



East-Central and Southeast Europe

Populists on the rise

Overshadowed by the EU crisis and faced with a lack of accession prospects, consensus on the objectives of democracy and market economies is crumbling in East-Central and Southeast Europe. Instead, populists and extremists are gaining traction.

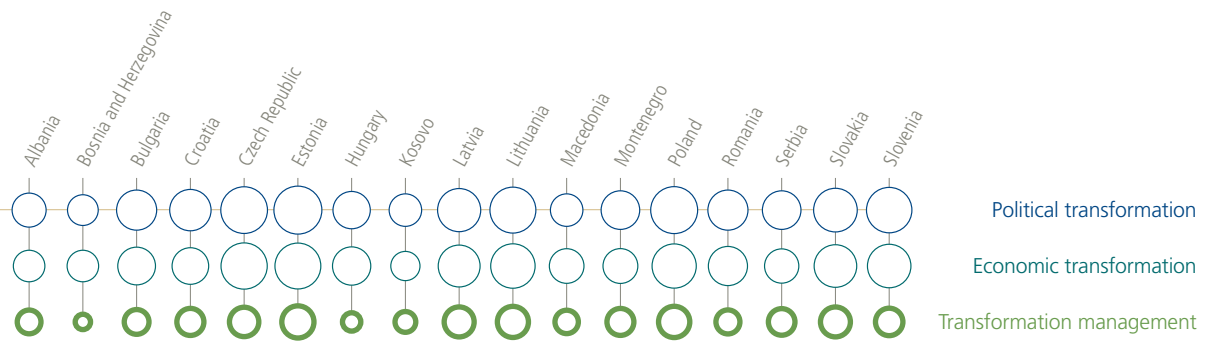
Those looking for good news about East-Central and Southeast Europe can certainly find it among the data collected by the BTI 2016. The unchanged position of nine of the 17 states in the Status Index may, for example, be viewed in positive terms, as the shocks of the global financial and euro-zone crises have not fundamentally damaged the region. Romania's progress in the area of rule of law was impressive enough to reduce the tally of defective democracies to seven. On top of that, all countries – with the exception of Albania, Bosnia and Herzegovina, and Kosovo – are now categorized as functioning or even developed market economies. The minimal improvements that countries in the region saw in their average Management Index scores can also be counted as a positive.

However, this increase was driven solely by improvements in Albania and the Czech Republic. Management performance stagnated in the other countries or, in the case of Macedonia, Bulgaria, Hungary and Slovakia actually deteriorated. It is striking that the group of countries registering losses in the Status and Management indices does not correspond with the historic-cultural division of the overall region into East-Central and Southeast Europe, nor with the distinction between EU membership and non-membership. While Bulgaria and Hungary have been EU member states since 2007 and 2004, respectively, Macedonia finds itself in a category of accession-seeking countries to which the EU has affixed the designation “Western Balkans.” Croatia acceded to the EU in July 2013; the other countries' hopes

of following in its footsteps in the near future faded after the Juncker Commission ruled out any further expansion of the EU before 2019.

In the past, the prospect of accession represented a significant anchor for reform in East-Central and Southeast Europe, as the EU regarded these reforms as a precondition for member states and offered technical and financial support for their implementation. Domestic reformers were better able to put their case forward, particularly as the EU monitored reform implementation and only offered accession to countries that could boast stable democratic institutions as well as market economies that were both functional and competitive.

The enduring euro-zone crisis and the ensuing deferment of EU expansion has



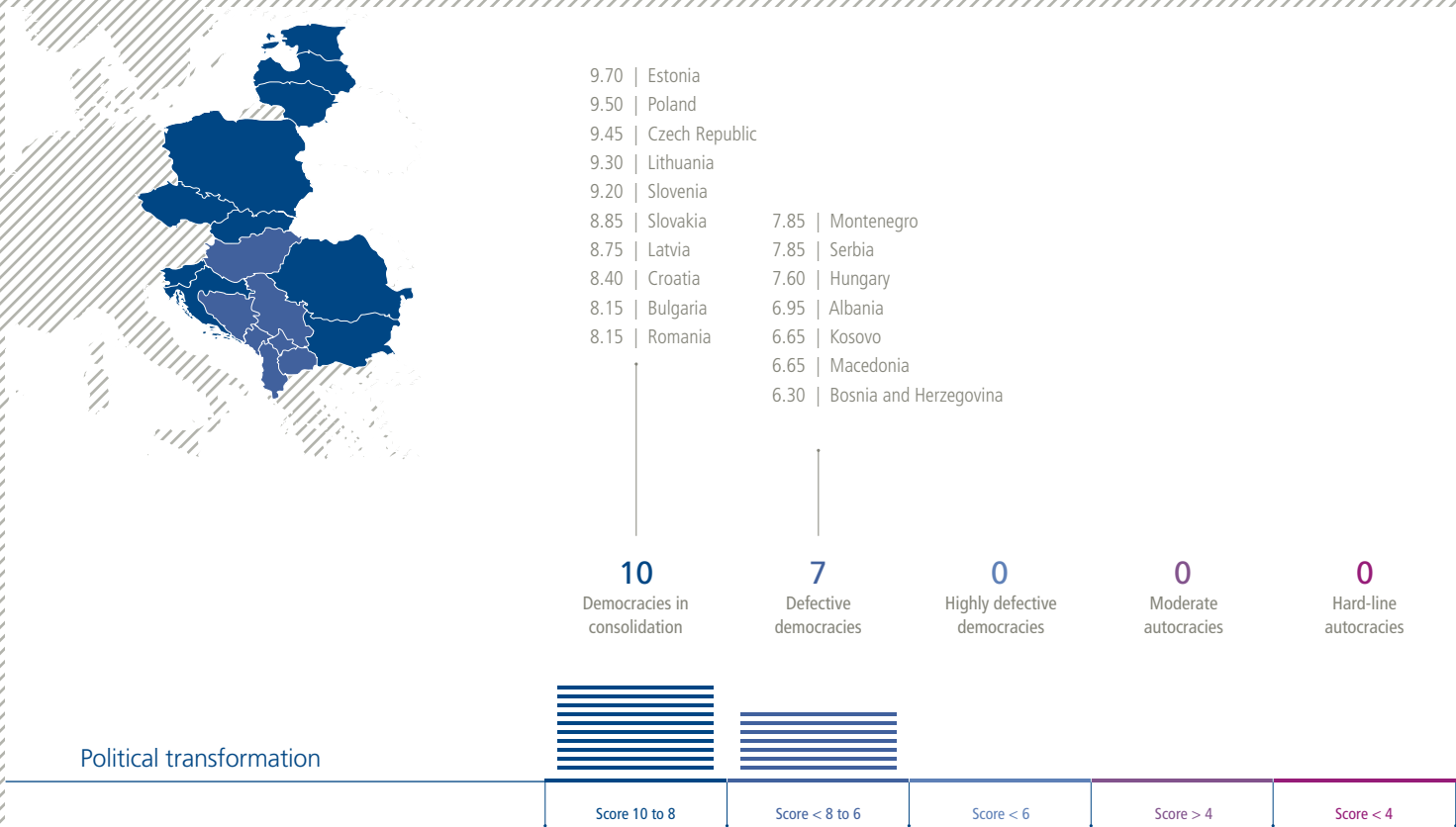
weakened the anchor function that prospects of accession brought with them. Because the new EU member states (with the exception of Bulgaria and Romania) are no longer subject to the review and incentive mechanisms of the accession phase, EU instruments are powerless to truly counter the erosion of democratic institutions and control mechanisms. Euroskeptical and anti-European actors, in turn, hold the EU responsible for the effects of the economic crisis and austerity policies.

Over the last two years, these processes have contributed to increasing polarization in political competition in numerous countries. Protest movements have given expression to pent-up indignation over corruption, opposition to saving measures regarded as unjust and a growing mistrust

of the political establishment. Parties, candidates and movements presenting themselves as people's advocates or champions of moral integrity have won the support of large groups of voters. For example, new parties have shaken party systems previously regarded as comparatively consolidated, such as the Action of Dissatisfied Citizens (ANO 2011) in the Czech Republic as well as the Positive Slovenia party and the Party of Miro Cerar in Slovenia. At the same time, representatives of big business have presented themselves as competent alternatives in Slovakia and, again, the Czech Republic.

This type of polarization has the power to return disillusioned voters to the political process and depose corrupt elites. However, it also carries the risk that governing parties, relying on the legitimization con-

ferred on them by the will of the people, will defy constitutional limitations and remove checks and balances. This kind of undesirable development has been particularly apparent in recent years in Hungary and Macedonia. The ruling parties there – the Hungarian Civic Alliance (FIDESZ) and the Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity – dominate their respective parliaments and have increasingly extended their influence to the judiciary, media and other institutions. And they do so by utilizing the techniques of populist mobilization: demonstrations, campaigns by government-friendly NGOs and referenda with leading questions.



Political transformation

The “oligarchization” of politics

All the political systems in the region can still be regarded as democracies. But the warning signs cannot be overlooked: Governing parties are using unfair means to influence electoral results and ignoring the separation of powers, while power-hungry media tycoons threaten to undermine democracy.

Romania has made some progress: The EU member state is now categorized as a democracy in consolidation because its political elite has strengthened checks and balances on the rule of law and managed to transform the conflict between the president and the parliamentary majority, which escalated into a constitutional crisis in 2012, into a strained yet constitutionally valid cohabitation. Elsewhere in the region, there have been other hopeful signs, for example, in the Serbian-Kosovan conflict, where the groundbreaking agreement of March 15, 2013 was followed by the integration of Serbian-dominated areas of Kosovo into the Kosovan constitutional framework. As a result, numerous Kosovan Serbians have ended their resistance and taken part in local and national elections.

That, however, is the extent of the positive exceptions. In 11 of the 17 East-Central and Southeast European countries, the state of political transformation has suffered setbacks. The reasons for this can be located, on the one hand, in issues associated with exercising the right to vote and other political liberties, such as freedom of assembly and freedom of association. On the other hand, individual countries have been downgraded because ruling governments have imposed restrictions on institutions constitutionally mandated to ensure the separation of powers, the elite consensus on the ensemble of democratic institutions has eroded, or party systems have lost stability.

Although all 13 of the national elections carried out in the review period can be classified as free and competitive overall, ruling

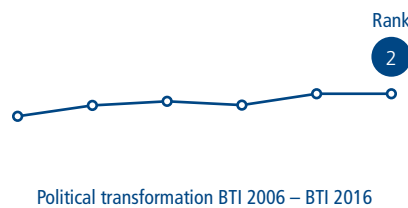
parties – particularly in Albania, Hungary, Macedonia and Montenegro – used unfair methods to influence the election results in their favor. Government representatives courted votes by promising subsidies, paying social security benefits out to certain voter groups and creating jobs in public administration. In Macedonia, the leading opposition party refused to acknowledge its defeat and began boycotting sessions of the newly convened parliament. In Hungary, the Orbán government, drawing on the two-thirds majority that grants it power to amend the constitution, went so far as to introduce a radically new electoral system that succeeded in returning its two-thirds majority even though the ruling parties’ share of the vote dropped from 52.7% in 2010 to 44.9% in May 2014. At the same time, an



Population: 1.3 mn

Life expectancy: 76.4 years

GDP p.c. PPP: \$26,355



increasing number of citizens are avoiding the ballot box altogether, which casts doubt on the representativeness and legitimacy of the people's representatives.

The BTI observed a further persistent negative trend in freedom of the media, which is in particular jeopardy in 11 countries – on the one hand, from ruling parties and politicians attempting to influence media coverage and, on the other, from an increased dependence on sponsors and advertisers brought about by the crisis. Pressure from the political sphere is closely linked with the weakness of political parties that, in most countries in the region, have neither broad membership bases nor stable constituencies, and must therefore reach potential voters primarily through the media. In the region's relatively small national advertising and subscription markets, tabloid and Internet media outlets threaten the economic base of the few quality newspapers and journals not financed by the state. As a consequence, journalists and editors are increasingly obliged to subordinate their professional standards to commercial interests. In addition, influential business actors have taken over leading media outlets: They include Andrej Babiš, one of the Czech Republic's wealthiest businessmen and deputy prime minister, who in June 2013 bought the country's second-largest media company, MAFRA, which numbers two influential daily newspapers among its portfolio. In October 2014, Slovakia's Penta group, which was embroiled in a corruption and bugging case, bought a majority stake in the daily newspaper Sme, which is known for its critical and investigative journalism. In Bosnia, the media and construction mogul Fahrudin Radončić, owner of the leading daily newspaper, Dnevni avaz, leads his own political party and served as minister of security between November 2012 and March 2014. In Bulgaria, the media mogul Delyan Peevski was set to take up leadership of the secret

service. These examples point to an increasing "oligarchization" of politics. Moreover, a lack of transparency in ownership structures conceals the dependencies between media and business interests.

Adding to this dismal picture is the pressure on critical observers: Journalists in the region are threatened or hit with ruinous libel charges. Conversely, ruling parties in Macedonia and Hungary have nurtured compliant NGOs that, for instance, stage demonstrations in support of them. Hungary also offers a particularly crass example of violation of the separation of powers and independent institutions. The governing coalition twice amended the constitution, which was only introduced in 2011, to curb the monitoring rights of the president and the constitutional court, and to enact laws previously declared unconstitutional by the constitutional court. In Macedonia, Serbia and Slovakia, too, there is a discernible trend toward majoritarian politics with little regard for the constitution.

Estonia: A model of stability

Estonia has seen unprecedentedly high levels of political stability in the last decade. Since the BTI 2006, its democratic institutions have been rated at a consistent level of stability matched only by those of Uruguay.

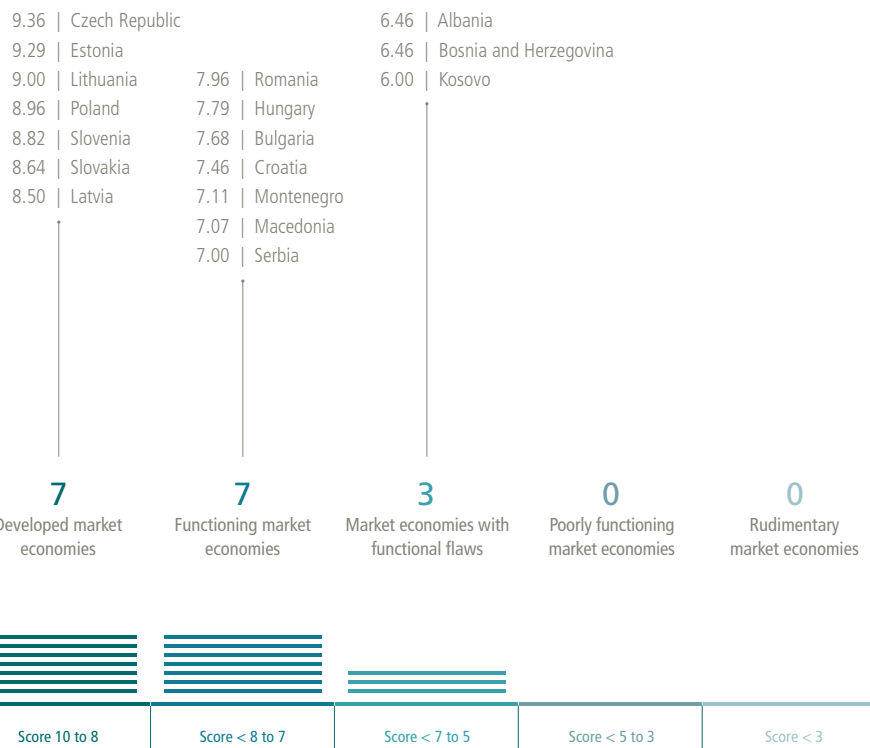
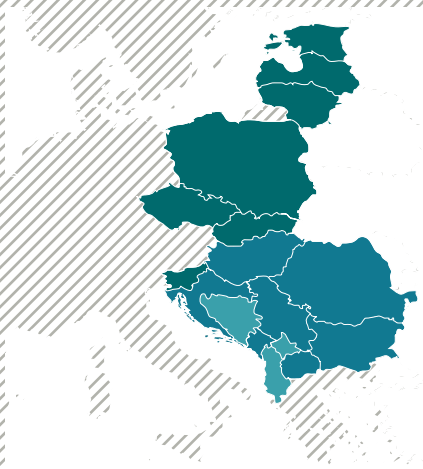
Building on this robust foundation, which is also reflected in the high level of trust accorded to the administration and the political sphere, citizens are participating with increasing intensity, and unions are intervening with increasing strength. For example, in 2012, a public meeting was held to gather reform proposals, which the president – following a review by experts and 300 randomly selected citizens – transmitted to parliament. And, in 2014, stakeholders managed to implement reforms in the system of occupational-disability benefits more quickly than planned.

The most significant recent moment for Estonia's civil society came that same year, as opponents and supporters of a draft law recognizing same-sex partnerships mobilized on the streets and in social media. The parliament ultimately decided to approve recognition by an extremely narrow margin.

Even the social divide between the ethnic-Estonian majority and the Russian-speaking minority, which again gained prominence during the Ukraine crisis, did not significantly impair the functioning interplay between stable state institutions and grassroots-level participation. Civil society, whose self-confidence has risen in recent years, will continue to request inclusion in political decision-making processes and will not be satisfied with simply casting votes at the ballot box.



The full country report is available at
www.bti-project.org/est



Economic transformation



The broken promise

While the Baltic states have recovered rapidly from the global and European crises, other economies are falling behind. The failure of this catching-up process is helping fuel social protests and disillusionment – and emigration to the West.

The data from the BTI 2016 confirms the north-south and west-east gaps that have long characterized East-Central and Southeast Europe: With the exception of Hungary, every country in the Baltic region and East-Central Europe features an advanced market economy; moreover, all of them number among the BTI's global top 12. Conversely, the southeast European states have, at best, functioning market economies.

Various data points reflect this contrast: While every country in the region – with the exception of Croatia and Serbia – experienced economic growth in 2014, in the Baltic states and East-Central Europe, the upturn was stronger. Meanwhile, less developed institutional and structural framework conditions as well as severe flooding,

particularly in Bosnia and Serbia, slowed recovery in the southeast European states.

The same applies when you look at the current account deficit, inflation and, in particular, the unemployment rate: While this has dropped by an average of 3.3 percentage points in the Baltic states since 2012, it remains at a relatively high level in southeast European countries – 28% in Bosnia, 20% in Serbia and 17% in Croatia, according to IMF figures for 2014. The consistently high structural unemployment in the Balkan countries is also expressed in the share of the working population in employment, which in 2014 was well under 60%, while the informal economic sector was particularly large, representing around 30% to 40% of GDP. The East-Central European and Baltic states, on the other hand, can boast employment rates of more than

65%, according to Eurostat, and in the case of frontrunner Estonia, above 74%.

However, only in isolated cases have high employment rates and renewed economic growth raised prosperity levels to anything like those of the established EU member states. Compared to Germany, many national economies have actually fallen behind. The disparity was particularly dramatic in Slovenia; while it remains the most prosperous country in the region, between 2008 and 2013, it shed 11 percentage points in GNI per capita compared to Germany. For the Czech Republic and Croatia, the disparity widened by seven and six percentage points, respectively. Only Poland, Latvia and Lithuania converged, and in part only minimally. The socioeconomic catching-up process, which has stagnated and in some plac-

es failed, is among the most significant triggers for the widespread social protests and growing disillusionment with democracy and the EU in many countries in the region.

Nonetheless, social indicators collected by Eurostat indicate that between 2008 and 2013, a significant widening of income disparity was confined to Croatia, Estonia, Hungary and Slovenia. In Croatia, by contrast, the at-risk-of-poverty rate dropped, while countries such as Poland and Romania could also point to lower income disparity and income poverty.

The costs arising from the economic crisis have reduced the scope for government action, with the gross government debt rising sharply in every country in the region (with the exception of Kosovo) since 2008, and Albania, Croatia, Hungary, Serbia and Slovenia recording figures of over 70% of GDP. Dismantling of public debt failed in 2013 and 2014, in part because, in both years, every country (except Estonia) either showed budget deficits or was forecast to do so by the IMF. Rehabilitating ailing banks brought about high budget deficits, particularly in Slovenia, and an increase in national debt.

In Slovenia, public debt as a proportion of GDP has almost quadrupled in six years, rising from 22% (2008) to 83% (2014).

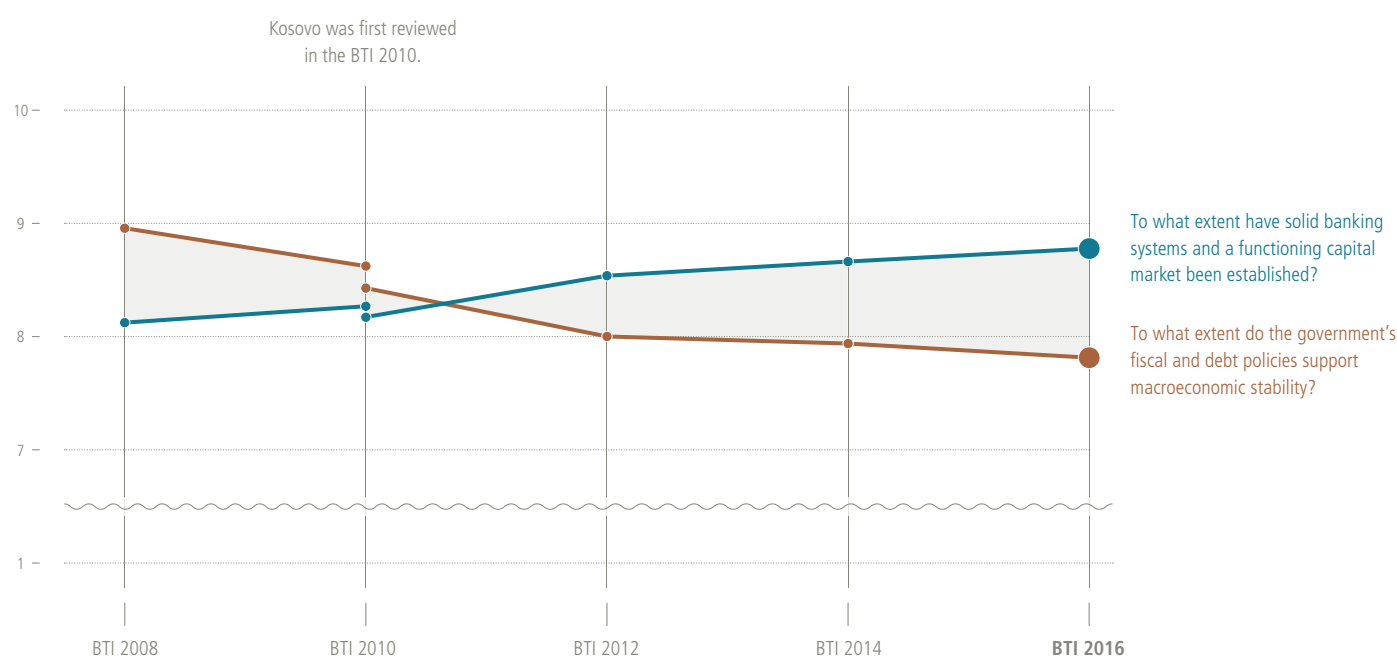
For Poland and Slovenia, the European Commission had already commenced proceedings in 2009 to remedy their excessive budget deficits; further proceedings were introduced for Croatia in 2014. During the review period, the Czech Republic, Slovakia as well as Hungary, Latvia, Lithuania and Romania were released from EU budgetary procedures. Latvia and Lithuania fulfilled the monetary and fiscal convergence criteria of the European Economic and Monetary Union, which allowed them to join the euro zone at the start of 2014 and 2015, respectively. Consequently, both countries score more highly in the BTI for macroeconomic stability. During the review period, Kosovo, Latvia, Lithuania, Montenegro and Slovenia introduced legislative and in some places constitutional regulations to limit public budget deficits or public debt.

In November 2014, Serbia agreed to a precautionary standby arrangement with the IMF after the government announced massive austerity measures in the public

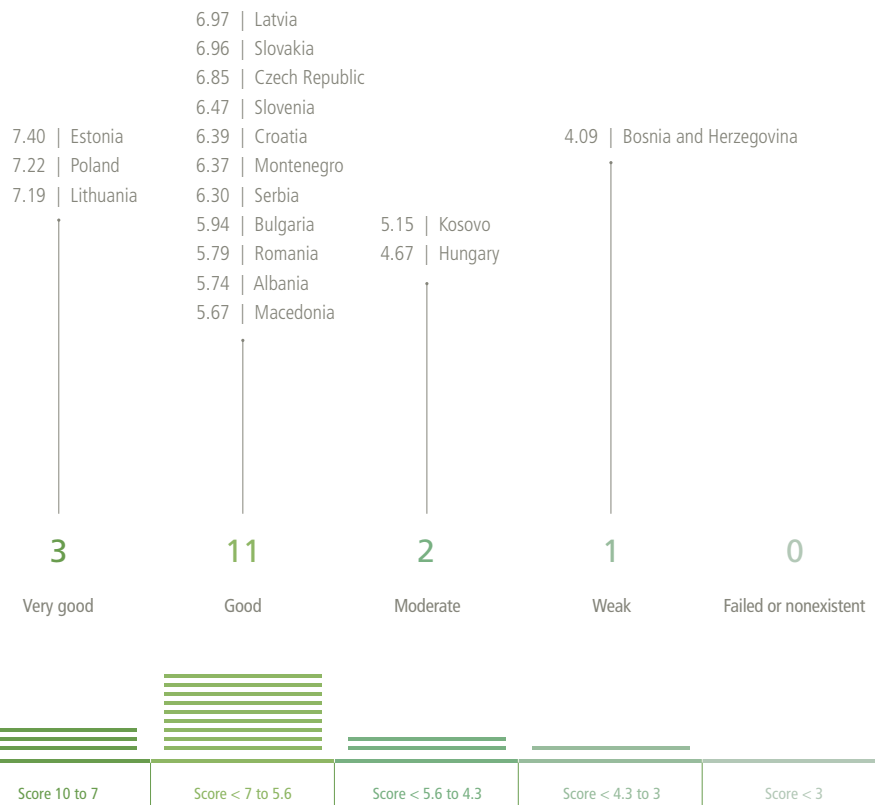
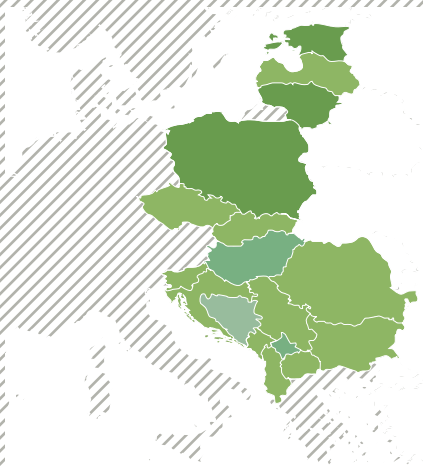
sector as well as pension cuts. Bosnia, Kosovo and Romania also had standby arrangements with the IMF during the review period.

While banks in every country of the region built up sufficient equity ratios overall, by 2014, the non-performing component of total bank loans grew by over 10% in 11 of the 17 countries. Non-performing loans represent a risk for the financial stability of banks in Albania, Romania and Serbia, in particular, where it represents over 20% of total credit volume. A number of countries in the region witnessed bank insolvencies, including that of KTB, the fourth-biggest Bulgarian bank, in November 2014. In Hungary, the state acquired equity in a number of banks with the goal of raising Hungarian ownership of overall bank assets to more than half. Amid difficult conditions, a series of privatizations of major entities failed, including the sale of Croatia's postal bank and national carrier as well as that of Romania's railway company and energy supplier.

Bank bailouts destabilize public finances



Regional average scores for the banking system and macrostability indicators over the course of the last five editions of the BTI.



Transformation management

Consensus in danger

European transformation countries no longer serve as exemplary models. There are protests everywhere, populists and extremists are winning elections, and reformers have no support. In many countries in East-Central and Southeast Europe, the direction of society is increasingly uncertain.

Do all major political actors agree on democracy and a market economy as long-term strategic goals? And can reformers either exclude or co-opt anti-democratic actors? These are two of the questions that the BTI uses to measure the quality of a country's consensus-building. For many countries in East-Central and Southeast Europe, they can no longer be affirmed unequivocally: While 14 of the 17 countries in the BTI 2010 achieved top scores in the question of achieving a consensus on goals, only half managed this result in the BTI 2016; and on the issue of anti-democratic actors, the number of top-scoring countries fell from seven to five (see chart on p. 51).

These trends manifest themselves with differing characteristics and forms in the various countries in the region: On the

one hand, individual ruling parties, such as those in Hungary and Macedonia, pursue the kind of dominance-oriented power politics that deepens existing cleavages and rejects even intermittent cooperation with opposition parties. On the other hand, anti-establishment parties and movements, whose political identities are derived from a rejection of established political forces rather than consistent political programs, have gained influence throughout the region.

Among these new actors are, firstly, far-right parties, such as Ataka in Bulgaria and Jobbik in Hungary, and the far-right Marian Kotleba, elected governor of Slovakia's Banská Bystrica region in the November 2013 regional elections. Secondly, the movement encompasses right- and left-wing populist parties and politicians, such as the Patri-

otic Front in Bulgaria, Vetëvendosje in Kosovo, Drąsos kelias in Lithuania, People's Party – Dan Diaconescu in Romania and Úsvit in the Czech Republic, some of which have achieved double-digit polling figures in recent years. Also among their number is Ivan Sinčić, who secured 16% of the vote in the first round of the December 2014 Croatian presidential election.

Thirdly, several newly founded centrist parties and politicians achieved spectacular electoral success by presenting themselves as upstanding, professional alternatives to an established political elite perceived as corrupt. Among this group we could mention Positive Slovenia party and the Party of Miro Cerar in Slovenia, ANO 2011 in the Czech Republic and Andrej Kiska, elected President of Slovakia in March 2014.

These new political actors articulate a widespread and growing dissatisfaction that was also visible in the numerous public protests in 2013 and 2014. In Bulgaria, for example, rises in electricity prices unleashed a wave of protests targeted at the country's social malaise that forced Prime Minister Boyko Borissov to resign in February 2013. From the ensuing parliamentary elections emerged a coalition led by the opposition Bulgarian Socialist Party, whose system of patronage has since led to five no-confidence votes and, following further conflicts, fresh elections and the return of Borissov.

Larger protests and demonstrations took place in Bosnia, where members of the three major ethnic communities demonstrated together for the first time against mismanagement, high unemployment and political standstill. Large-scale demonstrations in the Czech Republic, Hungary and Poland respectively protested alleged falsification of local authority election results, the president's pro-Russia policies and the government's plan to introduce an Internet access tax. Some protests were also driven by ethno-national concerns, including dem-

onstrations against the ethnic Serbian minister for communities in Kosovo, the use of Cyrillic characters on public signage in areas of Croatia with Serbian minorities, and the appointment of a former commander of ethnic Albanian rebels as Macedonia's defense minister.

On the one hand, what we are witnessing here is the emergence of a more self-confident civil society, which in some countries has contributed to greater efforts in the fight against corruption. In Romania, for example, in contrast to previous campaigns, legally binding judgments have actually been handed down against influential figures. The new governments in Albania and the Czech Republic have also attempted to improve the institutional framework for systematically preventing and combating corruption.

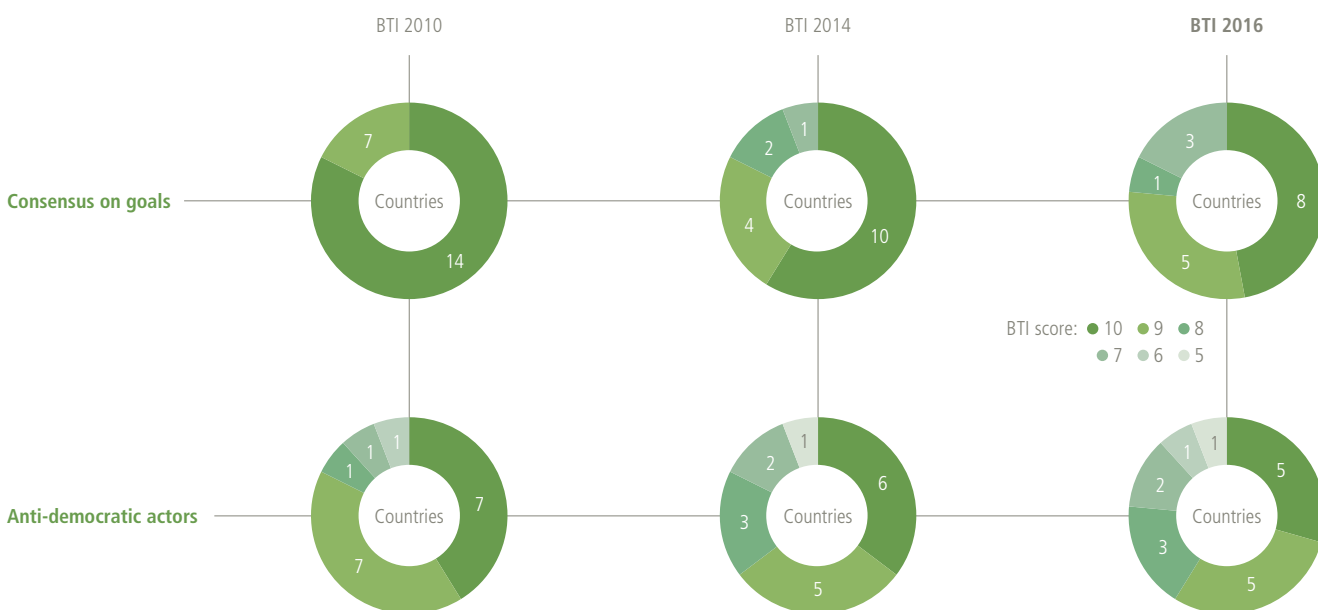
On the other hand, the "politics of protest" can also weaken mechanisms for the separation of powers and protection of civil rights, and make it harder to introduce reforms that come with short-term social costs but major long-term benefits for society. Furthermore, "blockade referenda" in Slovenia prompted the government to set

stricter conditions for the initiation and validity of referenda.

Liberal democracy is in danger when populists and protest leaders assume governmental responsibility in possession of a plebiscitary mandate that they imagine empowers them to amend the constitutional order as they wish. That includes Hungary's prime minister, Viktor Orbán, who announced in July 2014 that he was establishing an "illiberal state" whose declared models are Singapore and China.

In the western Balkan states, the goal of EU accession still unites leading political actors, and Croatia in fact acceded to the union on July 1, 2013. Its neighbors, however, have made little progress on the road to the EU. With Bosnia and Kosovo now on board, every state in the region is now subject to a Stabilization and Association Agreement (SAA). But the accession prospects of the Balkan states suffered a major setback when European Commission President Jean-Claude Juncker declared that there would be no further EU expansion during the current term of the commission, set to run until 2019.

Anti-democratic forces are gaining power



The pie charts represent the number of countries at the different rating levels of the consensus on goals and anti-democratic actors indicators. The larger the wedge, the more countries at the respective rating level.



The costs of crisis

What began in 2008 as a global economic crisis and persists to this day as a euro-zone crisis has also had a severe political impact on East-Central and Southeast Europe. Not only has the connection between economic integration and prosperity been discredited, but we can no longer assume that “responsible” government leadership dovetails with a responsive government.

The political elites have long promoted EU membership and foreign investment as the only possible strategy for prosperity and stability. But now their credibility has been shaken. For many citizens, it wasn't just that the EU proved incapable of protecting its new member states; its management of the crisis also offended their sense of justice by holding poorer member states liable for the debts of wealthier southern European member states.

Risk-averse international finance markets and stricter EU monitoring procedures arising from the euro-zone crisis have curtailed governmental scope for distribution in the region. As a result, there is a growing divide between external conditions and public opinion as aids to orientation. Responsive policies that take public opinion into consideration are moving further away from policies that fulfill the expectations and requirements of the EU and seek to establish or maintain the confidence of actors in the international finance markets.

In East-Central and Southeast Europe, institutional weakness of the political parties has increased the impact of the crises. There has traditionally been a lower level

of societal trust in parties here than in Western Europe, as indicated in surveys, as well as lower rates of party membership and voter turnout. However, the BTI country reports indicate that the erosion of democratic control mechanisms in the interests of financial policy responsibility has increased representation problems in the young democracies. Voters who see the ruling parties they voted for partially or completely failing to keep their electoral promises due to external pressure tend to avoid the ballot box, support protest actions or opt for populist alternatives.

When anti-establishment parties take over government, they face a multifaceted dilemma. If they defer their actual goals, they risk losing credibility and the support of voters. If they attempt to make good on their promises, they are likely to face sanctions from financial markets and EU institutions for their “irresponsible” policies. The third option is to combine responsive policies with measures to limit public control and political competition, which leads to the kind of dominance-oriented power politics that has emerged in Hungary.

In contrast to Hungary, the most significant political elites in Bulgaria, Romania and Slovakia maintained their EU-friendly attitude even after EU accession and refrained from exploiting conflicts with the EU for political mobilization. In the western Balkan countries, the incentives and conditions of the accession process limited the political scope for EU skepticism among moderate parties.

Then there are differences in the electoral system and, finally, societies in the region differ in terms of the relationship between economic performance and the population's pro-democratic attitude. In the Czech Republic, Poland and Slovakia, democratization is associated in perception and memory with the end of the communist economy of scarcity. In Croatia and Slovenia, the transformation is connected to national sovereignty. Hungary's citizens, on the other hand, link transformation to a large degree with the economic decline that followed on the heels of the sham prosperity of “goulash communism.” And it is precisely the example of Hungary that demonstrates: When the wrong influences converge, deconsolidation of the young democracies on Europe's eastern periphery is a possibility.



This summary is based on the East-Central and Southeast Europe regional report by Martin Brusis, available at www.bti-project.org/ecse



Full reports for each country in the region available at www.bti-project.org/countryreports/ecse



Dane Taleski is Visiting Fellow at the Centre for Southeast European Studies at the University of Graz, where he focuses on the transformation of wartime networks into political parties in Western Balkan post-conflict countries and its impact on party competition, peacebuilding and democratization. Dane Taleski has served as executive director of two think tanks and was a member of the Social Democratic Union of Macedonia's executive board (2009–2013). He holds a PhD in political science from the Central European University in Budapest. He was a Civil Society Scholar with the Open Society Foundations (2014) and has been a member of the Transformation Thinkers network since 2005.



Interview

“Citizens need to be empowered to support democratic change”

Dane Taleski on overcoming the political crisis in Macedonia, the role of civil society and the challenge of resurrecting democratic values.

Many observers consider the ongoing political crisis in Macedonia the most severe since the country's independence. Do you share this opinion? What is your biggest concern?

I think the political crisis is not as daunting as the ethnic conflict in 2001. Also, don't forget the greatest external challenge – the lingering “naming dispute” with Greece, which has paralyzed the country's Euro-Atlantic integration. The current political crisis, which first escalated in 2012 and has deeper roots, is probably the second biggest internal challenge for this fragile democracy. I hope that the resolution of the political crisis will end a regime that has abused power and become massively corrupted. I am concerned that the regime might persist, as in 2012 when the police threw opposition members of parliament and journalists out of parliament. This gross violation remained unresolved despite an internationally brokered agreement.

The opposition has been boycotting parliament since the early elections in 2014. The conflict escalated further after Zoran Zaev, the leader of the Social Democratic Alliance of Macedonia (SDSM) released wire-tapped communications that allegedly proved the ruling VMRO-Democratic Party for Macedonian National Unity's (VMRO-DPME) involvement in corruption, abuse of power and electoral fraud. Was Zaev well advised to do so? And how do you as a former member of the executive board of the SDSM assess the opposition's role in the crisis?

Zoran Zaev had a political and moral obligation to disclose all of the material in his possession. The disclosure created opportunities to resolve the crisis. The opposition returned to parliament in September 2015, as obliged by the 2 June/15 July agreement, and a special prosecutor was elected to investigate all of the allegations and hold politicians accountable. The opposition supports the implementation of the agreement, hoping that it will produce the changes necessary for free and fair elections in April 2016. But, in my opinion, the opposition needs to acknowledge that the crisis is not just a competition between government and opposition, but a struggle between a clique that wants to maintain the kleptocratic regime it has built and wider social segments that want democratic changes. The SDSM happens to be the most credible political alternative in the latter camp, and they need to redouble their efforts to create a wider coalition of democratic forces.

How do the citizens perceive the crisis? Protests against the government across ethnic lines have been on the rise since 2014, and violent clashes between protesters and the police have been rare. But polarization between pro- and anti-government camps is growing. How do you assess the outlook for Macedonian civil society?

Citizens have been depoliticized, and they do not trust political parties and public institutions. They need to be empowered to support democratic changes. The government's strategy of answering protests with counter-protests and media defamation has increased political polarization within civil society. Despite their demands and constructive proposals, civil society representatives were not sufficiently included in the brokering of the political agreement. Civil society holds the key to the sustainability of long term-democratic reforms. It is absolutely essential to build and maintain wide civil society coalitions that will cut across existing political and ethnic divisions.

The European Union's reaction to this political crisis in a candidate country was slow until the summer of 2015, when it brokered a crisis agreement between government and opposition to hold early elections in April 2016 and embark on democratic reforms. Although implementation of the deal has been slower than expected, do you think we will see an end to the political stalemate soon? What comes next?

I expect that the European Union will continue to play a key role in pushing for the implementation of the agreement. The precarious stability of the country depends on it. Incriminated politicians will probably deploy impediments and try to will institutions to act in their favor. The interim government, formed with the participation of the opposition, may face significant challenges concerning efficiency. The refugee crisis, with Macedonia located in the middle of the Western Balkan route, will further complicate the situation. The forthcoming elections in April 2016 are a critical juncture. They can mark a new start for democratization, but can also deepen the crisis if they turn into a security hazard due to heightened political competition, including that between Albanian minority parties. In the short run, implementation of the agreement will bring modest institutional changes and improvements in the electoral regime and media. However, in the long run, resurrecting democratic values and maintaining systemic changes will be a slow process.