



Center for Research and Policy Making

# NEWSLETTER

Summer 2008





*Four months since the NATO Summit in Bucharest Macedonia is faced with insurmountable obstacles in its quest for Euro-Atlantic integration. Athens has continued its pressure on NATO and EU allies to stall or reject the Macedonian integration drive until the country changes its name. While the European Council underlined that further steps in the Macedonian progress towards the EU are possible by the end*

*of this year...maintaining good neighbourly relations, including a negotiated and mutually acceptable solution on the name issue, remains essential. The Center for Research and Policy Making (CRPM) continued seeking influence in Macedonia and internationally on the policy debate over the so-called "name issue." Our policy study on the issue elaborates that pushing Macedonia to negotiate the non-negotiable, its name and identity, amounts to posing additional and undemocratic criteria for membership to the EU and NATO, a policy that delegitimizes the principle of "conditionality" one of the main instruments of the EU in the enlargement process. The brief provides policy options to resolve the imbroglio arguing that only a settlement that recognizes the Macedonians and respects their national rights will be of lasting value and contribute to stability and tranquility in Southeastern Europe.*

*Meanwhile we have also influenced the debate over the Macedonian recognition of Kosovo producing an illuminating study. In its recent policy briefs CRPM has also discussed various other important issues for the country such as the Macedonian progress within the decentralization reform regarding property taxation. We have also made an 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). CRPM delivers a cutting edge analysis that provides the public with relevant information on the most pressing issues facing the country. More details about all our most current efforts you will find in this newsletter.*

Sincerely,  
Zhidas Daskalovski

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## “Integration perspectives and synergic effects of European transformation in the countries targeted by EU enlargement and neighborhood 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.

## “Evaluating EU progress reports”

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.



## “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 a budgetary tool that is not gender neutral.

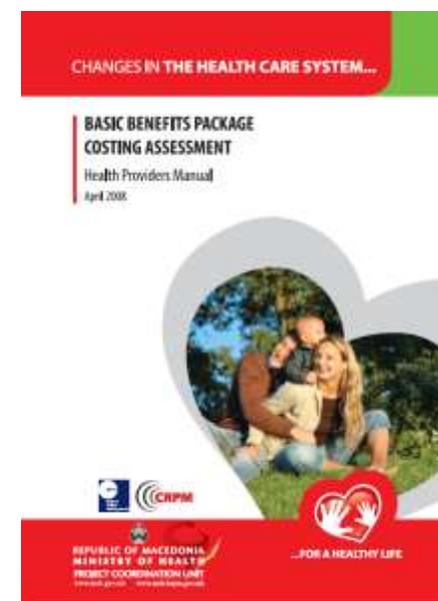


The study is available in [Macedonian](#), [English](#) and Albanian language on our web site - freely downloadable - and in print version (write your name, institution you work with and an address and we will send it to you!)

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

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May 19 -21, 2008 in Hotel Millenium, Ohrid CRPM with its partners from the Oxford Policy Management held Training on the costing methodology for the basic benefit package for the Macedonian Ministry of Health, the Health Insurance Fund of Macedonia, the Working Group for the Health Basic Benefit Package and representatives of the health providers in Macedonia. The training was provided under the Health Sector Management Project funded through a World Bank loan. On May 22, 2008 in Hotel Holiday Inn, Skopje CRPM with its partners from the Oxford Policy Management held a Workshop on the results on the costing of the basic benefit package. On this occasion CRPM and its partners, OPM and Ministry of Health promoted the latest publication: Basic Benefit Package Costing Assessment - Health Providers Manual



## Decentralization study series

### “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.





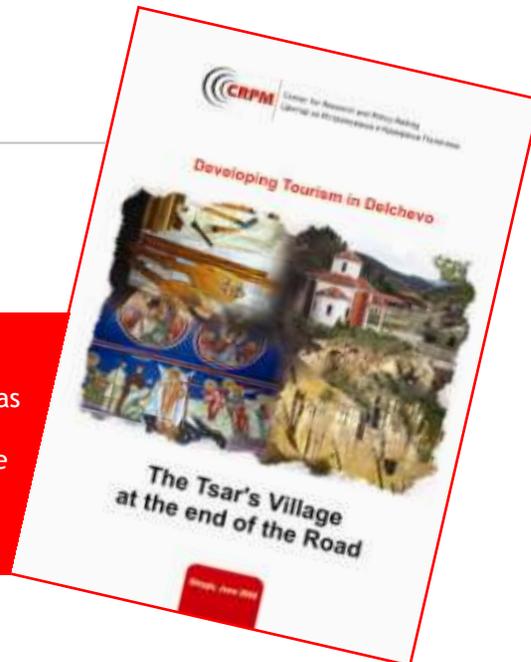
## “Market analysis of Kumanovo”

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 in Delchevo - Blagoevgrad cross border region”

CRPM has published the study finalizing the European Agency for Reconstruction project “Discovering the hidden opportunities.” 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.



## “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](#).



## ” 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>



## “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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...at [www.crpm.org.mk](http://www.crpm.org.mk)