EU Approximation in Macedonia:

Progress in Science and Research and Information Society

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Introduction:

In the last decade, the EU has undergone substantial changes due to its Enlargement policy. The EU expanded towards Central and Eastern Europe accepting ten new members in 2004 and two more in 2007. It developed a set of criteria and tools for enlargement (Copenhagen Criteria, Europe Agreements, Stabilisation and Association Agreements), institutional capacities to facilitate and accommodate and legislative framework to regulate the entry of new members (Nice Treaty). Deemed success by some and failure by others, the 2004/7 Eastern Enlargement was the biggest enlargement in the history of the EU and deeply influenced future enlargements of the EU.

In the aftermath of the 2004 enlargement, in the spring 2005 the Draft Constitutional Treaty was rejected by French and Dutch voters on national referenda. At least part of the reason behind the 'no' vote was dissatisfaction with enlargement and its effects upon old member states. This input from the public quickly entered the corridors of Brussels. Soon enlargement policy assumed a stricter face – learning from past experiences, the Commission's Enlargement Strategy for 2006-7 introduced new methods of conducting the accession process, such as opening and closing benchmarks, and legitimized a whole new rhetoric about enlargement. Concepts such as 'rigorous conditionality', 'absorption capacity' and 'enlargement fatigue' became integral to the enlargement debate and are used equally by EU officials and national politicians.[1]

For those states, which remained outside the EU yet maintain membership aspirations, this signalled a shift away from past enlargement practices and towards a more demanding process of accession. Macedonia is among these states. Though the EU committed itself to integration of the Western Balkans states through the Thessalonica Agenda of 2003, the process is rather slow. Having started the Stabilization and Association process first in the region with the signing of the

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[1] Enlargement Strategy and Main Challenges 2006-2007. Commission of the EC. Brussels. November 7, 2006. Available at: http://ec.europa.eu/enlargement/pdf/key_documents/2006/Nov/com_649_strategy_paper_en.pdf

Stabilisation and Association Agreement in 2001, at the European Council meeting in December 2005, following the positive opinion suggested by the European Commission, Macedonia was awarded a candidate status. However, it fell short of starting the negotiation talks and no date is yet set for the start of membership negotiations.

Yet, EU integration is among the top priorities of Macedonia. Therefore, significant efforts are invested in preparing the country for EU membership – national legislation is being adapted to EU legislation in all areas covered by EU law, EU standards are adopted in economic, political and social areas and comprehensive horizontal reforms of the public administration are conducted. Regularly monitored by the European Commission, the EU approximation process in Macedonia commands large chunk of the country's political and economic resources and enjoys overwhelming public support.

At the Lisbon Summit in March 2000, the European Council adopted a strategy listing the strategic goals of the Union for the next decade. The strategy, known as the Lisbon Strategy, maps the road to faster economic growth and development in the EU, aiming to make the EU the fastest growing and most competitive economy in the world by 2010.[2] The strategy focuses on creating a dynamic, knowledge-based economy with strong emphasis on utilising the benefits of information and communication technologies as well as linking research and innovation closer to economic growth and employment.

This strategic orientation of the EU has implications on enlargement and candidate and potential candidate states. Based on the Lisbon Strategy, the EU introduced changes in its Research and Development policy and introduced the Information Society policy. Both these policies contain programmes, projects, legislation and regulations which need to be adopted and implemented by each candidate state

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[2] Lisbon European Council 23 and 24 March 2000 Presidency Conclusions. Available at:
http://www.europarl.europa.eu/summits/lis1_en.htm

during the accession period. But even at a more general level, potential new member states need to embrace EU's commitment to faster growth and development and the means the EU adopted to that end.

As a candidate state, Macedonia is committed to honouring EU goals in this area and implementing measures to achieving these goals. Faster growth and development and greater employment are top priorities in Macedonia, considering the present weaknesses of the Macedonian economy. Adopting EU standards in the areas related to the Lisbon Strategy will thus serve a twofold purpose – closer approximation with EU standards in these areas and further efforts towards economic growth and development.

The purpose of this report is to critically examine and evaluate the progress Macedonia makes in EU approximation. Considering EU approximation is a rather extensive process, this report is focused on two related areas of approximation: Science and Research (S&R) and Information Society (IS), two of the acquis chapters. Bearing in mind the double reason for approximation in research and information society, this report investigates the progress Macedonia achieved in adopting and approximating its policies and legislation to EU standards in these areas. To this end, this report maps the progress achieved with adopting the *Acquis* and implementing European Commission recommendations in areas Science & Research and Information Society. Building on the research conducted, the report investigates the level and pace of approximation efforts of the Macedonian government, identifies some problematic areas and suggests some improvements, without claiming to offer an action plan or strategy for better EU approximation in the two chosen areas. The findings are based on analysis of Macedonian legislation, reports and analyses of the EU as well as elite interviews with members of relevant government institutions in Macedonia in the period between June and August 2007.

Science and Research

The main issue in this area is the state of Macedonian science & research (S&R) institutions as well as participation in EU research related programmes and initiatives. In the 2006 Annual Report of the EC, the two main problems identified in this area were: the *gap between necessary and allocated budget funds* for science and research (financial/budgetary issues) and the *insufficient capacities* for utilising EU research programmes among Macedonian science and research institutions. Considering this is an area where no *Acquis* needs to be adopted, there are no specific requirements for adopting legislation.

Regarding the *availability of funds* necessary for science and research activities, Macedonia is considerably behind the EU average as well as the projected EU percentage in the field. In 2006, the Macedonian government allocated less than 1% (about 4.3mn EURO) of the GDP for financing S&R activities whereas the EU average is 2% and the projected EU goal is 3% of the national GDP. In 2007, this percentage was not significantly increased and no additional funds from the budget were made available for S&R purposes although measures were undertaken to popularise research and encourage participation in EU S&R programmes. The financial aspect is further aggravated by the insufficient private funds for S&R. It is one of the Lisbon priorities to encourage private co-funding and foster public-private partnerships for research. As the private sector in Macedonia is still rather weak, this funding component of research is very limited, thus rendering research in Macedonia heavily under-funded and dependent on EU and other international funds.

Building capacities is a long-term process, requiring resources and continuous efforts. The *legislative foundation* for building capacities is almost adopted. In 2006, the government adopted the Programme for Scientific Research, Technology and Technological Development which along with the newly developed draft Laws on Higher Education and on Scientific and Research Activity, regulate research activities and set priorities in this area. Legislative approximation in this area is

subject to the 'open method of coordination', with only guidelines and short to mid term timetables provided by the EU and a greater flexibility offered for the candidate states to achieve the goals. Therefore, it is up to Macedonia to establish a legal frame compatible with the principles of Science and Research policy as well as with the entire Lisbon Strategy.

The *human and infrastructural aspects* of capacity-building efforts are rather more problematic comparing with the legislative aspects of the issue. Most resources in this area are devoted to providing equipment and materials for research institutions while scarce attention is given to training of researchers. In addition, only few young researchers are hired by research institutes while the mobility of the country's researchers to relevant European research institutions has been limited. Researchers' mobility is expected to increase as the country gradually is getting further access to EU funded mobility programmes, such as TEMPUS and Framework Programmes and as the country has secured an agreement with the EU to liberalize the visa regime for students and researchers, to be valid from 2008 onwards. Participation in the Framework Programme 7 (FP7) has been secured by signing a Memorandum of Understanding with the EU in June 2007, which allows Macedonia to participate in FP7 at an equal level with member states. The politicization of the public administration and the high turnover of trained staff in the ministries is an additional adverse influence on building lasting capacities in this area, since it retards the pace of work and communication between the administration and the research community in Macedonia. The administrative capacities are hindered by the frequent staffing changes. There has been large focus in the country on establishing the legal frameworks for science and research. The capacity to manage and implement science and research programmes has received insufficient attention. Thus, the legal and institutional reform in the field is rather well advanced, but that is not matched in practice. Further improvements could be realised in a stronger emphasis on sustainability of human resources capacity building that will be able to run relevant science and research programmes.

In addition, due to the specificities and specialised skills and knowledge required for the participation in the EU funded science and research programmes, more opportunities need to be offered to the relevant stakeholders, such as students, researchers, civic activities and others, such as public administration officials, to earn necessary skills for application and participation in these programmes.

Information Society

Information Society is another priority area in the country's legal approximation with the EU law. It is listed as such in the Programme for Work of the Government and is mentioned as a short-term priority in the European Partnership, a document published by the European Commission highlighting priorities that country needs to undertake in its EU approximation. Information Society, which covers issues such as telecommunications, media work and e-government, is at the spotlight of government and draws strong EU attention due to the structural problems existing in the sector in the country. In the 2006 Annual Progress report, the EC noted an uneven progress in this area. Three main areas of activity are identified: electronic communication and information technologies, information society and audio-visual policy. There is significant progress with Information Society initiatives while in Electronic Communications, i.e. telecommunications, the country was found in breech of the Stabilization and Association Agreement provisions regarding regulation of the telecommunications market in terms of competition and liberalization. Macedonian Telecommunications, the main provider of telecommunications services, for number of years held a monopoly over landline telephony.

The bulk of the government activities in the framework of EU approximation, fall within the area of electronic communications. There have been significant efforts to harmonise and update legislation, which in this area is considerable, – Laws on Electronic Communications and on Broadcasting Activity adopted and amended according to the EU recommendations – and to implement its provisions efforts are invested in liberalisation of the telecommunications market, both landline

(interconnection offered to other operators) and mobile (third mobile operator selected). Telecommunication and internet market is expanding, services are more available and prices are dropping. Yet some problems with implementation of legislation remain: problems with collecting the broadcasting fee as a means of financing the public broadcasting service, as provided by the Law on Broadcasting Activity.

In the area of Information Society, the government launched several initiatives with 'e' prefix: E-Citizens, E-Education, E-Business, E-Government, and E-Infrastructure, and IT is now an integral component of every government policy. With regards to the management of the public broadcaster Macedonian Radio and Television, no expected results has been achieved concerning collection of broadcasting fees to finance the public service. Amendments to the Law on Broadcasting Activity and to the Law on Electronic Communication are being prepared to find an alternative solution. Introducing an enforcement mechanism (fines) or motivation (benefits) for paying the broadcasting fee seems appropriate, since otherwise the percentage of collection will remain low. Strategy for Broadcasting Activity is being prepared and a number of bylaws are adopted to harmonise the legislation with EU standards.

The main legislative package aimed at the development of the information society is consisted of the Strategy for Development of the Broadcasting Activity, the National Strategy for Development of Electronic Communications with Information Technologies and the National Strategy for Development of Information Society. The new Strategy on Development of Electronic Communications with Information Technologies provides a good basis for approximation in the area. It is written in accordance with the principles of the Lisbon Strategy echoing commitment to increased utilisation of electronic and information technologies towards faster economic development and connection with the European economy.

The solid legislative foundation, though some amendments and additions are necessary, is not sufficient for successful approximation of Macedonian Information

Society to EU standards. Implementation lacks in some areas, while capacities are also weak, though enhancing, and the issues concerning the field have become politicised. There are vested political interests regarding many issues, such as distribution of concession licences, and strong political will and determination are required to overcome them.

Assessment

As mentioned at the beginning of the report, both Science and Research and Information Society are areas falling within the larger frame of the Lisbon strategy and its priorities. Stemming from common values and aiming towards common goals, these two policy areas share sufficient grounds for comparison. The country's commitment to economic reforms and development requires that both these areas are at the forefront of its endeavours. Here are some insights from the assessment:

- Information Society seems as a higher priority of the government. This is most likely due to the fact that the European Partnership lists Information Society as one of the short-term priority areas, whereas S&R is only a mid-term priority for action.
- Considering the importance to complete the approximation requirements in information society area, more efforts and attention are required in the operationalisation of the liberalisation of the telecommunications market.
- Implementing legislation requires specific measures and regulations, which may not prove successful, as with the collection of broadcasting fee. Enforcing mechanisms, such as regulatory bodies, are still rather weak (pending merger of regulatory bodies in postal, electronic and broadcasting services) and their authority not yet established. The practice questions the functioning of the regulatory bodies such as the Agency for Electronic Communications as an independent regulator.
- The part of the population directly affected by reforms in the area of the telecommunications is much larger than that of S&R. This requires maximum

transparency and responsibility in decision-making, though may render some measures difficult to accept for the wider public.

- S&R, due to its specific outlook and lack of requirements for EU *Acquis* to be transposed, is often viewed as the easiest to fulfil (both Croatia and Turkey opened and closed this negotiation chapter first). This is a good incentive for Macedonia to follow suit and complete the requirements in this area so once accession negotiations open it would be ready to open and close this chapter.

- S&R is not a politically sensitive area. Therefore, it is easier to introduce and implement reforms and this would allow for a faster pace of approximation. Yet, being a non-controversial issue, S&R suffers from lack of attention (both political/government and media) and thus does not rate high on the political agenda of the government as well as the public. This may result with lack of resources (limited funds), public interest and media visibility which would retard the pace of approximation.

Finally, there is room for improvement and faster progress in both areas. I**ncreased visibility of reforms as well as emphasis on the link between the progress in EU approximation in these areas and greater economic development would give an additional impetus and bolster public support for further efforts**. **Another incentive for further progress would be getting a date and eventually starting the accession negotiations with the EU. With accession talks in view, the government, the administration as well as the general public would be easily mobilised and motivated to invest their time and resources to completing EU approximation**.