North Macedonia: In Brief

The United States has supported North Macedonia since its independence from Yugoslavia in 1991 and strongly backs its European Union (EU) and NATO ambitions. (The country’s constitutional name was the Republic of Macedonia until February 2019, when it was renamed the Republic of North Macedonia.) On multiple occasions, the United States played a key role in defusing political crises and interethnic tensions in North Macedonia. For more than two decades, a U.S. diplomat led United Nations–brokered negotiations between Greece and then-Macedonia to resolve their bilateral dispute over the latter’s use of the name Macedonia. With strong U.S. support, in 2018 North Macedonia and Greece reached the landmark Prespa Agreement, which resulted in the name change and resolved their bilateral dispute.

Many Members of Congress have supported North Macedonia’s integration into Euro-Atlantic institutions. In 2007, the NATO Freedom Consolidation Act (P.L. 110-17) was passed to affirm congressional support for enlargement and make North Macedonia eligible for assistance under the NATO Participation Act of 1994. Resolutions were also sponsored in both chambers in 2018 to support the Prespa Agreement with Greece and endorse North Macedonia’s bid for NATO membership. Congressional interest in North Macedonia is also connected to broader policy concerns over the influence of Russia, China, and other external actors in the Western Balkans.

In 2017, North Macedonia emerged from a destabilizing two-year crisis with a new government that pledged to redouble the country’s Euro-Atlantic integration efforts and enact reforms to tackle the corruption and state capture that took root under previous governments. The Prespa Agreement removes Greece’s veto over North Macedonia’s NATO and EU membership bids. Many expect North Macedonia to become NATO’s 30th member in 2019 or 2020 and the EU to decide in 2019 whether to launch formal accession negotiations with the country. Despite positive assessments of North Macedonia’s progress, the forthcoming period is generally viewed as critical to consolidating North Macedonia’s recent gains and implementing reforms to bolster economic growth, reduce unemployment, and depoliticize state institutions.

Given U.S. and NATO involvement in conflicts in the Balkans in the 1990s, as well as the U.S. role in defusing crises in North Macedonia, Members of Congress may be interested in North Macedonia’s stability during what many U.S. and EU officials consider to be a crucial, albeit fragile, opening for reforms. Members may also consider the role that external actors such as Russia and China have played in recent years or could play going forward, particularly if North Macedonia’s EU accession negotiations are further delayed.
Contents

Introduction ................................................................................................................................................................................. 1
North Macedonia and the United States ........................................................................................................................................ 1
Brief History .................................................................................................................................................................................. 1
Ethnic Relations ............................................................................................................................................................................ 2
Politics and Economy ................................................................................................................................................................... 3
  Political System ......................................................................................................................................................................... 3
  Democratic Backsliding and 2015-2017 Political Crisis ........................................................................................................... 4
  Renewed Reform Momentum ...................................................................................................................................................... 5
Economy ..................................................................................................................................................................................... 7
Foreign Relations and Security Issues ........................................................................................................................................... 8
  NATO and EU Membership ....................................................................................................................................................... 8
  Relations with Russia ................................................................................................................................................................. 10
  Relations with China ................................................................................................................................................................. 11
U.S. Relations ............................................................................................................................................................................ 12

Figures

Figure 1. Republic of North Macedonia .................................................................................................................................. 3

Contacts

Author Information .......................................................................................................................................................................... 13
Introduction

North Macedonia and the United States

The United States has been a steadfast supporter of North Macedonia since its independence from Yugoslavia in 1991 and strongly backs its European Union (EU) and NATO membership ambitions. (North Macedonia’s constitutional name was “Republic of Macedonia” until February 2019.) Many Members of Congress have supported North Macedonia’s aspirations for integration into Euro-Atlantic institutions. On multiple occasions, U.S. leadership was critical to defusing political crises and interethnic tensions in the country

As North Macedonia moves closer to NATO membership, and potentially EU membership, the country shows signs of renewed stability following a political crisis from 2015 to 2017. The years 2019-2020, in which North Macedonia is expected to become NATO’s 30th member and the EU will likely determine whether to launch accession negotiations, are considered key to consolidating the country’s recent breakthrough in its relations with Greece and sustaining its reform momentum.

Brief History

North Macedonia is a small, landlocked country in southeastern Europe (see Figure 1). For most of recorded history, its present-day territory was part of empires and kingdoms centered on or near the Balkan Peninsula. The Ottoman Empire ruled the area from the 14th century until the 1912-1913 Balkan wars. Beginning in the 19th century, this territory (and surrounding territory also referred to as “Macedonia”) was claimed by Bulgaria, Greece, and Serbia, whose leaders regarded the local Orthodox Christian population as their own kin.2 After World War I, the territory of present-day North Macedonia was incorporated into the newly created Kingdom of Serbs, Croats, and Slovenes. Following World War II, Macedonia became one of six constituent republics of the Socialist Federal Republic of Yugoslavia. In 1991, it declared independence as the Republic of Macedonia, following Slovenia and Croatia, two other Yugoslav republics.

For much of the 20th and 21st centuries, Macedonian identity and statehood have been challenged or denied by officials in its larger neighbors, including Serbia (until the creation of Yugoslavia), Greece, and Bulgaria.3 Some analysts believe that the comparatively small size of the population that identifies as Macedonian, coupled with external challenges to the legitimacy of Macedonian identity and statehood, imbues Macedonian nationalism with a sense of vulnerability. This, in turn, has made many Macedonian nationalists reluctant to make concessions on the country’s name, most notably in the course of the country’s nearly three-decade dispute with Greece (see “Rapprochement with Greece,” below).4

---

1 Per the terms of its 2018 agreement with Greece, the country officially became the Republic of North Macedonia in February 2019. The United States previously recognized the country as the Republic of Macedonia. For clarity, this report refers to the country as “North Macedonia” throughout the period following its 1991 independence.


Ethnic Relations

Although North Macedonia largely avoided the conflict that devastated other parts of Yugoslavia in the 1990s, it has been destabilized by periods of tension between its Slavic Macedonian majority (nearly 65% of the population) and ethnic Albanian minority (25%). Tensions between Macedonians and Albanians partly reflect diverging views about whether North Macedonia should be the homeland of and for ethnic Macedonians or a multiethnic state with protections for its ethnolinguistic minority communities. Some Macedonian nationalists fear that extending further cultural rights or autonomy to Albanians would change the character of North Macedonia or result in its dismemberment. Many Albanians, on the other hand, fear marginalization.

During the 1990s, Albanian leaders in North Macedonia criticized language, citizenship, education, and cultural policies that they believed made Albanians second-class citizens and contributed to their underrepresentation in the public administration. Interethnic clashes periodically occurred but stopped short of full-scale violence. In 2001, however, Albanian insurgents waged a months-long armed campaign against state security forces over what they viewed as systematic discrimination against Albanians. At the government’s request, NATO deployed several peacekeeping missions to the country between 2001 and 2003. U.S. and EU officials helped broker the 2001 Ohrid Framework Agreement, which provides for partial devolution of power to municipalities, equal minority representation in the public administration, and greater rights to use the Albanian language and symbols in official settings. While interethnic relations have largely stabilized since 2001, political crises periodically created strain.

---

5 Macedonians identify predominantly as Orthodox Christian and speak Macedonian, a Slavic language, while Albanians identify predominantly as Sunni Muslim and speak Albanian, which is not a Slavic language. The remaining population comprises Turks, Roma, Serbs, and other minority groups.

6 Ceka, “Macedonia: A New Beginning?”


Politics and Economy

Political System

North Macedonia is a parliamentary republic with a unicameral, 120-member legislature. The prime minister serves as head of government, while the directly elected president is mostly a ceremonial position.

Since independence, political competition has largely centered on the rivalry between North Macedonia’s two largest parties: the Social Democratic Union of Macedonia (SDSM) and the center-right, nationalist VMRO-DPMNE. Both parties are considered to be “ethnic Macedonian” parties in that they typically field ethnic Macedonian candidates and seek ethnic Macedonians’ votes. Some observers contend that competition between SDSM and VMRO-DPMNE has often been a greater source of instability than interethnic tensions. Almost all governments have been led by either SDSM or VMRO-DPMNE, usually in coalition with one or more ethnic Albanian parties.

North Macedonia at a Glance

- **Population**: 2.1 million (2018 est.)
- **Comparative Land Area**: Slightly larger than Vermont
- **Capital**: Skopje
- **Ethnic groups**: 64.2% Macedonian, 25.1% Albanian, 3.9% Turkish, 2.7% Romani, 1.8% Serb, 2.2% other (2002 est.)
- **Religion**: 64.8% Orthodox Christian, 33.3% Muslim, 1.9% other/unspecified (2002 est.)
- **Gross Domestic Product (PPP)**: $31.03 billion; per capita GDP $14,900 (2017 est.)
- **Leadership**: President: Stevo Pendarovski (since 2019); Prime Minister: Zoran Zaev (since 2017); Foreign Minister: Nikola Dimitrov; Defense Minister: Radmila Sekerinska
- **Sources**: CIA World Factbook

---

9 Full name: the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity.
10 Prelec, “New Balkan Turbulence Challenges Europe.”
Since 2017, Prime Minister Zoran Zaev has led a coalition government comprised of the SDSM, the Albanian Democratic Union for Integration (DUI), and several smaller parties. The coalition holds a slim majority of seats in parliament. The largest opposition party is VMRO-DPMNE. On May 5, 2019, Stevo Pendarovski (SDSM) was elected president of North Macedonia, replacing Gjorge Ivanov (VMRO-DPMNE), who had opposed many of the Zaev government’s initiatives.

In 2018, the Zaev government reached an agreement with Greece to resolve a nearly 30-year dispute (see below, “Rapprochement with Greece”) and lift Greece’s veto over North Macedonia’s NATO and EU membership bids. North Macedonia signed its NATO accession protocol in February 2019, and the government has pledged to implement economic and political reforms required for EU membership. Some observers believe that North Macedonia’s reform-oriented political climate could grow fragile if the EU delays the country’s long-awaited accession negotiations beyond 2019 (see below, “NATO and EU Membership”).

**Democratic Backsliding and 2015-2017 Political Crisis**

North Macedonia’s reform record and relative stability in the 1990s made it an early Western Balkan frontrunner for EU and NATO membership. Its NATO Membership Action Plan was launched in 1999. In 2004, it became the first Western Balkan country to have its Stabilization and Association Agreement with the EU—considered a first step toward membership—enter into force. North Macedonia became a candidate for EU membership the following year.

In the late 2000s, however, the introduction and implementation of reforms began to lag and the country’s democracy experienced setbacks. These trends culminated in a political crisis from 2015 to 2017. Some analysts believe Greece’s veto of North Macedonia’s NATO membership bid at the alliance’s 2008 Bucharest Summit triggered this period of backsliding. According to the International Crisis Group, Nikola Gruevski (VMRO-DPMNE), who became North Macedonia’s prime minister in 2006 and held the position for the following decade, responded to the “huge shock” of the veto by escalating a state-backed “antiqisation” campaign that promoted “an idiosyncratic view of [ethnic] Macedonians’ glorious ancient past.” The initiative alienated the country’s Albanian population and widened the rift with Greece.11

In addition to Gruevski’s controversial appeals to Macedonian nationalism, international and domestic NGOs expressed concern over setbacks in the rule of law, judicial independence, and media freedom. Corruption and the ruling party’s reported abuse of public institutions also became problematic issues.12 As a result of these developments and Greece’s continued veto threats, North Macedonia’s EU and NATO membership bids lagged behind those of its neighbors: Croatia and Albania joined NATO in 2009 and Montenegro in 2017, Croatia became an EU member in 2013, and the EU launched accession negotiations for Montenegro and Serbia in 2012 and 2014, respectively.

In 2015, a two-year political crisis was triggered when opposition parties, led by Zaev, accused the Gruevski government of orchestrating an illegal wiretapping network that targeted more than 20,000 individuals, including opposition and government officials, activists, diplomats, and journalists.13 Transcripts of allegedly wiretapped conversations implicated top government officials in abuses of office, including extortion, blackmail, and electoral fraud, among others. An EU-backed Senior Experts’ Group viewed the recordings as the government’s attempt to gain

---


leverage over its rivals, judges and prosecutors, and its own officials. The scandal triggered pro-
and anti-government protests that threatened to turn violent and renew interethnic tensions.

The United States and the EU helped defuse the crisis by brokering the 2015 Przino Agreement,
which established a timeline for early elections. These elections, held in 2016, had mixed results:
Gruevski’s VMRO-DPMNE and Zaev’s SDSM were virtually tied with vote shares of 38% (51
seats) and 37% (49 seats), respectively.\textsuperscript{14} The SDSM ultimately reached a coalition agreement
with the DUI and the Alliance for Albanians. However, the United States and the EU again
intervened when President Ivanov refused to give Zaev the mandate to form a government and,
shortly thereafter, when a violent mob assaulted SDSM lawmakers and allies in the parliamentary
chamber. Several VMRO-DPMNE lawmakers were accused of aiding the attack.

\section*{Renewed Reform Momentum}

In May 2017, the SDSM-led coalition formed a government under Zaev. Since then, the political
situation in North Macedonia has largely stabilized. Local elections in October 2017 further
cemented the SDSM’s position: It won mayoral elections in 57 out of 81 municipalities, including
most urban areas. The VMRO-DPMNE won just five mayoral elections.\textsuperscript{15} These poor results
prompted Gruevski to resign as party leader. Hristijan Mickoski was elected to replace him.\textsuperscript{16}

Prime Minister Zaev has pledged to enact reforms to meet EU and NATO membership
requirements, with strong backing from the EU, NATO, and the United States. Zaev considered
repairing North Macedonia’s bilateral relations with Bulgaria and Greece—EU and NATO
members with veto power in both organizations—as a key step to renewing progress toward
Euro-Atlantic integration. In 2017, North Macedonia and Bulgaria agreed to a Friendship Treaty
(ratified in 2018) that established a framework to improve bilateral relations, which were
historically fraught due in part to Bulgaria’s non-recognition of Macedonian language and
identity.\textsuperscript{17} While most regarded the treaty as a positive development, resolving North
Macedonia’s dispute with Greece was generally considered a greater challenge.

\section*{Rapprochement with Greece}

Greece strongly objected to North Macedonia’s adoption of the name \textit{Republic of Macedonia}
upon its 1991 independence, viewing it as an implicit territorial claim to Greece’s northern region
bearing the same name as well as an appropriation of the cultural heritage of ancient Macedon.
For nearly three decades, North Macedonia’s goal of EU and NATO membership was stymied by
Greece’s veto threat in both organizations. The unresolved dispute adversely affected North
Macedonia’s Euro-Atlantic ambitions and undercut reform momentum.\textsuperscript{18} The Zaev government’s
EU and NATO accession platform, as well as receptiveness under Greek Prime Minister Alexis
Tsipras, created an opening for a new round of negotiations. North Macedonia and Greece
reached the historic Prespa Agreement in June 2018, whereby Macedonia would change its name

\begin{itemize}
\item \textsuperscript{14} \textit{Deutsche-Welle}, “Ruling Conservatives Win Narrowly in Macedonian Elections,” December 12, 2016.
\item \textsuperscript{15} Sinisa Jakov Marusic, “Macedonia’s Ruling Party Celebrates Local Election Victory,” BalkanInsight, October 16,
2017.
\item \textsuperscript{16} A special prosecutor appointed to investigate the allegations opened numerous cases against VMRO-DPMNE
officials, including Gruevski. In May 2018, Gruevski was sentenced to two years of imprisonment for corruption in one
of multiple criminal charges he faced. In November 2018 Gruevski fled Macedonia and received political asylum in
\item \textsuperscript{17} Sinisa Jakov Marusic and Mariya Cheresheva, “Macedonia Approves Landmark Friendship Treaty with Bulgaria,
\item \textsuperscript{18} International Crisis Group, “Macedonia: Ten Years After the Conflict.”
\end{itemize}
to North Macedonia and Greece would lift its veto over North Macedonia’s Euro-Atlantic integration, among other provisions.

The agreement’s final enactment, however, was far from certain. It required legislative action in Greece’s and North Macedonia’s parliaments, where both governments faced sharp challenges from nationalist opponents. To the surprise of some observers, in January 2019 parliaments in both countries passed the required measures, albeit with razor-thin vote margins.

U.S. and EU officials have praised Zaev and Tsipras for demonstrating leadership by making concessions that were politically controversial but viewed as important for the long-term prosperity of both countries. Nevertheless, Zaev and Tsipras expended political capital in the process. Zaev’s government accepted a controversial partial amnesty of individuals involved in the 2017 attack in parliament in exchange for the support of some VMRO-DPMNE lawmakers, while some Albanian parties made their support contingent on legislation to expand the official use of the Albanian language.19 Tsipras narrowly survived a no-confidence vote.

In another sign of improved ties, in April 2019 Tsipras became the first Greek leader to visit North Macedonia. Analysts note, however, that improved bilateral relations could be tested by parliamentary elections due to be held in Greece by October 2019. Public opinion polls indicate that Tsipras could lose power. His most probable successor, Kyriakos Mitsotakis of the New Democracy party, opposed the Prespa Agreement. While Mitsotakis has since conceded that the agreement is binding and applies to North Macedonia’s NATO accession, some observers expressed concern when he stated that a New Democracy–led government would block North Macedonia’s EU accession progress if Greek interests are threatened, including commercial interests for products from Greece’s Macedonia region.20

**Domestic Reforms**

Following the breakthrough in North Macedonia’s bilateral relations with Bulgaria and Greece, U.S. and EU officials encouraged the Zaev government to implement political and economic reforms. Political instability, weak rule of law, corruption, a large shadow economy, and skilled labor shortages are viewed as impediments to improving conditions in North Macedonia. One of the key challenges will be surmounting the “deep-seated culture of state capture, cronyism, and corruption” that took root under previous governments.21

In 2015, the EU identified Urgent Reform Priorities for North Macedonia. These priorities, along with others from the EU-backed Senior Experts’ Group, continue to guide the reform agenda. Priorities include improving judicial independence, implementing public administration and public financial oversight strategies to depoliticize appointments, updating the voters’ list to improve trust in elections, and strengthening anticorruption institutions.22 Analysts believe that the governing coalition’s slim majority in parliament may make it difficult to pass reforms without partial support from the opposition VMRO-DPMNE.23

---

21 U.S. State Department Bureau of Economic and Business Affairs, “Investment Climate Statements for 2018: Macedonia.”
2019 Presidential Election

On May 5, 2019, Stevo Pendarovski, a candidate backed by Zaev’s SDSM, was elected president of North Macedonia. The presidency is a largely ceremonial office, but relations between the Zaev government and former President Gjorge Ivanov (2009-2019), an ally of former Prime Minister Gruevski, were fraught due to Ivanov’s refusal to sign numerous laws backed by the Zaev government. He also opposed the Prespa Agreement.

Pendarovski received 52% of the vote, while Gordana Siljanovska-Davkova, the candidate backed by VMRO-DPMNE, received 45%. Pendarovski’s campaign centered on the government’s progress in guiding North Macedonia to NATO membership, while Siljanovska-Davkova’s criticized the Prespa Agreement and pledged to “use all legal means to prove that it is not in accordance with international law.” Analysts viewed the presidential elections as a litmus test of public support for the government after the Prespa Agreement and amid broad dissatisfaction over corruption, high unemployment, and poverty. Despite Pendarovski’s victory, SDSM officials reportedly believe that the results depict a narrowing pro-government support base. While foreign leaders herald the breakthrough with Greece, voters in North Macedonia are likely eager for the government to implement economic and political reforms that have a more tangible impact on their quality of life—but have received less attention thus far.

Economy

North Macedonia was one of Yugoslavia’s poorest and most underdeveloped regions. Its economy experienced sharp decline during the 1990s. In the 2000s and 2010s, its GDP growth rate fluctuated in response to political instability and global economic trends. With the 2015-2017 political crisis seemingly resolved, the International Monetary Fund projects real GDP growth to be 2% or slightly higher in 2019 and 2020. In its 2018 report on North Macedonia, the European Commission lauded the country’s public finance transparency reforms but expressed concern over unemployment, infrastructure deficiencies, weak contract enforcement, and large informal economy. Renewed crisis is one of the greatest risks to economic health going forward.

Unemployment decreased from over 30% in 2010 to just over 20% in 2018. However, youth unemployment is more than twice as high. Over 20% of the population lives below the poverty line. Unemployment and poverty contribute to high rates of emigration from North Macedonia. An estimated 20%-30% of the population (450,000-630,000 people) emigrated between 1994 and 2013, mostly to Western Europe.

The EU is North Macedonia’s most important economic partner. Of North Macedonia’s total trade in 2017, 70% was with EU member states, while over 80% of North Macedonia’s exports...
Trade between the two is almost fully liberalized. Successive governments in North Macedonia have prioritized foreign direct investment, which has increased somewhat since the late 1990s due in part to a low corporate tax rate, low labor costs, and free trade zones. In 2017, the top five source countries of foreign direct investment in North Macedonia were EU member states. North Macedonia was rated 10th in the World Bank’s 2019 Ease of Doing Business rankings, the best ranking of any country in the Balkans and East-Central Europe and the fifth-highest in Europe. The Zaev government’s 2018 Plan for Economic Growth includes incentives for foreign firms that operate in the country’s free economic zones.

Foreign Relations and Security Issues

NATO and EU Membership

Since independence, successive governments in North Macedonia have viewed NATO and EU membership as the country’s top foreign policy priority. The United States strongly supports North Macedonia’s prospective membership in both organizations, and U.S. and EU officials consider the Euro-Atlantic integration process to be a source of stability and a driver of political and economic reforms in North Macedonia. Anchoring North Macedonia in Euro-Atlantic institutions is viewed as a way to help prevent the emergence of a strategic vacuum in the Western Balkans. The fixed goal of EU and NATO membership has helped guide reforms under the Zaev government by establishing a reform framework and identifying policy priorities.

North Macedonia appears likely to become NATO’s 30th member in late 2019 or early 2020. On February 6, 2019, following the finalization of the Prespa Agreement with Greece, North Macedonia signed its NATO accession protocol. For North Macedonia to join the alliance, all 29 NATO allies must first ratify the protocol in accordance with domestic procedures. On February 8, Greece became the first NATO member to ratify it. In the United States, the Senate is responsible for protocol ratification (by two-thirds majority). President Trump formally transmitted the protocol to the Senate on April 29, 2019. If all 29 NATO members approve the protocol, the NATO secretary general would formally invite North Macedonia to accede to the treaty. In the final step, North Macedonia would need to approve its NATO membership through a referendum or a parliamentary vote.

North Macedonia launched its NATO Membership Action Plan in 1999. North Macedonia has contributed to NATO missions in Afghanistan and Kosovo. Its 2018 Strategic Defense Review establishes a timeline for increasing defense spending from its 2013-2017 average of 1.1% of GDP to NATO’s 2% target by 2024. The government plans to reach 2% by annually increasing defense spending by 0.2%. The government includes equipment modernization and streamlining the armed forces from approximately 8,200 to 6,800 active personnel as reform priorities.

31 U.S. State Department Bureau of Economic and Business Affairs, “Investment Climate Statements for 2018: Macedonia.”
33 White House statement, April 29, 2019.
North Macedonia’s short-term prospects for EU membership are less certain. It has been an EU candidate since 2005, but its progress toward membership stalled largely due to the name dispute with Greece. Opinion polls indicate a strong base of popular support among Macedonians for EU membership in part due to the widespread belief that membership will improve their quality of life. Many observers, however, question whether there is unanimous support for enlargement among the leaders of the EU’s 28 member states.

The “Transformative Power” of EU Enlargement

North Macedonia is one of six Western Balkan countries seeking EU membership. The EU’s approach to enlargement in the region is partly informed by lessons learned in previous rounds of enlargement into East-Central and Southeastern Europe in 2004, 2007, and 2013. The EU accession process was considered a uniquely successful democracy promotion tool in countries that were transitioning from nearly 50 years of single-party communist rule. During these earlier waves of enlargement, the strong allure of EU membership gave governments in candidate countries incentive to establish democratic institutions—a requirement for membership—that they might have been less committed to building without a clear, credible path to membership. This democratic conditionality is sometimes referred to as the EU’s “transformative power.”

The transformative power of EU integration, however, depends in part on the “reward” of EU membership being credible. During earlier rounds, EU officials sent relatively strong and consistent signals of commitment to enlargement in East-Central and Southeastern Europe. By contrast, many analysts believe that signs of “enlargement fatigue” in some EU member states, as well as sometimes contradictory comments on enlargement from different EU officials and member state leaders, casts far more uncertainty over the short-term membership prospects of current candidate countries in the Western Balkans than in earlier enlargements. They further contend that doubts over the EU’s willingness to admit new members undercuts Western Balkan leaders’ incentive to implement costly reforms and, in some cases, has prompted them to deepen ties to alternative powerbrokers such as Russia, Turkey, and China.


The next step in North Macedonia’s membership bid would be for the EU to open accession negotiations. (Montenegro and Serbia’s accession negotiations were launched in 2012 and 2014, respectively.) This would begin the lengthy process of harmonizing North Macedonia’s domestic legislation with the body of EU treaties, laws, and rules known as the acquis communautaire, which is subdivided into 35 thematic “chapters.” In order to open North Macedonia’s accession negotiations, leaders from all 28 EU member states must agree.

Although the European Commission (the EU’s executive) recommended launching accession negotiations with North Macedonia in 2018, France, Denmark, and the Netherlands were reportedly opposed, citing the need for continued reform progress in North Macedonia. As a result, EU leaders delayed launching negotiations and set 2019 as the target date for opening them. However, recent statements from French President Emmanuel Macron have prompted some observers to speculate that France may again seek to delay negotiations. Although the EU asserts that it is committed to further enlargement, analysts suggest that some European leaders and publics are wary amid various concerns about the EU’s future and issues such as migration.


37 Albania’s accession negotiations launch was also postponed. The European Commission recommended launching negotiations on several other occasions before 2018, but member state leaders did not unanimously concur. The 2018 European Council conclusions available at https://www.consilium.europa.eu/media/35863/st10555-en18.pdf.

Observers have expressed concern that another delay in opening accession negotiations could deflate the Zaev government’s reform agenda, damage the EU’s reputation in the country, and enable Zaev’s critics to charge that he sacrificed the country’s name without any reward from the EU.\(^{39}\) It would likely add to the sense of uncertainty as to whether the EU would admit North Macedonia even if it met all membership requirements. Some analysts cite the reform drift, corruption, and democratic setbacks that followed NATO’s 2008 Bucharest Summit—when Greece vetoed North Macedonia’s membership invitation—as evidence of the backsliding that can occur when EU and NATO membership are perceived as being beyond reach.

As a candidate country, North Macedonia is eligible for assistance from the EU’s Instrument for Pre-Accession Assistance II (IPA II). Between 2014 and 2020, North Macedonia is expected to receive €664 million ($744 million at current exchange rate) in IPA II allocations.\(^{40}\) Some EU members provide additional aid to North Macedonia through national assistance programs.

### Relations with Russia

Many analysts believe that EU and NATO membership would help build resilience against Russian influence in North Macedonia. Russia, which opposes NATO enlargement in the Balkans, was critical of the Prespa Agreement. In July 2018, Greece expelled two Russian diplomats in response to accusations that the Kremlin was aiding anti-Prespa protests.\(^{41}\) Prime Minister Zaev likewise accused a Kremlin-linked businessman of funding a campaign that urged voters to boycott a referendum on changing the country’s name.\(^{42}\) Pro-boycott narratives were spread through social media. Intelligence officials in North Macedonia and the West reportedly attributed online disinformation campaigns to pro-Russia groups. A U.S. diplomat described the campaign as “an extraordinarily complex, organized, and toxic amount of disinformation.”\(^{43}\) In September, then-U.S. Secretary of Defense James Mattis echoed these concerns during a visit to Skopje. Russia continues to challenge the legitimacy of the Prespa Agreement and push the narrative that the West “forced” North Macedonia into NATO.\(^{44}\)

Russia’s ability to exert influence in the aftermath of the Prespa Agreement’s signing may have been facilitated by a reportedly years-long campaign to increase Russia’s intelligence footprint in the country, project soft power through Russian-Macedonian friendship organizations and Kremlin-linked media such as Sputnik and RT, forge alliances with local anti-establishment politicians and groups, and propagate anti-Western narratives that tap into nationalist fears.\(^{45}\) Russian soft power draws on cultural kinship and shared Orthodox Christian religious tradition.

---

40 EU, “North Macedonia—Financial Assistance Under Instrument for Pre-Accession Assistance II (IPA II).”
42 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 $350,000 to anti-Prespa groups, Macedonian politicians, and a soccer club whose members were reportedly paid to hold a violent protest the day after the agreement was signed. See Saska Cvetkovska, “Russian Businessman Behind Unrest in Macedonia,” OCCR, July 16, 2018.
with ethnic Macedonians, although Russian-Macedonian ties are less established and historically grounded than Russian ties to other Orthodox Christian populations such as Greeks, Bulgarians, and Serbs. Analysts believe that Russia’s goal was to sustain instability and widen political and social divisions in order to undermine North Macedonia’s Euro-Atlantic integration.

**Relations with China**

U.S. and EU officials have voiced concern over China’s growing economic clout in the Western Balkans. China has invested in regional infrastructure, energy initiatives, and other sectors as part of its Belt and Road Initiative, an ambitious transcontinental project to expand Chinese trade and investment. In 2016, China’s state-owned COSCO Shipping acquired majority stakes in the Piraeus Port Authority in Greece, reportedly with ambitions of using it as an entry point for container shipping to Western Europe via the Balkans. Within the Belt and Road Initiative 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.

China has not invested as heavily in North Macedonia as it has in other Western Balkan countries. The most significant investment thus far is a 2013 loan worth €580 million ($648 million at exchange current rate) from China’s ExIm Bank to help fund two highway projects: Miladinovic-Stip (completed) and Kicevo-Ohrid (under construction). Chinese engineering and construction company Sinohydro was awarded the contract for construction, which began in 2014.

Some observers caution that the highway segments may highlight potential perils of Chinese investment in the region. The projects have been mired in several controversies. North Macedonia’s Special Prosecutor Office—tasked with investigating abuses of office raised in the wiretapping scandal (see above)—filed unlawful influence charges against Gruevski and the former transport minister for allegedly violating procurement rules by awarding the contract to Sinohydro despite receiving a lower bid from another contractor. Officials reportedly extorted millions of euros from an intentionally inflated project budget. Some of the recordings capture alleged conversations between top officials “discussing direct payments from” Sinohydro. Furthermore, the relative ease of receiving Chinese financing, as well as the requirement that the recipient government serve as loan guarantor, could lead to an untenable public debt burden, particularly when project costs unexpectedly increase. Highway construction was halted in 2017 due to planning errors. After the delay, the contract with Sinohydro was amended with a three-year extension, and the Chinese firm reportedly sought an additional $160 million to complete the Kicevo-Ohrid segment, raising the construction costs by 10% over the initial estimate.

---

46 A 2018 National Democratic Institute survey found that 32% of respondents had a favorable view of Russia (vs. 60% in Serbia and 45% in Montenegro). See National Democratic Institute, “Western Balkans Between East and West,” November 2018.


49 Marusic, “Macedonia’s Ousted PM Awaits Four Trial Verdicts.”


U.S. Relations

The United States and North Macedonia enjoy good relations. The United States strongly supports North Macedonia’s NATO and EU membership bids. After Greece blocked North Macedonia’s NATO entry in 2008, the United States signed a “Declaration of Strategic Partnership and Cooperation” with North Macedonia to signal U.S. commitment to expeditiously securing North Macedonia’s NATO membership. Furthermore, the United States has cooperated with the EU to defuse political crises in North Macedonia, most recently in 2017.

The United States also assists North Macedonia with security challenges, including returned foreign fighters, trafficking, and cybersecurity. North Macedonia’s Ministry of Interior estimates that 150 or more of its citizens fought with the Islamic State in Iraq and Syria, of which roughly 80 have since returned. The United States has cooperated with law enforcement and intelligence officials in North Macedonia to identify threats, provided training for judges and prosecutors involved in terrorism cases, and supported organizations that work toward countering violent extremism.52 The U.S. State Department classifies North Macedonia as a Tier 2 country with regard to trafficking in persons: Despite improvements in its efforts to combat trafficking, the government does not meet the State Department’s minimum conditions for its elimination.53 Finally, U.S. Cyber Command, a unit in the Department of Defense, has worked with authorities in North Macedonia to improve cyber defense capabilities and is reportedly deploying one or more experts for on-site assistance.54

The United States has provided significant amounts of foreign assistance to North Macedonia. From the country’s independence in 1991 through FY2015, the United States obligated about $819 million in aid to North Macedonia, according to the USAID Greenbook. In 2007, the NATO Freedom Consolidation Act (P.L. 110-17) was passed, making North Macedonia eligible for assistance under the NATO Participation Act of 1994. As a candidate for EU and NATO membership, North Macedonia is eligible for assistance through the Countering Russian Influence Funds under the Countering America’s Adversaries Through Sanctions Act enacted in 2017 (P.L. 115-44). The United States provided $21.6 million in foreign assistance to North Macedonia in FY2017 and $15.3 million in FY2018. The Trump Administration’s proposal to decrease foreign assistance levels, however, includes North Macedonia: The Administration requested $6.3 million for FY2019 and $5.7 million for FY2020.55

Many Members of Congress supported Greece and North Macedonia’s negotiations to resolve their bilateral dispute. Resolutions were sponsored in both chambers to support North Macedonia’s landmark agreement with Greece and back its NATO membership bid. On February 6, 2019, the chairman and ranking member of the House Committee on Foreign Affairs wrote an open letter to Secretary of State Mike Pompeo urging the Administration to back North Macedonia’s accession.56 With growing concern over Chinese and Russian global influence, some

---

Members have expressed concern over external influence in the Western Balkans region—including North Macedonia. Finally, some observers contend that North Macedonia’s strong desire for EU and NATO membership serves as a reminder to officials on both sides of the Atlantic of the worth of the transatlantic partnership, particularly at a time when it has grown strained. North Macedonia Foreign Minister Nikola Dimitrov has often remarked that “those on the inside forget how cold it is outside.”

Author Information

Sarah E. Garding
Analyst in Balkan and Southeast Europe Affairs

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS’s institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

See Robbie Gramer, “North Macedonia Gets Coveted Seat at NATO’s Table,” Foreign Policy, April 4, 2019.