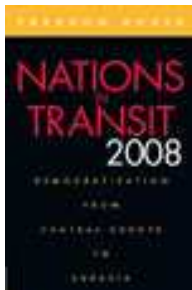




PRESS RELEASE

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The OHRID Institute for Economic Strategies and International Affairs announces that Republic of Macedonia with an average 3.86 rating is ranked 15th in the annual report released by the international non-governmental organization "Freedom House" on the level of democratic progress in 30 nations in transit from Europe and Central Asia in 2007.

The document states that in the 17 years since the Republic of Macedonia regained its independence in 1991, interethnic relations and minority rights have been at the forefront of the domestic political agenda in an atmosphere where all Macedonian political parties had reached consensus that a market-based democracy should be the foundation of the country's economic and political system and that Macedonia should become a member of the EU and NATO.

The report notes that the national political system in Macedonia is free from such threats to stability as insurgency or war, but it is emphasized that in 2007 there was "general lack of cooperation" between the Government and President Branko Crvenkovski, which drew sharp criticism from the international community. As a result, Macedonia's rating for national democratic governance worsens slightly from 3.75 to 4.00.

In the part referring to the electoral process, it is stated that Macedonia has universal and equal suffrage, with regular, free, and fair elections conducted by secret ballot. The electoral system is free of major barriers to political organization and registration and is multiparty-based, with the public engaged in the political life of the country. In 2007, the government proposed amendments to the electoral code that guaranteed 10 parliamentary seats for smaller ethnic minorities. Three additional guaranteed seats were also proposed for the Diaspora community living abroad. Macedonia's electoral process rating remains at 3.25, according to the "Freedom House" report.

Given the civil society, after independence in 1991, Macedonia became fruitful ground for civil sector development, with a current total of around 5,800 nongovernmental organizations (NGOs). Still, citizen participation is low. A recent survey reported that only 45 percent of the population has confidence in NGOs. The country's rating for civil society remains at 3.25, as in 2006.

"Freedom House" assesses that the Macedonian public enjoys a diverse selection of print and electronic sources of information at both national and local levels, representing a range of political viewpoints. In October 2007, there were several physical attacks on members of the



media, one involving the opposition ethnic Albanian party DUI and another involving the special police unit, Alpha. Macedonia's rating for independent media remains at 4.25.

The progress of local democratic governance is rated 3,75, as in 2006, where it is pointed out that in 2007, a new Law on Balanced Regional Development was enacted by the Parliament, to be implemented in early 2008. A very positive development in the field of local government was the reduction of municipal debt by half.

Improving the independence and efficiency of the judiciary continues to be a major challenge, yet no consensus has been reached between the government and the opposition on implementing reforms. Owing to serious delays in reforms in this sector, Macedonia's rating for judicial framework and independence worsens from 3.75 to 4.00.

Considering the issue of corruption, Macedonia received better ratings than last year. The new government has declared the fight against corruption to be a priority. Since its election, there have been a number of initiatives in this field. In September 2007, the government launched a major public anti-corruption campaign entitled Macedonia without Corruption, accompanied by glossy print and electronic advertising. The purpose of the campaign is to encourage the public to report corruption to the authorities using a special "199"-telephone line. Owing to progress made by the new government in tackling corruption and making anti-corruption efforts a policy priority, Macedonia's rating for corruption improves from 4.75 to 4.50.

Overall, 2008 will be a critical year for the government to demonstrate leadership in tackling reforms and moving Macedonia further toward EU standards, concludes the report by "Freedom House".

Freedom House's ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest.