections
- › “Perspectives of the domestic legal framework governing elections, from the viewpoint of the international election standards and good practices “ - publication for OSCE
- › My Voice, My Decision!
- › Nations in Transit, 2009 report
- › “What about the name?-Macedonia”s NATO accession and the „name issue””
- › ” The Independence of Kosovo and the Consolidation of Macedonia –A Reason to Worry?”

**Good Governance and Budget Monitoring**

- › Macedonian Budget Project
- › Open Budget Index 2008
- › Global Integrity Report
- › Public Finance Transparency in Macedonia
- › Situation analysis manual and trainings
- › Safeguarding citizen’s priorities

**Sustainable Development**

- › *Project: Discovering the hidden opportunities*
- › Analysis of gender balance in the agricultural sector in the Republic of Macedonia
- › Overview of family business relevant issues country fiche Macedonia
- › Devolution of property in Macedonia
- › Market analysis of Kumanovo

**EU and International Affairs**

- › ESI visa liberalisation project
- › Integration perspectives and synergic effects of European transformation in the countries targeted by EU enlargement and neighbourhood policies
- › Evaluating EU progress reports

### **Human Development**

- › Gender aware policy appraisal-Assessing the implications of diagnosis related groups on unpaid care work of women
- › Costing the basic benefit package in health care

### **Migrations**

- › Creating regional labour market and labour migrants circulation as response to regional market demands

### Survey

#### Are we to change the name to enter NATO?

The vast majority of the citizens of the Republic of Macedonia, 83%, do not agree for changes of the constitutional name of the country, if that is the price to be paid for NATO membership. A similar opinion the citizens have regarding the question of the official name of the country to be used in international communication. Whopping 81% of the citizens do not agree other countries and international organizations to refer to Macedonia with anything else than the constitutional name. These are some of the results of the survey made by the Center for Research and Policy Making based on a sample of 1100 surveyed persons respecting the regional and ethnic distribution among the population, during the weekend of 7th to 9th March 2008. Among the ethnic Albanians 52% agree to changes to the constitutional name of the country in order to get NATO membership, while 51% of the Macedonian Albanians agree to a different than the constitutional name of the country to be used in international communication (i.e. Macedonia to be referred to differently by other countries and international organizations). On the other hand, 95% of the ethnic Macedonians, are against changes of the name in order to get NATO membership while 91% of them are against to changes of constitutional name of the country to be used in international communication. The other ethnic groups in the country (Turks, Serbs, Roma, Bosniacs, and others) in great numbers refuse any changes of the name to get NATO membership or to be used in international communication. The current imbroglio over the Macedonian name and the final outcome of its bid for NATO membership might have repercussions on the perception of the Alliance among Macedonian citizens. Answering to the question “what is the level of your confidence in NATO today compared to the one last year” 16% answered that it is bigger, 22% answered it is smaller, while 35% said that it remains the same. Although a vast majority of the citizens reject changes of the constitutional name of the country, when asked “in case the country must change the name would you agree to any of the following suggestions” reportedly made by the UN envoy Matthew Nimetz 36% would agree to the name Democratic Republic of Macedonia, 12% would agree to Independent Republic of Macedonia, 3% to Constitutional Republic of Macedonia, 5% to New Republic of Macedonia. 44% gave no answer indicating that they might be against changes of the name at any cost. For more results please visit our web page [www.crpm.org.mk](http://www.crpm.org.mk)

### Survey

#### To recognize Kosovo or not- a Macedonian dilemma

The results of the CRPM survey show that 45% of the Macedonian citizens do not agree Macedonia to recognize Kosovo. A smaller number of citizens, 35% would like Macedonia to recognize the northern neighbor, 4% do not care, while 15% have no opinion on this issue. Not surprisingly 95% of the Macedonian Albanians are in favor of the recognition while 60% of the Macedonians are against. These are the results of the survey CRPM conducted using a representative sample between 6th-8th March 2008. A majority of the citizens (56%) believe that before recognizing Kosovo the border

## MACEDONIAN POLITICS

between the two countries should be delineated. For 74% of the Macedonians this is a priority issue, while 85% of the ethnic Albanians believe that the demarcation of the border is not a priority and that it is more important that Skopje recognizes Pristina first. Macedonian citizens have a split opinion on the question whether the recognition of Kosovo will increase Macedonian security. Some 27.5% think that the Macedonian security will benefit from the recognition of Kosovo, 25% believe that the level of security will decrease, another 25% stated that the level of security will remain the same, while 22% did not answer this question. A vast majority of the Macedonian Albanians, 82% believe that the security will increase.

### **Public opinion polls Elections 2009**

CRPM continuously followed the elections and the public opinion regarding the presidential candidates. The last CRPM survey, conducted a week before the elections predicted that Mr. Ivanov and Mr. Selmani will have a runoff on the 5th of April. However, due to very low turnout among ethnic Albanians, estimated at 41%, and a high turnout among Macedonians, estimated at 61%, Selmani came in third place after the first round of elections.

### **Improving elections**

In the period from March to December 2008, CRPM implemented the OSCE project “Perspectives of the domestic legal framework governing elections, from the viewpoint of the international election standards and good practices” – a guide towards accurate, reliable and consistent electoral legislation aimed at straightening of the overall integrity of the electoral processes. It aims to contribute to a more effective electoral process by offering systematic research and analysis in key areas regarding the legal, technical and practical aspects of the electoral process. The [research](#) was undertaken by renowned academic experts and practitioners who are experienced in the field of elections. In line with the research process CRPM in coordination with the OSCE team organized several consultative meetings in order to ensure the effectiveness of the ongoing process. In addition to this, the purpose of these meetings was to ensure the inclusiveness of the viewpoints of the relevant institutions responsible for the proper conduct of the electoral process. The final output of the overall project was a publication comprised of the above mentioned analyses. The publication offers a comprehensive overview of the shortcomings identified in the electoral legal framework. The analyses include recommendations and practical instructions to be considered by the respective institutions during the process. Therefore, the publication will serve as a practical tool for the actors involved in the electoral process. The publication inspired a wider debate and contributed to a more transparent policy making process.

### **My Voice, My Decision !**

Though the issue of proxy and family voting has been mentioned as an election irregularity during all election cycles in Macedonia, its roots were not thoroughly examined so far and the general public opinion relied mainly on misconceptions and stereotypes. CRPM sought to analyze it from a different perspective, by focusing on the opinions of people from areas which are mostly affected by this problem. Both, men and women from 7 municipalities where proxy and family voting was most pervasive during the previous electoral cycles participated in focus groups where they were encouraged to express their experiences and opinions regarding these issues. They month. In addition, about 4000 people from vulnerable groups were visited by local volunteers in their homes,

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openly discussed about the patriarchal values still dominant in their communities, which determine who is 'allowed' to discuss political issues and make political decisions; as well as the constant pressures they face from the political parties. The [analysis](#) integrated the expressed opinions of citizens and the views of state electoral bodies and female parliamentarians. The local and national media embraced the findings and reported on them extensively. It was followed by a public campaign, based on the analysis' findings, to raise awareness about the importance of making individual decisions and casting a ballot individually. Three national and one local TV station and 2 newspapers agreed to air and publish the promotional posters and videos for free for a period of one advised on the dangers of proxy and family voting and received promotional materials (pens, calendars, cups). The ultimate impact of the campaign is yet to be assessed in the aftermath of the elections, and CRPM is closely following the affected areas.

### Nations in Transit 2008

Writing the Nations in Transit 2008 report for Macedonia the senior CRPM analyst Zhidas Daskalovski points out that, although the Macedonian society is still split along ethnic lines, conflicts have been subdued and interethnic consolidation strengthened with the implementation of the Ohrid Agreement. In 2008, there has been further progress towards implementing the strategy for equitable representation of ethnic communities in the public sector, in particular as regards the Albanian community. The available data shows that the number of ethnic Albanian civil servants increased by 3.75% between January 2007 and January 2008. In a number of ministries the percentage of ethnic Albanian employees corresponds to the share of this population in the country in the census figure. In 2009 Macedonia will face increasing tensions in the functioning of the government coalition as the ethnic Albanian coalition partner will be under pressure to leave the government which is not able to further pursue Macedonia's integration into NATO and the EU. Developments in Kosovo might negatively affect the interethnic relations in the country. The government will also be under pressure to continue economic reforms and achieve stronger growth levels. Democratic presidential and local elections, scheduled for the spring of 2009, will be crucial for the European perspectives of the country. Full, EU visa liberalization is expected for Macedonia in 2009.

### “What about the name?-Macedonia"s NATO accession and the „name issue”

Encyclopedia Britannica notes that literally, "Europa" is thought to have meant "Mainland"...as an appropriate designation of the broadening, extensive northerly lands that lay beyond, lands with characteristics but vaguely known... clearly different from those inherent in the concepts of Asia and Libya, both of which, relatively prosperous and civilized, were associated closely with the culture of the Greeks and their predecessors. Among the lands north of Greece today is also the Republic of Macedonia. Tempering with the right to own identity of citizens of a democratic nation is not a good principle, doing it at this stage in the Balkans is inviting more troubles in the region argues the CRPM [policy brief](#), published immediately after the April 2008 Bucharest summit where NATO leaders refused Macedonia an invitation to join the alliance after Greece vetoed the decision in a dispute over the republic's name. CRPM influenced the policy debate also by organizing two round tables on the „name issue" with leading political scientists, diplomats, foreign policy experts and historians debating the current state of affairs and policy options available to Macedonia. Events reports were published and soon they will be available for reading on-line. We have also conducted three [surveys](#) of the public opinion on this issues, and have published two op-ed pieces on the issue by political commentators, [Dane Taleski](#), M.A and [Jana Lozanoska](#).

S U M M A R Y 2 0 0 8

**MACEDONIAN POLITICS****” The Independence of Kosovo and the Consolidation of Macedonia –A Reason to Worry?”**

This [study](#) explores the influences of Kosovo independence on the Macedonian political scene, more specifically, on the model for managing the inter-ethnic relations. The main question that the paper answers is what are the implications of the Kosovo independence for Macedonia? Under the framework of the theories of democratic transformation the paper explores the past (inter)-ethnic politics in Macedonia focusing on the implications the new status of Kosovo has on the consolidation of the Macedonian democracy. The study discusses the public perceptions and the policy processes, connected with the Ohrid Framework Agreement. The conclusion points that the independence of Kosovo has different effects on the public perceptions of the Macedonians and the ethnic Albanians living in Macedonia. Kosovo independence is unlikely to influence the model for managing inter-ethnic relations in Macedonia. CRPM sought to promote a debate on the policy question whether Macedonia should recognize Kosovo, should Macedonia be concerned that this decision would endanger the interethnic relations in the country or the relations with the neighboring Serbia. We have conducted three [surveys](#) of the public opinion on whether Macedonia should recognize Kosovo and what kind of security implications such move would have. CRPM also organized a roundtable discussing these issues with experts from Kosovo, Macedonia and the United Kingdom debating. <http://www.crpm.org.mk/More1.htm>

### Macedonian Budget Project

In 2004, the Center for Research and Policy Making established the project Macedonian Budget Project. Four years later we are proud to say that we implemented five phases of this project. We started with the phase one, when we analyzed budget transparency on a local level. CRPM research was on sub-national budget monitoring in Macedonia. It offers a general analysis of the decentralization reforms in the country with a particular attention to the possibilities for budget watch on local government level. As examples from the two municipalities studied, Shtip and Gostivar, show, budgetary monitoring on sub-national level is very difficult to undertake in practice. The publication from this phase: *Making Public Finance Public* can be downloaded from our web site.

In phase two, we published the *Citizens Guide to Budgets*. This guide serves as a basis for improving good governance and fiscal transparency of local government units. The aim is also to have comprehensive, reliable, and useful budget information available for interested citizens. Another key issue is whether the legislature and the civil society are able to participate effectively in the budget process. Effective participation refers to the opportunities for the legislature and civil society to make their viewpoints known and to have these views taken seriously. This requires that the budget process must be opened for interested parties to influence the budget and assess whether government/local authorities undertook what it planned. The publication can also be downloaded from our web site.

In phase three CRPM delivered altogether seven trainings throughout the county. We trained more than 140 participants. The trainings will help the budgetary process through explaining the practical use of the *Citizens Guide to Budgets* and providing tailored- for- Macedonian audiences examples of the budget preparation and monitoring.

The fourth phase was conducted within the International Budget Project (IBP). International Budget Project (IBP) in coordination with the Center on Budget and Policy, currently working with partners in over 80 countries around the world (including the Republic of Macedonia). Hereby the aim was to produce an independent assessment of budget transparency and responsible budgeting practices at the central government level. The final outcome of the research will be creation of an Open Budget Index, a ranking of countries based on the information provided to the public on the national budgetary process.

A fifth phase of MBP is the project Unleashing Budget Watchdogs. CRPM in the past ten months has been working on this project. The aim was to strengthen the civil control of the national budget, the spending of public money. For that purpose the CRPM team built a national **network** of Budget Watchdogs organizations from various regions of Macedonia. Supervised by CRPM the network members prepared five budgetary analyses. The analyses were promoted in Skopje and other cities in Macedonia. CRPM team envisions that the “Budget Watchdog” network will continue to work actively monitoring the spending of each denar of the Macedonian citizens. The publication can be downloaded from our web site. More information for Macedonian Budget Project on our web site [www.crpm.org.mk](http://www.crpm.org.mk) in MBP section.

## GOOD GOVERNANCE AND BUDGET MONITORING

### Open Budget Index

CRPM was the Macedonian partner in the International Budget Partnership that produced the Open Budget Index 2008 (OBI 2008). According to the [Open Budget Index 2008](#) eighty percent of the world's governments fail to provide adequate information for the public to hold them accountable for managing their money. Nearly 50 percent of 85 countries (whose access to budget information was carefully evaluated by the International Budget Partnership) provide such minimal information that they are able to hide unpopular, wasteful, and corrupt spending. Macedonia's score (54%), on the Open Budget Index shows that the government provides the public with some, albeit incomplete, information regarding the central government's budget and financial activities during the course of the budget year. This makes it difficult for citizens to hold government accountable for its management of the public's money.

### The Global Integrity Report

The Global Integrity Report is a tool for understanding governance and anti-corruption mechanisms at the national level. Written by local researchers and journalists, the Report is characterized by an innovative, award-winning research methodology; a robust peer review process; and start-to-finish transparency. Each country assessment comprises two core elements: a qualitative Reporter's Notebook and a quantitative Integrity Indicators scorecard, the data from which is aggregated and used to generate the cross-country Global Integrity Index. This year the CRPM prepared the [scorecard](#) for Macedonia identifying the strengths and weaknesses of the Macedonian anti-corruption systems in the various sectors. The scorecard is an index that assesses the effectiveness, existence and access to key anti-corruption mechanisms in each of the sectors. According to the analysis produced by the CRPM, out of the six categories covered by the analysis, Macedonia scored "strong" in two, that is, in the category of Oversight & Regulation and Anti-Corruption & Rule of Law. In three categories Macedonia scored "moderate": Civil Society, Public Information & Media, Elections & Government Accountability. Only in one category did Macedonia score "weak", and that is in Administration & Civil Service.

### Public Finance Transparency in Macedonia

The production of this [study](#) was commissioned by Risk Monitor Bulgaria and was produced with the support of the Organisation Internationale de la Francophonie under the project "Transparency of the Public Finances" governance in five countries – Albania, Bulgaria, Macedonia, Moldova and Romania. The transparency of the budgetary process is usually evaluated on the basis of accessibility of information on budget-making and budget execution for ordinary citizens. Therefore in this study we consider the various tools for accessing budget data in Macedonia: using the free access to information procedure, evaluating the degree of implementation of IMF's Code of Good Practices on Fiscal Transparency and the Lima Declaration of Guidelines on Auditing Precepts<sup>1</sup>. In this process the author used in-house secondary data sources (legislation, financial and narrative analytical reports and public expenditure and institutional reviews), as well as primary data (i.e. Macedonia relevant scores from the International Budget Transparency Index 2008). The analysis takes into consideration the legal aspects, the procedures and the implementation practices that make the budgetary process in Macedonia transparent and open to citizens.

## GOOD GOVERNANCE AND BUDGET MONITORING

### Situation Analysis Manual and Trainings

In order to assist the Macedonian Government in its effort to meet the criteria for joining the European Union, the Centre for Research and Policy Making together with DIFI in the course of this project produced a Guide/Manual for situation/policy analysis and developed and conducted trainings in policy analysis. The policy development/policy making capacity of the Macedonian ministries are particularly important as the country approaches the advanced stages of European Union accession. Improving the policy making apparatus is one of the priority areas for the Macedonian Government. During the course of 6 months, this capacity building effort was accomplished with the generous help of the Norwegian government and a joint effort of DIFI, CRPM, and the General Secretariat of the Government of Macedonia. All together around 100 civil servants from all ministries of the Republic of Macedonia participated in the 4 trainings and 500 copies of the Manual are set to be distributed throughout the relevant positions in the ministries and agencies. Also the manual is set to be used by the state university institute as an educational tool for their master level courses. It was important to achieve the ultimate goal of reaching a broad and varied cross-section of civil servants who are engaged in researching and drafting policy on a daily basis. It will provide the civil servants both with the tools and the practical experience of structuring a Situation/Policy Analysis, and consequently improve the quality of the policies themselves and also the policy making process in Macedonia.

### Safeguarding the citizens priorities

Based on the accumulated expertise and quality as a training provider for policy related matters, CRPM was very pleased to extend the collaborations in this area even further with the Veles NGO FOCUS. Working around the Veles region and the surrounding municipalities of Gradsko, Lozovo and Caska, this ISC supported project focuses on enhancing the capacity of the local NGOs in representing citizen interests in the processes of municipal policy making and budgeting. CRPM conducted a 3 day training regarding policy making and budgeting on the local level, highlighting the potential for participation of civil society in this process. Some of the key tools include: participative policy making, sectoral budgetary analysis, design and research methodology for social research and others. The last day of the training focused on defining and designing the methodology for the joint monitoring project that the participants will undertake in their municipalities, under the guidance of the CRPM trainer. In the following 6 months the participants will apply this methodology to monitor the inclusion of key citizen projects and execution of the associated action plans and budgetary lines in the 2009 budget. The enhancement of this capacity strengthens the representation of citizen interests and priorities in municipal policy and budgetary practices and also improves the level of collaboration between the municipality and the associated civil society sector.

## SUSTAINABLE DEVELOPMENT

### **Analysis of Gender Balance in Agricultural Sector in Republic of Macedonia**

This [analysis](#) was commissioned and financed by the SFARM 3 Project and developed by the Centre for Research and Policy Making – CRPM Skopje through the use of participatory policy research methodology in cooperation with the Federation of Farmers in R. Macedonia (FFRM) and the Ministry of Agriculture, Water management and Forestry. To begin with, the study analyzes the policy context in Macedonia concerning gender equality and participation in general, while in the latter part it focuses on the state of affairs in the agricultural sector. Within this sector it particularly addresses the role of women, the problems they face in gaining access to land, bank loans, education and training services, as well as their participation in agricultural organizations, with a focus on women as leaders in the same. Besides a detailed SWOT analysis of the state of affairs in the agricultural sector, the analysis produces valuable conclusions and provides adequate policy recommendations that aim to improve the overall condition of women in society, and particularly in the agriculture sector. The recommendations are addressed to various stakeholders in the society, from government institutions to NGO's, policymakers and others.

### **Overview of Family Business Relevant Issues Country Fiche Macedonia**

The concept of family business became a topic in the public and policy discussions in Macedonia. The discussions are going in the direction that the development of family business is very important for the Macedonian economy, which will open the possibility for faster economic growth and employment. However, the scale and the scope of activities are still insufficient for creating more favorable conditions. Family business in Macedonia is not legally defined. It is also badly organized. Consequently, there is a weak differentiation between family and non-family business. This can be mainly explained by the fact that this issue has not been seriously treated in the past. However, the current state of affairs will be dramatically changed because of the increased awareness of the public as well as the policy makers about the family businesses' economic (overall growth potential of the country) and social importance (self-employment, alleviating poverty, etc.). Read more in our report [here](#).

### **Devolution of property in Macedonia**

This is a [study](#) of the decentralization process in Macedonia. It analyses and evaluates a particular aspect of the local governance in the country related to property devolution. The study considers issues such as property taxation, evaluation of property, illegal construction and relations between the central and the local government. Citizens' attitudes have also been surveyed and taken into account. An analysis of the laws and government acts related to property devolution is also made. CRPM recommends that the current methodology for estimating the market value of the property should be improved. This especially refers to the coefficient used for multiplying the points awarded to each individual property (and how frequently this coefficient should be reassessed) as well as incorporating the property location as additional independent factor in valuation (regardless of the micro-location). Another important recommendation is to introduce program budgeting in the local government units. This type of budgeting is also a European Union requirement for Macedonian accession process and should be introduced sooner rather than later.

## SUSTAINABLE DEVELOPMENT

### Market Analysis of Kumanovo

The Market research of Kumanovo is to analyze the current environment in which 20 start-up businesses will be launched in the town. The analysis will offer short overview of the socio-economic situation in Kumanovo and the surrounding areas. It will provide information on the strength and weaknesses of the SME sector in the country and specifically in the Kumanovo region drawing on the CRPM's experience in researching the barriers to doing business in the Kumanovo-Preshevo-Gnjilane cross border region (conducted for East West in 2006-2007) and interviews that were taken in the course of June 2008. In this respect the analysis will offer information on the small businesses working in Kumanovo by sectors; estimation of the size of the market to which they supply goods and services; overview of the institutions that provide support to these businesses as well as assessment of the strengths and weaknesses of the SME sector. In addition the study will provide analysis of supply and demand chains and based on all mentioned before will recommend market strategies for the new 20 start up businesses together with guidance on how to set up a business in Kumanovo. The research and analysis combine several methodological approaches from desktop review of policies, legislation; to gathering statistics and policy papers, their review and analysis; to interviews with stakeholders

### Discovering the hidden opportunities of Declevo– Blagoevgrad regia

CRPM has recently completed the project “Discovering the hidden opportunities”, carried out jointly with READ from Blagoevgrad. It aimed at conducting an in-depth policy research allowing identifying and analyzing the potential for socio-economic development in the Municipalities of Delchevo and Blagoevgrad, thus locating the opportunities for boosting the sustainable cross-border cooperation between both towns and municipalities. The state of affairs in both municipalities has been rarely and insufficiently investigated, thus being hardly known for a wider public in Macedonia and Bulgaria. The policy research on comparative advantages and weaknesses of Delchevo and Blagoevgrad are hardly evident, thus minimizing the possibilities for deepening of the trans-border cooperation and extracting the mutual benefits for both municipalities. Though the petty cross-border trade activities between Delchevo and Blagoevgrad are thriving, there is lack of wider vision and strategy for more sophisticated development of bilateral socio-economic relations, thus preventing the exchange of experience and good practice. Such strategy is badly needed as the local economic development and regional cooperation are among the top priorities for EU. Analyzing the existing potentials for socio-economic growth in both municipalities as well as investigating the current state of affairs and intensity and quality of bilateral relations between Delchevo and Blagoevgrad should provide the opportunity for proposing concrete measures for utilizing the “undiscovered wealth” of both municipalities, i.e. its tourist and folkloristic attractions. The CRPM analysis recommends to the municipality to base the short-term tourism strategy mainly on myths and legends. All it takes for a start is to devise a good story and link it up to a certain location; and then – to promote aggressively. The rest is likely to come by itself. For this occasion, we propose further elaboration and promotion of the following myths and legends: *The Rock that Saves Pregnancy*, *The Petrified Inlaws of Kukule*, *The Healing Powers of St. Panteleimon the All-Merciful* and *Raven – the Birthplace of the First Slavic Alphabet*.

### **CRPM Continues to work on Visa Liberalization Issues**

The Center for Research and Policy Making CRPM conducted a [study](#) (part of the PASOS regional project led by the Bulgarian European Institute) of the Macedonian progress in regard to the benchmarks set in the Roadmap for visa liberalization. The project was conducted in the period from July to October 2008. The final product was a thorough analysis, which clearly demonstrated that Macedonia successfully implemented the associated technical requirements. The CRPM team has placed the public focus on this issue and pointed out the main areas where additional work was expected, in order to secure a positive recommendation by the Commission in 2009. However, CRPM was aware that the debate should not be conducted only inside the country, but that it is also important to present the main findings and the story to the relevant institutions at the EU level. It is the Member States that have the final word and the final decision when the Macedonian citizens will travel visa free to the EU. CRPM has submitted its contribution together with its EU partners through the PASOS network to present the Macedonian story. Two meetings have been held for this purpose, one in Prague (October 2008) where the advocacy strategy was discussed and agreed on; and one meeting in Brussels where the issue was presented before the relevant stakeholders at EU level and the official representatives of the western Balkan countries.

Moreover, CRPM in partnership with ESI will continue to work on this issue until the decision on visa liberalization for Macedonia is reached. As part of the ESI's Schengen White List Project, we'll conduct an update of the analysis on the Macedonian progress and create a [web site containing the stories](#) of the western Balkan citizens who faced difficulties when applying for visas. In addition to this, a lobbying strategy will be built targeting the parties concerned at the EU level and at the level of Member States. By now CRPM successfully managed to promote the Macedonian progress in this area and continues to work together with its EU partners to set the Macedonian visa liberalization as a priority on the EU agenda for 2009.

### **“Integration perspectives and synergic effects of European transformation in the countries targeted by EU enlargement and neighbourhood policies”**

The Center for EU Enlargement Studies at the Central European University in Budapest, Hungary within its new major research initiative contracted CRPM experts with the aim of providing an analysis of the state of the transformation processes in Macedonia as well as its relations with the EU. The research also aims to draw conclusions regarding the achievement of systematic change and European integration perspectives of Macedonia as a candidate country. The study is focusing on economic transformation and convergence as well as socio-economic implications of the European welfare model. It will be published and disseminated in a compendium of studies on political transformation and external relations of every of the case study countries: Bulgaria, Romania, Croatia, Macedonia, Bosnia-Herzegovina, Serbia, Montenegro, Albania, Ukraine, Moldova, Belarus and Russia.

## EU AND INTERNATIONAL AFFAIRS

### “Evaluating EU progress reports”

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The Center for Research and Policy Making, in the period of May to the end of July, conducted research to evaluate and assess the process of preparation of the 2007 progress report for Macedonia, by the European Commission. CRPM analysis aims to disclose the process of progress assessment conducted by EC. The starting point of the analysis is that the evaluating process conducted by EC has to rely on clearly defined rules and criteria, to be institutionally defined, not to leave room for subjectivism at any point of the exercise. Thus transparency, inclusion and openness should be the principles of key importance, for this process. The main conclusions of the analysis is that the preparation of the progress reports by the EC, is quite a comprehensive operation that covers a wide range of sources using a cross cutting approach in order to confirm the collected information. To some extent it is a confidential process, but what is more important it lacks clear criteria and basis on the selection of the stakeholders that are consulted. This is reflected in the low participation of the civil society, including the policy institutes, in the process. The analysis “Analysis of the consultation process for the 2007 progress report for Macedonia” will be available at our web sight soon.

## HUMAN DEVELOPMENT

### **“Gender aware policy appraisal-Assessing the implications of diagnosis related groups on unpaid care work of women”**

This project is implemented with technical support of UNIFEM and financial support of ADA and in cooperation with Ministry of Health and three local women's NGOs as implementing partners. The research resulted with a study that represents the first gender aware policy appraisal prepared in Macedonia. It provides assessment of the implications of Diagnosis Related Groups (hereinafter: DRGs), policy measure introduced as payment tool at hospital level health care, on various groups of women and men (urban, rural and those belonging to an ethnic minority). The working hypothesis of this research and analysis was that the introduction of the DRG measure will inevitably decrease the length of stay in Macedonian hospitals / clinics and that the recovery and therefore care work for the ill will transfer from the public sphere (hospitals) to the private sphere (households). This will eventually create savings for the public health system and will increase the unpaid care work performed in Macedonian households.

The research team has developed several research tools to depict who is affected by the shift emerging with the introduction of DRGs: times use survey of case study families who have ill family member discharged from DRG implementing hospital; nation-wide survey for care work including care for the ill; desktop review of legislative and policy framework of the health sector, the DRG system and unpaid work were employed in this study. The evidence show that indeed with the introduction of the DRG payment system at hospital level health care, the average length of stay of patients in hospitals decreases. The study offers sound estimates of the savings of the health system that are up to 34% of the Ministry of Health's budget per year by using the DRG payment tool. What is more importantly this study proves the hypothesis that there is a link between the DRG system and unpaid care work as it shows that the care work as part of the domestic work increases once the system is used, even not in full capacity. The results of both times use survey and nation-wide survey of care work demonstrate that women spend 51% more time on unpaid care work for the ill family members than men (6 hours during weekends as compared to 3 hours for men). This work does not contribute to the country's GDP though the study estimates that it values as equivalent to the part time salary of a nurse. The burden of care work taken by women has an effect on their professional and personal life. Women tend to decrease their working hours and therefore earn less in their formal employment, or even quit jobs; they have less time for themselves and for their children in particular. As a result of the analysis presented in this study we can conclude that the DRG policy measure is budgetary tool that is not gender neutral.

## HUMAN DEVELOPMENT

### ” Costing the basic benefit package in health care”

The Ministry of Health of Macedonia in the framework of the Health Sector Management Project, funded by the World Bank loan, commissioned technical assistance for the financial analysis of the future basic benefit package of the Republic of Macedonia. Following an international tender Oxford Policy Management (OPM) of the United Kingdom was chosen to provide technical assistance. OPM subcontracted the Centre for Research and Policy Making (CRPM) to assist its work and in particular to undertake the survey of costs in health facilities.

Within this task CRPM surveyed 30 health facilities and produced new costing model for the health sector. The team also written Manual for costing of health services prepared by the Center for Research and Policy Development – CRPD Skopje and Oxford Policy Management – OPM within the consultancy committed by the Ministry of Health of Republic of Macedonia, under the Health Sector Management Project (hereinafter: HSMP) financed by the World Bank Loan. Authors of this Manual are Marija Risteska, MPA and Alex Manu.

The Manual has been prepared for all healthcare facilities in Republic of Macedonia and can be used in collecting and analysis of data for the costing of the healthcare services provided to the population of R. Macedonia.

The Model for costing of healthcare services can be utilized on a macro level (by the healthcare policy makers and the entities within the system responsible for the funding of healthcare facilities) and a micro level (by the healthcare facilities for monitoring of expenses for provision of healthcare services to the population of R. Macedonia). Thus, it represents a practical tool for efficient management of the healthcare sector.

## MIGRATIONS

### **“Creating regional labour market and labour migrants circulation as response to regional market demands”**

CRPM prepared a [study](#) on the Macedonian labor market and the possibilities for labor migration to and from Macedonia. The analysis was a part of a regional project on labor migration flows in South East Europe, coordinated by Group 484 from Serbia and funded by the Balkan Trust for Democracy.

The main aims of the project were to:

- Identify opportunities for creating a regional labour market and using potentials of immigrants from the region as a response to the labour market shortage
- Empower national and regional stakeholders in South East Europe in the field of labour migration for: data gathering, implementation of international and national legislation, mutual cooperation, developing corresponding migration policies.

The conclusion was that the Macedonian labor market is not very attractive for labor migrants because of the unfavorable economic conditions and the complicated bureaucratic procedures related to issuing and reissuing work permits to foreign nationals. Even though important progress was made with the adoption of several laws and conventions regulating the aliens' labor status, an accelerated harmonization of the Macedonian legislation with the EU's acquire is expected to liberalize and foster the standards and rights of labour migrants. CRPM's study was presented at a regional conference in Belgrade, along with the analyses from: Albania, Bulgaria, Croatia, Serbia, Montenegro, Bosnia and Herzegovina and Romania.

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## RESOURCES AVAILABLE TO CRPM

Annual turnover over the last four years

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- 2004 – 20.000 euro (FOSIM, BTD)
- 2005 – 45.000 euro (OPIC, Freedom House)
- 2006 – 129.000 euro (FOSIM, BTD, OPIC, OSI, LGI, FH)
- 2007- 200.000 euro (OSI, LGI, NORMAK, FES)
- 2008- 166.138 euro (BTB, World Bank, SDC, UNDP, OSCE...)

## FINANCIAL MANAGEMENT PRACTICE

CRPM's financial management is based on the principles of transparency, accountability and integrity. We keep detailed documentation on all our expenditures and have integrated accounting of all our projects. Based on donor's requirements we administer projects through separate account and submit financial reports in line with the donor's specifications. The pre-accounting and all payments are administered by our finance officer. The overall financial management of the organization is the responsibility of the President of the organization who supervises the execution of the CRPM budget.

## INDEPENDENCE

CRPM is an independent institution. We have no party affiliations. Ideas matter to our team more than party ideologies. Although CRPM staff might be members or sympathizers of political parties CRPM as an institution is not and will not be party affiliated. Sound analysis of socioeconomic issues is our priority even if such an analysis presented in public is not in line with party of government preferences. In the five years of existence we have provided analysis and policy advice to two different national governments in Macedonia. We have not considered heavily on the question "who is in power at the moment" but on what kind of policies the government promotes. Moreover, our experts have promoted CRPM analysis in various media, national and international. We have organized public roundtables in partnership with various intuitions and stakeholders. We are not shy to promote our ideas in different media as long as we can present our research and ideas.

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