

North Macedonia: In Brief

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Introduction

The Republic of North Macedonia is a small, landlocked country in southeastern Europe (see **Figure 1**). As of March 27, 2020, it is the newest member of NATO.¹ Formerly one of Yugoslavia's six constituent republics, North Macedonia became independent in 1991 and largely avoided the violence that devastated other parts of the region. Its multiethnic population includes Slavic Macedonians (estimated to comprise about 65% of the population, although precise figures are disputed) and Albanians (an estimated 25%), as well as Turkish, Roma, Serb, Bosniak, and other minority groups.² The country embraced a Euro-Atlantic foreign policy orientation early on and became the regional front-runner for membership in the European Union (EU) and NATO. By the 2000s, however, North Macedonia's Euro-Atlantic integration had lagged due to a seemingly intractable bilateral dispute with neighboring Greece (an EU and NATO member) over use of the name "Macedonia." Some analysts contend that North Macedonia's loss of a clear EU and NATO membership perspective contributed to a period of reform drift and democratic backsliding that began in the late 2000s and culminated in a protracted political crisis from 2015 to 2017.

North Macedonia's political landscape has largely stabilized since 2017, although it remains polarized. In June 2018, Greece and North Macedonia reached the historic Prespa Agreement whereby Greece pledged to lift its veto over North Macedonia's EU and NATO accession, and the latter agreed to change its constitutional name from Macedonia to North Macedonia, among other provisions. The agreement laid the foundation for two foreign policy breakthroughs. In March 2020, North Macedonia joined NATO. The same month, the EU agreed to launch membership talks with North Macedonia—an early but important step in the accession process.

¹ Per the terms of an agreement with Greece, the country changed its name from Republic of Macedonia to Republic of North Macedonia in early 2019. For clarity, this report refers to the country as "North Macedonia" throughout.

² These data are from the most recent 2002 census. The population size of North Macedonia's ethnic communities is disputed and has been a politically sensitive issue at times.

Figure I. Republic of North Macedonia

Source: Graphic created by the Congressional Research Service (CRS) using data from the EU Knowledge Hub on Water and Agriculture (2019); Department of State (2017); ArcWorld (2017); Garmin (2017).

The United States and North Macedonia have good relations, and successive U.S. Administrations have supported North Macedonia's EU and NATO membership agendas. U.S. diplomacy has helped defuse tensions at key junctures, and U.S. officials and some Members of Congress expressed firm support as the governments of Greece and North Macedonia overcame domestic hurdles to implementing the Prespa Agreement, as well as an alleged Russian influence campaign aimed at derailing NATO enlargement. Looking ahead, Members of Congress may be interested in efforts to strengthen the rule of law in North Macedonia and bring the country's laws and institutions in line with EU membership requirements. Although analysts regard the country's current situation as a window of opportunity for reform, they caution that it may be fragile, particularly if EU membership is perceived to be unlikely or if political polarization deepens. Members also may be interested in North Macedonia's role in Western Balkan regional security, particularly as concern grows that Russia, China, and other external powers seek inroads.

Domestic Situation

North Macedonia's domestic situation has stabilized significantly in recent years. Parliamentary elections held on July 15, 2020, resulted in a second term for Prime Minister Zoran Zaev; his first government (May 2017 to January 2020) negotiated the Prespa Agreement with Greece and oversaw the final stages of North Macedonia's NATO accession. Looking ahead, some key domestic issues include combating corruption and strengthening the rule of law; harmonizing domestic legislation with that of the EU; and adopting reforms to spur economic development and alleviate poverty, particularly as the country grapples with the Coronavirus Disease 2019 (COVID-19) pandemic.

Politics

North Macedonia is a parliamentary republic with a unicameral, 120-seat legislature. The prime minister is the head of government and performs most executive functions. A directly-elected president is head of state and commander-in-chief of the armed forces. Zoran Zaev began a second term as prime minister on August 30, 2020, and Stevo Pendarovski was elected president in 2019. Both were backed by the center-left Social Democratic Union of Macedonia (SDSM), which Zaev has led since 2013.

Since the 1990s, political power in North Macedonia has alternated between government coalitions led by one of the two main parties: SDSM and the right-wing Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity (VMRO-DPMNE). Both parties draw electoral support primarily from ethnic Macedonian voters. SDSM and VMRO-DPMNE's long-standing rivalry at times has been a source of instability and fueled polarization. Almost all governments have included one or more Albanian parties as coalition partner. These cross-cutting coalitions are credited with contributing to overall stability while being a factor in patronage networks that took root in the 1990s and reportedly remain a factor in domestic affairs.⁴

North Macedonia's political landscape largely has stabilized since the end of a protracted crisis during the final years of former Prime Minister Nikola Gruevski's tenure in office (see text box below, "2015-2017 Political Crisis"). For most of the ensuing period, Zoran Zaev (SDSM) has led the government in coalition with the Albanian Democratic Union for Integration (BDI) and several smaller parties. In the July 15, 2020, parliamentary elections, Zaev's SDSM ran together with the Albanian BESA movement—the country's first preelection coalition between a major Macedonian party and an Albanian party—and ran on a reform-oriented platform. VMRO-DPMNE's campaign largely centered on identity politics and criticism of the Prespa Agreement. Party leader Hristijan Mickoski asserted that a VMRO-DPMNE government would move away from the country's bilateral agreements with Bulgaria and Greece, although some analysts were skeptical that the party would actually do so if in government.⁵ Election monitors described the elections as competitive and well administered amid a resurgence in COVID-19 cases but noted a hostile tone and lack of substantive policy exchanges.⁶

North Macedonia at a Glance

Population: 2.1 million (2018 est.)³

Comparative Land Area: Slightly larger than Vermont

Capital: Skopje

Ethnic groups: 64.2% Macedonian, 25.1% Albanian, 3.9% Turkish, 2.7% Roma, 1.8% Serb, 2.2% other (2002 est.)

Religion: 64.8% Orthodox Christian, 33.3% Muslim, 1.9% other/unspecified (2002 est.)

Leadership: Prime Minister Zoran Zaev; President Stevo Pendarovski

Sources: 2002 population census; CIA World Factbook.

³ North Macedonia's population size is believed to be significantly less than the official figure of 2.1 million; expert estimates of the actual population size range from 1.5 million to 1.8 million. A population census scheduled for April 2020 was postponed until 2021. It will be the country's first census since 2002. See discussion in Tim Judah, "Wildly Wrong: North Macedonia's Population Mystery," *BalkanInsight*, May 14, 2020.

⁴ International Crisis Group, *Macedonia's Public Secret: How Corruption Drags the Country Down*, 2002; Freedom House, *Freedom in the World 2020: North Macedonia*.

⁵ Zaev called for early elections after the European Union (EU) failed to agree to launch membership talks in October 2019, a major setback for his government. The EU subsequently agreed to do so in March 2020, well ahead of the July elections. Boris Georgievski, "North Macedonia Holds First Election Since Changing its Name," *DeutscheWelle*, July 14, 2020.

⁶ Organisation for Security and Cooperation in Europe, *Republic of North Macedonia—Early Parliamentary Elections, July 15, 2020: Statement of Preliminary Findings and Conclusions*, July 16, 2020.

2015-2017 Political Crisis

North Macedonia's relative stability in the 1990s made it an early Western Balkan front-runner for EU and NATO membership. By the late 2000s, however, reform momentum lagged as an ongoing bilateral dispute with Greece over use of the name "Macedonia" cast uncertainty over North Macedonia's Euro-Atlantic agenda. Nikola Gruevski of the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity (VMRO-DPMNE), who was prime minister from 2006-2016, pursued a controversial Macedonian "antiquities" urban transformation campaign, which widened the rift with Greece. During the same period, many observers expressed concern over setbacks in the rule of law and democracy.

In 2015, a two-year political crisis began when opposition parties accused the Gruevski government of orchestrating an illegal wiretapping operation that targeted over 20,000 individuals, including government and opposition figures, civil society activists, diplomats, and journalists. Transcripts of allegedly wiretapped conversations implicated numerous officials, including Gruevski, in purported abuses of office. The scandal triggered protests and episodic violence, which some observers feared could widen. For many, the crisis revealed the depth of state capture and politicization of public institutions, particularly in the judiciary and the security sector.

The United States and the EU helped defuse the crisis by brokering the 2015 Przino Agreement, which established a time line for early elections in 2016, and by intervening in early 2017 when then-President Gjorge Ivanov initially refused to give Zaev the mandate to form a government; as well as intervening shortly thereafter when a violent mob assaulted Social Democratic Union of Macedonia (SDSM) lawmakers and allies in the parliamentary chamber, reportedly with assistance from some VMRO-DPMNE deputies. The Zaev government formed in May 2017. In late 2018, Gruevski fled to Hungary and later received political asylum there. He faced a prison sentence for corruption in one of multiple criminal charges against him.

Sources: International Crisis Group, *Macedonia: Defusing the Bombs*, 2015; European Commission, *The former Yugoslav Republic of Macedonia: 2016 Report*, November 9, 2016.

The election results delivered a narrow victory for Zaev's SDSM-led bloc over VMRO-DPMNE, with BDI again in the position of playing coalition "kingmaker" with its third-place finish (BDI has participated in almost all governments since 2000). Prior to and after the election, BDI leader Ali Ahmeti asserted that the country should have its first ethnic Albanian prime minister. Under the terms of BDI's government coalition agreement with SDSM, Zaev is to serve as the prime minister until 100 days prior to the next election, whereupon the position is to be transferred to a BDI official.⁷

⁷ DeutscheWelle, "North Macedonia's Zaev Opens Door for Future Albanian PM," August 18, 2020. In 2015, North Macedonia's parties agreed to a new mechanism whereby a caretaker government forms 100 days prior to parliamentary elections. This mechanism was adhered to ahead of the 2020 parliamentary election; Zaev resigned in January 2020, and a caretaker government was formed under Oliver Spasovski for the final 100 days (elections initially scheduled for April were postponed to July due to Coronavirus Disease 2019 [COVID-19]).

Figure 2. July 15, 2020, Parliamentary Election Results

	% of Votes	# of Seats
Social Democratic Union of Macedonia (in coalition)	35.9%	46
VMRO-DPMNE (in coalition)	34.6%	44
Democratic Union for Integration	11.5%	15
Alliance for Albanians and Alternativa	9.0%	12
The Left	4.1%	2
Democratic Party of Albanians	1.5%	1
Total Seats		120

Source: Figure created by CRS. Election data from Republic of North Macedonia Electoral Commission.

Note: VMRO-DPMNE is the acronym for the Internal Macedonian Revolutionary Organization -Democratic Party for Macedonian National Unity.

Renewed Euro-Atlantic Integration

Under Zaev, the government's agenda has centered on reviving North Macedonia's stalled Euro-Atlantic integration agenda through the resolution of bilateral disputes. The most fraught dispute was with neighboring Greece, which objected to North Macedonia's adoption of the name "Republic of Macedonia" upon independence in 1991.⁸ Greek leaders viewed this as an implicit territorial claim to Greece's northern region bearing the same name, as well as an appropriation of ancient Macedon cultural heritage. As an EU and NATO member, Greece had veto power at key junctures in North Macedonia's bid to join both organizations.

After rounds of difficult negotiations, the Zaev government concluded the Prespa Agreement with Greece (then led by Prime Minister Alexis Tsipras) in June 2018. Per the agreement's terms, Macedonia changed its constitutional name to North Macedonia, and Greece agreed to lift its block on North Macedonia's efforts to join NATO and the EU, among other provisions. The agreement encountered sharp challenges from nationalist opponents in both countries but ultimately received legislative backing. The agreement paved the way for North Macedonia's NATO accession in March 2020 and the EU's decision to launch accession talks the same month.

⁸ The Zaev government also reached a Friendship Treaty with Bulgaria (ratified in 2018), which established a framework to improve bilateral relations that were fraught due in part to Bulgaria's nonrecognition of the Macedonian language and identity and differing historical interpretations.

Interethnic Relations

Although North Macedonia largely avoided the violence that devastated other parts of the former Yugoslavia during the 1990s, there have been periodic tensions between its ethnic Slav Macedonian majority (comprising roughly 65% of the population) and Albanian minority (about 25%).⁹ These frictions partly reflect disagreement over the scope of the country's recognition and accommodation of minority communities. Some Macedonian nationalists fear that extending further protections or autonomy to Albanians and other minorities would undercut the majority group's clout, change the character of North Macedonia, or even result in its dismemberment (North Macedonia borders Albania and Albanian-majority Kosovo).

Many ethnic Albanians in North Macedonia, on the other hand, have sought to improve their economic and political statuses. During the 1990s, many observers criticized North Macedonia's policies on citizenship, language, and education for privileging Macedonians and Macedonian identity over Albanians and other minorities. Interethnic clashes occurred periodically but stopped short of full-scale violence. In 2001, however, a small group of Albanian insurgents waged a months-long armed campaign against state security forces. Amid concern that the conflict could descend into civil war, U.S. and European officials helped broker the Ohrid Framework Agreement (OFA), which outlined a set of reforms to expand the rights of the ethnic Albanian minority and measures to disband and disarm insurgent forces. Although OFA's implementation was contested and gradual, it is widely credited with helping to restore some level of trust and maintain peace.

At times, Albanian parties have played a "kingmaker role" in post-election government formation or in passing legislation; this position has enabled Albanian leaders to negotiate on certain issues, such as language policy and representation (at present, ethnic Albanians serve in high-profile positions, including the Speaker of Parliament and Minister of Foreign Affairs). Albanian deputies' strong support for NATO and EU membership was critical to the legislative enactment of the Prespa Agreement. Nevertheless, Albanian leaders cite as challenges continued underrepresentation in politics—particularly at the highest levels of government—and disparities in the labor market, socioeconomic outcomes, and access to public resources. Some policy changes that are accommodative of Albanians and other minorities, including recent legislation expanding the use of the Albanian language in official settings, have triggered backlash from Macedonian nationalists.

Sources: U.S. State Department, *Country Reports on Human Rights Practices for 2019*; Besir Ceka, "Macedonia: A New Beginning?" *Journal of Democracy*, vol. 29, no. 2 (April 2018), pp. 143-157; International Crisis Group, *Macedonia: The Last Chance for Peace*, 2001.

The Zaev government also pledged to pursue a broad domestic reform agenda based in part on the recommendations of an EU-backed experts group. Corruption and state capture are regarded as deeply rooted.¹⁰ Some observers assert that these challenges predated the Gruevski government but deepened during his time in office. Judicial, security, and public administration reforms are considered to be particularly important to strengthening the rule of law.

In contrast to the general acclaim of the Zaev government's foreign policy accomplishments, assessments of its reform record are mixed. The country's overall democracy score has improved in global rankings compiled by Freedom House (North Macedonia and Kosovo are the only Western Balkan countries with improved scores). Media independence, civil society, and electoral competitiveness in particular have improved in these assessments. Many lauded the government for adopting new strategies and institutional changes aimed at strengthening transparency, independence, and oversight. For example, the Directorate for Security and Counterintelligence, which was accused of carrying out the former government's alleged wiretapping campaign, was replaced with a new National Security Agency, which, unlike its predecessor, is an independent body with no policing authority or direct role in intercepting communications. A new State Commission for the Prevention of Corruption was appointed in 2019. One of the previous parliament's last actions was to adopt an EU-backed Law on the Public Prosecutor's Office,

⁹ Macedonians predominantly identify as Orthodox Christian and speak Macedonian, a Slavic language, and Albanians predominantly identify as Sunni Muslim and speak Albanian, which comprises a distinctive branch of the Indo-European language family.

¹⁰ U.S. State Department, *Country Reports on Human Rights Practices for 2019*.

which was aimed at ensuring the continued investigation of high-profile corruption cases, many of which arose from the wiretapping scandal.¹¹

Coronavirus Disease 2019 (COVID-19) Response

In response to the COVID-19 pandemic, North Macedonia's government introduced measures similar to those of other European countries, including restricted movement into and within the country, curfews, social distancing, mask requirements, and closures of schools and nonessential businesses. Some restrictions were lifted in late spring, and the country experienced a climb in cases and deaths through much of the summer. As of September 8, 2020, North Macedonia reported 15,226 confirmed cases of COVID-19 and 631 deaths attributed to the virus; as elsewhere in the world, these figures may be expected to change rapidly. The government approved emergency fiscal measures to expand social support and aid businesses and economy sectors adversely impacted by the crisis.

According to the State Department, the United States has committed \$1.5 million in assistance to North Macedonia out of the \$1.5 billion made available as of July 29, 2020, for global emergency health, humanitarian, economic, and development assistance relating to COVID-19. As of June 30, 2020, the EU had delivered €4 million (about \$4.74 million) in emergency medical equipment and supplies to North Macedonia and agreed to extend €160 million (about \$190 million) in macrofinancial assistance through long-term loans.

The COVID-19 pandemic prompted North Macedonia's caretaker government to reschedule planned parliamentary elections from April 2020 to July 15, 2020. At the time elections were held, reported COVID-19 cases again had begun to rise. To address public health concerns, polling stations followed protocols on site cleaning and disinfection, physical distancing requirements, and mandatory mask-wearing for election workers and voters. Individuals in self-isolation or who had tested positive for COVID-19 were allowed to vote early, including through household visits from Special Electoral Boards comprising health care workers and party representatives. Voting hours were expanded by two hours.

Sources: International Foundation for Electoral Systems, *Elections in North Macedonia: 2020 Parliamentary Elections Frequently Asked Questions*, July 13, 2020; European Commission, *Coronavirus: Eight Macro-Financial Assistance Programmes Agreed to Support Enlargement and Neighbourhood Partners*, August 11, 2020; European Commission, *EU Help for North Macedonia on COVID-19*, June 30, 2020; Johns Hopkins University Coronavirus Resource Center.

Others have expressed frustration with what they describe as partial reforms and assert that politicization of institutions and party patronage practices continue.¹² Many were dismayed when former Prime Minister Gruevski avoided a jail sentence and additional criminal cases by fleeing the country in 2018 (he received political asylum in Hungary, whose leadership he had good relations with as prime minister). Others were similarly angered when several opposition VMRO-DPMNE members of parliament were amnestied for their role in a violent attack on SDSM legislators on the floor of parliament in 2017—a concession seemingly made to secure their votes for legislation implementing the Prespa Agreement. Several corruption and nepotism scandals also have tarnished the government's reform record. Most notably, in August 2019, the head of the Special Public Prosecutors' Office—a body formed in 2015 to oversee the prosecution of high-profile cases emanating from the wiretapping scandal—was arrested and later convicted for abuse of office.¹³ Some also criticize VMRO-DPMNE, the largest opposition party, for its unwillingness to demand accountability and, according to Freedom House, “complicating the adoption of key liberal-democratic reforms.”¹⁴

¹¹ The law, which was seen as important for securing the launch of EU accession talks, provides for the continued investigation of high-profile cases. The Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity (VMRO-DPMNE) withheld support, accusing the government of targeting former officials from within its ranks. See Sinisa Jakov Marusic, “North Macedonia Opposition Plays Hardball on Prosecution Law,” *BalkanInsight*, January 23, 2020.

¹² Freedom House, *Nations in Transit 2020: North Macedonia Profile*; Freedom House, *Freedom in the World 2020: North Macedonia Overview*.

¹³ Sinisa Jakov Marusic, “BIRN Fact-Check: Promises Fulfilled, Promises Forgotten in North Macedonia,” *BalkanInsight*, July 2, 2020.

¹⁴ Freedom House, *Nations in Transit 2020: North Macedonia Profile*.

Economy

One of the former Yugoslavia's poorest republics, North Macedonia experienced sharp economic decline during its first decade of independence. Although the economy rebounded over time, it again struggled in the wake of the 2008 global financial crisis and, more recently, during the 2015-2017 domestic political crisis. After 2017, the economy showed signs of stabilization. Gross domestic product (GDP) growth improved to 2.7% in 2018 and 3.6% in 2019, driven in part by consumption and investment. The unemployment rate decreased from an average 30% between 2010 and 2015 to about 17% in 2019. In a 2019 assessment, the International Monetary Fund (IMF) lauded the government's reform agenda and projected a "period of solid growth and stability" but recommended continued institutional reforms, fiscal consolidation, and directing public investment toward labor market skills shortages and infrastructural deficits.¹⁵

North Macedonia has a small, open economy. Through various agreements, the country has largely liberalized trade with its Western Balkan neighbors and the EU. Its economic relationship with the EU is particularly important. In 2019, nearly 80% of North Macedonia's total exports (valued at about \$7.2 billion) went to the EU, and Germany alone received about half of all exports.¹⁶ As a result, the country's economy is sensitive to the health of the Eurozone economy. The country's top exports include chemical products; electrical machinery, equipment, and parts; reactors, boilers, machinery, appliances, and related parts; seats; and iron and steel. Successive governments have sought to increase foreign direct investment (FDI) as an economic growth strategy, touting the country's low corporate tax rate, competitive labor costs, and special economic zones. FDI increased in the 2010s, particularly in the manufacturing sector. EU countries and the United Kingdom are top FDI source countries.

North Macedonia continues to address several economic policy challenges. The informal economy is estimated to comprise around one-third of economic activity.¹⁷ The youth unemployment rate, although declining, is estimated to be about 37%. Unemployment and poverty contribute to high rates of emigration from North Macedonia, and thousands of households rely on worker remittances.¹⁸

As elsewhere, the COVID-19 pandemic is expected to adversely impact the Macedonian economy. The IMF estimates that North Macedonia's economy could contract by 4% in 2020. The projected downturn—and eventual recovery—may also be shaped by the scope and duration of recession in the Eurozone.

Foreign Relations

Since independence in 1991, successive governments have sought to steer the country toward EU and NATO membership. U.S. and European policymakers have long supported this agenda, in part due to the widespread belief that EU and NATO membership would be anchors of stability. North Macedonia's long-standing goal of NATO and EU membership has broad support across the political spectrum and has been a source of continuity and common ground during periods of domestic strife. In March 2020, North Macedonia reached two major milestones in its Euro-

¹⁵ International Monetary Fund (IMF), *North Macedonia: Staff Report for the 2019 Article IV Mission*, December 23, 2019 (hereinafter IMF, *North Macedonia*).

¹⁶ The figure excludes exports to the United Kingdom. Eurostat, "Enlargement Countries—International Trade in Goods with the EU-27, 2019."

¹⁷ IMF, *North Macedonia*.

¹⁸ World Bank, *Western Balkans Regular Economic Report: Rising Uncertainties: Fall 2019*; IMF, *North Macedonia*.

Atlantic integration. On March 25, the EU approved the launch of membership negotiations with the country—an early but important step in the accession process. On March 27, North Macedonia became the 30th member of the NATO alliance, after a lengthy and complicated membership bid. Alongside these milestones, some analysts have expressed concern over North Macedonia’s potential vulnerability to Russian and Chinese influence.

NATO and EU Membership

As mentioned above, North Macedonia was an early Western Balkan front-runner to join NATO and the EU. The country’s membership prospects, however, were at a standstill for years due to its bilateral dispute with Greece, which wielded its veto power in both organizations at key stages of the accession process. At times, the perceived loss of a clear NATO and EU membership perspective appeared to erode domestic political will to pursue difficult reforms. North Macedonia and Greece made a breakthrough in 2018 with the historic Prespa Agreement, which lifted Greece’s veto over North Macedonia’s NATO and EU accession; governments in the two countries made politically costly concessions that triggered nationalist backlash, but the agreement ultimately was approved and implemented.

North Macedonia’s March 2020 accession to NATO followed decades of close cooperation. It joined NATO’s Partnership for Peace in 1995. Under its Membership Action Plan, which launched in 1999, North Macedonia adopted reforms and participated in a variety of NATO programs aimed at modernizing the country’s armed forces and improving interoperability with NATO.¹⁹ North Macedonia has contributed to NATO missions in Afghanistan and Kosovo, and its Krivolak Military Training Center has hosted multinational drills, including for troops deployed to the NATO-led KFOR mission in neighboring Kosovo. In June 2019, North Macedonia hosted *Decisive Strike*, a joint exercise involving 2,700 troops from North Macedonia and NATO partners (including the United States), making it the largest in the country’s history.²⁰

Similarly to its NATO membership campaign, North Macedonia’s bid to join the EU has been difficult despite its status as an early regional front-runner. North Macedonia applied for EU membership in 2004 and received candidate status the following year. Nevertheless, its advancement to the next step—starting membership negotiations—stalled for years, primarily due to its bilateral dispute with Greece. Following the implementation of the 2018 Prespa Agreement, Greece’s long-threatened veto over accession talks was lifted, but new challenges emerged. Despite firm support from EU officials and many member state leaders, on successive occasions in 2018 and 2019, several member states objected to launching talks with North Macedonia (as well as neighboring Albania), citing concern that the existing enlargement methodology was falling short of its goal of entrenching the rule of law in candidate countries, along with other concerns. Under pressure from several member states, the EU adopted revisions to the enlargement process in early 2020.²¹ Among other changes, the new measures are to organize negotiation “chapters” into thematic clusters, situate a new “fundamentals” cluster (encompassing the rule of law, the economy, and public administration) at the center of the process, and

¹⁹ NATO, “Relations with the Republic of North Macedonia,” February 15, 2019.

²⁰ Republic of North Macedonia Ministry of Defense, “Decisive Strike Exercise at Krivolak,” May 30, 2019.

²¹ Some member states previously declined to back the start of talks on several occasions, most recently in October 2019. French President Emmanuel Macron in particular was vocal in calling for internally reforming the EU and the enlargement methodology before further expansion. France proposed changes to the enlargement methodology in a 2019 “non-paper.” Some of the concerns it raised are reflected in the measures adopted by the EU in 2020. See Marek Dabrowski, *Can the EU Overcome its Enlargement Impasse?*, Bruegel, February 27, 2020.

introduce tools to reward progress and sanction stagnation or backsliding. These new measures are to be incorporated into the negotiation frameworks with North Macedonia and Albania.²²

These changes helped to secure member state agreement to launch negotiation talks with North Macedonia and Albania (the decision was approved on March 25, 2020). This will begin the formal negotiations process to bring North Macedonia's national legislation and institutions in line with the body of EU treaties, laws, and rules known as the *acquis communautaire*.²³ Although EU membership is not guaranteed, the start of negotiations has practical and symbolic importance. At the same time, many in North Macedonia have expressed dismay at seemingly mixed signals from the EU on the bloc's willingness to enlarge. Signs of "enlargement fatigue" in some member states, as well as the controversial delays in launching North Macedonia's membership talks after it had made costly concessions to conclude the Prespa Agreement, have fueled doubts over the EU's commitment to enlargement.

Beyond its membership pursuit, North Macedonia's relationship with the EU is wide-ranging and significant; the EU is the country's top export market and main source of FDI. The EU also is North Macedonia's largest source of development assistance. As a candidate country, North Macedonia is eligible for pre-accession assistance, providing financial and technical support for reforms. Between 2014 and 2020, North Macedonia received about €608 million (about \$719 million) in allocations.²⁴

Relations with Russia and China

Many observers have voiced concern over Russia and China's political and economic inroads in the Western Balkans. Russia reportedly has drawn on an array of coercive and soft power tools with the broad aim of derailing the region's Euro-Atlantic integration. China's growing presence in the Western Balkans is largely economic, although other forms of cooperation also are expanding. Although the scope of Russian and Chinese ties to North Macedonia is relatively limited in comparison with their purported ties to other regional countries, some caution that North Macedonia could be a target of malign influence, and its challenges with corruption and weak rule of law may compound this risk.

North Macedonia allegedly became a target of Russian influence operations in recent years as it moved closer to NATO membership. U.S. officials accused Russia of backing unsuccessful efforts to derail the Prespa Agreement. In July 2018, Greece expelled two Russian diplomats in response to allegations that Russia was aiding anti-Prespa nationalist protests in the country.²⁵ Similarly, Russian government-linked proxies were accused of backing a campaign in North Macedonia that urged voters to boycott a referendum on changing the country's name.²⁶ A.U.S.

²² European Western Balkans, *European Commission's Proposal for a Reformed Enlargement Methodology*, March 3, 2020.

²³ Governments in North Macedonia have worked closely with EU experts for years to adopt reforms pursuant to membership; some consider the country to be unofficially closer to meeting the requirements of membership than Montenegro and Serbia, which formally are further along in the process. See European Stability Initiative (ESI), "Coup de grâce—Delors and Squaring the Circle—Norway in the Balkans," ESI Newsletter 6/2019, October 25, 2019.

²⁴ European Commission, *North Macedonia—Financial Assistance under Instrument for Pre-Accession Assistance II*.

²⁵ Margarita Assenova, "Moscow Pushes to Derail Macedonia's NATO Membership," *Jamestown Eurasia Daily Monitor*, August 6, 2018; Helene Cooper and Eric Schmitt, "U.S. Spycraft and Stealthy Diplomacy Expose Russian Subversion in a Key Balkans Vote," *New York Times*, October 9, 2018.

²⁶ The referendum was consultative rather than binding but was seen as important to legitimizing the country's name change ahead of key parliamentary votes. Separately, Macedonian investigative journalists accused Greek-Russian oligarch Ivan Savvidis—a former legislator in the Russian Duma with Putin's United Russia party—of paying over

official described that campaign as propagating “an extraordinarily complex, organized, and toxic amount of disinformation.”²⁷ Russian efforts to forestall North Macedonia’s NATO accession may have been aided by Russia’s reported intelligence footprint in the country, cultivation of ties with local friendship organizations and nationalist or antiestablishment groups and parties, and an expanded media presence.²⁸

With North Macedonia’s NATO accession complete, some analysts speculate that Russia’s interest in the country may diminish.²⁹ Russian economic ties to North Macedonia are relatively limited compared with its ties to neighbors (e.g., Montenegro, Serbia, and Bulgaria); nor do North Macedonia and Russia have a history of particularly close ties, despite cultural affinity between their majority Slavic-speaking, Orthodox Christian populations. At the same time, some caution that instability or discord in North Macedonia could be fertile ground for Russia to attempt to meddle or play a “spoiler” role in the country, particularly if doing so were to work against U.S. and European interests.³⁰

U.S. and EU officials have voiced concern over China’s growing economic ties to Western Balkan countries. Chinese state-linked firms and policy banks have extended loans, participated in regional infrastructure projects, or both as part of China’s Belt and Road Initiative. In 2016, China’s state-owned COSCO Shipping acquired majority stakes in the Piraeus Port Authority in Greece, an entry point for container shipping to lucrative European markets via the Balkans. Within the Belt and Road framework, China established the “16+1” group in 2012 (now 17+1) to convene EU and non-EU countries in the Balkans and Central Europe, including North Macedonia, through annual leader summits.³¹

North Macedonia lies along overland trade routes from Piraeus into Europe, and some have discussed eventual high-speed rail connections. To date, Chinese lending and investment in the country has been somewhat limited, particularly in comparison with Montenegro and Serbia. The most significant China-backed project to date is the construction of two highways: Miladinovci-Stip (completed) and Kicevo-Ohrid (under construction). The highway projects were financed by a €580 million (\$648 million at the current exchange rate) Chinese ExIm Bank loan secured in 2013 by the government of former Prime Minister Gruevski.³² Chinese engineering and construction company Sinhydro was awarded the contract for construction, which began in 2014. The highway projects have been mired in several controversies, including former officials’ (including Gruevski) alleged violation of public procurement rules in awarding Sinhydro the

\$350,000 to anti-Prespa groups, Macedonian politicians, and a soccer club whose members reportedly were paid to hold a violent protest the day after the agreement was signed. See Saska Cvetkovska, “Russian Businessman Behind Unrest in Macedonia,” Organized Crime and Corruption Reporting Network, July 16, 2018.

²⁷ Quoted in David. A. Wemer, “The Western Balkans: A Growing Disinformation Battleground,” Atlantic Council, March 7, 2019. See also Marc Santora and Julian E. Barnes, “In the Balkans, Russia and the West Fight a Disinformation-Age Battle,” *New York Times*, September 16, 2018.

²⁸ EuroNews, “FYROM: Caught Between East and West,” April 26, 2017; “Russia Accuses West of Backing ‘Greater Albania,’” *BalkanInsight*, March 3, 2017; Aubrey Belford et al., “Leaked Documents Show Russian, Serbian Attempts to Meddle in Macedonia,” Organized Crime and Corruption Reporting Network, June 4, 2017.

²⁹ See Maxim Samorukov, *Double or Quits: A Russian Approach to North Macedonia and NATO*, Carnegie Moscow Center, May 14, 2019.

³⁰ Mark Galeotti, *Do the Western Balkans Face a Coming Russian Storm?*, European Council on Foreign Relations, April 4, 2018.

³¹ Jonathan Hillman, “Beijing Lays Down a Gauntlet to Brussels in the Balkans,” *Nikkei Asian Review*, July 4, 2018.

³² European Bank for Reconstruction and Development, *China and South-Eastern Europe: Infrastructure, Trade, and Investment Links*, July 2016.

contract.³³ The Kicevo-Ohrid project experienced setbacks and was halted in 2017 due to reported planning errors that drove up costs by around \$200 million.³⁴ For some analysts, the projects highlight the potential risks of Chinese financing, including its impact on public procurement transparency (particularly in settings where the rule of law is not entrenched) and public debt burden.

U.S. Relations

The United States and North Macedonia have good relations and cooperate on a range of issues. As mentioned above, the United States has worked with the EU to help stabilize North Macedonia during periods of domestic instability, most recently during the 2015-2017 crisis. The United States supported the implementation of the Ohrid Framework Agreement, which helped to end civil strife in 2001. Since 1993, North Macedonia's armed forces have been partnered with the Vermont National Guard through the State Partnership Program administered by the National Guard Bureau.

For decades, successive U.S. Administrations have supported the country's NATO and EU membership bids. After Greece vetoed North Macedonia's NATO invitation in 2008, the United States signed a Declaration of Strategic Partnership and Cooperation with North Macedonia to signal continued U.S. commitment to the latter's path to membership. U.S. officials praised the 2018 Prespa Agreement between Greece and North Macedonia and expressed steadfast support for its implementation amid alleged Russian efforts to derail the agreement. On October 22, 2019, the U.S. Senate voted 91-2 in favor of North Macedonia's NATO membership (Treaty Doc. 116-1). U.S. Secretary of State Michael Pompeo lauded its accession as a boost for "integration, democratic reform, trade, security, and stability" in the Western Balkans, as well as a strong signal of NATO's openness to aspirant countries that meet the criteria.³⁵

According to the U.S. State Department, the United States has extended over \$738 million in foreign assistance to North Macedonia over the past two decades.³⁶ The United States provided \$21.1 million in assistance to North Macedonia in FY2019 and about \$21 million thus far in FY2020. These levels are considerably higher than the Trump Administration's assistance request levels for North Macedonia, with \$6.3 million and \$5.7 million requested for FY2019 and FY2020, respectively. The Administration requested \$9.3 million for FY2021.³⁷ Assistance to North Macedonia is aimed at supporting EU accession-related reforms, promoting good

³³ Michal Makocki and Zoran Nechev, *Balkan Corruption: The China Connection*, European Union Institute for Security Studies, 2017; Sinisa Jakov Marusic, "Macedonia Prosecution Names Gruevski in Two New Corruption Probes," *BalkanInsight*, May 22, 2017.

³⁴ Central European Financial Observer, "China's Sinohydro Demands Funds for Kicevo-Ohrid Road in Macedonia," March 13, 2018; MIA (North Macedonia), "Macedonia, China to Boost Economic Cooperation," October 13, 2017; Government of North Macedonia, "Vladata na Republika Makedonija go usvoi aneks dogovorot br. 3 so kompanijata Sinohidro—Rešeni problemite na avtopatot Kičevo-Ohrid, zaštedeni 95 milioni evra narodni pari," November 2, 2018, available at <https://vlada.mk/node/15686>.

³⁵ U.S. State Department, "North Macedonia Joins the NATO Alliance," press statement, March 27, 2020.

³⁶ U.S. State Department, Office of the Spokesperson, "UPDATE: The United States Continues to Lead the Global Response to COVID-19," fact sheet, July 2, 2020.

³⁷ U.S. State Department, Congressional Budget Justification, FY2020, Appendix 2; U.S. State Department, Congressional Budget Justification: Department of State, Foreign Operations, and Related Programs, FY2021; U.S. State Department, FY2020 funding estimate data, June 15, 2020.

governance and the rule of law, building resilience against malign external influence, developing programs to counter violent extremism, and adopting reforms to liberalize the energy sector.³⁸

Many Members of Congress supported Greece and North Macedonia's negotiations to resolve their bilateral dispute over many years. Resolutions were sponsored in both chambers to support North Macedonia's landmark agreement with Greece and back its NATO membership bid. A Senate Foreign Relations Committee report assessed that North Macedonia's NATO accession would "have a stabilizing effect on Southeastern Europe and will extend NATO's reach in this vulnerable area, providing uninterrupted travel from the Black Sea across the Balkan Peninsula to the Adriatic."³⁹

Looking ahead, Members may be interested in monitoring efforts to strengthen the rule of law in North Macedonia and bring the country's laws and institutions in line with EU membership requirements. Although analysts regard the country's current situation as a window of opportunity for reform, they caution that it may be fragile, particularly if EU membership is perceived to be unlikely. Members also may be interested in North Macedonia's role in regional security in the Western Balkans, particularly amid growing concern that Russia, China, and other external powers may seek inroads.

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³⁸ U.S. State Department, Congressional Budget Justification, FY2019, FY2020, Appendix 2.

³⁹ U.S. Congress, Senate Foreign Relations Committee, *Protocol to the North Atlantic Treaty of 1949 on the Accession of the Republic of North Macedonia*, report to accompany Treaty Doc. 116-5, 116th Cong., 1st sess., Ex.Rept. 116-5 (Washington, DC: GPO, 2019).