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Digital Europeanisation in North Macedonia: slowly moving forward

Policy Recommendations

1. Explain the benefits of digitalisation and the digital access to public services to citizens, in particular to the older generations.

2. Convince reluctant institutions of the benefits of being a part of the digital system and offering digital services.

3. Establish an Agency for Digitalisation and Registers and an institution tasked with cyber-security in the public administration.

Abstract

Since 2019, North Macedonia has been trying to digitalise its public services and install digital wallets in accordance with Regulation (EU) No 910/2014 of the European Parliament and the Council on electronic identification and trust services for electronic transactions in the internal market and repealing. The authors of this Policy Brief outline the many political, social and administrative benefits that a fast implementation of these services would have.

The process, however, remains slow, and is riddled with problems coming from both citizens – due to a lack of knowledge, trust, and digital skills – and institutions, because of the need for legal amendments, inertia, the lack of understanding the benefits and trust in other institutions.

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Digital wallets in the European Union (EU)

The digitalisation of public services in North Macedonia was promoted, similarly to all other policies of importance, as a crucial part of European integration and the alignment of the country to the acquis communautaire. This Policy Brief concentrates specifically on the issue and problems of the implementation of the system necessary for the functioning of the digital wallets (electronic Identification, Authentication and trust Services, eIDAS).[1]

EU regulation on electronic identification and trust services for electronic transactions in the European Single Market (eIDAS) was first established in 2014 as Regulation (EU) No 910/2014 of the European Parliament and the Council on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.[2] It started being implemented from 2018, and requested that all entities which deliver public digital services recognise the electronic identification from all EU member states. Being part of the European Digital Agenda, it sought to simplify transactions within the internal market, by creating standards enabling electronic transactions, such as electronic signatures, qualified digital certificates, electronic seals, timestamps, and other mechanisms for authentication.

> *Coupled with the proclaimed intention by the European Commission to have 80% of EU citizens use the digital wallet, it presents a new paradigm in the availability and usage of public services in particular.*

In 2021, the European Commission (EC) proposed an update to the existing regulation, effectively introducing the digital wallets, defined as "mobile apps or cloud services that receive and store these digital credentials, and allow them to be used privately and securely for many government and non-government use cases."[3] The introduction of the digital wallet (or eIDAS 2.0) was done due to the many identified shortcomings of the functioning of the original Regulation: "The evaluation of the eIDAS Regulation 2 revealed that the current Regulation falls short of addressing these new market demands, mostly due to its inherent limitations to the public sector, the limited possibilities and the complexity for online private providers to connect to the system, its insufficient availability of notified eID solutions in all Member States and its

1   European Commission. "Discover eIDAS". EC Portal, 21 April, 2022. https://digital-strategy.ec.europa.eu/en/policies/discover-eidas.

2   Eur Lex. "Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC". European Union Law Portal, https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32014R0910.

3   Tobin, Andy. "eIDAS 2.0: How Europe can define the digital identity blueprint for the world". Avast website, 22 February, 2022. https://blog.avast.com/eidas-2.0-avast.

lack of flexibility to support a variety of use cases."[4] Coupled with the proclaimed intention by the European Commission to have 80% of EU citizens use the digital wallet, it presents a new paradigm in the availability and usage of public services in particular.

Digitalisation in the wake of Europeanisation

Within the European integration process of North Macedonia, the digitalisation and the digital wallets are part of the broad topics of Chapter 10 of the acquis communautaire: Information society and media. According to the latest European Commission Progress Report of 2021, North Macedonia is overall moderately prepared in this area. In particular, the European Commission commends the country for increasing the number of available electronic services for citizens and businesses. However, it expresses concern over the delayed finalisation and adoption of the long-term Information and Communication Technology Strategy, which was prepared but got stuck in the institutional labyrinths of the public sector. Generally, from the Chapter 10 covering the area of information society, the country is putting much emphasis on digital literacy and improving digital skills, which can significantly contribute to the overall success of the new strategy and the overall digitalisation of Macedonian society. The national e-portal for public services (which is intended to be the local version of the eIDAS) increased to about 130 services by 2021. The report, however, lists the necessary improvements that need to be done in this area:

– lack of communications software in many institutions, and a lack of will to fully use the e-portal for public services by public institutions;

– the need to finally establish the Agency for Digitalisation and Registers, which would coordinate efforts for modernising and digitalising the public administration;

– the date in the population register is not fully uploaded and checked, i.e. is incomplete and unreliable, and needs to be used to cross-check census data;

– despite increase in internet transactions by five times in 2021 compared to the previous year, e-commerce progresses slowly.

Overall, the European Commission feels that "the progress of e-commerce in the country is moving at a slow pace."[5] The response of the Macedonian government, on the other hand, did not contest them, in accordance with the general practice of approaching the EC Progress Reports. They express gratitude and promise to continue with the reforms.

4   Eur Lex. " Regulation of the European Parliament and the Council on amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity". European Union Law Portal. https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021PC0281&from=EN.

5   European Commission. "North Macedonia Report 2021". EC Portal, 19 October, 2021, p.79. https://ec.europa.eu/neighbourhood-enlargement/north-macedonia-report-2021_en.

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The long road of digitalisation in North Macedonia

According to former Minister of Information Society and Administration (MISA), Damjan Manchevski, the first step of the government was to create a predictable and stable legal environment for digitalisation, created in a constant process of consultations with the business sector. That is why they invested much energy into enabling the digital identity, as a driver of the digitalisation of public services. The Law on Electronic Documents, Electronic Identification, and Confidential Services[6] was brought in 2019 in full accordance with eIDAS Regulation of 2014, created the basis for the work of the common digital market and the conditions for alignment of the means of electronic identification. This was intended to enable the functioning of the market of confidential services, as well as the increase in trust towards the electronic services. Furthermore, the Law on Electronic Management and Electronic Services (also 2019)[7] regulated the work of entities of the public administration regarding the transfer of electronic data and documents and the implementation of the electronic services. According to the statement by Minister Manchevski made in 2019, the only remaining steps were "changing the existing landscape, creating and cultivating the digital culture."

*It is possible that many reform processes were halted due to the
Bulgarian veto to the opening of EU negotiations since 2019 (lifted in June 2022).*

Since making that statement and enacting the related two pieces of legislation, three years have passed, and moderate progress (as indicated by the European Commission) was indeed made. For example, the MISA initiated the establishment of an Inter-Ministerial Working Group in 2021, tasked with the preparation and amending relevant laws for the digitalisation of processes, which is directly coordinated by the office of the prime minister. Since April, 2021, this group has had seven meetings, and has started working on 131 laws. Unfortunately, its work is not transparent to the public, thus limited information is available. However, it is indicative that this working group has an extremely large body of laws it needs to amend, in order to align all legislation with the new digitalisation plans. According to an interview with a former ministry officer tasked with the digitalisation,[8] there is a long way from achieving full inter-operability: 1,304 public sector institutions and critical infrastructure need to be engaged, while the country currently has the usage and infrastructure for only nine institutions. The National ICT *(Information and Communication Technologies)* Strategy

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6   Parliament of North Macedonia. "Закон за електронските документи, електронската идентификација и доверливите услуги". Ministry of Information Society and Administration Portal, 22 May, 2019. https://www.mioa.gov.mk/sites/default/files/pbl_files/documents/legislation/zakon_za_elektronski_dokumenti_eid_i_doverlivi_uslugi.pdf.

7   Parliament of North Macedonia. "Закон за електронско управување и електронски услуги". Ministry of Information Society and Administration Portal, 21 May, 2019. https://www.mioa.gov.mk/sites/default/files/pbl_files/documents/legislation/zakon_za_elektronsko_upravuvanje_i_elektronski_uslugi_0.pdf.

8   Interview conducted under guarantee for anonymity.

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2021-2025, along with its Action Plan, should provide the coordination tools. The draft of the strategy rests on six pillars: 1. Interoperability and government infrastructure; 2. Centralisation and rationalisation of ICT and e-government services; 3. Improving digital skills of citizens, workforce, and professionals; 4. Research, development and innovations; 5. Data protection; 6. Digital services (related to environmental protection). The MISA organised a public consultation on this law in April 2021, which was widely visited by relevant stakeholders, both from civil society and the public and private sectors.[9] After this debate, a limited number of recommendations were included, before putting the draft strategy on the government portal for public discussions on draft legislation.[10] By the time this Policy Brief was last modified (October 2022), the Strategy had still not been enacted. It is possible that many reform processes were halted due to the Bulgarian veto to the opening of EU negotiations since 2019 (lifted in June 2022). The lack of enthusiasm has had an effect on the public administration as well, and more efforts were put into resolving the dispute with the Eastern neighbour.

The human dimension

The interests of the citizens of North Macedonia to have a fully inter-operational eIDAS and digitalisation system are multifold:

1. *Political benefits:* Although fully in line with the eIDAS Regulation on paper, advancement in this field would mean a true inter-operability and access to services by EU member state citizens in North Macedonia and vice-versa, after accession or even during the intended process of negotiations.
2. *Social benefits:* Access to public services (such as civil registry, public care system, school and university enrolment, cadaster services, administrative tasks related to health and social insurance, tax payment, building permits, business permits, etc.) will be made significantly easier and faster, thus saving the public from the frustration from the long waiting lines and dependence on the 'mood' of public servants. With increased speed and digital processing of documents, citizens can have more time and energy for dedicating their time to other activities of professional and personal nature, which can improve public mental health and efficiency. The change would further affect a rise in the public trust in the public administration and the state in general, bringing about more enthusiasm for Europeanisation.
3. *Efficiency benefits:* In many of the cases, procedures will be removed from human error, which particularly happens with the Civil Registry – an institution supposedly fully digitalised, but in reality not at all.
4. *Governance benefits:* Considering that corruption of all kinds has been over the years identified as the primary problem impeding democratic progress in the countries of the Western Balkans, including North Macedonia, full digitalisation can significantly reduce it. All submitted documents (such as building or business permit requests) remain logged, thus can be easily double-checked, in order to avoid the frivolous and corrupt behaviour of civil servants tasked with these pro-

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9   Ministry of Information Society and Administration. "МИОА: Национална стратегија за ИКТ 2021 – 2025 година." Javna administracija Portal. 26 July, 2021. https://javnaadministracija.mk/2021/07/26/mioa-natsionalna-strategija-za-ikt-2021-2025-godina/.

10   Ministry of Information Society and Administration. "Нацрт- Национална Стратегија за ИКТ 2021-2025 в1.1". ENER Portal, 10 June, 2021. https://ener.gov.mk/Default.aspx?item=newdocumentdetails&detalisId=23.

cedures. By doing this, citizens will be protected from bribery requests, which would ultimately lead to increased trust in public institutions.

Current problems and recommendations

Experience shows that citizens are not enough informed about current digitalisation efforts and opportunities.

When speaking of 'creating and cultivating digital culture' the former minister aptly identified one of the main problems. Experience shows that citizens are not enough informed about current digitalisation efforts and opportunities. For example, the system for electronic applications for school children exists and it is operational, but it is extremely rarely used. Furthermore, Macedonian society is still very 'paper based' and citizens hold strongly the trust in paper, rather than clicks. Simply, electronic documents still do not have the importance and value among Macedonian citizens as much as paper ones do.

Recommendation 1: More intense and constant campaigning and communication in order to explain the benefits of digitalisation and the digital access to public services to citizens, in particular to the older generations.

As identified by the European Commission, the Agency for Digitalisation and Registers is in the process of establishing, but the process is stuck and the Agency is still not in place.

The second identified problem is the institutional inertia. According to our interlocutor, certain public institutions refuse to connect to the system and establish internal procedures simply because there is not a specific law directing them to do so. If it is not contained in the law regulating their work, they do not see the obligation to do it, despite the option to do it in the public's interest. Additionally, certain institutional representatives have expressed distrust in such connectivity, out of security reasons. This problem is narrowly connected to the above-mentioned Inter-Ministerial Working Group, which is not very fast and efficient. Furthermore, as identified by the EC, the Agency for Digitalisation and Registers is in the process of establishing, but the process is stuck and the Agency is still not in place.

Recommendation 2: Increased communication between the MISA and reluctant institutions, in order to convince them of the benefits from being a part of the digital system and offer digital services.

Recommendation 3: The Inter-Ministerial Working Group needs more resources, in order to be able to process more laws and impose digitalisation on institutions.

Recommendation 4: Fast establishment of the Agency for Digitalisation and Registers, and the establishment of a new institution/organ tasked with cyber-security in the public administration.

Rarely has the human dimension of digitalisation has been treated and promoted, at the expense of concentrating more on technical issues.

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The final identified problem is on the side of civil society and expert audience. Digitalisation has been tackled by a limited number of projects and civil society organisations in the past few years. Rarely has the human dimension of it has been treated and promoted, at the expense of concentrating more on technical issues.

Recommendation 5: Civil society organisations need to put more efforts into monitoring the provision of public services and the process of digitalisation, with the human dimension in focus.

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