

Testimony by Deputy Assistant Secretary Hoyt Yee
U.S. Department of State
before the
House Foreign Affairs Committee
Subcommittee on Europe, Eurasia, and Emerging Threats
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Intro

Chairman Rohrabacher, Ranking Member Meeks, Members of the Subcommittee, thank you for inviting me to discuss the current situation in the Western Balkans. I plan to address both the significant outstanding challenges to peace and security in the region as well as our achievements. Over the years, Congress and this Subcommittee have played an important role in working with the countries of the region and shaping an environment that advances U.S. interests. We welcome this partnership.

Challenges

Mr. Chairman, although the Balkans no longer dominate international headlines as they once did, the region still faces enormous challenges that, left unaddressed, pose a threat to U.S. interests in Europe. Ethnic tensions throughout the Balkans are once again on the rise. The recent violence in Macedonia underscores the severity of its political problems. As progress in the Serbia-Kosovo Dialogue stalls, stability in the Balkans will remain vulnerable.. And without needed structural reform, Bosnia is at risk of becoming a failed state. A lack of opportunity, due to corruption and disenfranchisement, drives young people to seek better economic opportunities abroad; in the past two years alone, over 80,000 people have left Bosnia to seek opportunities elsewhere. In an effort to gain popular support without tackling the real challenges facing their country, Bosnian politicians of all ethnicities revert to nationalistic rhetoric, testing the boundaries of the Dayton Peace Accords. The political dysfunction is so great, in fact, that Bosnia was unable to complete the simple IMF prior actions necessary to receive a tranche of money worth €75 million.

As Senator McCain recently wrote, “We ignore this region at our own peril.”

Across the region, nationalism is growing, and domestic political rhetoric is increasingly divisive. From tear gas in Kosovo’s Parliament to Milorad Dodik’s challenge to the authority of Bosnia’s Constitutional Court, nationalist politicians are increasingly open in their testing of democratic norms and institutions.

Compounding the trouble, **lackluster economic growth** has failed to deliver the living standards to which people in the Western Balkans have aspired. In no small part, this is due to significant

public corruption and endemic weaknesses in the rule of law. Slow growth and massive youth unemployment, in turn, are destroying young people's faith in the future of their countries and leading them to emigrate elsewhere.

Even more alarming, a small number of those who do not or cannot leave are increasingly vulnerable to the twisted message of **violent extremism**. ISIS and other violent groups are finding success in recruiting fighters and supporters from the Balkans, often using slick recruiting efforts in local languages and on social media. As converts to extremism return home from the battlefield or are radicalized in place, Balkan governments worry that they will see a surge in violence, intolerance, and extremism in the region – and perhaps see it exported north and west.

Finally, **Russia** is increasingly working to undermine progress in the Balkans. From a bold attempt to undermine the government in Podgorica, to more subtle support for secessionist rhetoric in Bosnia and opposition to Kosovo's integration into the family of nations, Russia seeks to thwart advancement towards NATO and EU membership wherever it can. Moscow uses propaganda and fake news to sow distrust and confusion and undermine the position of pro-Western political leaders. Russia's dominance of the natural gas market in the Balkans leaves the region vulnerable to exploitation. Without alternate energy sources and a more diversified energy infrastructure, Russia will continue to hold this powerful lever.

Since the end of the wars in the 1990s, we and our European allies have incentivized the necessary political and economic reforms and reconciliation with neighbors by linking these actions to eventual membership in the European Union and NATO. Those linkages have been powerful and effective, but there is reason to be concerned that they are losing their drawing power as the prospects for further expansion appear to dim.

It is clear that we cannot take for granted stability and democracy in the Balkans. The risk of renewed conflict is on the rise and the forces against democracy are growing. Left unattended, the problems of the region will fester and generate conflicts that will almost inevitably draw us in. However, with active engagement, we can keep this region on the Euro-Atlantic path and manage the challenges without a disproportionate expenditure of resources.

Progress

Recent history has repeatedly shown us that there is no substitute for active U.S. leadership in the Balkans and strong partnership with the European Union. In the immediate aftermath of the wars of the 1990s, our investment enabled the new states of the Western Balkans to establish themselves as peaceful democratic states committed to a European future. This transition helped make Americans safer as the countries of the region, with a shared commitment to European integration, have partnered with us more effectively to fight terrorism and extremism, and to be net contributors to international peace and stability operations rather than subjects of them.

On April 21, the United States ratified the accession protocol for **Montenegro** to join NATO. Montenegro's entry into NATO will be the result of years of reforms, completed with assistance from the United States. Secretary Tillerson stated that Montenegro's entry into NATO is "strongly in the interests of the United States," and the White House included actions to support Montenegro's accession to NATO as one of the notable accomplishments of President Trump's first 100 days. Montenegro's experience provides a clear example that structural reform strengthens a country's economy and democracy, allowing it to become a better and stronger security partner and ultimately a force for regional stability. Its accession will demonstrate that the door to NATO remains open for those countries that desire membership and can meet the standards of the world's premier alliance.

Continuing on the subject of security, when it comes to tracking and disrupting **terrorist** activity, we continue to have strong, willing partners throughout the Balkans – and they need our support. Excellent regional cooperation with Macedonia, Albania, and Kosovo broke up an attempted terrorist attack against an Albania-Israel football match in Shkoder last November, leading to the arrest of 23 suspects across three countries. Kosovo is improving its capacity to manage and rehabilitate returned foreign terrorist fighters and CT offenders, curb the radicalization of general population inmates, and reduce the risk of extremist recidivism. And it is worth noting that all countries in the Western Balkans have adopted strong anti-terrorism legislation, and all are contributors to the Defeat-ISIS coalition. These countries can only help us if they are politically stable and the region is peaceful. We continue to work towards that end, but more needs to be done.

Additionally, we have developed a multi-faceted approach to push back against the Russian malign influence. Our focus on anti-corruption and rule of law reforms in the region forms the backbone of our strategy. Increased government transparency and accountability counters Russia's efforts to export corrupt practices that make countries more vulnerable to Russian pressure. To combat Russia's wide-spread propaganda machine, we are amplifying our messages, correcting false statements, and engaging decision makers. We are also supporting independent media and investigative journalists through small grants and training, and are sending American experts to the region to speak with opinion leaders. In order to reduce vulnerabilities, we are promoting energy security and diversity projects and policies. Currently, the western Balkans are entirely dependent on Russia for natural gas. By supporting projects such as the Trans-Adriatic Pipeline, the Krk Island Liquid Natural Gas terminal, and the Bulgaria-Serbia Interconnector, we will enable Balkan countries to import gas from multiple sources, cutting off a powerful source of Russian leverage.

We are also using our military assistance programs to counteract Russian malign influence by fortifying the human capital of militaries of the region and presenting options that allow countries to move away from over-dependence on Russian military equipment. Through the International Military and Education Training (IMET) program we are equipping the next generation of military leaders in the region with the skills they need not only to succeed, but also

to uphold democratic ideals and withstand outside pressure that might countermand their chain of command. Our military cooperation programs give the militaries of the region the opportunity to break away from their dependence on Russia and use U.S. military equipment, weakening one of the traditional levers of Russian power.

U.S. diplomacy has strongly supported the EU-led **Serbia-Kosovo** Dialogue. The process remains indispensable to regional stability and it is in the national interests of both Serbia and Kosovo to resolve their open issues through normalization of relations that will advance their countries on their respective European paths.

In **Albania**, with our support, the parliament last July passed constitutional amendments on judicial reform intended to dramatically strengthen the rule of law and deal with deeply rooted corruption. As a direct result of these reform efforts, on November 9, the European Commission recommended the opening of EU accession negotiations with Albania, contingent upon the full implementation of key judicial reform laws.

In **Macedonia**, at the invitation of the four largest political parties in the country, the United States, together with the EU, helped forge an agreement to create conditions to hold credible parliamentary elections last December. After a significant delay, the new parliamentary majority elected a Speaker of Parliament. This is an important step towards government formation and we will work with the new Speaker to support democracy and to help Macedonia move forward on its European path. We have called on Macedonian authorities to fully and promptly investigate the attacks on MPs that took place following the Speaker's election and to bring those who are responsible to justice.

In **Bosnia**, redundant, overlapping and competing political institutions and processes are deeply dysfunctional, and we are working with leaders there and with our European partners to encourage much-needed political reforms before the 2018 election. These reforms, when implemented, will create a more stable and functional Bosnia and Herzegovina. In the meantime, we will continue working with partners to address the symptoms of dysfunction, such as rampant corruption, organized crime, and extremism. We will increasingly hold leaders accountable for actions that harm U.S. interests. Our intervention with OFAC sanctions against RS President Dodik sent a clear and effective message that we will not watch idly while politicians endanger the stability of the country and region through ethno-nationalistic secessionist activities that undermine the Dayton Peace Accords.

And finally, in **Croatia**, we continue to work with the government to develop new energy facilities to contribute to energy diversity and security for the Balkans and for Europe more broadly.

Conclusion

While there have been some real successes, the challenges to U.S. interests are serious and growing. The region as a whole is economically weak and politically unstable. Without our and European assistance and our focused attention on necessary reforms, there is a real risk of rising tensions sparking conflict. We can reduce this risk by maintaining our commitment to the Balkans. This means supporting strong anti-corruption programs to strengthen rule of law so that citizens can hold leaders responsible for their actions. It means standing alongside these countries as they fight against terrorism and extremism. We will also need to support governments' efforts to meet the requirements for joining the EU and NATO. Qualifying for membership in these institutions requires extensive structural reforms that create the building blocks for strong and stable societies. Finally, to help these states build resilience against Russia's campaign, we need to continue our work to support energy diversity and security in the Balkans.

Our engagement, working in parallel with our European allies, can help overcome these challenges and create conditions conducive to a strong, stable and prosperous Balkan peninsula. Stability in the Balkans makes the world safer for Americans by creating reliable partners in counter-terrorism and regional security. Prosperity in the Balkans supports American trade and investment and contributes -- albeit modestly -- to job creation back home. There are of course other regions in the world that require our time, attention, and resources. It is in our interests however to make the necessary effort to help the Balkans evolve from a net consumer to a net producer of security and prosperity.

Thank you for the opportunity to testify before the committee.