North Macedonia's Foreign Policy under VMRO-DPMNE:

The Limits of Multi-Vectoralism



POLITICAL CAPITAL
POLICY RESEARCH & CONSULTING INSTITUTE

NORTH MACEDONIA'S FOREIGN POLICY UNDER VMRO-DPMNE: THE LIMITS OF MULTI-VECTORALISM

Author: Ferenc Németh – PhD Candidate, Corvinus University of Budapest

He is a Western Balkans expert and a PhD Candidate at the Corvinus University of Budapest. He was a Visiting International Graduate Student at the Munk School of Global Affairs and Public Policy (University of Toronto) and conducted research at Ss. Cyril and Methodius University in Skopje. Ferenc was a Research Fellow at the Hungarian Institute of International Affairs, a lecturer at Eötvös József College, and worked at EULEX Kosovo. He holds a master's degree in international relations from Corvinus University of Budapest and pursued post-graduate studies at the universities of Graz and Belgrade. His areas of expertise include the Western Balkans, EU enlargement, and security studies.

Editing, contribution (Graphs): Péter Krekó, Richárd Demény

Graphic Design: Réka Elekes.

This policy paper is produced by Political Capital, supported by Open Society Foundations—Western Balkans. Views and opinions expressed are those of the author(s) only and do not necessarily reflect those of the Open Society Foundations—Western Balkans

Table of contents

EXECUTIVE SUMMARY ____ 4

INTRODUCTION ____ 4

NORTH MACEDONIA'S FOREIGN POLICY AFTER 2024 ____ 5

- The European Union ____ 5
- The United States ____ 5
- Russia ____ 6
- China ____ 7

REGIONAL PARTNERSHIP IN FOCUS: HUNGARY ____ 7

CONCLUSION ____ 9

Executive summary

- The return of VMRO-DPMNE to power raised concerns about the strengthening of an illiberal political network in the Western Balkans, particularly through the party's ties with Serbia and Hungary.
- At the same time, the Mickoski-led government has sought to broaden the country's foreign policy orientation by nurturing closer relations with the Trump-led US and China. Its approach, however, has not resulted in a coherent multi-vectoral foreign policy like Serbia's.
- Hungary, under former prime minister Viktor Orbán, became the leading political and economic supporter of VMRO-DPMNE. Granting political asylum to former prime minister Nikola Gruevski and the €1 billion Hungarian loan became the most visible example of Hungary's influence. After the Hungarian regime change in May 2026, however, authorities opened an investigation into Eximbank's loan to North Macedonia. Gruevski's faith, on the other hand, is still up in the air.
- The EU should maintain a credible accession perspective and link financial assistance to democratic reforms, while Washington should turn closer political ties into sustainable economic and security cooperation.
- North Macedonia should ensure transparency in Chinese-backed investments, strengthen resilience against Russian influence (including disinformation), and rethink its relationship with Hungary, including resolving the Gruevski extradition case.

Introduction

After seven years in opposition, the Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (VMRO-DPMNE) secured a decisive victory in the presidential and parliamentary elections in 2024. The return of the right-wing party to power raised questions about the country's expected foreign policy trajectory early on, reflecting on fears of North Macedonia joining the illiberal axis of Serbia, Hungary and Bosnia and Herzegovina's Republika Srpska, while ideologically siding with the Trump-led US administration and China.

Concerns about the regional implications of VMRO-DPMNE's return emerged before the elections. The VMRO-DPMNE's previous period in government, between 2006 and 2016, was marked by state capture, corruption, and stalled Euro-Atlantic integration. The flight of former prime minister Nikola Gruevski to Hungary in 2018, where Viktor Orbán's government granted him asylum and Hungarian citizenship, had also become a defining example of the close relationship between illiberal regimes.

Although VMRO-DPMNE's previous period in government left a negative legacy, its return in 2024 has not resulted in the revival of the state capture of the Gruevski era. Nonetheless, the government has faced public scrutiny over pressure on the judiciary, weak anti-corruption enforcement and vulnerabilities of media pluralism. In foreign affairs, the party's return consequently raised concerns that North Macedonia could become a more active participant in the political network connecting Budapest, Belgrade and other capitals. The concern is not necessarily that North Macedonia would leave the Western political and

security framework but that the government could help enlarge a "regional political cooperation" capable of weakening democratic standards, challenging EU influence and normalizing closer cooperation with malign external actors.

More than two years after the change of government, the key question is whether Mickoski has managed to turn these illiberal political connections (and expectations) into a coherent foreign policy strategy. Has North Macedonia attempted to emulate Serbia's multi-vectoral foreign policy approach? This paper argues that the government has broadened its partnerships and strengthened its ties with Hungary, Serbia, the US and China, but has not achieved a genuine geopolitical reorientation.

North Macedonia's Foreign Policy after 2024

The European Union

EU membership remains the declared strategic objective of the Mickoski government, but the accession process has made no tangible (political) progress. The central obstacle is the government's refusal to adopt the constitutional amendments required under the 2022 so-called European (French) proposal, which would include the Bulgarian minority in the constitution's preamble. Mickoski has argued that North Macedonia should not make further concessions without guarantees that Bulgaria will not introduce additional demands and block the process again. His government has also proposed that the amendments enter into force at a later stage of accession.

The result is a policy of declaring the EU as a strategic priority while allowing the process itself to remain stalled. As a potential result, the longer the accession process remains blocked, the greater the opportunity for other actors to expand their political presence.

The United States

The United States has been one of the most visible priorities of the Mickoski government. The prime minister has sought to cultivate a close relationship with the Trump administration and political circles around him, and has repeatedly emphasized ideological affinities with the American conservative political environment. The primary driving force is, however, not the (perceived) ideological proximity but of economic nature: the North Macedonian government sought to enhance its economic performance by siding with the US on political matters.

This distinction between political relations and economic opportunists is also reflected in public perceptions. In 2025, 47 percent of respondents identified the US as the most influential external actor in North Macedonia, compared to 37 percent for the EU. However, when asked about the country's main economic partner, only 22 percent said the US, while 38 percent opted for the EU. Without the security and diplomatic/political dimensions, Washington's ability to serve as an economic counterweight to the EU remains limited.

The clearest political sign of this approach came in 2025, when North Macedonia's voting behavior at the United Nations diverged from that of EU member states on resolutions concerning Russia's war against Ukraine. Skopje abstained on the EU-supported resolution and voted in favor of a US-backed alternative that did not explicitly identify Russia as the aggressor. This diplomatic episode was significant because it showed that the new government was prepared to use a specific international vote to signal political proximity to Washington.

The government has also secured some concrete developments in its relationship with Washington, D.C. The second US–North Macedonia Strategic Dialogue, which was established prior to VMRO-DPMNE's return to power, took place in 2026, and the two countries reached a framework for a reciprocal trade agreement, too.

The government has improved its political visibility in Washington and secured a trade framework. However, its alignment with Trump has been more visible in rhetoric and selected diplomatic gestures than in a fundamental reorientation of North Macedonia's foreign policy.

Russia

Russia is the clearest example of the limits of North Macedonia's multi-vectoral foreign policy ambitions. Despite concerns that VMRO-DPMNE's return could lead to a more welcoming position towards Moscow, the government has not initiated any meaningful strategic rapprochements with Russia. North Macedonia has continued to align with EU restrictive measures against Moscow: The European Commission's annual report (2026) confirmed that the country maintained full alignment with the EU Common Foreign and Security Policy, including on measures related to Russia's war against Ukraine.

VMRO-DPMNE's approach towards Russia is less about seeking closer ties with Moscow than about preserving political room for manoeuvre. Its continued alignment with the EU is primarily a pragmatic choice. At the same time, however, the government can use nationalist rhetoric and grievances over national identity for domestic political purposes without translating these positions into an actual pro-Russian shift in its foreign policy. In 2025, for example, 43% of respondents favored alignment with the EU and the US, and only 22% supported an alliance with Russia. At the same time, 45 percent opposed sanctions against Moscow in 2025. This suggests that public reluctance to introduce sanctions should not be confused with a preference for geopolitical alignment with it.

Russia nevertheless has plenty of opportunities to influence the domestic political environment. The unresolved dispute with Bulgaria, frustration with the EU accession process, identity-related grievances, and interethnic dynamics between Macedonians and Albanians provide fertile ground for narratives that portray European integration as a threat to Macedonian identity or sovereignty. In this respect, the government's nationalist rhetoric towards domestic audiences and the stagnation of EU accession can create opportunities for Russian influence even without a pro-Russian shift in its official policy.

China

China's role in North Macedonia is visible in the economic and infrastructure fields. The Mickoski government has shown interest in attracting Chinese investment and technology, while the region's transport corridors and energy connections offer Beijing opportunities to strengthen its economic presence. The government's primary objective is to attract Chinese investment, thereby diversifying its economic partnerships rather than pursuing a geopolitical reorientation towards Beijing. However, this approach has its limits: while public perceptions of China are generally positive (70 percent of respondents expressed a favorable opinion of China in 2025), Chinese-backed projects have also generated concerns over transparency, delays in construction and their quality, particularly in the case of the Kičevo–Ohrid highway.

Positive perceptions do not translate into awareness of China's actual economic presence. According to the same 2025 IRI survey, only 20 percent of respondents were aware of major Chinese investments in North Macedonia. In economic terms, China accounted for about 10 percent of the country's imports, compared to 50 percent for the EU. This indicates that Beijing's economic role remains considerably smaller than that of the EU, and its opportunities to expand its influence would likely remain more limited without North Macedonia's "invitation".

An interesting feature is that in North Macedonia, Chinese-linked activity is often mediated through regional partners, particularly Hungary and Serbia. For example, the Hungarian telecommunications group 4iG entered the North Macedonian market in 2024 and has pursued cooperation with Huawei. The Hungarian loan has also raised questions about the possible indirect role of Chinese finance. Investigative reporting pointed to Hungary's own borrowing from Chinese financial institutions and the possibility that Chinese funds were channeled through the Hungarian Eximbank. However, there is not yet any publicly available evidence to prove this claim.

On the side of infrastructure, the proposed Budapest–Belgrade–Skopje–Athens railway connection would link Central Europe with the port of Piraeus, in which China has a major presence. The corridor reflects overlapping Hungarian, Serbian, and Chinese economic interests, and Mickoski had presented North Macedonia as a missing link in a Chinese-backed route from Piraeus to Central Europe. Yet, the project is a long-term ambition, and its benefits will depend on financing, construction, and the coordination of the participating states.

Regional partnership in focus: Hungary

Hungary has been the most important external political and financial partner of the Mickoski government that is also an EU member state. The relationship rests on longstanding party ties between Fidesz and VMRO-DPMNE, Orbán's support for former prime minister Nikola Gruevski, and the latter's presence in Budapest. Furthermore, Hungarian media acquisitions and business interests are also significant in North Macedonia.

The €1 billion loan provided through the Hungarian state-owned Eximbank became the most visible example of this renewed partnership. The financing was arranged in two separate transactions of €500 million each. The first agreement provided funding for budget liquidity and support for municipal projects and companies. It carried a fixed interest rate of 3.25 percent, a 15-year repayment period, and a three-year grace period. The second €500 million agreement was intended to finance the repayment of a Eurobond that matured in 2025. The scale of this financial "assistance" becomes even clearer when compared with the size of the North Macedonian economy: the €1 billion package was equivalent to approximately six percent of the country's GDP in 2025 (about €16.95 billion). On the political level, the loan strengthened Hungary's position as an important financial partner of the new government. At the same time, it also raised questions about the transparency of the transactions, the origin of the funds, and the reasons Hungary was willing to provide such substantial financing on highly favorable terms.

The change of government in Hungary in 2026 altered the political context of the partnership. Péter Magyar's victory brought an end to Orbán's sixteen-year period in office and raised questions about the future of Hungary's foreign policy towards the Western Balkans, including North Macedonia. The new Hungarian government has signaled that it intends to review several of the previous administration's politically sensitive decisions, including the protection granted to individuals wanted by foreign judicial authorities. This has direct implications for Gruevski, whose asylum in Hungary had become a symbol of the relationship between Fidesz (Orbán himself) and VMRO-DPMNE.

Magyar indicated that Gruevski should no longer be able to rely on Hungary as a refuge. However, no extradition had taken place yet, and the ball is on Skopje's side. The North Macedonian authorities need to prepare an updated documentation and submit a new request for the extradition. In sum, it is not enough for the Hungarian government to express political willingness: North Macedonia must also complete the legal steps required for extradition.

The issue has become a test of both governments. For Budapest, returning Gruevski would mark a clear break with one of Orbán's most controversial foreign policy decisions. For Skopje, failure to secure his return raises questions about the government's commitment to accountability for the previous VMRO-DPMNE administration. The Mickoski government has little incentive to turn the issue into a public confrontation with its former political ally, but the continued delay risks undermining its own anti-corruption narrative.

The Hungarian loan itself has become a second test of the relationship. The Hungarian police have already opened a criminal investigation into suspected abuses involving the state-owned Eximbank, and one of the transactions under scrutiny is the €1 billion loan to North Macedonia. Péter Magyar suggested that funds intended to support Hungarian businesses may have been diverted to benefit a foreign political ally and companies connected to the previous administration, however, these are allegations under investigation. (Mickoski rejected the accusations and maintained that the funds had been used transparently.)

Conclusion

The developments since 2024 have confirmed that the political and economic ties between VMRO-DPMNE and illiberal regimes are real and consequential. However, the country's foreign policy has not undergone a comprehensive geopolitical realignment. The United States can provide security cooperation, diplomatic support, and access to investment; China can offer financing and technology; and Hungary has provided direct financial assistance and political backing. None of these relationships, however, can replace the EU's role as North Macedonia's main economic partner or the institutional framework.

- The EU should strengthen its engagement with North Macedonia rather than take the country's European orientation for granted. Maintaining a credible and predictable accession perspective, addressing Skopje's concerns over the implementation of the European (French) proposal with Bulgaria, and linking financial assistance to tangible progress in the rule of law, anti-corruption efforts, and media freedom would help reduce the space for alternative political influences. Had the accession process advanced following 2022, the EU could have further consolidated its still uncontestable normative power.
- The broader regional environment is also less favorable to an illiberal alignment than it may have appeared back in 2024. Hungary's and Serbia's political change in 2026 has shown how quickly bilateral arrangements built around Orbán and Vučić can become uncertain. The VMRO-DPMNE-led government has therefore been seeking to diversify its political contacts, but several of its most important partners are subject to domestic political change (just like Trump after the 2026 US midterm elections) or simply toppled in recent elections.
- For Washington, the priority should be to translate the improved political relationship into sustainable economic and security cooperation, rather than allowing bilateral relations to depend primarily on ideological proximity or individual political ties. The United States should also coordinate its engagement with the EU to ensure that closer relations with Washington complement, rather than undermine, North Macedonia's Euro-Atlantic orientation.
- Concerning China, the Mickoski government should ensure that Beijing-backed projects are assessed on their economic viability and long-term financial implications, rather than on their short-term political visibility.
- In the case of Russia, North Macedonia should maintain its alignment with the EU Common Foreign and Security Policy while addressing the domestic vulnerabilities (public frustration over the stalled EU integration, identity-related disputes, interethnic grievances) that Moscow can exploit. Strengthening institutional resilience and countering disinformation would be more effective than total diplomatic distancing from Russia.
- The Hungarian relationship has been the most consequential yet. The €1 billion Eximbank loan provided substantial financial support and strengthened Budapest's influence in Skopje. On the other hand, the change of government in Hungary has exposed the political limitations and possible setbacks of this arrangement. While Gruevski has not been extradited, the loan has become the subject of a criminal investigation in Hungary and calls for scrutiny in North Macedonia. These developments demonstrate that close political ties can provide short-term advantages, but they can also create dependencies and reputational risks when the political circumstances change.

- For Budapest, the priority should be to ensure a transparent and independent investigation into the Eximbank transactions and to handle the Gruevski extradition case through established legal channels. For Skopje, this means completing the necessary legal steps to pursue the former prime minister's extradition.
- More broadly, both governments should seek to move their bilateral relationship beyond the personal and ideological ties that characterized the Orbán–Mickoski partnership and establish a more institutionalized basis for cooperation. Hungary can remain North Macedonia's important partner in terms of political and economic cooperation and supporting its EU integration.

Taking all these together, the right-wing North Macedonian government has increased its political options without substantially expanding its strategic room for maneuver.



POLITICAL CAPITAL
POLICY RESEARCH & CONSULTING INSTITUTE