

Janusz Bugajski Testimony

## **U.S. Senate Foreign Relations Committee**

**Subcommittee on Europe and Regional Security Cooperation**

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### **Successes and Unfinished Business in the Western Balkans**

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Chairman Johnson, Ranking Member Shaheen, and members of the U.S. Senate Foreign Relations **Subcommittee on Europe and Regional Security Cooperation**, thank you for the opportunity to speak with you today about the successes as well as the unfinished business in the Western Balkans.

I will begin with the recent successes and then outline the remaining problems. But first a few words why the Western Balkans are important for the United States. The United States expended substantial diplomatic, political, economic, and military capital in ending the wars of Yugoslav succession in the 1990s. Halting these anti-civilian wars was not simply a humanitarian mission it was a trans-Atlantic security operation. Without American leadership at that critical time, NATO would have become redundant through inaction, armed conflicts could have spread outside the former Yugoslavia and embroiled several neighboring states, and potential hotbeds of political and religious radicalism, nurtured by outside powers, would have indefinitely undermined European security.

America commands enormous respect throughout South East Europe not only for saving lives but for expanding the umbrella of security. We may not fully understand Balkan history, but we certainly understand Balkan geography. Without a final resolution of the outstanding regional disputes we unwittingly give ground to radicals, criminals, and menacing foreign influences, whether Russia's *Chekist* and military intelligence operatives, *jihadist* terrorists, Chinese economic state actors, or international smugglers. An unstable South East Europe will reverberate negatively through nearby countries and regions and in the worst-case scenario may pull the United States into another future war to douse the flames. It is in America's national and security interests to help resolve the outstanding feuds in the Western Balkans and thereby help develop stable states in a cooperative region similar to the Baltics or Central Europe.

#### **Regional Successes**

NATO intervention in the West Balkans in the late 1990s, an enduring although reduced Allied military presence until the present day, and lasting U.S. and EU diplomatic engagement has led to a long list of regional successes.

1. The Dayton accords (1995) for Bosnia-Herzegovina helped to end the war, forged a political agreement between the three major ethno-national groups, and ensured the

- recognition of a single state.
2. NATO membership for Slovenia (2004), Croatia (2009), Albania (2009), Montenegro (2017), and North Macedonia (accession due in 2020) strengthened the security of each state and deepened bilateral relations with other members.
  3. European Union membership for Slovenia (2004) and Croatia (2013) ensured substantial economic and structural benefits. EU entry underscored that these states had constructed stable democratic systems and market economies. Serbia and Montenegro have begun EU accession talks, Albania and North Macedonia have EU candidacy status, while Bosnia-Herzegovina and Kosova have EU Stabilization and Association Agreements.
  4. State independence for Kosova (2008) removed uncertainties over its final status, reassured its majority population that had been subject to mass murders and expulsions, and led to recognition by all but four NATO states as well as 115 countries worldwide. Kosova began to make progress toward entry into several international institutions.
  5. The Ohrid Framework Agreement (2001) helped to stabilize the country by ensuring greater integration of the Albanian population into Macedonia's political system and governing structures at both national and local levels.
  6. The Prespa Accords (2018) resolved the name dispute between Athens and Skopje, whereby Macedonia agreed to rename itself as North Macedonia and Greece no longer blocked its progress toward NATO and EU membership.
  7. Regional cooperation has been enhanced through trade agreements, greater energy diversification, improved cross-border transportation networks, and the settling of several border questions, including Slovenia-Croatia, Croatia-Montenegro, Kosova-Montenegro, and North-Macedonia-Kosova.
  8. The Brussels Agreement (2013) initiated constructive talks between Serbia and Kosova and ensured progress in resolving several outstanding disputes over property, energy, telecom, and other practical issues. Its intent was to more closely integrate the Serbian community into Kosova's state institutions and to develop cooperative relations between Serbia and Kosova.

Much of this regional progress has been driven by a consistent U.S. policy to bring the entire peninsula under the umbrella of a secure Western alliance. It was accomplished through close policy coordination with European Union representatives seeking to bring the entire region into the EU.

### **Unfinished West Balkan Business**

Despite significant progress in the past 25 years, much of the West Balkan region cannot be considered comprehensively secured until several obstacles are removed. The lack of resolution compounds the region's problems, visible in economic stagnation, official corruption, social instability, ethnic tensions, and population outflows. International attention needs to focus on the following disputes and problem areas:

1. **Dysfunctional Bosnia-Herzegovina:** Bosnia-Herzegovina is a politically frozen state veering toward renewed ethnic conflict. Dayton created a complex administrative structure in which ethnic balancing predominates and layers of governmental

bureaucracy contributes to inefficiency and budgetary burdens. This system has obstructed effective decision-making, where ethno-national interests predominate over civil-state interests. Bosnia is not a multi-ethnic country but an association of ethnic fiefdoms, in which nationalist parties maintain the status quo to protect their spoils and patronage networks.

Bosnia-Herzegovina has no effective central government, the Serbian entity persistently threatens to secede, Croatian nationalists increasingly demand a third entity, and Bosniaks are trapped frustrated in the middle. Bosnian Serb leader Milorad Dodik has threatened to torpedo a number of state-wide reforms, including the formation of joint armed forces, a state court, and police agency, while questioning other competencies transferred from the two entities to state level. In this climate of state paralysis, the Serbian entity has steadily moved from autonomy toward sovereignty and its leaders, with Moscow's financial and political support, has raised the prospect of separation and unification with Serbia. This has tempted some Bosnian Croat politicians to call for a third entity and the partition of the Bosnian Federation. Meanwhile, Bosniak Muslim leaders have warned about a new war as they are committed to defending Bosnia's territorial and constitutional integrity.

The precarious status quo cannot be maintained indefinitely especially if economic conditions further deteriorate. Economic decline, state bankruptcy, and social desperation will further exacerbate nationalist radicalization, while ethno-nationalist leaders will have fewer resources to offer citizens. This can exacerbate turf battles in which a unified government will prove even more difficult to forge and the separatist option will become more appealing.

A durable solution requires more intense involvement by international actors, especially by the United States which has substantial credibility as an honest broker. The results of such mediation would necessitate an overhaul of the constitution to limit or eliminate entity vetoes and ethnic voting. Bosnia's ethno-politics has stymied the development of state citizenship, programmatic pluralism, individual rights, and a competitive democracy. International actors who continue to dispense funds to Bosnia must also more effectively tackle endemic official corruption, inadequate rule of law, and authoritarian tendencies among leaders of all three national groups. Politicians seeking a more cohesive state that guarantees equal citizenship regardless of ethnicity should no longer be sidelined.

2. **Kosova-Serbia Dispute:** The frozen talks between Serbia and Kosova need to be revived if both countries are to make any progress into international institutions. The persistent failures to reach an agreement on bilateral normalization are heightening fears of political radicalism and regional instability. And without a more prominent American role, the EU looks incapable of making any significant progress. Hence, the appointment of two U.S. envoys is an important step forward. The revived talks have to be based on two clear principles. First, Kosova's final status was settled over a decade ago when it declared independence and cannot be revisited without sparking chaos and conflict. Second, Serbia and Kosova need cooperative bilateral relations to promote their own self-interests in moving into key multi-national organizations.

In an ideal scenario, “normalization” would mean Serbia formally recognizing Kosova as an independent state and establishing full diplomatic relations. This is unlikely to occur any time soon even if Serbia would benefit from extensive international support for such a constructive initiative. The easier bilateral deals within the 2013 Brussels Agreement have already been achieved and without tackling the more difficult problems Serbia-Kosova relations will come to a standstill. The new American envoys may be open to land swaps or the exchange of Kosova’s northern municipalities containing Serbian majorities for Belgrade’s recognition of Kosova’s statehood. However, they are likely to face significant political obstacles, as the new government in Prishtina could lose much of its public support if it surrenders territory to Belgrade. Similarly, the Serbian government is unlikely to yield or exchange any territory in the Presevo valley, which contains Albanian majorities, especially with parliamentary elections looming in April 2020.

The one viable strategy is for both sides to undertake a number of important steps toward each other that would be part of a “normalization package.” This would entail ending the current bilateral negatives and implementing several positives.

For Prishtina, ending negatives would mean lifting the burdensome tariffs on Serbian goods and agreeing not to block visits by Serbian officials to northern Kosova if Prishtina is notified in advance. The positives can include reaffirming the importance of Serbian Orthodox religious sites and even providing them with a special status as internationally protected shrines. It can also mean implementing the agreement on the Association of Serbian Municipalities, while making sure this structure has no centralized executive functions that would promote territorial autonomy and paralyze the state. Bosnia-Herzegovina must not be replicated.

For Serbia, ending negatives would entail unblocking opposition to Kosova’s entry into international institutions such as Interpol, UNESCO, or the Council of Europe. It can also cease pursuing Kosova’s de-recognition by foreign governments susceptible to bribery. The most important positive, short of outright recognition, would be for Serbia to drop its objections to Kosova gaining a seat in the United Nations General Assembly. This step could help convince the five remaining EU states to recognize Kosova. It would also demonstrate Serbia’s independence from Russia, which uses its blocking tactics in the UN as leverage over Belgrade. Simultaneously, Prishtina can play a positive role by declaring that the progress made in the “normalization package” should certify Serbia’s compliance with Chapter 35 in its EU accession agenda. This display of bilateral goodwill grounded in self-interest would hasten Belgrade’s progress toward meeting the criteria for EU entry.

Washington must be closely involved throughout the normalization process and the appointment of two special envoys, Ambassador Richard Grenell for the Kosovo-Serbia dialogue, and Matt Palmer, Deputy Assistant Secretary of State, for the broader region, indicates that Washington seeks new momentum to normalize relations between the two states. Given the standstill over the past year, it is doubtful that

Belgrade and Prishtina would hammer out an agreement without renewed American involvement.

3. **EU Blockage:** EU accession remains an ambition in much of the region because of the benefits that this provides new members, including accession funds and investments. Although several countries are candidates for the Union, progress has been stalled because the EU is preoccupied with internal problems. The EU summit in Brussels on October 18, 2019 failed to announce the start of accession talks for North Macedonia and Albania. This is despite the fact that the European Commission declared in May 2019 that both countries had made sufficient progress in their reforms as EU "candidate states." Such decisions have several negative repercussions. They damage EU credibility; disillusion citizens; nurture the notion that the EU is complicit in upholding corrupt governments in exchange for a measure of stability; contribute to domestic political polarization; undermine state reform programs; encourage nationalists, populists, separatists, and irredentists; and provide more openings to hostile foreign interference. Paradoxically, a negative decision on accession talks and further enlargement will ultimately rebound negatively on the security of the European Union itself.
4. **Russia's and China's Subversion:** The Balkan peninsula remains NATO's internal frontier where Moscow can challenge U.S. and European interests and project its Eurasian agenda. The Kremlin views the Western Balkans as Europe's weakest flank and a subversion zone where competition with NATO and the U.S. can be increased, latent conflicts manipulated, potential new allies found, and economic opportunities exploited. Russia pursues five main inroads in the region:

First, it promotes local nationalisms to undermine support for NATO, the U.S., and the EU and stir conflicts between rival nationalist projects. Second, it corrupts national politicians and local businessmen to favor Russian economic interests, support Moscow's foreign agenda, and oppose Western policies such as sanctions against Russia for its invasion of Ukraine. Third, it fosters energy dependence by tying Balkan countries into Russian supplies and pipelines in order to gain political leverage. Fourth, it engages in propaganda offensives through local media, internet, and social networks to enhance Russia's stature and undermine Western values and institutions. And fifth, it pursues numerous inter-societal connections that increase Moscow's influences, including Orthodox Churches, political parties, cultural organizations, historical societies, and sports clubs.

The Kremlin benefits from frozen conflicts and frozen states. In Bosnia-Herzegovina it encourages the Serbian entity to keep the country divided and question its future as a single state. In Kosova, Russian officials claim the Serbian population is repressed in order to undermine Kosova's independence and raise the specter of partition or re-absorption by Serbia. Kosova is blocked from entering the UN primarily by Russia's opposition. Unresolved conflicts and disputed states also enable the Kremlin to claim that NATO has failed to stabilize the region and to slow down West Balkan progress toward EU integration.

Moscow will calculate how it can derail any new American initiative if this is intended to culminate in Kosova's UN membership and recognition by Serbia. Putin's Kremlin does not welcome agreements that generate stability in the region and enhance prospects for NATO and EU integration. Moscow may even appoint its own Balkan envoy or demand an equal voice in the upcoming negotiations. However, it is worth remembering that the only successful agreements implemented in the region are those where Moscow played no role, including Dayton, Ohrid, and Prespa. Any durable accord between Kosova and Serbia must remain free from Kremlin interference.

The Chinese regime has no design to capture territory or impose its system of government on states outside its immediate sphere of influence. Instead, it has three main goals toward southeast Europe. First, it seeks to expand China's economic reach through trade and investment. Beijing's Belt and Road Initiative linking China with Europe envisages the Balkan Peninsula as a focal point for maritime and overland routes into Europe. Chinese companies purchase cargo terminals and finance roads and railways throughout southeast Europe and its loans and export credits become debt traps. Although Balkan governments welcome investments that rescue declining industries, they are vulnerable to predatory lending and the surrender of national infrastructure.

Second, Beijing leverages economic penetration into political influence. In exchange for financial investments, Beijing seeks Balkan and European diplomatic support for its policies or to mute criticism of China in international institutions. And third, China aims to diminish U.S. political influences. It has developed significant convergence with Moscow in such areas as anti-democracy promotion, diplomatic offensives, and anti-American disinformation campaigns.

While seeking to resolve the outstanding disputes in the Western Balkans, U.S. policy makers cannot lose sight of the growing dangers to regional security and Western integration from both Russia and China. Russia's subversion in particular can only be reversed through an extensive strategic offensive. Moscow's presence is not simply malign; it is destabilizing and dangerous and could unravel much of what has been accomplished in the region during the last twenty years. I am submitting to the Committee a recent report I published with the Baltic Defense University on conducting a multi-pronged offensive against Moscow rather than simply playing a static defense. Entitled "Winning the Shadow War with Russia" it details six major arenas for action: Exposing Influence Operations; Countering Informational Offensives; Cyber Defense and Counter-Attack; Economic and Financial Penalties; Military and Security Instruments; and Managing Russia's Dissolution.