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**Senate Committee on Foreign Relations
Subcommittee on Europe and Regional Security Cooperation**

**Hearing on Successes and Unfinished Business in the Western Balkans
October 23, 2019**

- Thank you Mr. Chairman and Ranking Member Senator Shaheen.
- My name is Majda Ruge, I'm a fellow at the Foreign Policy Institute of the School of Advanced International Studies, Johns Hopkins University. It's a great honor to be back to testify before this committee.
- Along with many others, I'm deeply grateful to the members of this subcommittee for their ongoing attention and commitment to the region.
- Maintaining peace and stability in the Western Balkans remains a key strategic interest of the United States. That is because instability in the Balkans carries grave risks to member states of NATO and the EU.
- This hearing comes at a critical point in time:
 - First, the French veto on the start of EU accession talks with North Macedonia & Albania has produced profound uncertainty in the region and skepticism about honesty and commitment of the EU and France.
 - It has taken away a key incentive and shattered the narrative that underpinned democratic reforms in the region. It has undermined reformists like PM of North Macedonia Zoran Zaev whose government showed great courage and leadership by signing the Prespa Agreement. In doing so it has endangered the survival of one truly reformist government in the region which in less than 2 years turned a previously captured state on the brink of conflict into a regional frontrunner.
 - Meanwhile, the French veto has emboldened obstructionists across the region and endangered ongoing reforms such as those in the judicial sector in Albania. No doubt Russia and China will capitalize on this major European mistake.
 - I was glad to see that the Senate approved North Macedonia's NATO accession protocol yesterday. The signal you are sending is of crucial importance since the vacuum created by the French veto is one that other external actors will seek to use to their advantage.

- Secondly, in Bosnia, we'll soon mark the 25th anniversary of the Dayton Peace Agreement. A quarter of a century of peace in Bosnia brokered under American leadership. A peace that ended genocide and the most brutal conflict on European soil since the world war two. Twenty-five years with practically no episodes of interethnic violence or retributions.
- Incidentally, I was in Bosnia when the invitation to testify for this committee arrived. The mood there is one of optimism in small pockets of the country where reformist actors are shaking up things at the local level. But there is also a great deal of anxiety that American disengagement from northern Syria will be interpreted by nationalist opportunists, some backed by Kremlin, that the peace in Bosnia is up for grabs.
- So I flew in from Europe last night to remind this committee to pay greater attention to Bosnia. American engagement on security, as well as political and economic engagement is needed there to protect -- and improve -- one of its most important bipartisan legacies in the region.
- Thirdly, with regard to Serbia and Kosovo there is a need to move forward and resolve outstanding issues especially those affecting the lives of ordinary citizens. However one should be cautious not to create unrealistic expectations that quick fixes are on offer.
- Moving ahead too quickly and without full coordination with European allies puts at risk fundamental policies and principles upheld by successive US administrations from both parties:
- Maintaining territorial integrity and the inviolability of borders remains crucial for the stability of the region. Any approach involving border changes risks producing unintended consequences. Even mere talk about such possibility by the US officials is dangerous because it encourages those promoting secessionist agendas such as Milorad Dodik and the Republika Srpska.
- In that context I'd like to remind this committee that across the region the single most important cause of political instability is NOT ethnic tensions. A recent opinion poll conducted the International Republican Institute showed that over 50% of citizens in Bosnia from all ethnic groups identify organized crime as the number one security threat rather than the members of other ethnic groups.

- Indeed, instability in the region is largely a top-down phenomenon. And it is directly correlated to poor governance and nepotism of actors whose political survival depends on increasing ethnic tensions as means of staying popular without being accountable.
- Here are a number of measures the US government, including Congress, could take to secure peace and stability in the Western Balkans and to protect past US investments in the region:
 1. Now that the Senate ratification of NATO accession protocol of North Macedonia is completed, urge the administration to move ahead as a matter of urgency. The U.S. should also work with European allies to press forward with regard to Bosnia finally adopting NATO's Annual National Programme. Bosnia is the strategic center of the region, much of the legal architecture is already in place, but progress is being blocked by Milorad Dodik, who is acting as Russia's proxy.
 2. Engage France robustly and urge them to honor the EU's promise to begin the accession process.
 3. Remind the administration of the policy of successive US bipartisan US administrations of more than two decades with regard to territorial integrity and the inviolability of borders in the Balkans.
 4. Given the nature of corruption related challenges in the region, encourage the administration to build stronger cooperation between State Department and the Department of Justice, which has been doing excellent work on corruption and organized crime across the region.
 5. Support and regularly meet with constructive actors including civil society, independent thinkers, and elected officials at sub-national level where a lot of good work is being done.
 6. Finally, congressional views on Western Balkans should be communicated strongly and directly by bipartisan CODEL's visiting capitals in the Balkans as well as Brussels, and Paris.

In closing, let me underline that citizens in the region continue to have overwhelmingly positive views of the US and EU. People are not lining up in front of Russian and Chinese consulates. For citizens of the Western

Balkans, the West remains the attractive model and it is to membership in Western institutions that they aspire.

However, if the West leaves a vacuum, others will enter, not least China. Actors such as Russia and China may not have the ability to set the agenda and reshape the entire region. But they do have the potential to reinforce negative trends and undermine Western interests.

As noted at the outset, strategic US interests are at stake in the Western Balkans. The US remains “the indispensable nation” in that region, not least because the EU is failing to live up to its role. Congressional voices matter.

OVERVIEW OF KEY OUTSTANDING ISSUES IN THE REGION

	BIH-KOSOVO	SERBIA-KOSOVO
Unresolved bilateral Issues	<ul style="list-style-type: none"> • No diplomatic relations • Visa regime • No diplomatic representations • No mutual recognition of documents • No extradition agreements or legal cooperation in criminal matters • Significant barriers to trade although both countries are members of CEFTA 	<ul style="list-style-type: none"> • No diplomatic recognition • No extradition agreement • No mutual legal assistance/cooperation • Difficulties with diploma recognition • Many citizens in North Kosovo don't have Kosovo documents
Complex/Muddled Jurisdictions	BOSNIA & HERZEGOVINA	NORTH KOSOVO
	<ul style="list-style-type: none"> • 3.5 million people (approx. the population of Berlin) • 13 Constitutions, 13 governments, 5 presidents, 149 Ministers • Extensive ethnic veto points blocking the decision-making system. BIH (state) Parliament passed only 14 new laws from 2014-2018. In 2017, it did not pass a single new piece of legislation.¹ • 2018 Government expenditures 40.6% of GDP • 25% of the public spending used on wages and salaries in public administration • Less than 9% used for investment • Every 4th person employed in the public sector 	<ul style="list-style-type: none"> • Unclear legal jurisdictions producing legal loopholes • Parallel institutions under Serbian jurisdiction in the North, in addition to Kosovo institutions • No law enforcement on the border payment of electricity, water, other bills • Large-scale customs and tax evasion due to legal loopholes • Financial embezzlements from Serbian budget under pretext of financing Serbian kin
Irredentism/Flirtation with Border Changes	<p>Republika Srpska leadership eroding BIH state while building sub-state capacities & public mood for secession. Whether secession is actual goal or not, result is complete blockage of the BIH state institutions. HDZ leadership seeks to further ethnicize the decision-making system, undermine BIH institutions by creating legal loopholes at state level & blocking new legislation.</p>	<p>Negotiations on border revisions between Presidents of Serbia and Kosovo that would involve exchange of territories.</p>

¹ The only legislative activity of the BIH Parliament in 2017 has consisted of amending the previously adopted laws.