

THINKING AND WORKING TOGETHER





Bilateral relations between North Macedonia and Spain witnessed its peak on 31st July 2022, when Spanish Prime Minister, Pedro Sanchez Perez – Castejon visited North Macedonia and met with the Prime Minister, Dimitar Kovachevski and its President, Stevo Pendarovski. It was the first ever visit of a Spanish Prime Minister to North Macedonia, since its independence in 1991¹. The visit represents a turning point in the relations between the two countries. In the last three decades, bilateral cooperation has been rather weak, while economic relations have also been limited and not up to their full potential. Namely, trade exports on both sides are little over 100 million dollars per country², with Spain not being even in the first ten trade partners of North Macedonia. Furthermore, Spain has a rather minimal engagement in exports to North Macedonia - 0,03% of its overall exports. Although the trend of cooperation is increasing, there is potential for cooperation between the two countries of much greater volume on several levels.

Spain has been generally absent in terms of its political presence in Southeast Europe in the last three decades, North Macedonia included. Being that Spain is the one of the four big EU Member States and a dedicated Atlantist, it is natural that Spain increases the scope of cooperation with the SEE countries in the near future, both bilaterally and within the EU and NATO frameworks. On the other hand, North Macedonia as a new NATO Member Country is seeking to establish itself within the Alliance, while seeking partners and supporters for its EU Accession bid, hoping to open the First Cluster – Fundamentals, under the Spanish Council Presidency in the second half of 2023.

1 <https://pretsedatel.mk/en/premier-spanija-en-31-07-2022/>

2 <https://www.stat.gov.mk/PrikaziSooopstenie.aspx?rbtxt=78>

▲ PARTNERSHIP FOR DEVELOPMENT

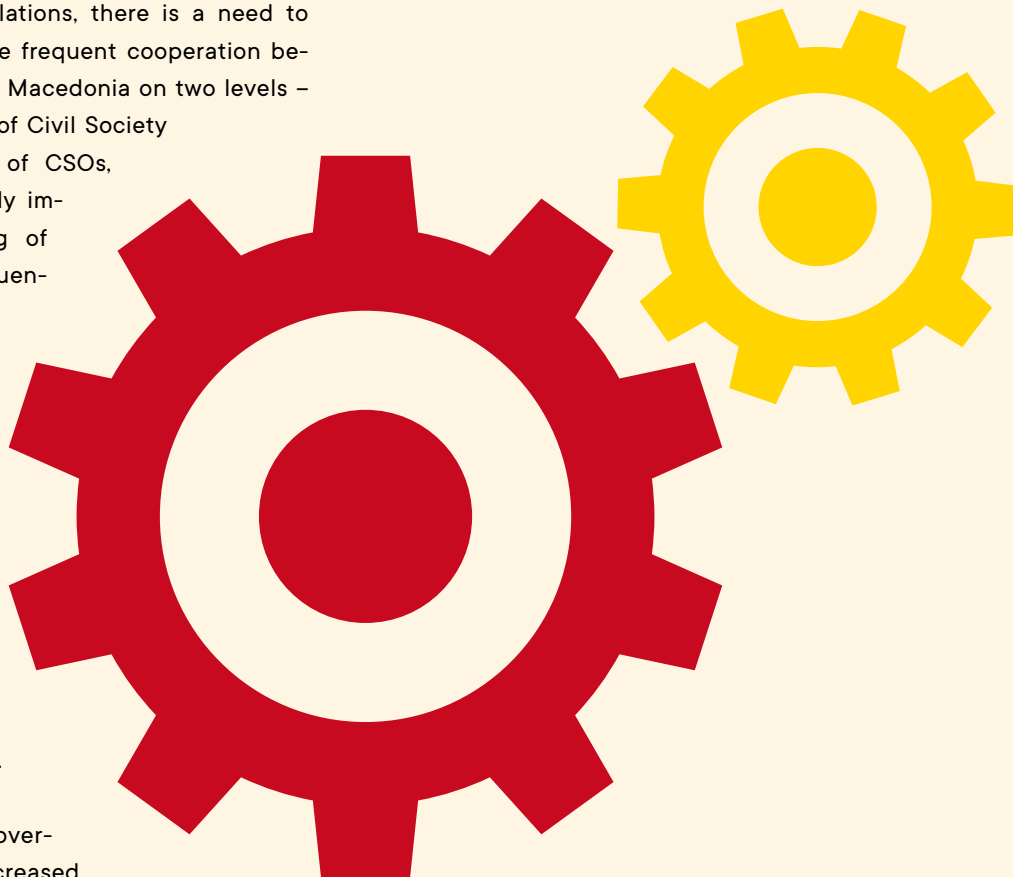
Speaking of bilateral relations, there is a need to initiate better and more frequent cooperation between Spain and North Macedonia on two levels – State Level, and at the level of Civil Society Organizations. On the side of CSOs, think tanks play a particularly important role in the shaping of formal policies and are influential in the public spheres of both countries. On this level, bilateral forums of think tanks must be held annually in order to exchange experiences, share research data, and build joint policy proposals, as well as to strengthen ties between the Civil Societies in general. All other forms of bilateral cooperation are welcome.

In the Economic Dimension, overall trade exchange must be increased.

Obviously, Spain is not playing according to its strengths and there is room for improvement.

This primarily relates to imports/exports on both sides but also other areas of the economy. However, the first step needs to be the re-establishment of a direct flight between the two countries. For the citizens of North Macedonia, Madrid is the second most frequent unserved airway³. A direct line between Skopje and Barcelona used to exist prior to the Covid-19 pandemic, but it was cancelled and has not been restored since. This would directly affect tourism since Spain is a preferred destination for Macedonian citizens. Yet, Spain's availability as a destination is hampered due to the lack of regular connections to North Macedonia.

It is exactly tourism that needs much more attention in the bilateral cooperation of both countries, for obvious reasons. On one hand, as mentioned, Spain is an attractive and desirable destinations for the citizens of North Macedonia. On the other hand, North Macedonia is increasing its tourist potential as both, an exotic and a low-cost destination, predominantly for summer tourism, but for cultural tourism as well.



³ <https://www.exyuaviation.com/2023/06/skopje-airport-targeting-new.html>

PARTNERSHIP FOR VALUES

In light of the fifth Spanish Presidency with the Council of the European Union, in the second half of 2023, it is important to highlight that this is the area where Spain could assist North Macedonia the most. Spain is the EU Member States with the strongest Pro-EU and Pro-European sentiment, and a strong supporter of EU Enlargement. North Macedonia, on the other hand, needs to finally start the Negotiations Process. Therefore, it is natural that the two countries have a much closer cooperation under the EU framework. It falls on to Spain to further the progress of North Macedonia in the EU negotiations by the end of the year, should all preconditions be met by North Macedonia.

North Macedonia shows very good progress in all pre-accession areas, especially on the alignment with the Common Foreign and Security Policy⁴ and the restrictive measures directed towards Russia. However, the country's integration is taking very long. This is due to many reasons. On one hand, EU Enlargement is not just a technical process. This means that political positions of Member States matter, which North Macedonia has felt rather harshly and frequently (being vetoed by Greece, Netherlands, Germany, France and finally Bulgaria). On the other hand, the EU suffers from the Enlargement Fatigue – because of the relatively unsuccessful integration of Bulgaria, Romania, and Hungary, with many countries now opposing future possible enlargement until reforming the Union. Moreover, the Western Balkans region is not high on the political agenda, although this has changed after the pandemic and the Russian invasion on Ukraine. The region among the public is still being depicted as conflictual and backwards, not really being a part of Europe per se.

However, such negative occurrences must be overcome being that the EU accession needs to be a broader integration with societies of the region, and not just a technical process of harmonizing legislation or policy alignment. In this context partnership building is crucial and so is experience exchange and developing capacities of the candidate countries, an area where Spain could broadly assist North Macedonia being itself an example of democratic transition. On these lines, common thinking and projects are needed but also a broader effort must be made – rethinking the way most Europeans think about the Western Balkans.



In this regard the EU needs a consolidated strategy of addressing the issue of new candidates especially if it plans to invite Ukraine, Moldova, and Georgia as future members. The countries from the Western Balkans need a clear political message, and a concrete plan with a deadline for accession, whereas several alternative scenarios are possible until full membership is finalized. One such possibility is continuing the business as usual and the enhanced integration but without a clear deadline in view. Another possibility would be the reversed enhanced integration, where the countries of the Western Balkans, North Macedonia included, would be given a contractual date for formal accession in the near future and a format and timeline through which candidates will become full-fledged members with decision-making powers and a seat on the European Commission. A third possibility is presented through phase negotiations with the WB countries, North Macedonia included.

The possibility for progress in the EU Accession process has grown, as Enlargement Policy becomes a Stabilization and Democratisation Policy due to the Russian aggression on Ukraine. This value-based partnership and created momentum should be used especially during the Spanish EU Presidency.

⁴ [https://www.europarl.europa.eu/RegData/etudes/IDAN/2022/639327/EXPO_IDA\(2022\)639327_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2022/639327/EXPO_IDA(2022)639327_EN.pdf)

▲ PARTNERSHIP FOR SECURITY

Due to the latest developments in Ukraine and the Russian invasion, security gains on importance. As NATO countries, both Spain and North Macedonia need to make all possible efforts to give aid to Ukraine in its efforts to defend against the Russian invasion. Besides the political support, both countries need to engage in concrete military assistance to Ukraine as well as partake in joint efforts of the Alliance to stabilize the situation on the Ukrainian front as well as cope with the consequences.

Another area of potential cooperation is in disaster response and emergency management. Both countries have faced significant natural disasters and due to climate change and their geographical belonging in the wider Mediterranean area, the risks might only increase, that opens space and requires coordinated efforts from various agencies to mitigate their impact. By sharing resources and expertise, North Macedonia and Spain can improve their disaster response capabilities.

Finally, there is also scope for collaboration in the field of cybersecurity. With increasing reliance on technology and digital infrastructure, both countries face threats from cyber-attacks that could disrupt critical systems. By working together on cybersecurity initiatives, North Macedonia and Spain can enhance their resilience against such threats. North Macedonia, although not EU member state, through the acquis harmonisation process would be probably one of the first countries to comply with CER directive, that opens potential for joint endeavours in the field of building resilience and critical infrastructure protection.

Spain was the latest NATO member state to ratify the agreement of the Macedonian accession to NATO, the most powerful political and military Alliance in the world. Although both armies already have conducted specific joint endeavours, this area of cooperation has the potential to be the greatest one if it goes beyond the military dimension. This aspect also includes academic and economic cooperation through NATO available funds, as well as energy security and potential for use and investment in renewable sources such as sun, wind, and water.

▲ PARTNERSHIP FOR GROWTH

Important geopolitical issues are also a part of the possible cooperation efforts between Spain and North Macedonia. In the period of post-pandemic economic recovery many risks and uncertainties have been imposed on all countries such as financial disruptions, energy insecurity and radical geopolitical interruptions of the global political scene. Hence, it is a political priority for both countries to work on ensuring energy security by diversifying sources and bettering infrastructure. This implies reducing dependency on fossil fuels as well as creating an ambient and infrastructure for energy security in a situation where not only neighbours are important and defining the energy security of an individual country.

Another important field that needs to be addressed is income convergence. Since EU accession process boosts the process of regulation in the country it is important that North Macedonia increases the capacity of domestic companies and workers and becomes capable to compete with its peers in the EU. Competitiveness is the income driver in the EU thus North Macedonia must make efforts

in attracting foreign investments, a field where Spain could play a significant role. North Macedonia needs to address at least three types of structural reforms in this regard - infrastructure development, human capital, and institutional capacity. It also needs to invest in education whereas in absolute numbers North Macedonia invests three times less per student compared to EU countries. Also, the rather slow integration process of the Western Balkan has the potential to create relative income divergence between Western Balkan countries and EU member states from the region. Bulgaria, Romania and Croatia that will use billions of euros funds in the next years, including grants, only for decarbonization of the economy, while the IPA funds and Western Balkan funds are minor in comparison. This will influence the growth of relative competitiveness of Bulgaria, Romania, and Croatia in comparison with the rest of the Western Balkans.

Other possible areas of cooperation between Spain and North Macedonia also include migration, gender, youth, and IT industry collaboration.

