INTERNATIONAL RELATIONS SELECT COMMITTEE

Beyond Brexit: The UK and the Balkans
Oral and Written Evidence

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Lord Ashdown of Norton-sub-Hamdon GCMG, KBE, CH, Former High Representative for Bosnia-Herzegovina (QQ 1-15)

Wednesday 6 September 2017
10.55 am

Watch the meeting

Members present: Lord Howell of Guildford (The Chairman); Lord Balfe; Baroness Coussins; Lord Grocott; Lord Hannay of Chiswick; Baroness Helic; Baroness Hilton of Eggardon; Lord Jopling; Lord Purvis of Tweed; Lord Reid of Cardowan; Baroness Smith of Newnham; Lord Wood of Anfield.

Evidence Session No. 1 Heard in Public Questions 1 - 15

Witnesses

I: General Sir Michael Rose KCB, CBE, DSO, QGM, Former Commander of the UN Protection Force in Bosnia-Herzegovina.

II: The Lord Ashdown of Norton-sub-Hamdon GCMG, KBE, CH, Former High Representative for Bosnia-Herzegovina.

Examination of witness

General Sir Michael Rose.

Q1 The Chairman: General Rose, good morning and welcome to this Committee. Thank you for agreeing to come and talk to us. Our minds are on our current inquiry, which is just beginning and is on the situation in the west Balkans and the UK’s involvement in it now, drawing heavily of course on the history of the area, which dominates so much, and trying to look forward to the next stage of developments. We are trying to stand aside from the eternal, ubiquitous issue of Brexit and the future of the European Union, but obviously these things will become entangled with our studies in one way or another. You were commander of UNPROFOR from 1994 to 1995. I also believe that you are a colonel of my regiment, the Coldstream Guards.

General Sir Michael Rose: I was for 10 years, but handed over to someone more suitably equipped than I was at my age.

Q2 The Chairman: I am very glad about that. It is a very superior regiment. Altogether, you have been involved, as almost no other person has, in the affairs of the region. We will ask you a number of questions. I will start
straightaway with the opening question. Is the apparent peace that followed those rifts and fractures of the 1990s fragile, or is it real? Is the interstate conflict about to explode again, or can we look forward to a reasonably stable future? Start with your general judgment on the region and where we have got to.

**General Sir Michael Rose:** It might be helpful if I made a short statement, which I prepared beforehand to cover those points. That will lead on to the various subsidiary questions that I was posed prior to coming here today.

While it is clear that the Bosnian war was the most violent of all the conflicts in the Balkans at that time, I do not think it is still fully appreciated by the international community, including us. The linkage between that war and the problems facing the western Balkans today is close. Many of the problems today were generated by the way that war was ended. If we accept the many reports that we can read, such as a recent report of the Senate committee on foreign affairs in May, our own parliamentary inquiries and the European Union stabilisation reports, I think we would all agree that we see today in Bosnia a rising trend of xenophobia, racial tensions, continuing corruption, little evidence of the standards of good governance required by the European Union and a rising element of radicalisation, particularly among Muslim communities.

Given the reluctance of the Bosnian Serbs to sign up to the dream of Dayton, which was of a single nation, the country is as fragmented as ever and is at risk of being a failed state. Much of this tension and unhappiness in the region stems from the Dayton peace accord, which in my view was built on a lie and has therefore led to injustices that still reverberate today. The common view of what happened in Bosnia is that the UN mission failed and that the people of Bosnia were saved by military intervention and NATO bombing, which forced the Serbs to the peace table in Dayton, Ohio. As my good friend David Harland, who was the original author of the UN inquiry into the massacre at Srebrenica, put it, “the 1995 military intervention, the Dayton agreement, and the NATO-led Implementation Force ... are seen as redemptive examples of the potential of military intervention under American leadership”. So nothing could be further from the truth.

What actually happened when the Bosnian war came to an end—it is important for the communities to understand this—is that the UN was succeeding remarkably well in its desired objectives, which of course were delivering humanitarian aid to a population that was caught up in a three-sided civil war. Looking back, Bosnia remains one of the few major conflicts of our time where no one died, or very few people died, either of cold or hunger. However, a peacekeeping force such as UNPROFOR was neither mandated nor equipped to impose peace by force of arms, which of course are war-fighting objectives. NATO had calculated that it would take more than 400,000 soldiers to bring peace to Bosnia by force alone. Of course, NATO had already turned down an invitation from President Izetbegović in 1992 to stop the war spreading from Croatia.
If NATO, the most powerful military alliance in the world, was not prepared to go war-fighting in Bosnia, it defies all logic to expect a lightly armed UN force to do so, yet that was often the expectation. Nevertheless, by its very presence, the UN was able to bring about the necessary conditions in which some peaceful resolution would have been possible.

I commanded UNPROFOR in 1994. We halted the fighting between the Serbs, the Croats and the Muslims, ending up in the Washington accords. We raised the siege around Sarajevo. We brought about a four-month cessation of hostilities. What happened to derail this process? Sadly, our efforts at peacekeeping were already being fatally undermined by NATO’s and America’s reluctance to accept that illegal arms were being smuggled into Bosnia from Iran by Croatia. Indeed, the United States lost patience with the peace process and started illegally to arm the Muslims, against their own signed-up-to United Nations resolutions, and despite the fact that they were responsible for implementing those resolutions under Operation Deny Flight and Operation Sharp Guard.

The end result, of course, was that the UN mission as a neutral peacekeeping force was destroyed. All UN attempts at peace brokering, such as those organised by Lord Owen, Cyrus Vance and Lord Carrington, failed. NATO and the United States came to the realisation too late that although they had destroyed the UN peacekeeping mission they could not replace it, as their presence in the region was limited to air. The war was therefore unnecessarily prolonged and the suffering of the people continued, including the terrible massacre of Bosnian Muslims at Srebrenica in 1995. The irony of course is that the weapons being delivered into Bosnia, then mainly by the Americans, were going to radical elements including Osama bin Laden and his al-Qaeda fighters and many other foreign fighters who were going at that time into Bosnia.

Of course, the modern radicalisation of the people of Bosnia stems from this unhappy history. The war finally came to an end in 1995, not because of the NATO bombing but because in August 1995 a Croatian-led force under Operation Storm invaded Bosnia from the west and took much of the land which the Serbs were hoping to trade for peace on their terms. Even that does not give a full account of the story, for Operation Storm was merely a stage-managed event that had been pre-arranged by Milošević and Tuđman, who had already agreed in 1994 to end the war between those two countries.

The price of peace demanded by Tuđman was the return of Krajina to Croatia. I was given a map in August 1994, one year before Operation Storm, showing me the line where the Serb regular forces would withdraw to and where the Croatian forces would attack a year later and then halt. The whole episode was a grim charade that resulted in the highest incidence of ethnic cleansing of the entire war. Nearly 200,000 Serbs were driven from their historic lands in Krajina, some 21,000 Muslims were driven out of western Bosnia and another 22,000 Muslims and Croats were driven out of Republika Srpska. Those people today remain displaced from
their homes, which again is a source of enormous grievance and instability in the region.

In summary, the Dayton peace agreement can be described, once again quoting David Harland, as, “an elite deal between the same three ethno-national elites that had started the war in the first place, and was brokered by the US without the endorsement of the people whose fate it determined. It cemented a ceasefire that had already been put in place by the UN before the negotiations began, and confirmed the results of ethnic cleansing, mainly to the benefit of the Serbs. Quite unnecessarily, it created enduring constitutional arrangements that which were both unworkable and discriminatory, and which have prevented the emergence of moderate and pragmatic political forces”—and, one might therefore add, good governance.

It is more difficult to find a recent example from history of where propaganda and rhetoric replaced reality in decision-making. There was a determination at the time by NATO and the Americans to prove that the bombing and the military force worked. At the 50th anniversary of the NATO conference held here in London in 1999, Prime Minister Blair attempted to reinvent this lie by stating, “We tried to bring peace to Bosnia through the UN and with political good offices but without the willingness to use force which we now know was necessary ... we will not repeat those early mistakes in Bosnia. We will not allow war to devastate a part of our continent, bringing untold death, suffering and homelessness”. In saying that, of course, he was clearly paving the way for the forthcoming war in Kosovo, which of course led into the war in Iraq, where indeed we saw untold suffering, devastation and homelessness.

By exporting the flawed logic that had started in the Balkans through Kosovo into the Middle East, of course, we have visited on those millions of people the awful situation that we see today. That should be the enduring lesson of Bosnia. I will halt there.

**The Chairman:** That is a very full summary of your assessment and a very strong censure of parts of American policy, the Dayton agreement and the work of people such as Richard Holbrooke.

I will ask Lord Hannay to ask you what you think the consequences and the lessons are for the moment.

**Lord Hannay of Chiswick:** Thank you very much. It is nice to see you again, Michael. I do not entirely share your analysis, but I think it would be more useful now to look to the future than to the present and the past and to look wider than just Bosnia, because the former Yugoslavia is a lot more than just Bosnia, although Bosnia is at the heart of some of the problems.

On the basis of your experience, what ought the international community to have learnt now, and how best could it apply those lessons to what I think is a fairly uncontroversial view that it is in our interests in the national community to sustain peace and security in the region and to avoid
deterioration into hostilities. Drawing on the lessons from your time there, and looking at the wider former Yugoslavia, what do you think the way ahead should be?

**General Sir Michael Rose:** Britain clearly has a major interest in what is going to happen in the west Balkans, and I do not think anyone would sign up to Disraeli’s famous quote that no sane man ever involved himself in the Balkans; it is too late for that. Also, some 72 Britons, mainly soldiers, have died in the western Balkans since the early 1990s, so we have a great interest in making sure that their lives were not sacrificed for nothing.

My own view on how we should proceed is that of course Britain must continue outside the European Union to play a major part. We should support the European Union in its attempt to persuade the countries to join not only the European Union but NATO. We should insist on the technical, moral and judicial standards that are required for membership of both the European Union and indeed NATO being met. Therefore, I believe that we have a full part to play. My worry at the moment is that President Trump’s isolationist policies and decision to reduce the budgets that are being employed in the western Balkans at the moment will leave a vacuum that might well be filled by the Russians.

**Lord Jopling:** I think your presentation, which, forgive me, is mostly history, has been enormously helpful to us, but may I bring you back to the Chairman’s first question about how you assess the current situation, and whether all this could bubble up again and we could find ourselves back where we were?

**General Sir Michael Rose:** The situation may well bubble up again. Going back in history, I think it was Winston Churchill who said that the Balkans have too much history. It is very difficult to separate the present day from history, because the people who are responding to those events are always going back into history to determine their own responses. It is not what you see on the surface that counts in the Balkans, it is what is going on under the surface, and old grievances and old alliances are being formed, reformed and reshaped. The dangers of Bosnia becoming a failed state are quite great, particularly with the reluctance of the Bosnian Serbs to sign up to the idea of having a single entity in that country. Of course, in a way the Dayton peace accords enable them to flex their muscles, which they have been doing for 20 years and should never have been allowed to do in the first place. That is a serious danger.

Added on top of that you have jihadists coming through and being exported and the collapsing economy in Bosnia. I read a statistic showing that Bosnia has the highest youth unemployment rate of anywhere in the world. Some 60% to 70% of that section of the population are unemployed. Of course, that is the very section of the population where you would expect the jihadists to make the most ground. So I fear that the dangers are considerable, without going into what is happening in Macedonia and the minority Albanian population there or what is happening in Serbia itself.

**The Chairman:** Sticking with Dayton, Lord Wood has a question.
**Lord Wood of Anfield:** May I ask you to go back to what you said about British engagement and ask you a very basic question? Is there an identifiable British strategy towards the region, not just at the moment but over the last few years?

To add to that, you mentioned very interestingly that our main contribution could be to urge continuation of the process for membership of the EU and NATO. Obviously our voice on EU membership may be slightly weaker, or less heard, now that we are going through Brexit. More broadly, are there other things that we should do, other than urging membership of these two organisations, that we can have an impact with?

**General Sir Michael Rose:** As I said, the continued support of those two major aims should be our primary way of expressing ourselves, but if there are other elements where we can also help, such as at the economic level or in military training teams, we should continue to do that. That might well be quite separate from what the Americans and NATO are doing, or what the European Union is doing. There is certainly a requirement for continuing military engagement in the form of training teams, and obviously anything that we do to help to get the economies of those countries going, the better.

**Lord Wood of Anfield:** On the first part of the question, is there an identifiable British strategy at the moment?

**General Sir Michael Rose:** Not particularly, no. At the moment we are still working our way through to the position that we should take, and I hope this Committee will come up with a sensible and productive view at the end.

**Lord Purvis of Tweed:** I think you said that much of the unhappiness at the moment dates back to Dayton, in your view. Is your assessment that the unhappiness will simply be the continuation or the development of the failed states, as you mentioned, or are there other grounds for further interstate clash? If Dayton succeeded in one thing, it might be that it was very hard for there to be state-to-state conflict. What is your assessment?

**General Sir Michael Rose:** I cannot see any grounds for worrying about an interstate clash in the Balkans. There are too many outside players involved there, and such a clash just would not be possible.

**Lord Grocott:** My question is related to that. If you are identifying the countries that are likely to become failed states, at least one of the ingredients, if not the principal ingredient, is the position of Serbia and the Serbian minority in the state. What, in practical terms, can be done to prevent at least the possibility or even the probability of it becoming a failed state? It seems to me that these tensions have been there for so long that it is almost impossible to see the Serbian part of Kosovo, leaving aside the rights and wrongs, becoming reconciled to the status quo.

**General Sir Michael Rose:** I do not think that one should totally despair. There is obviously a lot of feeling, especially among the displaced Serbs who live in Republika Srpska, who have come not only from Krajina but
from Kosovo. However, as long as we can persuade Serbia through the leverage that we exercise with it in its wish to accede to the European Union, that is a greater gain for the people of Serbia a generation or two on than taking on some extremely unhappy people from Republika Srpska and creating trouble next door.

There is game-playing going on. One lesson I learnt in the Balkans very early on is that what you see is not what you get. The other rule is that if they are talking they are generally lying and have another agenda to pursue. There is an awful lot of game-playing going on and I do not think that we need to overreact to it. We have very strong levers that we can use to prevent Bosnia-Herzegovina breaking up. The consequences of that, as you suggest, would be unthinkable. We would end up with the Croatian element moving across and joining Croatia, and Europe having to sustain a tiny, unworkable Muslim state in the middle. I do not think that could happen as long as we keep faith with our ideals and our policies.

Baroness Helic: General Rose, I probably share the sentiments of Lord Hannay in looking back at the past. I would probably not agree with everything, but it is really interesting to hear how you see it 25 years or so later and the lessons that you have drawn from your experience of your deployment and command of UNPROFOR.

I was very interested and encouraged to hear that you think that, in the post-Brexit era, there will still be British interest in sustaining the peace and stability of the Balkans. In Bosnia, this process is run through the EUFOR mandate under Chapter VII, which enables the outside force to keep this peace and stability. Each year, the mandate comes up for renewal—I expect it will be around the end of September or early October this year—and, each time, I see it slightly watered down to accommodate mainly Russian concerns that there has been a NATO and EU military presence in Bosnia for too long.

In your experience, having seen how it works when troops are on the ground and do not have a sufficient mandate, do you think the British Government should ensure that the mandate is not watered down further, or that, in the worst-case scenario, it is not abandoned? We may never be able to have such a mandate if Bosnia generally disintegrates as you have just tried to describe to us.

General Sir Michael Rose: It is terribly important that we keep a military presence and that, when it is there, it has a meaningful mandate, because that sends a signal not only internally to the people of Bosnia but externally, including to the Russians. I am of the view that NATO is the prime defender of Europe and therefore that it should maintain its interest there. Whether we are doing that as part of NATO or independently, it does not really matter; we are still being seen by the outside world as doing it as a part of a great alliance. That will also send signals to the Russians, who are being opportunist. I do not have any grand strategy for making the western Balkans part of a post-Warsaw Pact alliance of any sort, but I think that the Russians like to cause mischief. They like the fact that the mafia can go on running guns, people and what-have-you through the
Balkans, and they like to keep the area destabilised because it worries the Americans and us. I do not think that we should necessarily overreact to that—again, we have levers on the Russians as well.

Q5 Lord Reid of Cardowan: On this very point about NATO, what is your assessment of the level of integration of the region within NATO and what strategic benefits do you see for the countries in the region of membership of NATO? To what extent are they integrated within what you could call the Euro-Atlantic framework and NATO specifically?

General Sir Michael Rose: I have no current experience of how the people actually think, but my instinct is that they all lean towards Europe and towards America and therefore the West. Again, the people who wish to maintain poor governance and the corruption that goes on in all those countries will go on playing the game that we are playing with the Russians in order to worry the West and stop us getting too strenuous about them meeting the standards and joining Europe. That is the game-playing that is going on at the moment. As long as we maintain the high standards that we require them to achieve before they join either NATO or the European Union and do not allow ourselves to get watered down in the way we discussed in respect of the military arrangements, people will have to respond to the position that we take. It has to be a firm position, because a lot of parties out there are trying to undermine it. The people of that region are the victims of what is going on. I know perfectly well that they wish to be part of the West and not part of the East, despite the fact that the Serbs have the historic and religious connections.

Lord Jopling: Coming back to my earlier question about the potential powder keg in that part of the world, I hope to meet the SACEUR in two weeks’ time. What should I suggest to him that NATO should do now to deal with the evolving situation in the western Balkans?

General Sir Michael Rose: I would encourage him to continue with the engagement that is already going on. For example, Serbia has run some 22 exercises with NATO in the past year or two but only two with Russia—a sort of symbolic counterbalance. That sends a message in itself. NATO’s engagement, which I do not think you will have much trouble in persuading it to continue in the western Balkans, through exercising, through helping to rebuild armed forces and through allowing Kosovo, for example, to have its own army, is all terribly important. It will help to cement our relations and make sure that the area becomes stable and that peace in the region is not threatened.

The Chairman: Let us move on to the external side. I want to put in one question. This conflict was 25 years ago, since when we have had two huge technological revolutions in the world: a vast energy revolution—conditions are totally different from anything that existed even 10 years ago—and I imagine that, as in almost every other corner of the planet, most people in Bosnia-Herzegovina and the whole region have their mobile telephones, their iPads and their systems. Kosovo is even advertising itself as a hub of electronic communication development. This is a language that would not even have been recognised 10 years ago. Has this vast set of world
changes impacted on the region sufficiently to remove some of the pressures that you encountered all that time ago and to change people’s attitudes?

**General Sir Michael Rose:** In some ways, it obviously has, because everyone has the same social media and is aware of what is happening in the world. Everyone is aware of the possibilities, particularly young people. As you know, there has been a massive brain drain out of Bosnia, because they can see a better world outside, and that better world is always in the West and not in the East. Therefore, the use of social media and technology has had its benefits in showing people what the possibilities are. It has also had its disadvantages in that it has allowed people to leave the country and thereby make it even more difficult for us to stabilise the region.

**Q6 Baroness Coussins:** I want to come back to Russia and ask you to develop the remarks that you made earlier. Russia’s influence in the region has traditionally been relatively weak, with most states in the region having ambitions in the direction of the EU. Is your assessment that this might be changing, especially in the light of Russia being the supplier of most of the energy to many of the states in the region? Would you say that Russia is in a position to be able to offer alternative military partnerships and to challenge NATO?

**General Sir Michael Rose:** You are right. Obviously they have some leverage with their gas supplies into the western Balkans, but one can overplay that. As you know, other initiatives are now being developed to make sure that energy can come from across the Aegean Sea et cetera. I think we can quite easily overreact to the Russian influence. As I said, I do not think that the army in Serbia is particularly interested in becoming part of a Russian military alliance; it is much more interested in becoming a part of NATO. As long as we keep faith with that and do not allow all these bumps in the road ahead to knock us off course, I think we will succeed in that mission. It would be insane for Serbia to think that it could create a little post-Warsaw Pact alliance.

On the economy, there is talk about having some sort of post-Yugoslavia customs union in the region. Again, any discussion like that should be encouraged, because that puts fences up and makes it more difficult for the Russians to intervene.

**The Chairman:** What about Turkey? We have just heard Mrs Merkel’s view that Turkey should give up its aspirations to join the EU, which seemed to be greeted with an odd mixture of relief and fury from Ankara. However, the Turks seem to be involving themselves in the area. Are they doing damage to the present situation and stirring it up?

**General Sir Michael Rose:** I do not know. I think they would love to invent the old Ottoman Empire and have the same sort of influence in their old region, but that is just wishful thinking. Again, they are using the western Balkans as a pawn in the game that is going on between the European Union and Turkey. Turkey is failing dismally to meet any of the standards required by the European Union on transparency, good
governance, freedom of the media and all the other things. Angela Merkel is quite right to say that there is no hope of it joining in the foreseeable future.

Turkey’s response may be to try to cause trouble in the Balkans, but my experience of the Muslims in the Balkans is different. I once had a discussion with a Saudi Arabian prince on the subject. He had been responsible for sending a mission there at the start of the Balkan wars to find out about these European Muslims, of whom they had never heard. Some imams came from Mecca and spent six weeks in Bosnia. They came back saying, “These Muslims are not Muslims. They don’t pray five times a day, they eat pork and they drink like fishes”. That might not be the case today because, as we know, Saudi Arabia has put quite a lot of effort into investing in madrassahs and other institutions in that country, as has Turkey, but I do not think that will have much impact on people who are probably European in blood anyway and do not have the same instincts.

**Lord Grocott:** I do not want to misrepresent you, but what comes over to me is the view that any involvement of any sort from Russia is either mischievous or malign, or both, whereas the truth is surely slightly more complicated, not least because, as you said in your opening statement, the involvement of the West—I am using the word “West” in very broad terms—has not exactly been a triumphant conclusion to settling the difficulties of the Balkans. Is it not at least true to say that we have a common interest with the Russians in that neither of us particularly wants to see failed states anywhere? Is that not a factor that suggests that we might have some things in common and that it is not just goodies versus baddies?

**General Sir Michael Rose:** You are absolutely right. There is enormous mileage in developing the western Balkans as common ground between us and the Russians. Even during the Balkan wars, I often used Russia to try to modify the pressure that was being put on me by NATO to use more force against the Serbs, because I knew that if we went beyond a certain level of force that would crash the peace mission. I very often used the Russians in the Security Council—Lord Hannay will no doubt confirm this—to try to maintain a minimum level of force and not to maximise it.

The Russians at the time were very amenable and understood instinctively what we were trying to do. It was curious that a NATO soldier should be using the Russians against NATO within five years of the end of the Cold War, but that is how it worked out. In a way, that set a trend that today we can use with the Russians. Putin is an opportunist. He is causing mischief wherever he can. That is to do with the way in which we humiliated Russia at the end of the Cold War, particularly at the conference that I spoke about in the year of the 50th anniversary of NATO, when the Russian delegation effectively got up and walked out because we were being so rude about them. They have been doing pushback ever since. However, given the trouble that they have in Syria, where they need to come to a resolution, I think that the Balkans, as a counterbalance, would be a very
useful area about which we could talk with them in objective and neutral terms.

Lord Reid of Cardowan: This is a non-sequitur, because I am going back to Turkey. You said in relation to Turkey’s influence, benign or malign, that you did not see it as great, other than there being some vague notion of re-establishing a framework of the old Ottoman Empire and so on. Part of the reason you gave for that was the particular nature of Islam in Bosnia-Herzegovina, which is a very moderate form. However, you talked earlier about radicalisation and polarisation inside Bosnia-Herzegovina. In that context, is there a greater degree of Turkish influence than there might have been from the starting point when you were there?

General Sir Michael Rose: That is absolutely right. The vacuum that in a way we have allowed to occur in Bosnia in particular has allowed the radicalisation of the younger element in particular. As you know, Bosnia, Albania and Kosovo produce more foreign fighters in Syria than the rest of Europe put together, so there is an element of that, but we should counter strenuously with our own I would not say propaganda but information policy, because of course they are subject through social media to enormous propaganda from ISIS, as well as all the injuries and grievances that go back to the Balkan wars. We should take an active part in that, surely, but it does not alter my overall view that the instinctive nature of the Bosnian Muslims is not exactly the same as the Wahhabis, for example.

Lord Hannay of Chiswick: I was a little sceptical about what you said about working with the Russians, because I am not sure that you have taken sufficiently into account that the Russia of the 1990s, which was indeed sometimes reasonably helpful, is not Mr Putin’s Russia—

General Sir Michael Rose: That is true.

Lord Hannay of Chiswick: —and I am not sure that Putin’s objectives are the same as, say, Yeltsin’s were when Yeltsin gave very high priority to working with the West on a whole range of international problems, of which this was one. I would be sceptical, frankly, because I think that the Putin policy, as you described earlier, is one of troublemaking, of basically destabilising, of making life difficult for NATO, the Americans, us, the other Europeans et cetera. I do not quite see the scope for co-operation myself, but perhaps you do.

General Sir Michael Rose: I think, Lord Hannay, that I am probably slightly more optimistic than you are. You and I dealt often with Sergei Lavrov, who is still in business.

Lord Hannay of Chiswick: Yes, exactly.

General Sir Michael Rose: He in a way represents the continuity between Yeltsin and Putin. I think Putin is a realist, and if we suggested to him, as somebody on your Committee previously said, that an unstable, fragmented and possibly violent western Balkans would not be in Russia’s interest, I am sure he would have to agree with you. One could try a
démarche with him and see how it went. Sergei Lavrov in particular would be a very interesting person to talk to on that basis.

**The Chairman:** A final question on the other enigma, which is of course Washington and not Moscow.

**Lord Purvis of Tweed:** You mentioned the reduced budget from the US in the region and you said that it could leave a vacuum that could be filled by Russia. Will this be a bump in the road? Will our strategic interests continue to be aligned with the United States, or are you detecting quite a shift from the US and that we will have to have a clearer separation from our position with the US?

**General Sir Michael Rose:** I lend myself to your latter position. As long as President Trump remains in power there will be a definite shift. He is, by instinct, an isolationist who responds to external issues such as North Korea, but his main ambition is to disengage and “make America great again” from within before he starts to get involved in foreign expeditions again. So I fear that we may have to pick up the tab—or fill the vacuum, to change the metaphor—that is left by President Trump and the new Administration.

**Lord Purvis of Tweed:** Would the priority for that lie within the NATO community, or would it be in some form of post-Brexit new relationship with the EU?

**General Sir Michael Rose:** I think it should be both, I am afraid. We should support the EU in its initiatives. As somebody said, Brussels cannot go it alone. Therefore it needs every help it can get, and in the same way NATO needs our support and encouragement.

**The Chairman:** That it is not a conclusion, of course, but it is an end point when you talk of picking tabs and filling in vacuums. That is where our work starts: where the possibilities are.

Sir Michael, it was fascinating to hear your wisdom on the whole scene, and we are very grateful to you. You have been an introduction to it for us, and we thank you very much for coming before us.

**General Sir Michael Rose:** Thank you very much for giving me the opportunity to express the position that I have been harbouring for many, many years, and I wish you every good fortune in your endeavours, because this is extremely important.

**The Chairman:** I think we are going to need it. Thank you very much indeed.

**Examination of witness**

Lord Ashdown of Norton-sub-Hamdon.

**The Chairman:** Lord Ashdown, welcome. Thank you for sparing time to come before the Committee as we try to grapple with this long-standing
question of the Balkans. We have labelled our study “Beyond Brexit: the UK and the Balkans”. You were high representative for Bosnia-Herzegovina for four years, I think, which is a long stretch. You have at your fingertips more knowledge, understanding and sensitivity of what is happening there now than many people and we would like to hear your views. Let me start with the obvious and main question: what about the Balkans and the UK today? Is there sufficient interest here? Do we understand what is happening and what all the dangers are? How can we make good and be effective in that area? If you could start on that aspect of the overall theme, that would be very helpful.

**Lord Ashdown of Norton-sub-Hamdon:** Thank you, Lord Chairman, for inviting me here. You say that I have more understanding, but I suspect that I have slightly less than Arminka Helic, who has been a great adviser and helper to me. I suspect that you will want to listen to her judgments in these things. I know that she is very close to the situation and I believe that in her time with the last Foreign Secretary—or the Foreign Secretary before that; I lose touch—I lose touch—she did a great deal of work there. It is a pleasure to be here. I may disagree with some of the things that Sir Michael Rose said, but he is absolutely right that this is a most timely inquiry. I think that it is extremely important.

As for the United Kingdom, the straight answer to your question is no—I do not think that there is huge engagement with the Balkans in the United Kingdom. I do not think that the situation is widely known about, and given the other problems facing the world, why should it be? It was very much at the forefront of everybody’s mind throughout the 1990s. I remember visiting Bosnia and Sarajevo during the war and later as a high representative. Whenever I went to a foreign capital and spoke to Foreign Secretaries, I would mention Banja Luka or Sanski Most and they would know exactly where they were, because that had been part of their upbringing, as it were. I suppose that has now slightly—worked its way out of the system.

I was very conscious when I was there that Bosnia was if not at the top of the agenda then close to it. You saw that in the seniority of the diplomats and representatives of the various Peace Implementation Council members who would turn up to regular meetings in Sarajevo. By the time I left, the posts that had started off being filled by senior people in the Foreign Office had diminished down to being filled by much more junior ones, which is a fair indication of how this has gone off the boil. Certainly, when William Hague was Foreign Secretary, this was one of the key features of foreign policy to concentrate on—indeed, I think that it featured in the coalition agreement. In the end, I suspect that we could not develop the kind of policies that Foreign Secretary Hague would like to have followed because our European neighbours and perhaps especially at that time Berlin and Paris would not provide the energy behind it; I suspect the calculation was made that it was not worth the expenditure of political capital to move them off other issues in order to devote to this one. That gives you another indication. It was off the boil, not of great interest and low down on the international agenda.
Should it be? No, it certainly should not. Bismarck famously said that the Balkans were not worth the bones of a Pomeranian grenadier. I think we have proved that that was not true in the 20th century and presently. Bosnia remains the interface on that crucial fault-line between what we used to call Christendom and the Muslim world. It remains a potential bridge. Alija Izetbegović, the leader of Bosnian Muslims during the Balkan war, used to say, “I’m a European and a Muslim and I see no contradiction between the two”. That is true, as Michael Rose mentioned. Therefore, its capacity to act as an essential bridge, both adhering to European values and being a Muslim nation, is of crucial strategic importance to us.

You should also look at the downside. If Bosnia breaks up—for lack of political will to do anything else, in effect as a result of what happens through amnesia, apathy or lack of attention—whether legally or not, and we are left with the European Union being the unwitting deliverer of the policies of Karadžić and Mladić, with the Bosnian enclave having 40% of the population cut off from the Republika Srpska, we would be in a very difficult position. If you look at the recruiting sergeants for ISIS, for instance, you will still find that Bosnia and the Bosnian war are high up the agenda among them. This is important to them and it ought to be more important to us.

My final point before we get on to your questions, Lord Chairman, is that one mistake that we made is that, although we invested political will, treasure and forces in Bosnia to bring it to the point where I think it could make a track towards becoming an accession country to the European Union, the job was unfinished and remains unfinished business. Broadly speaking, this coincided with when I left in 2006—I do not think that the two are necessarily connected—when we sort of left it there.

One mistake that we made was to lack the strategic patience to see it through to a proper, stable conclusion. The second occurred under Solana in particular, with my successor, Miroslav Lajčák, who was then high representative. Javier Solana took the view that Kosovo was the central problem: sort out Kosovo and the rest of the Balkans would be all right. That is a fundamental misunderstanding. Basically, the policy followed by the European Union in 2006-07, from which I think the current difficulties stem, was to pay any price to keep Bosnia quiet—in that case, it was police reform—so that we could sort out Kosovo. I do not believe that Kosovo is the fuse that leads to the Balkans bomb; I think that Kosovo is a bit like Schleswig-Holstein—time will sort it out. You remember that Gladstone was once asked, “What is the answer to the Schleswig-Holstein question?” His answer was, “Three people know, but one is dead, the other is mad and I’m the third and I’ve forgotten”. It was time that sorted it out. However, if Bosnia goes bad, the rest of the Balkans goes bad. For that reason, I think that the lack of attention to this problem is dangerous.

I finish by saying this. Do I therefore mean that I think that Bosnia will go back to war? No. I do not think that is the most likely outcome. There is not the will for it, although there are rumours of people training in the forest, as there were in 1992. The fact that there is now a state army—a
professional army—responsible to the presidency is a bulwark against it. I do not think that anyone wants to go back to war. The mood may be quite nervous, as it was in 1992, but I do not think that the intention or the desire to go to war, which was certainly evident in 1992, is there now.

However, the situation is so febrile that I cannot tell you with confidence that conflict and violence would not be the outcome if, for instance, a hand grenade were thrown into the mosque in Doboj at Friday prayers. The consequence of that, I think, would be unpleasant. The most likely outcome from the present policy is that Bosnia and Herzegovina remains a sort of black hole of corruption, a dystopia, lacking the ability to govern itself properly, a sort of festering pit that which we have not the energy to put right and which we are prepared to tolerate the consequences of in the centre of what is one of Europe’s most unstable regions.

The Chairman: That is very full of insights and reflection. On this question of how febrile it is, as you have said it is very hard to assess whether it will go back to something in the nature of an explosion or merely continue to be a festering sore, in your words. Lord Balfe wants to pursue this issue.

Lord Balfe: You described the Dayton peace accord as “a superb agreement to end a war but a very bad agreement to make a state”. Much later in the summer of this year, David Harland wrote of it that, “the machinery of government established at Dayton is cumbersome and remains unreformed and financed by unsustainable levels of debt”, et cetera. Is reform of Dayton fundamental in getting a major solution to the problems that we face?

Lord Ashdown of Norton-sub-Hamdon: It is.

Lord Balfe: And if it is, do we go ahead?

Lord Ashdown of Norton-sub-Hamdon: Dayton had all sorts of stupidities and infelicities, but I cannot think of a single compromise made in Dayton, untidy and uncomfortable though they were, that was not necessary to create the context for peace. Nor can I think of any Bosnian I have ever met who would not have preferred an untidy, ragged, even ragtag and bobtail, peace than the continuation of that war. It was the right thing at the time. Bosnia has gone through two phases. The first was stabilisation, and the second is state-building. Dayton was absolutely right for stabilisation. Perhaps the only compromise that we did not have to make was to pretend that there were three languages—Bosnian, Serbian and Croat—instead of one. They are the same language. That has allowed a certain degree of linguistic nationalism to grow up. But the other compromises were all necessary. It was a brilliant agreement, in my view.

The moment of moving from stabilisation to state-building coincided with my arrival in Bosnia in 2002. In the first speech I gave to the Bosnian parliament I said that Dayton had to be our floor but could not be our ceiling. We had to build on Dayton. The problem was that nobody has the power to go beyond Dayton. Nobody can impose that. My mandate there
was to act within Dayton. If I wanted to go beyond Dayton, which I did, I had to persuade the Bosnians that that was what they had to do.

We went beyond Dayton in a number of key areas. We went beyond Dayton in establishing a single army; in taking the three intelligence services and making them one; in making them responsible to parliament; indeed, in making them a model of intelligence services legislation; and in creating a single customs service out of three. All these went beyond Dayton—and were created in two years by the way, which is a world record. And from a completely dysfunctional sales tax system a whole new VAT system was introduced that provides sustainable funding for the Bosnian Government.

All those things went beyond Dayton. In all of them, I could not use my Bonn powers as a high representative; I had to use my political persuasion to persuade the Bosnian Governments of Republica Srpska, the federation and the Bosnian state to accept these, and they did. I had to use a lot of pressure, and you could hear a great deal of cracking of bones from as far away as Brussels. In the process of doing that, I extensively used my two colleagues in the European Union: Chris Patten, then a Commissioner, and George Robertson, then the Secretary-General of NATO. It was pretty brutal use to make sure that these things were done. In the end, the Bosnians understood that this was what they had to do in order to join the European Union and the Atlantic institutions in Brussels, and that it was very important.

The moment the European Union lost the will to use that power to move them forward—not the Bonn powers vested in the high representative but the political powers that came from Brussels—they reverted to the normal fissiparous tendencies. There is a reason for that. I have a theory that in unfinished wars, in frozen conflicts, the nomenklatura who run the war immediately translate themselves into the running the political situation afterwards, and they do not change the aims of the war; they simply pursue them through the means of politics. Therefore, our rush to have lots of elections did not create a democracy simply because none of the other institutions of a democracy were there. I had to create those when I went there: a single judiciary, the beginnings of a free press et cetera, and a decent constitution. You have to continue that political pressure until the generation that ran the war are leech out of the system. By the way, that is beginning to happen in Northern Ireland and why they have a chance there.

In 2006, when I left—and I think it would be fair to say that I was regarded as an excessively muscular high representative—then the European Union adopted the policy of local determination far too prematurely and simply took its hands off the guided tiller, and everything went back and everybody reasserted their policies. Since then, there has been a gradual unstitching. I am afraid to say that, over her time as the European high representative of foreign affairs, Cathy Ashton, for whom I have a great regard—she is a good friend, and I have high respect for her—allowed every step that we made in those days, even in the days of the two
predecessor high representatives, to unravel back to a process that is close to dystopian government again. That is very regrettable.

How do we reverse that? We cannot reverse that unless the European Union adopts the will to drive this process and uses its leverage to do so. Going back to an answer given by General Sir Michael Rose, that is always more likely to happen if there is an Atlantic relationship. If the European Union twins with the United States to drive that process, they will form an irresistible force that can make things happen in Bosnia. We have chosen not to do that because we have chosen not to have the political will to make it happen, with the consequence that Bosnia is now tracking not forwards, but backwards.

**The Chairman:** We will move further to the American role in a moment, but, Baroness Helic, do you want to pursue this theme?

Q10 **Baroness Helic:** I do not know where to start; there is so much there. Thank you very much.

I meant to ask you, although perhaps you have answered this, what in your view are the main challenges for the state of Bosnia. Another thing that I keep encountering is that each time I listen to the high representative, Ms Mogherini, she gives sweet words about her attachment to the Balkans, her understanding and her ambition that not one of the six countries in the Balkans is left behind, but every time you scratch the surface there is no plan, no political will, no unity, no strategy. It is actually shameful to keep repeating this every couple of months whenever there is a meeting of the Foreign Affairs Council et cetera. I just wonder whether I am too critical or whether you see something that I am unable to see in these words and whether there is potentially something behind them that can produce a substantial plan and a strategy to implement it.

**Lord Ashdown of Norton-sub-Hamdon:** There is a great Bosnian phrase, “Da komsjia crkne carava”. To me čini sretnim”, which means, “My neighbour’s cow is dead. That makes me happy”. The word “thrawn” may well be Scottish and Northern Irish, but it is also Bosnian too. They love it when that happens. There is, by the way, a very much ruder version of that. I will not repeat it here or I will make Baroness Helic blush. The Bosnians love extremely rude proverbs.

There is that natural tendency for dysfunctionality. It is very Northern Irish, in a way. Forgive me, but I am a Northern Irishman, so I can say that. So I have no doubt that the key to Bosnia to make this right, is to create a functional state. For as long as the state wastes its very limited money on this vast institution with 10 Prime Ministers and 10 Ministers of the Interior - because all the cantons have one - it cannot spend it on building the loyalty of its citizens. Loyalty from citizens to the state does not, I am afraid to say, come from flags and anthems; it comes from the fact that the state delivers to the citizens the things that the citizens want to have that make them loyal to the state. Good education, jobs and health system. The flags and the anthems come after that.
If you have a dysfunctional state you cannot have citizens who want to commit to that state. They would rather go and join another state, as the Serbs do in wanting to join Belgrade and as the Croats in Herzegovina do in wanting to join Zagreb. There is a need to make a functional state able to deliver jobs, a reasonable economy—there was a growing one when I was there—a decent education system. It is exactly the same as in our own country. For as long as Bosnia is dysfunctional it will not be able to deliver.

How do you make Bosnia functional? I am afraid that Britain is not a model. Belgium is much more a model for modern dystopian states than is Britain. It is highly decentralised, where you pay a certain price of inefficiency in governance to hold the very difficult ethnic and religious mixes together. It is a light-level state that has significant devolution, but at a state level it is able to relate to equivalence in the European Union. So the Minister of Agriculture in Bosnia can do a deal with the Minister of Agriculture from Britain in the Council of Ministers. That is what you need to create.

Is there a plan for that? I do not think there is. Constitutional reform has been tried—I wish they did not call it that, because that sends up maroons ahead of time. The functional reform of Bosnia is crucial to be able to create a functional state. There is no plan for that. If there is, there is no will behind that plan to make it work. The will does not lie, I am afraid, with High Representative Mogherini; it lies with European capitals. If the European capitals provide the will behind that, the high representative of foreign affairs can do it. Chris Patten did it brilliantly. Before I went there, I spent nine months coming up with a plan, then I took it around each of the key European capitals and got their agreement at a high level—they would give me the political will to drive that plan through. That was then developed through the European Union. Unless you have all those systems in place, even if there was a plan, absent the support from European capitals it will not go through. If Europe wants to solve the Balkans—as it should, for reasons we have given—it needs to develop in its capitals the political will to engage and drive that process through. If they could do that, it can be done. Absent that, it cannot.

The Chairman: My thinking is that we want to come more to what the UK can do in all this. We had quite confused messages from Sir Michael as to whether the Balkans are moving away from Europe towards Russia or from Russia towards Europe.

Lord Ashdown of Norton-sub-Hamdon: I very much agree with Lord Hannay on that. I thought that Michael Rose was wrong. He was talking about the Russia that was and not the Russia that is. I remember going to see Lavrov in Moscow on Bosnia on several occasions. The Russians supported what we did in the PIC in those days. The Russia of today absolutely does not. Russia’s interest in the Balkans is to give us as much mischief as possible. Sir Michael Rose said that it did not want a failed state. I think it is perfectly happy to see failed states in the Balkans, because they are our failed states. The exception is Montenegro. Montenegro is 600,000 strong and it has basically been bought by the Russian mafia. That is who owns Montenegro today.
I am very clear that Russia’s interest is to give us problems in our own back yard so that we do not have enough energy to do the things that we could otherwise do, for instance in Ukraine. It has lent Republika Srpska money—not very much—in order to show that it can. I will tell a little story. There was an occasion when one of the Bosnian politicians—a Serb, actually—came to see me, because I was pushing the European Union. He said, “Oh, Paddy, we can always go to Russia. We don’t have to go to Brussels, because we can go to Moscow”. I said, “I tell you what, meet me at 6 tomorrow morning in the square outside the presidency in Sarajevo”. He said, “Why?” I said, “Just meet me there”. We met at 6 o’clock and we took a little walk around Sarajevo very early in the morning. We went first to the German embassy—there was a great big queue all the way round the street back into the central square. What were they there for? They were waiting for visas. So I said, “Come on. Let’s go along and see the Austrian embassy”. So we went to the Austrian embassy. There was a great big queue all the way round waiting for visas. I said, “Come on. Let’s go and have a look at the Russian embassy”. It was completely empty. Nobody wanted to go to Russia. The truth is that Russia will make mischief for us there. It is in the interests of Russia, probably of Erdoğan, too, these days—although I am bound to say that Turkey played an extremely positive role up until Erdoğan and across the ethnicities—just to make things difficult for us. In so far as we leave a vacuum, where we do not have a plan and the will to enforce it, we give them an opportunity to do so.

Q11 Baroness Coussins: I was going to come on to what the UK should or could be doing to help in the effort that you have just described that is so necessary to create a functional state. In the post-Brexit context, how can the UK use more effectively its membership of other international bodies such as the UN, NATO and OSCE to help promote that, perhaps in particular in helping to tackle corruption and crime, which are two key elements preventing an effective functional state? How would you describe the UK’s role in the region post Brexit, especially as part of all those other organisations that we will remain members of?

Lord Ashdown of Norton-sub-Hamdon: I am sorry, I will have to give you a bleak answer: hugely diminished. The things that make Bosnia move are Washington and Brussels, because Washington is the key to putting its armed forces in a position where it could join NATO and Brussels delivers the soft power that enables it to reform its judicial system, create a customs service and so on—and, by the way, it has a huge amount of resources going in. Brussels has more institutions of leverage in Bosnia and Herzegovina than it has in any other country in the world. It has a high representative still equipped with the Bonn power who happens also to be the European Union’s special representative, responsible to Brussels. It has a huge police mission there and it has a huge, in per capita terms, aid programme. People used to come to me. I would say, “You have to do this, because if you don’t do it we’re not going to give you the aid”, and Chis Patten would give the aid essentially. I was asked, “Are you blackmailing me?” I said, “No. This is our taxpayers’ money. We are not going to give it for you to do nothing”. If you do not have that leverage, you cannot move things forward.
Are there things that Britain could do? Well, if it remained in the European Union, it could promote the idea that we have a co-ordinated European policy towards the Balkans. By the way, it has to be a regional policy; you cannot have penny packet policies in Bosnia. If I wanted to get things done in Bosnia with the Serbs, I rang Belgrade and spoke to my friends there. If I wanted to get things done with Croatia, I rang Zagreb and I made it clear that I was always very close to them. So it has to be a regional policy. If you produced a European regional policy, and Britain was prepared to expend the political will to make that work, you could change the Balkans. But Britain acting alone simply cannot do that, so we remove ourselves from the primary power to make things happen. Does that mean that there is nothing we can do? No. Of course, we can provide technical support for anti-corruption measures, and, of course, we can provide technical support to help the economy work better, but they are all things that many other nations can do as well and I do not think we elevate ourselves beyond the position of, perhaps, Japan—which is a member of the Peace Implementation Council—except that we are able to do it with greater resource. But if we remove ourselves from the European Union, we remove ourselves from having our hands on the primary levers to change things. I am sorry to be depressing about that. It was a huge support to me that I could get things done in Brussels through London that made a difference in Bosnia.

The Chairman: Baroness Hilton, I think I rather rudely cut you out from that, for which I apologise. The Chairman was making a muddle. Would you like to pursue this point, or do you feel that it has been answered?

Q12 Baroness Hilton of Eggardon: I think my question has effectively been answered, but I would like to ask a different one, if I may, about funding. Looking at the figures for funding, we seem to be funding Bosnia at a much lower level than the other ex-Yugoslavian republics, whereas I think from the evidence we have heard it should be getting far more EU funding.

Lord Ashdown of Norton-sub-Hamdon: Yes, I agree. By “we”, do you mean in this case the European Union?

Baroness Hilton of Eggardon: I meant the EU, yes.

Lord Ashdown of Norton-sub-Hamdon: Croatia has been a really important model. I could always point to Croatia and say, “Look, this is what they’ve done. They’ve put themselves in a position to join the European Union. The accession process is what they get in return”. That was a huge assistance to us. The difficulty is that Bosnia has failed to make those reforms in the main case, in order to become a proper accession country receiving all those funds with the largesse that others have done. I suspect that that is the reason, although there are some, not least in Brussels, who say, “Never mind, let’s not worry. Let’s just make them accession countries. Let them pretend”. Chris Patten had a lovely phrase. He used to say: “The problem with all the Balkans by the way is that they pretend to do what we ask them and we pretend to believe them”. That is absolutely right. It diminishes the power of Brussels. I am quite hard line on this. If the people in Bosnia, Montenegro or Serbia do not make the
changes required to bring them up to the standards of the European Union, I am not sure that we should give them money.

**Baroness Hilton of Eggardon:** Macedonia is getting five times the amount.

**Lord Ashdown of Norton-sub-Hamdon:** Yes, it probably is, but Macedonia is very close to a civil war. I can understand why you might want to do that. There is a problem in Bosnia, which may be what you are referring to. I remember saying to my good friends among the Bosnians that I thought that they were being killed by their silence. It was the silence of the Bosnian lambs. The Serbs could do almost anything and we would respond to their threats—a very dangerous thing to do; it was the cause of the 1992 war. When I was there, we refused to respond to Serbian threats. The Bosnians just sort of sit there and say, “Well, it doesn’t matter very much”. It actually does. That is one of the problems. Does that answer your question effectively? Am I being gloomy here? I think that I probably am.

**Baroness Hilton of Eggardon:** I suspect that there is no real answer.

**Lord Ashdown of Norton-sub-Hamdon:** There probably is not.

**The Chairman:** The trouble is that we are going over these issues again and again, but they merit deep examination. Lord Reid, you wanted to press on this.

**Q13 Lord Reid of Cardowan:** I think that the question of what the UK could do has been addressed from a couple of angles. Thank you for sharing your experiences and your wisdom on this.

Reflecting on what you said, it seems to me that not only have you stressed the need for internal reconciliation, to the extent that you have some form of overall state in Bosnia and Herzegovina as well as a lot of devolution, but you have at various times referred to the external structures—you started off by referring to the interface between Christendom and Islam, the Ottoman Empire and then Yugoslavia. The European Union can use carrots and sticks to try to enhance internal reconciliation, but to what extent is it also a positive framework in the sense that Ireland and Britain, both being members of the European Union, facilitated a much closer relationship as well as the Good Friday agreement because of the backstop of everyone being members of the European Union? I am interested in the extent to which, over the longer period, the integration of the countries of the western Balkans into Europe—as well as into NATO, of course, but I am interested primarily in the European Union—is a facilitating framework to bring about internal reconciliation.

**Lord Ashdown of Norton-sub-Hamdon:** Absolutely.

**Lord Reid of Cardowan:** Therefore, I presume that we are removing ourselves from that element.
Lord Ashdown of Norton-sub-Hamdon: Precisely. I remember somebody once saying to me: “The Balkans have always been at war”. Actually, it was Douglas Hurd when I came back in 1993. I was really surprised. I am a great admirer of Douglas Hurd’s because I just thought he was a fabulous man and he knew his history. I said, “Douglas, it’s not the Balkans that have always been at war, it’s us, the countries of Europe, who have always been at war—for a thousand years”. There have been wars far more regularly in Europe than there have ever been in the Balkans. We have slaughtered each other by the millions, yet we have found our way out of that because we were able to cope with the nationalisms that had been so destructive by creating the overarching framework of the European Union. Exactly the same applies in Bosnia. The Balkans are not more dedicated to war and fissiparousness than we are.

On this business of integration, integration will come if you get a successful economy. There is no difficulty with integration. Most of the people are perfectly happy to integrate. Obviously, they carry the scars of war and it will take time for that to leech away, but there is no difficulty with integration. The difficulty is driven by the politicians at the top who want to preserve the specificities of their ethnicity because it helps them to control power. The parallel is exactly what you said, John: it is Northern Ireland. Did the people of Northern Ireland want to get together? Yes, of course they did and long before their politicians, but it was in the interest of the politicians to maintain those differences. That is exactly the case in Bosnia. Europe is indeed the overarching framework and the only one. I used to say to them frequently, “The only way you can have economic prosperity, a future for your children and peace is to join the Atlantic institutions in Brussels”. It was the most powerful argument that I had and it remains the case. I give you this undertaking: if you can create a functional state and a growing economy in Bosnia and Herzegovina, integration will take care of itself.

Lord Hannay of Chiswick: Just following that up, and I know that it is a bit academic since, for reasons that both you and I regret, our influence on the accession process for Balkan countries to the European Union is modest, to put it mildly. Do you think that accession remains viable both at the Brussels end and at the end of each of the component countries: Albania, Montenegro, Macedonia, Serbia, Kosovo, Bosnia and so on—so looking wider than Bosnia? Do you think that the process—which may take a very long time, because, as you rightly said, we should not play games and pretend that they are up to the Copenhagen criteria when they are not—is viable? In the countries, are they tiring of that process and thinking of something else? At the Brussels end, when this lamentable President of the Commission, who said such unwise things about the accession of any new country, passes on, perhaps there will be an opportunity for the European Union to resume a serious policy of accession. What do you think about all that?

Lord Ashdown of Norton-sub-Hamdon: I think it all depends on what Europe will do. An accession policy becomes viable if it is a policy that we are prepared to pursue with purpose and political will behind it. I used to
say that unity and peace in Bosnia are rested on two forces. One for a bit was the muscular power of the Peace Implementation Council expressed through the Bonn powers of the high representative, if he chose to use them and was prepared to do so. The second was the magnetic pull of Brussels. If those two were in place, Bosnia would continue to move forward. The sadness is that the magnetic pull of Brussels has massively diminished. Most Bosnians know that they will not be entirely welcome—there will be referenda in France if they join. Many of them would say, “Paddy, don’t fool me. I know perfectly well that we are more important to Europe than Europe is to us”. It was not true, but Europe behaved in such a way that it looked like it. If you set a series of standards and they did not achieve them but Europe pretended that they did, its seriousness in driving the process forward immediately vanished. I became quite unpopular, particularly among the Serbs, just for insisting that the standards were adhered to. If Europe has the will, this is possible to do.

I used to try to explain it to Europeans by saying, “Look, this is not an expansion of Europe, this is unfinished business inside the outer circuit, the outer parameters, of Europe. This is your unfinished business”. However much I said that, it did not look like that when it was delivered in Bosnia and Herzegovina. So, yes, I think this can be done, but on three conditions: first, that Europe develops the plan and the political will to put it into effect; secondly, that the United States is prepared to throw its weight behind it, albeit that Europe will have to say that it will carry the burden; and, thirdly, that we see this not as penny-packet policies, which we have at present—we have one for Montenegro, one for Kosovo, one for Macedonia, one for Serbia and one for Croatia—but as an overarching regional policy in which we can play the leverages.

If you want to solve the problem of fissiparousness with the President of Republika Srpska, Milorad Dodik—he has a picture of me on his wall that he sticks pins into; some Liberal Democrats do that as well—and want to get him to do something, you will not get it done by bullying him from Brussels; you get it done by getting in touch with his friends in Belgrade. You then say to Belgrade, “As part of your accession process, we are not going to accept you as a member of the European Union unless you pursue European Union policy in Bosnia and Herzegovina, actively ensuring that this is not allowed to break up”. So there are those three conditions: Europe has a plan and the political will to drive it; the United States is prepared to play some role in that because they are regarded as the people with the muscle—given the history of the Balkans, I am not surprised; and we have a regional policy and play the interlinkages. If that happens, we can begin to move the Balkans forward.

**The Chairman:** All those conditions are remote, are they not? “No more accession”, says Mr Juncker; the Americans are not interested.

**Lord Ashdown of Norton-sub-Hamdon:** Yes. I do not know whether you are picking up on this—I probably should not say it; we are on the record obviously—but I have heard some quite interesting stuff that the Canadians are now thinking of. If it is right that Trudeau is thinking about a sort of
Canadian-European axis to drive forward some stuff in the Balkans, it is quite a significant new step. I hear on the grapevine that there is some interest in this. Is Canada a replacement for the United States? Obviously not, but if Canada and the European Union were genuinely interested in making things happen in the Balkans, we might be quite close to the ingredients of a package that could drive it forward. I do not know whether any of you have picked up on that, but some people are quite actively talking about it.

**The Chairman:** This is such a central theme. I know that Baroness Smith wants to come in on this precise point. Lord Jopling does, too. Can I ask you, Lord Jopling, just to wait until Baroness has pursued it? We are so central on Brexit and how we get out of it, and so on.

**Baroness Smith of Newnham:** Get out of Brexit?

**Lord Ashdown of Norton-sub-Hamdon:** Yes, yes, get out of Brexit.

Q14 **Baroness Smith of Newnham:** Let us assume that we are not going to get out of Brexit. We have been talking a lot about the EU. As you have already suggested, Lord Ashdown, there are problems in any case about the Balkans pretending to be ready and the EU pretending to believe them, as happened in the “big bang” enlargement in 2004, which in many ways is part of the problem. If the UK is leaving the European Union, what role do you think it can play alongside the European Union, and to what extent should we try to have a policy that is as close as possible to that of the EU? Should we have that as part of where the UK is going in its post-Brexit foreign policy strategy?

**Lord Ashdown of Norton-sub-Hamdon:** I think the answer to your question is yes. If Britain is not part of the European Union, it will not have access to those levers in the way that it otherwise would, but it seems to me an entirely right foreign policy for us to follow. In the Balkans, we and Brussels should be ad idem in what we are trying to pursue, and we should add our weight to theirs. I think that is the right policy to pursue. If we can develop some kind of transatlantic framework for that, albeit with Ottawa rather than Washington under the present dispensation, that is helpful. We should see ourselves as lending weight to the European Union’s policy if we could just determine what that was. The sadness is that, since we are not in the European Union, we cannot influence that policy and change it, which I think is necessary.

Q15 **Lord Jopling:** Our two sessions this morning have been dominated by Bosnia. We have not heard very much—we heard a little, but I would like to hear more—about the influence of Serbia in all this. You mentioned Serbia. You recalled that Serbia was very much at the centre of starting the war in the 1990s. It is the influence of Serbia that contributes to the people of Banja Luka making Bosnia almost ungovernable. It is the influence of the Serbians in Kosovo, in the northern enclave there, which makes that country almost ungovernable. To what extent do you think Serbia is a malign influence in the western Balkans?

We then come to the figures that we have been given for EU funding, where
Serbia appears to get nearly two and a half times the amount of support for any other single country—€1.5 billion compared with the next highest at €664 million. To what extent is Serbia a malign influence? Are we not sufficiently strident with them, and is it because of their flirtation with the Russians? Michael Rose reminded us that Serbia has had many more military exercises with NATO than with the Russians—I think it was 22 to two. I would like to hear a little more about the role of Serbia.

**Lord Ashdown of Norton-sub-Hamdon:** If we remember the 19th century policy, Britain and France always saw Serbia as the absolute key to the Balkans. It is the largest nation; it is an extremely gifted nation. It has all sorts of problems, but it is the greatest nation of the Balkans, without a shadow of a doubt—Croatia would disagree with that, obviously. If you can bring Serbia on board and get it through this process, you will have created a huge impetus for the rest of the Balkans to follow. Let me draw a parallel with Northern Ireland—John Reid is right: there are so many parallels. It used to annoy people that I drew attention to them, but, as an Irishman, I am entitled to. The truth was that Northern Ireland was such a basket case that Dublin never wanted it. It would say that it wanted a united Ireland but it absolutely did not want to take on board Northern Ireland in its original case.

The same is true of Republika Srpska. The Serbs do not want Republika Srpska to be part of Serbia. The word Bosniak has come to mean a Bosnian Muslim, but it was originally a derogatory term and meant somebody who came from Bosnia. If you went to Belgrade, you would hear them use “Bosniak” with its derogatory, hick, primitivno meaning to refer to people who came from Banja Luka, Serbs though they were. Just as Dublin’s role in Northern Ireland was important because of how it played out in Dublin’s domestic politics, Banja Luka, Republika Srpska, can always be an extra string to the bow of a Serbian nationalist seeking election in Belgrade, because they can talk about the evil that has been done in taking their fellow Serbs away from them. So it is important to them, but only in terms of internal national politics. I do not think that they have any intention of doing anything that reincorporates Republika Srpska into Belgrade.

Are they a malign influence? Well, in so far as nationalists are in charge of Serbia and are going to be malign, they will exercise that poison in Republika Srpska, too. But, generally speaking, I do not think that Serbia wants to be particularly malign towards Republika Srpska—there may be a bit of mischief here and there. If it is going to play Moscow, why would it not if it drives up its leverage with Brussels? Why would it not have a military exercise with the Russians once in a while to remind NATO and give it some more leverage there? The Serbs are perfectly capable of playing that card, and they do, but we should not regard that as long-term intent.

All that being said, I do not object to the idea of the European Union giving Serbia a lot more money than elsewhere, because I think it is that important. I do object to the fact that it is not attached to very strong conditionality. Should we use more conditionality for that money? Absolutely so. We should say to Belgrade, “You play a role. We expect you
to play an active role in Bosnia consistent with the European Union’s policy in Bosnia, which is to create a functional state”. That is the leverage that we should use. There was a moment when, because of a failure to adhere to The Hague tribunal conditions, I had to do the very difficult thing—it was horribly frightening, I can tell you—of getting rid of a directly elected Serb President. I asked him to come and see me and said, “Look, I’m sorry, I’m removing you”. He had just been directly elected by the people of Republika Srpska. He was called Mirko Šarović. He is back in politics now and I greatly admire him for that—but at the time he was not doing what was necessary to catch war criminals, and that was an international crime.

Before I did that, obviously I made sure that I had Chris Patten and George Robertson lined up, but I also rang my friends in Belgrade and said, “Look, I’m about to do this”. It was a man called Goran Svilanović—you may remember him; he was a very fine Foreign Minister. I rang him and said, “Look, I’m just going to have to do it”. He said, “Paddy, you’ll have terrible problems”. I said, “Look, I know I will”. He said, “I’m going to have to criticise you and shout at you”. I said, “Yeah, I know you will”. But I had to make sure that he was not going to push the envelope further than that before I felt able to act. That is what you have to do: you must play those leverages. The only leverage we have, absent the Bonn powers, absent 60,000 troops in SFOR in Bosnia and absent a military force that can drive the process forward, is conditionality on the amount of money we give. It is the only thing that we have.

The Chairman: We are rapidly running out of time. It has been absolutely fascinating. I know that Baroness Helic has one point on the figures.

Baroness Helic: Perhaps I may top up what Lord Ashdown has already said. Bosnia is getting proportionally the lowest possible aid from the EU. It is because it cannot meet the conditionality. Why does this happen? I think there is a long-term policy in Banja Luka to ensure that Bosnia is seen as a dysfunctional state. Every time those conditions need to be fulfilled, there is a last-minute withdrawal of Banja Luka’s support for it. It has worked. As you can see, since 2014 and even before that—since 2006 actually—Bosnia has been lagging behind because of a long-term strategy to ensure that it is perceived and acts as a country that cannot be sustained. While it marinates in this dysfunctional state, attention and support from the international community subside. The project so far is working, as you can see in these numbers.

Lord Ashdown of Norton-sub-Hamdon: That is so true. That is exactly what the Prime Minister of Republika Srpska is doing. Whether he wants to split away from Bosnia I do not know. My guess is that he has put himself in a state of grace to do it, so that if the moment arrives and he feels he can do it he might, but I do not think that is his primary intention. I do not think that he is a nationalist; I think that he is an opportunist in the same way as Milošević was. He uses nationalism as his lever, but his policy is exactly the same as that of Milo Đukanović, the former Prime Minister of Montenegro. In Montenegro, they simply made the federation with Serbia completely unworkable until we lost patience and said, “Okay, have your
own independence”. This is what is happening in Bosnia. Then, I am afraid, he is also very cannily playing the ability to bring other European Union nations to the position that they say “They’re never going to work together. Let them get on with. Just let it happen”. So he has diplomatic representation in Brussels, and I am afraid to say that Brussels officials see the diplomatic representative of Republika Srpska in Brussels.

Excuse me, but this is not a state; it is a man who pretends that he has a state within a state. Why on earth are we giving him any credibility? When High Representative Cathy Ashton goes to Bosnia and Herzegovina, she does not say to the Prime Minister of Republika Srpska, “Come and see me in Sarajevo”. She goes to Banja Luka and sits down with him. By the way, on the table is a European flag and the flag of Republika Srpska for the television cameras. It is not the flag of Bosnia and Herzegovina. That is seen on every television screen around Bosnia. She has hugely reinforced the capacity of this man to play the fact that he is representative of a state and not part of a state.

Why do we give any diplomatic representation, or why do pay any notice to those people? They have diplomatic representation in Hungary, which is quite wobbly on these things, and in some of those eastern littoral countries, the Slav countries, particularly Poland, which are saying, “Well, why not? Just let them get on with it. It is going to be easier in the long run”. The moment in the Balkans when you say, “Take the easy way out”, you are on the way to a failure of foreign policy. I am afraid that in the Balkans that nearly always leads with something much worse than just diplomatic break-up.

**The Chairman:** Lord Ashdown, we have lots of other questions that we would like to ask you, but you have given us your time for an hour and a half or more and I think we are going to have to call a halt here. You have described the dysfunctionality and ambiguity of the situation, with Serbia saying that it wants to join the European Union and yet actively pursuing policies that are hostile to it. Republika Srpska is and is not a country. How do we begin to piece this together? We do or do not have a role depending on our deep and special links, which are supposed to come up with Europe—they may or may not do so; no one knows what they mean yet. So you have set us a lovely jigsaw. The bits are lying all over the table and we are going to have to do something to try to put a few of them together.

In the meantime, we as a Committee should thank you for a fascinating tour of the scene—a lot of wisdom, a lot of insights, not many solutions but that is not what we expected anyway. Thank you very much indeed. You have been really kind.
AASTRA Anti Trafficking Action – Written Evidence
(BUB0003)

1. Trafficking in human beings, or ‘modern slavery’- a more recent term used to describe the practice in which human beings have been treated as commodities to be bought and sold across the globe - has been at the centre of international attention for more than a decade. Nonetheless, the challenges faced by the governments seeking to address and eliminate the practice that has reached epidemic proportions throughout the world are still monumental. International cooperation and coordination of actions between states is essential for tackling organised criminal networks engaged in this lucrative ‘business’, alongside with the exchange of knowledge on good practices concerning victim identification and assistance. Britain has committed to lead the global fight to stamp out modern slavery by introducing the Modern Slavery Act, the passing of legislation in Scotland and Northern Ireland to tackle human trafficking and exploitation, and its actions at international level. The UK approach to eradicating modern slavery has been seen as cutting-edge with pioneering legislative solutions accompanied by jurisprudence, procedures and actions that have been seen as examples of good practice for Europe and beyond, especially in areas that are considered relevant for this topic.¹

Challenges facing the Western Balkan countries and needs identified by the EU and Council of Europe

2. Increased efforts in the fight against human trafficking and modern slavery are seen as an imperative for the Western Balkan states in the EU accession process,² yet the progress on this front has been modest. The issues of trafficking in human beings and organised crime are covered to a certain extent by the National Action Plans for Chapters 23 (Judiciary and Fundamental Rights) and 24 (Justice, Freedom and Security), but some important questions have been omitted. Both EU Progress reports and GRETA’s reports³ urge Balkan states to step up their efforts in this field, especially when it comes to providing training to stakeholders.

3. The biggest obstacle to effective fight against human trafficking in the region is a lack of proper implementation of an existing legal framework,

¹ Council of Europe, GRETA, Compendium of good practices on the implementation of the Council of Europe Convention on Action against Trafficking in Human Beings (18 October 2016).

² These include Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Kosovo, and Serbia.

³ The Group of Experts on Action against Trafficking in Human Beings is responsible for monitoring the implementation of the Council of Europe Convention on Action against Trafficking in Human Beings by the Parties.
including international obligations of the countries in the region. It is noted that future training programmes should be designed with a view to improving the knowledge and skills of relevant professionals to enable them to effectively assist and protect victims of trafficking, and to ensure traffickers receive adequate convictions. As such, it is vital for fulfilling the political criteria of EU membership in the area of Rule of Law and obligations under Chapters and 24. All the more so, having in mind that in Serbia, the NAP for Chapter 24 envisages thorough reorganization of the police formation in charge of human trafficking investigation and consequent need to train a large number of new police officers, especially when it comes to interviewing victims, where the UK has excellent expertise and training programmes. (PEACE)

4. Moreover, the recent migration crisis has been used by human trafficking networks to target and exploit the most vulnerable, which increased the pressure on local authorities and exposed the problems in the anti-trafficking actions in the region. The lack of understanding of the international human rights standards and case-law in this area continues to affect the performance of the judiciary and other institutions and a comprehensive, multidisciplinary and victim-oriented approach to human trafficking has yet to be developed. Thus, knowledge and awareness of judges, prosecutors, investigators and lawyers about human trafficking needs to be improved in all Western Balkan countries, including as regards specific elements of the offence, the rights of victims and access to compensation which necessitates training of relevant professionals.

5. Notably, while challenges facing these countries have been similar, there has not been much effort to coordinate training for relevant professionals about human trafficking and the rights of victims. In fact, according to GRETA, “Training in relation to human trafficking is not systematic for prosecutors and is often non-existent in the case of judges.” Accordingly, there is an obvious need to create a platform for the Western Balkan countries to engage in a discussion on the best ways to step up their efforts in combating human trafficking and modern slavery in a more coordinated way and by making use of the best practices established internationally. The UK experiences are fundamental to this process, its legal solutions and practices being identified as examples of good practice by GRETA. We recommend bringing together six Western Balkan countries\(^4\) to discuss and identify common challenges and the best ways to address these using the UK expertise and institutional practice as a guidance.

Submitted 01 September 2017

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\(^4\) With a possibility of including Croatia due to its geographic connection with organised criminal routes.
Mr Peter Van Der Auweraert, Western Balkans Sub-Regional Coordinator and Head, Land, Property and Reparations Division, International Organisation for Migration (QQ42-49)

Wednesday 25 October 2017
10.40 am

Watch the meeting

Members present: Lord Howell of Guildford (The Chairman); Lord Balfe; Baroness Coussins; Lord Grocott; Lord Hannay of Chiswick; Baroness Helic; Baroness Hilton of Eggardon; Lord Jopling; Lord Purvis of Tweed; Lord Reid of Cardowan; Baroness Smith of Newnham; Lord Wood of Anfield.

Evidence Session No. 4 Heard in Public Questions 42 - 49

Witness

I: Mr Peter Van Der Auweraert, Western Balkans Sub-Regional Coordinator and Head, Land, Property and Reparations Division, International Organisation for Migration [video link].

Examination of witness

Mr Peter Van Der Auweraert [video link].

Q42  The Chairman: Good morning, Mr Van Der Auweraert. We are extremely grateful to you for being with us. We are the House of Lords International Relations Committee, and we are conducting an inquiry into the situation in the western Balkans, the UK’s role in the area, the developments and the dangers in the area and the prospects for the future. Obviously, history hangs over the whole area, and we have to think back and be realistic about the horrors of the past and whether they can be avoided in the future. We are focusing particularly on the area of your expert responsibilities—trafficking, migration, slavery and the other undesirable features which I am afraid have overshadowed the area too much in the past.

Against that background, we will start straight away with some questions. As Chairman, I will put the first question. Are our worries likely to diminish in the future? Is the importance of the western Balkans as a transit route into the EU closing down, or could we go back to the situation of only a couple of years ago where over three-quarters of a million detections of illegal border-crossing were on the cards? How do you see the overall
situation, before we get down to some of the details?

Peter Van Der Auweraert: Thank you for asking me to speak to you. It is clear that the general situation is that the numbers have dropped dramatically. We have moved from a situation of a large transit population to a situation of much smaller numbers, many of whom are currently stranded migrants in the western Balkans. We traditionally say that the western Balkans route has closed, which is true, but the door remains open a little. I will explain what I mean by that.

When we look at the figures in Serbia, which is currently the country that has the highest number of stranded migrants—about 3,500 are currently in the country—while at the start of spring, there were about 8,000 people. The reduction from 8,000 to 3,500 is almost entirely due to irregular crossings from Serbia into the EU with smugglers. That is with a small exception: Hungary continues to allow 10 people a day to cross from Serbia into Hungary on a regular basis, where their asylum requests are then processed. It is therefore true that the western Balkans route is almost closed, but human smuggling activity remains prevalent in the region.

When we look at the countries in the western Balkans other than Serbia, we see smaller groups of migrants who are trying to transit from Bosnia Herzegovina through Montenegro and Albania; essentially, smugglers are trying to test out new routes. These numbers are very small. I was in Montenegro last week, where they have gone from about 80 migrants in the country a couple of months ago to 250 stranded in Montenegro today. These are small numbers, but they are a consequence of the closure of the traditional Macedonia-Serbia western Balkans route, and they are smaller groups of migrants who are trying to test whether they can get into Europe through Montenegro.

Looking forward, a lot continues to hinge on whether the EU-Turkey agreement will hold. The numbers from Turkey into Greece, which was the main route along which people would arrive into the western Balkans, have reduced dramatically. Over the last couple of weeks, we have seen a slight increase; we have about 100 people a day arriving from Turkey and Greece. However, because of the Turkey-EU agreement, they generally stay on the islands and do not make it towards the mainland and into the western Balkans. Our prediction is that as long as the EU-Turkey agreement holds, we will not see a return to the situation in 2015 and 2016 that you described.

The Chairman: What are the outcomes of this change in volume? Does it mean that there are fewer boats coming across the Mediterranean? Are camps building up in areas they can get to? You mentioned some of the islands, or Greece itself. Are alternative tragedies developing as the actual numbers coming through the western Balkans have reduced? What are the consequences of all this?

Peter Van Der Auweraert: First, to talk about the positive consequences, the number of fatalities relating to sea crossings from Turkey to Greece has dropped enormously. As you know, that route was particularly risky,
especially when the weather conditions were not good, so that is a pretty positive consequence: the number of people dying along the route from Turkey to Greece has gone down dramatically. In that sense, it is a genuine protection measure for migrants and refugees.

The downside is that the number of people who are staying on some of the Greek islands—I am sure you have seen the reports—is increasing and is straining the reception capacity that is available on the Greek islands. I think it is at least partially related to the slowness of the asylum process in Greece. That the process has to be accelerated to a greater degree so that solutions for people currently stuck on those islands can be found: either refugee status in Greece or a return to Turkey in accordance with the EU-Turkey agreement. The current main adverse burden of the EU-Turkey agreement is this build-up of people on the Greek islands.

When it comes to Turkey itself, the Turkish Government should be commended for having provided protection to so many Syrian refugees and for having taken measures with regard to, for example, access to education for children and access to the labour market for Syrian refugees on the territory of Turkey. The situation of Syrians in Turkey continues to improve. Of course, there are challenges, as there would be for any country that has to deal with a sudden influx of such large numbers of people. I was in Turkey some time ago, and there are towns where, until a few years ago, there were 10,000 inhabitants. Suddenly, now they have 20,000 to 25,000, which obviously puts strains on the schools, the labour market and the social services. That takes time to build up, but overall the situation has improved.

I also have to highlight with regard to the situation of the migrants and refugees that are currently on the Greek mainland - that conditions there have also improved considerably in terms of accommodation and support through cash grants, with the support of the European Union, to the point that we have seen some people—a very small number—trying to get back to Greece from Serbia because they realise that the situation has improved. Also, while the relocation from Greece to other European Union countries may be under the targets that were initially set, it has increased and provides a real solution to those people currently on the mainland in Greece.

**Lord Hannay of Chiswick:** I would like to switch to something quite different, which is the migration potential of the western Balkan countries themselves, which of course was very prevalent in the 1990s, at a time when there were hostilities in a number of west Balkan countries, and which led to massive outflows into the European Union, some of which have been reversed. Could you say something about the nature of migration currently? I understand that most European Union countries will not accept that you can claim that you are a refugee from one of those countries. Could you also address the potential if the stability of the western Balkans were to come into question again, not necessarily through actual hostilities but through some form of instability?
Peter Van Der Auweraert: You are quite right to highlight the fact that access to the European Union through asylum for western Balkan nationals is essentially closed. As you pointed out, no country accepts people from the western Balkans as refugees any more. There were attempts last year by Montenegro and other countries, where people tried to apply for asylum in Europe, but I think it is now clear in the region that it is not an option anymore.

Secondly, we are seeing a lot of educated young people—I am currently in Sarajevo, and I give the example of Bosnia-Herzegovina—moving to the EU in a regular way, such as through work permits to Germany, as their best future option. That does not have so much to do with political stability in the western Balkans and Bosnia-Herzegovina in particular as it has to do with the lack of economic opportunities for highly-educated young people such as doctors but even also for lesser-educated people who want to work in construction, for example. The brain drain from the western Balkans to the European Union is an important challenge for countries in the western Balkans. As with the rest of Europe, the population is ageing. There may be a scenario whereby western Balkans countries have spent money on people's education and subsequently lose trained people to the European Union through legal channels.

Thirdly, if you look at the situation in the western Balkans as a whole, while you cannot say that there is 100% political stability, there is no real fear that we will go back to the situation of the 1990s, with war and upheaval and people being forced to flee because of violence. It is not a scenario that anyone in the region regards as realistic. So I would not be worried about that part of the issue. In Macedonia, for example, while there was political instability for a certain period of time, there is now something like a Macedonian spring, whereby through democratic and electoral means a change of Government has led to increased political stability for the moment.

It is very important for the EU, as well as the UK, to continue to engage politically and be a key actor to support the maintenance of that stability in the western Balkans. Of course there are challenges, but we do not foresee in the near future or even the medium term a risk of large refugee flows from the western Balkans to Europe. The key issue is more the brain drain of skilled people trying to get to the European Union to work in a legal way. That does not necessarily pose a challenge for recipient countries, because they get skilled people who can work as nurses and doctors and so on, but it poses a challenge for the western Balkan countries. For example, as an anecdote, if you want a good Bosnian heart surgeon you go not to a hospital in Sarajevo but to one in Berlin, Zurich or Geneva, because that is where they are being employed.

Lord Grocott: Picking up on that, as you know a key policy objective across the western Balkans is for the countries to join the European Union. I have two questions. Of course, we do not know the likely dates but, should it happen, what impact would it be likely to have on the brain drain that you have described from those countries into the EU? Secondly, what
impact, if any, would it be likely to have on the movement of people from Turkey through Greece and into the EU?

**Peter Van Der Auwerdaert:** On the first question, it depends, of course, not only on the dates when some of those countries will enter but also on the terms under which they will enter, especially with regard to the free movement of people, whether it would be immediate or staggered. That is something that we cannot prejudge. However, if there were free movement of people, as with the Baltic states, Poland and Bulgaria—you in the UK are familiar with how many young and older people leave those countries to find work in the EU—I can only see an accelerated trend of a brain drain from the western Balkans into the European Union, were all these countries to join together and free movement of people would become immediately available. It highlights the need for the western Balkan countries to invest heavily not just in education but also in economic development and good governance to allow genuine opportunities for young people to emerge. There is, for example, the whole issue of how business-friendly those countries are in terms of start-ups and development of employment opportunities for lesser-skilled people. There are a lot of areas that western Balkan countries need to take a close look at, especially in the run-up to EU accession, to avoid the scenario whereby qualified and dynamic people leave.

As for flows from Turkey into the western Balkans, it is difficult to prejudge, especially as I do not think that there is a scenario in which western Balkan countries will join in the next two or three years. So we are talking longer-term predictions. The main question is what will happen in Iraq and Syria. If there is peace and stability there, that is one scenario; if there is continued instability in Syria and Iraq, whether it is an ongoing war or high levels of terrorism and insecurity, all those things will have an impact on whether people will come from Turkey to Greece to go to the western Balkans.

I have to say, though, that even if the western Balkans were to join tomorrow, they are not considered to be very attractive destination countries by those leaving Iraq or Syria. I will give you an anecdote. When I was co-ordinating our response to the migration crisis, I spoke to a lot of Syrian doctors and engineers who were trying to reach Germany. I asked why they did not stay in Serbia, where they need doctors because a lot of Serbian doctors are working in Germany. Their answer was very clear; they said that they knew that, but the problem was that salaries in the western Balkans were so much lower than in Germany or Sweden, or even Syria, that there was no incentive for people to go there. So I doubt that the western Balkans per se are an attractive destination country for refugees, if there are still refugees at that time.

**Q45 Lord Jopling:** You told us earlier that there were 3,500 stranded migrants in Serbia and 250 in Montenegro. For the record, could you just remind us which countries in the western Balkans have created the stranded situation? What is the attitude of Governments who have closed their borders to those stranded people? A year or two ago I was on the western border between Serbia and Croatia at a hotel that had been taken over for
stranded people. Could you tell us whether, having closed their borders, presumably to act as a deterrent to more migrants coming in, they turn a blind eye to illegals? The place I went to in Serbia was adjacent to a very large overnight lorry park, which seemed like an invitation for them to jump on to lorries and cross into Croatia. What is the attitude of countries that have closed their borders to those stranded migrants, and how long they tend to stay there? There are 3,500 in Serbia, for instance. Are they being turned over, and new people coming and others going illegally? Could you enlarge on the position of stranded people?

Peter Van Der Auwerarer: Regarding the question of the closure of the border, I think all countries have stepped up their border controls. Also, with the support of the European Union, there is what is called the special measures programme in Serbia and Macedonia, where EU border guards are deployed to support the Macedonian and Serbian border guards to monitor the borders. People get stranded in Serbia mostly because of the border closure or the increased border controls on the Croatian side, the Bulgarian side and, recently, on the Romanian side.

On the Governments’ attitudes to the stranded migrants and how long they have been there, how long people have been in Serbia, to focus on that country, varies a lot. At the moment, few new people enter Serbia, also because of the increased border controls, specifically between Bulgaria and Serbia; we used to have people crossing between Bulgaria and Serbia, but that has reduced significantly. Most of the people who are currently in Serbia have been in the western Balkans for a while, and it is more of the fallout from the 2015 to 2016 large streams that we were seeing at the time.

Governments’ attitudes across the western Balkans and specifically in Serbia have been to increase their migrant accommodation capacity. The Serbian Government in particular has to be commended for increasing capacity and for dealing with stranded migrants with full respect for their basic human rights and for taking a number of helpful measures. For example, despite the fact that they have irregular status, migrant children are increasingly allowed access to Serbian schools, so we are seeing the Government trying to deal with and change their systems from short-term humanitarian assistance to humanitarian assistance that is more adapted to a protracted migration situation.

Having said that, the challenges for Serbia and Montenegro, for example, of what to do with the 3,500 people and 250 people respectively are quite high. One challenge, as I explained earlier, is that people continue to move forward with smugglers and try to cross the borders irregularly. Smugglers are constantly adapting their tactics and strategies to deal with the increased border controls. For example, they have reduced the size of the groups with which they try to cross the border into Croatia. Where before they would have put 20 people together to cross, now they put three or four people together because they are more difficult to detect. Some of those people will continue to move forward. The Serbian Government are providing everyone who wants it with official accommodation, but we are seeing some people, for example, staying close to the border with Croatia.
because smugglers encourage them to do so, so that they can more easily take an opportunity that arises to cross irregularly.

With regards to the solutions beyond getting people to move forward on a regular basis, it is difficult. For example, there is a considerable number of Afghani migrants/refugees in Serbia, very few of whom, if any, have applied for asylum in Serbia and have no intention at all of doing so. Serbia cannot forcibly return those people to Afghanistan or return the Pakistanis to Pakistan because Serbia has no readmission agreements with those countries and does not have the political clout to put pressure on those countries to take their nationals back. I am sure you are familiar with the difficulties that even EU countries such as Germany have in getting countries of origin to accept their nationals back. It is very difficult.

The IOM is offering assisted voluntary return, which means that we can assist people to go back home voluntarily if they want to do so. We have sufficient funding to do so, but given that those migrants have spent a lot of money to get where they are, and as long as they see some friends or acquaintances managing to get into the EU irregularly, they do not have an incentive to go back at the moment.

We are, however, seeing individuals and families who are exhausted who say, “That’s enough. We’re going back home”. Also, that sometimes poses a challenge in getting their documents. For example, the Afghan embassy in Bulgaria, which covers the western Balkans, has a lack of capacity to issue passports, so people have to wait quite a long time to go back, even people who want to go back to Afghanistan, because they do not have the documents.

So finding a sustainable solution is complex. In Montenegro, for example, of about 250 people there are about 150 Algerian nationals, or people who are claiming to be Algerian nationals. Even if those people want to go back voluntarily, the Algerian Government have imposed a rule that their families back home have to go to the capital of Algeria to declare that they are indeed family members. Very few people do that, so even the people who want to do it voluntarily find it difficult to get access to documents for Algeria. Many of them do not want to go back because they want to stay in Montenegro to try to get into Europe.

We have seen cases of people having tried 14, 15 or 16 times to cross an EU border irregularly. The border guards know them by name by now, but they keep trying to get into the EU. Of course, the smugglers encourage them to do so, because each time they try they have to pay the smugglers money.

Lord Wood of Anfield: I have a very quick question about the brain drain and a specific question about Bosnia. Obviously Bosnian Croats are allowed to get Croatian passports and have immediate access to the EU. Do you have any statistics on the number of Bosnian Croats who have taken that up, particularly young people, and how severe a problem it is?
**Peter Van Der Auweraert:** I have statistics, but unfortunately I do not have them in front of me. I can certainly share them with you by email. I emphasise that it is a significant issue. When you drive through some of the areas in Bosnia where there are a lot of people of Croat origin you see whole villages that are empty or that have people who are 70 or 75 years-old and everybody else has gone. It is clearly a significant number.

**Lord Wood of Anfield:** Great. Thank you.

**The Chairman:** Before we leave this general question, you have painted a slightly improving picture. This Committee was told in an earlier inquiry by a consultant that there are, south of the Sahara, up to 60 million people who are dissatisfied with the situation and thinking of moving north into Europe. Do you regard the situation now as a permanent improvement, with the prospect of much-reduced traffic across the Mediterranean, or just as an intermission before very much bigger pressures suddenly mount on you and many others who are trying to manage these situations in the Mediterranean area?

**Peter Van Der Auweraert:** Before I answer that question, on the earlier question of the stranded migrants, one issue of concern that I should have highlighted is that we are seeing among the stranded migrants increased vulnerabilities such as mental health issues and vulnerability to trafficking. Certainly a country such as Serbia should receive more support for its mental health institutions, which are already stretched with regard to the local population, so that it can provide the necessary care. We have a UK-funded project in Serbia being implemented with the Government on further improved protection and further improved mental health and other services to the migrants. That is one point.

On your last question, there is an important point to highlight, which is that the eastern Mediterranean route, which goes to Libya and Egypt to a certain degree and into Italy, is entirely separate from the western Balkans route and the central Mediterranean. We have so far seen no spill-over from that route into the western Balkans. So the western Balkans, when it comes to the situation that you described in certain parts of Africa, are not immediately concerned by that.

Of course, there is clearly a challenging situation at the borders of Europe in terms of a large young population and limited economic opportunities. The EU is doing the right thing by focusing on improving the situation at countries of origin and trying to address the main reasons why people are trying to emigrate from those countries. Investment needs to continue, because otherwise, obviously, these migration pressures will continue to rise. Having said that, we have seen an overall improvement as a result of the strengthening of border controls, and we are seeing a reduced number of people arriving from Libya into Italy. The investment in Libya to improve migrant reception capacity there is critical, and the IOM and UNHCR have been working on that with the EU and the different Libyan authorities to improve that. While improving, that situation remains problematic from a humanitarian and human rights point of view. We will need to continue to invest in those source countries and try to improve or help local
Governments and local actors to improve the conditions there, otherwise pressures will remain. I do not think that we need to be alarmed about it, but we need to keep it in mind.

I have one final point to make on that. While increased control on irregular migration is important, we need to make sure that it does not come at the expense of access to asylum for people who really need it, as opposed to asylum as the sole route for people to get into Europe even if they do not fall under the 1951 Refugee Convention. We need to keep space for people who genuinely require international protection.

Finally, and I know that politically this is a very difficult issue, increasing legal avenues for migration into the EU, such as labour migration for sectors and areas where Europe needs it, is also a necessary way of reducing the pressures of irregular migration - the trade-off is stronger controls on irregular migration—stricter action against people who try to come to Europe or who are in Europe irregularly and do not qualify for refugee status and increased avenues for legal migration. So we need to look at areas where the European Union as a whole, and certain countries specifically, need more migration from a social and economic perspective, although I know it is easy for me, as an international civil servant, to say that, but more difficult for politicians to advocate this in the current political climate.

The Chairman: Baroness Coussins has just visited Macedonia and Kosovo and would like to ask a question.

Q46 Baroness Coussins: I want to switch from migration to people trafficking. Both, of course, are linked in some ways, but in other ways they are separate or different problems. Some of us visited Kosovo and Macedonia recently as part of this inquiry, and we met a number of NGOs that are working to identify and support victims of people trafficking and attempting to work with the authorities to clamp down on the perpetrators. They told us that both these countries are now transit corridors as well as destinations, but that the problem was quite significant. Obviously, women and children are the main victims. In Macedonia we heard that Roma children were particularly at risk and that large numbers of young girls are being trafficked into prostitution. What can you tell us about the trends and the changing trends in trafficking across the region?

We also heard that there is an overlap between those trafficking people and those trafficking drugs and arms. However, one of the problems the NGOs face is either an ignorance of the problem among judicial and political institutions or a reluctance among them to be willing or able to identify it, to identify traffickers and to recognise the difference between migration and trafficking. Could you describe what you see as the trends and, in so far as it is possible, the numbers in the main destination countries, and whether the UK figures in that? We heard a lot of requests from the NGOs for help from the UK with training as well for the judiciary and other law enforcement bodies. What are your thoughts on what help the UK might offer in this respect?


*Peter Van Der Auweraert:* We can confirm everything that you have just described. Unfortunately, trafficking in the western Balkans has remained the issue that it was before the migration crisis. While the migration crisis has had some impact, the main trends are what they were before. What you described with regard to transit and destination countries is correct. Kosovo may be more of a destination country than a transit country, but Macedonia is definitely also a transit country.

You rightly highlight the plight of Roma children in particular. The specific issue of forcing small children into begging has recently slipped a bit off the radar screen but remains a big issue. It is a big issue also in Macedonia. I am sure that when you drove around Skopje you could see it with your own eyes. You do not have to do any investigations—you just drive around and see kids begging on the streets.

Criminal gangs operate across the western Balkans, where kids are moved from one place to another to engage in begging or the sex industry, and often the same gangs send those people also into the EU.

As you rightly pointed out, sex trafficking also continues to be a big issue. It is a sub-regional or western Balkan issue and it is also a national issue—a rural-urban issue. Often with promises of marriage, kids, or rather young women from villages are lured to the cities, where they then are forced into the sex industry in their own country. That is very important. It is also an internal issue; it does not just have a sub-regional or regional component to it.

More investment is needed to work closer with the Roma communities, with parents and of course with the kids, to raise awareness and to work on cultural change. The saddest cases, which I am sure you have heard of, are of kids who have been trafficked by their own parents. It is just an anecdote, but we are currently working on the case of a Roma girl who was apprehended by the authorities in Hungary, and who had been trafficked by her own family from Bosnia-Herzegovina into Europe and had been in the sex industry in Hungary. What is the solution for a girl like that? You bring her to Bosnia-Herzegovina and then what? The risk is that you expose her to the same family that was the origin of the trafficking. So more work with poor Roma communities, without stigmatising them, is critical.

When it comes to the authorities, what you describe is correct. Generally speaking, the legal frameworks are there. Implementation remains the issue. There are a few different issues. The first, where certainly more support could be provided by the UK and others, is the complexity of investigations that involve criminal gangs who operate in multiple countries. That requires joint investigative teams, both within the western Balkans and between EU countries concerned and the western Balkans. More support for that is required. We had a big event a couple of weeks ago here in Bosnia-Herzegovina with all the prosecutors and it was made clear they require support to do this type of complex, multinational investigations.
When it comes to the criminal justice systems, it is true that even if there are successful prosecutions, they have a tendency to shy away from prosecuting for trafficking rather than for example prostitution, even though they could do so legally. The rules of evidence are easier for the crime of prostitution than they are for the crime of trafficking. So we are seeing across the region—this is another area where more investment is needed—the need for more capacity building and more awareness raising among the prosecution services and the judiciary on how to bring out this element of trafficking in the criminal prosecutions and the subsequent criminal judgments that are being produced.

There have been cases in Macedonia and Kosovo in which government officials and police have been prosecuted for complicity in human trafficking, having been bribed to facilitate the work of those criminal gangs. So investment in supporting this type of investigation against corrupt government officials and providing support for good governance programmes continues to be a priority that affects other areas of life in the western Balkans as well as trafficking.

Finally, there should be more support for institutions and NGOs working with victims of trafficking and unaccompanied minors. Institutions need to improve their capacity and the conditions for dealing with kids like the Roma girl who I mentioned earlier. They need to have more capacity and better measures in place to provide a genuine path to a better life for those kids and provide them with genuine protection, sometimes even from their own parents.

For me, those are the key areas of engagement in improving the situation in the region. I cannot emphasise enough that the more support the UK can give for training and development and improving standard operating procedures that is targeted on the whole of the western Balkans, and the more we can harmonise that support not just for Macedonia and Kosovo but for the whole region the better it will be, because the circumstances are quite similar. The more we can further improve collaboration and alignment across the region through capacity building, the better.

There is one other area: improving information-sharing within the western Balkans but also between the western Balkans and the EU with regard to victims. When a Serbian girl, to use one example, is returned from Germany to Serbia, it is important that Serbia has access to information about what that girl suffered in Germany and what type of support she received there, so there can be continuity of care from Germany to Serbia. Then there is the exchange of information between European police authorities and prosecuting authorities in the Western Balkans. That is another area in which the UK and others could provide useful support.

**Lord Grocott:** You have talked quite extensively about support and help to deal with these issues in the western Balkans. We are talking about several different countries in the western Balkans and about several different kinds of problems that interrelate, whether it is trafficking, prostitution or modern slavery. What we are focusing on to a degree is what the UK might do to assist in combatting these evils. Can you give us
any more focused recommendations as to which country is the most vulnerable, where the problems are the largest and which of the numerous areas of activity we should prioritise in tackling these problems?

**Peter Van Der Auweraert:** As you point out, this is a complex issue, and there is no easy or straightforward answer. Some of the challenges that I have outlined are across the western Balkans. If you want to focus on counter-trafficking, it is useful to work at a sub-regional level, and the authorities in the Balkans are willing to collaborate. So you can see interesting and problematic areas in which you can work across the region.

When you talk about supporting the western Balkans in dealing with stranded migrants in the region, there are two things to consider. First, the focus country-wise needs to be primarily on Serbia, because it is dealing with the largest case load. Supporting Serbia could also be done at the political level, by the UK or the EU, through assisting with the return of people to their countries of origin. To the extent to which the Serbian Government would be looking to receive that support, the UK and the EU could provide political support to negotiate with Pakistan and Algeria a system whereby they can return those people.

As for support to the authorities, ongoing support is needed to further improve the access to social services of migrants and supporting Serbian national institutions, such as on access to education. It is in the interests of the European Union, because the more people have access to services in Serbia the less likely they are to choose the irregular routes to get into the EU. It is only fair that if Serbia is bearing the brunt of the closure of borders by EU countries, those countries would support it on issues related to assistance to the stranded migrants currently there with a focus on mental health issues and access to education, as well as on how to integrate those people into the labour market if some of them would eventually be allowed to stay.

A third area that I would prioritise, where we need to help, is how you improve support and protection for unaccompanied minors caught in these trafficking and irregular migration routes. Support and exchange of best practice between those countries and western Balkans countries could be very useful.

Another point is on a smaller problem. Two countries that require support with improving and increasing their migrant accommodation capacity are Bosnia-Herzegovina and Montenegro. The numbers there are small, but the capacity to accommodate migrants while they are in those countries is relatively limited. As I mentioned earlier, in Montenegro there is capacity for 80 or 90 migrants. Building up contingency capacity for 200 or 250 migrants in Montenegro would be useful, and if the numbers went up those countries might be able to accommodate more migrants. That, again, is not to be alarmist but to be better prepared. The model to follow is Macedonia’s, which has increased its accommodation capacity for migrants with the assistance of the EU. Those are another two countries for which we should prioritise assistance.
Finally, across the border, especially in Bosnia-Herzegovina and also Montenegro, further additional support to improving the capacity of border management authorities, including with equipment, would be welcome. I will give an example. I was at the border between Serbia and Bosnia-Herzegovina and spent the day with the border guards to see how they check trucks for irregular migrants. They do not even have scanners to detect body heat. Border guards are literally climbing on top of trucks, inside them and under them to verify the presence of irregular migrants. So support is required to provide technical equipment and training for that equipment for border guards in Bosnia-Herzegovina.

Finally, it is important to ensure that support is co-ordinated. The EU is an important actor, and the US is still an important actor, in this region, so any support would need to be co-ordinated, obviously with the national Governments but also with other donors active here.

**Lord Grocott:** I have a specific question about modern slavery, which is a big issue for our own foreign policy. Can you give us a picture of its extent in the countries of the western Balkans? It is difficult to identify, as we know, but I am thinking in particular of the willingness, capacity and capability of Governments to deal with it.

**Peter Van Der Auweraert:** First, I know that the UK has passed the Modern Slavery Act. That concept per se is not often used in the western Balkans, but the crimes covered there are covered also here under the legislation.

I have mentioned the issue of forced begging, which requires a lot more attention and resources and building awareness for families and parents in particular. A cultural change is required in some communities, as well as improving the capability of authorities to investigate, prosecute and provide assistance. That is very important to highlight. Forced labour is less of an issue in the western Balkans, as far as I know, beyond forced work in the sex industry, which, as I mentioned, remains a big issue.

More support is definitely required for identification and prosecution. The groups involved in this area are also involved in drugs and trafficking arms, and from the start of the 2015-2016 migration they immediately diversified into human smuggling. We hear from migrants and police officers that groups that used to specialise in smuggling drugs and weapons during the migration crisis have added a branch to their “business” and got involved in human smuggling, using the same routes, people and techniques that they used before. These are not amateurs; these are well-organised groups, and more collaboration between the EU and the UK and the western Balkan authorities is required to fight them. I do not know whether that answers your question or whether you have more specific questions on the issue of modern slavery.

**The Chairman:** Mr Van Der Auweraert, thank you. Lord Jopling, did you feel that the issue of outside help was covered adequately, or did you want to put it again?
Lord Jopling: Nearly all my question has been covered. You put a particular accent on the need and the problems, but how would you assess how the European Union and the UK have responded? We would enjoy hearing about that. We are told that the UK Government has provided £17 million in support over the last two years. You have not yet covered that aspect.

Peter Van Der Auweraert: I am glad that you have brought that up. There is always a danger with these sorts of questions that you bring up only negative things. It has to be said, and we do not repeat this often enough, that the EU and the UK have done a lot to support the western Balkan countries, Macedonia and Serbia in particular but also the other countries, in dealing with the migration crisis there. Funding has been at good levels. Overall, the European Union and the UK may have been slow to start that support—in all the humanitarian crises there is always a time lag between the crisis emerging and the support coming along—but the support has been there at a technical, political and financial level. I hope that it will continue for a certain time. It will be a different type of support, but it would be a mistake to let down our guard and not continue to support those countries in building systems to be better prepared if or when there is another migration crisis.

I entirely agree that the UK in particular—and I am not just saying that because I am talking to the House of Lords in the UK—has done very innovative work in supporting Serbia through IOM, for example. It is an area that is not so easy, supporting the protection of irregular migrants and looking at improving access to social services. The UK support has been very much appreciated by the Governments in the region. It is a good point to bring up, because we need to underline that the Governments here have benefited from generous support from the EU and the UK, despite the fact that those countries are also struggling with responding internally to the challenges that they faced during the migration crisis. So thank you for bringing that up.

The Chairman: Mr Van Der Auweraert, we have taken an hour of your time, and you have answered our questions very fully and helpfully indeed. We are very grateful to you. There are still many challenges ahead, but you have painted a not entirely pessimistic picture. There are some good developments and hopes for the future. Thank you for sharing your thoughts and wisdom with us—we are most grateful to you.
Balkans in Europe Policy Advisory Group (BiEPAG) – Written Evidence (BUB0021)

What are the UK’s interests—direct and indirect—in the Balkans? How are those interests likely to evolve in the near future? What political, social, economic and security trends in the region will affect UK policy?

1. The UK will be approaching the region in bilateral capacity rather than as the EU member state first time in more than four decades and the future UK policy has to seriously rethink its approach. This puts the above question on reverse – what is the region’s interest (direct and indirect) and what it will expect from the future UK involvement? What can the UK offer to the region in political, economic and security spheres that the Balkans will find attractive for cooperation and engagement? In the first step, for the policy purposes, the UK needs to define ‘the Balkans’. Is it the six Western Balkans (WB6) countries or a broader region of all countries of former Yugoslavia, which include the EU member states such as Slovenia, Croatia and Greece?

Geopolitical context

Once the UK has left the EU, which countries and multilateral agencies (including the EU) should it work most closely with in the region?

2. The EU is one of the key actors and the UK’s engagement in the region without cooperation with the EU would be tangential to long-term and sustainable stabilisation efforts. The European Commission, European External Action Service (EEAS) and DGNEAR all play an important role in the region and the EU accession process. The Council of Europe’s work is crucial to the minority and vulnerable groups’ rights protection, combating discrimination, justice reform and the fight against corruption and money laundering as well as freedom of expression and the media especially via the newly established Horizontal Facility for Western Balkans and Turkey 2016-2018.

3. The further key political player in the region is Russia, with clearly established aspirations and influence. The strongest allies for Russia in the region are Serbia and Republika Srpska, a connection that has very powerful destabilising influence on Bosnia and Herzegovina (BiH). Mr Dodik, President of Republic Srpska is particularly inclined to seek frequent support from Russia and President Putin. Serbian Government, perhaps in a slightly cautious way, still maintains strong economic and military ties with Russia. However, despite appearances, Russia’s position in the region may not be as strong. The recent stabilising developments in Macedonia that reinforced the country’s commitment to EU and NATO integration and Montenegro’s joining the NATO
are both detrimental to Russia’s influence whose interest is to keep the region away from the EU-NATO membership.

4. The final player is the U.S. with a longstanding influence and active political role in the region and, despite recent political upheaval, is interested in keeping the region stable. E.g. attendance of Hoyt Brian Yee, the Deputy Assistant Secretary of the Bureau of European and Eurasian Affairs, US Department of State at the high level panel on the EU enlargement at Bled Strategic Forum 2017 in Slovenia last week sent a strong message that the U.S. is closely following the EU accession. He emphasized that fulfilling the EU conditionality has a value in itself for stabilising and transforming the countries in the region irrespective if the final outcome is WB6 joining the EU by strengthening the key areas that are important for regional cooperation. Thus, the UK can play seek to support a constructive engagement of the U.S. in the region and to ensure that the policy priorities of the U.S., the EU and the UK are harmonised.

5. The outcome of recent presidential election in the United States did cause a shift in the geopolitical context, which also reflects on the Balkans. The new administration’s already announced focus on US internal issues, while the first signs show that the multilayered US support for the Balkans is changing, thus leaving space for other international actors. This gap needs to be filled immediately throughout various foreign policy measures, out of which we would like to highlight efforts in cultural and artistic cooperation. This is because in the field of contemporary arts the Balkans have an underestimated potential leaving an enormous space not only for cross cultural cooperation, but especially for positively influencing the public opinion in the region which is slowly drifting apart from the basic ideals and principles of the European unification process. The British Council and its partner institutions, as well as allied state agencies and private foundations with similar objectives, might play a pivotal role in this process. The UK, with its exceptional public diplomacy tradition could take a lead role by trying to streamline various international efforts in this largely forgotten sector. It is very important that UK works closely with all the countries in the region to support and strengthen their regional cooperation and to engage with the Berlin Process framework.

6. There is also an on-going support from other allied and multilateral actors, such as the German government lead by development agencies such as the German GIZ, which continuously support various capacity development initiatives or Swiss development Cooperation (SDC). These initiatives might serve as a healthy docking ground for further UK policy interventions to support stability in the region. So far this support is being mainly focused on strengthening the overall economic development and fight against corruption and organized crime (both strong EU focuses), while some other intervention areas include environmental and energy policy, support for vulnerable groups and social inclusion (such as strengthening national EU-
negotiation and IPA structures, development of communal services etc.). Hence, all of these might serve as potential areas of future UK policy intervention in the Balkans.

**Are some countries of the region building closer military-industrial links with Russia? If so, what are the consequences for NATO?**

7. Despite strong influence, Russia is not an obvious trade partner for the region and monetary dealing with individual political leaders, such as Mr. Dodik, point more to the investment in political influence. The most talked about military–industrial link is Russian-Serbian Humanitarian centre in Nis, town in central Serbia. Outside observers view it as a proof of strong military relations with Russia, while those closer to information claim that it is a sore point for the Serbian Government that failed to define and limit the Centre’s activities when it was opened and is now trapped into having to keep it open. In addition, Serbia holds annual military exercise with Russian troops and joined “Slavic brotherhood” military drill alongside Russia and Belarus in 2016. Serbia’s MoD recently received a present of six MIG-29 fighter jets, T-72 tanks and BRDM - 2 armoured vehicles in 2017 (although still not delivered). The military–industrial links between Russia and Serbia are certainly strong in appearances and Moscow is making significant effort to counter NATO’s and the EU influence in the Balkans.

8. For the UK, the most important international organisation in the Western Balkans is NATO. Albania and Croatia have been full NATO members since 2009, while Slovenia joined five years earlier in 2004. Greece is part of the Balkans too and holds a full NATO membership since 1952, when it joined together with Turkey. The Western Balkans countries are surrounded by NATO member states, which have geopolitical implications for the stability and security in the region. Opening the doors for the remaining Balkan countries to join NATO is seen as a step toward unification and strengthening of the Balkans. Macedonia, with the new, leftist government is very keen to join NATO. Unlike their southern neighbours, or the latest new member Montenegro, Serbian government maintains that the country will not be joining NATO, or any other military alliance. With close ties to Russia and 65% of the public being against NATO Serbia can’t afford to join the Alliance, but such stance could change in the future with the right incentives. NATO membership and close cooperation with countries of the region is an important aspect of regional stability and the UK can play a constructive role in promoting membership and close cooperation, in particular in the case of Serbia and Bosnia and Herzegovina, both being unlikely to join the organisation in the foreseeable future.
9. However, the Balkan countries are members of NATO’s Partners for Peace (PfP) programme even if they are not full NATO members, which means that they maintain certain level of integrated activities with NATO in the field of defence, military or civil work stretching to cooperation on science and environmental issues. The countries in the region have been part of the programme from at least a decade (e.g. Serbia) to over two decades (e.g. Albania and Slovenia), which makes the bilateral ties between them and some individual NATO member states are quite strong. The UK could directly engage and strengthen some of these integrated activities.

**Political, security and economic challenges**

**What are the key political and governance challenges facing the countries of the Balkans, and what policy options are open to the UK to support stability in the region?**

10. The key political and governance challenges did not significantly change throughout the last years: besides corruption and organized crime, weak institutional capacities, the most important challenge in most of the Balkan countries is the lack of a new generation of true liberal and clearly pro-western oriented politicians. These challenges need to be addressed by further capacity development measures, such as leadership programmes, international endowments and fellowships at renowned Western institutions for policy makers, academics, but as well as opinion leaders from the NGO sector, young artists and journalists. The newly established Regional Youth Cooperation Office (RYCO), based in Tirana, could serve as a future hub for the development of further actions and programmes supporting that direction.

11. BiEPAG prepared a study on the rise of authoritarian tendencies in the region where it analysed the key political challenges, which argued that the state of democracy and freedom has been backsliding or stagnating in the countries of the Western Balkans over the past decade. Through exploring the signs of democratic regression across the region, this study underlines that concepts such as “illiberal democracy” or “competitive authoritarianism” are on the rise. The full details are available at [http://www.biepag.eu/publications/the-crisis-of-democracy-in-the-western-balkans-an-anatomy-of-stabilitocracy-and-the-limits-of-eu-democracy-promotion/](http://www.biepag.eu/publications/the-crisis-of-democracy-in-the-western-balkans-an-anatomy-of-stabilitocracy-and-the-limits-of-eu-democracy-promotion/)

**Has there been a radicalisation of Islam in the region? If so, what have been the driving forces, and what are the consequences for the region? How can UK policy respond?**

12. There is very limited information available on radicalisation of Islam in the region. Some estimates on the numbers of radicalised persons suggest that
around 900 fighters combined from all Western Balkans countries travelled to warzones in Iraq and Syria to join so-called Islamic State. Against the population of 27 million in the region this is not a serious concern but it is important to understand the role radical Islam is playing in the Balkans and the impact it could potentially have on the democratic processes, which are still frail.

13. There is no plausible explanation of what drives radical interpretations of Islam locally. The rise of authoritarian tendencies and political instability are contributing factor that makes the countries in the region and their most excluded population vulnerable to the influence of the Islamic countries. The most fertile soil for radicalisation is BiH for three reasons. First, a number of Islamic fighters who fought in Bosnian war stayed on and obtained citizenship (around 700), formed families and continued propagating radical Islam. Second, the country received significant financial aid for post-war reconstruction in the aftermath of the war from Middle Eastern countries e.g. Saudi Arabia where Wahhabism is the main Islamic doctrine. This led to mobilisation of followers whose number has been increasing despite the aid decline, leaving large groups of believers in the country, who live in tightly knit, isolated circles. Third, the difficult economic situation, the complicated and cumbersome decisions-making process in the country and the seeming stagnation further provide fertile ground for radicalisation.

14. Islamic radicalisation has also been documented in Albania and Kosovo, where over three hundred fighters joined ISIS, mainly from the age group between 20 and 35 where the high unemployment among youth in the region is one of the main contributing factors. There is enough evidence to suggest that poor people, mainly women and girls from rural areas accept cash advances to consent to arranged marriages and follow strict Islamic practices. We know very little about to what extent those who are initially incentivised by economic gains, once they join the community are likely to fully accept Wahhabism and become open to Islamist radicalisation. Financial support, in the form of investment or donations to local religious and humanitarian organisations easily finds its way into the countries where part of it can be side-lined to fund extremist teachings and activities.

15. The UK should, in the first step, support research and studies on the causes, contributing factors and channels of radicalisation of Islam in the Balkans and continuous monitoring to assess the scale of it by individual countries. This should be done through developing collaboration between the UK academic institutions and think tanks with expertise in Islamic radicalisation and their counterparts in the Balkans. The UK’s policy response could be focused on two

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5 New Eastern Europe, issue 3/2017 De-radicalising Western Balkans (Tatyana Dronzina and Sulejman Muca, 2017) http://www.neweasterneurope.eu/interviews/2388-de-radicalising-the-western-balkans
levels: supporting prevention measures and mechanisms to link formal institutions (law enforcement and judiciary) with local actors/ institutions and community organisations to enable early detection of Islamic radicalisation. Supporting collaboration between institutions of different Balkans countries in conducting research and in developing collaborative prevention measures against radicalising.

What are the patterns of migration through and from the region? What have been the consequences for the region and what are the implications for the UK?

16. BiEPAG published a policy brief in June 2016 that analysed the consequences of the migrant crises for the region and proposed tools and approaches on how to strengthen individual countries and the region in handling the crisis and other external shocks. Full document can be found at: http://balkanfund.org/publications/the-migrant-crisis-a-catalyst-for-eu-enlargement/

What are the key economic challenges facing the countries of the region? Is there a constructive role to be played by the UK? What are the commercial interests of the UK in the region?

17. UK could play a constructive role by supporting strengthening of political institutions and developing mechanism for tackling corruption. In 2015, BiEPAG prepared a study analysing the prospect of job creation in the WB6 economies, analysing the question of why don’t improvements in the business environment and deregulation of labour markets always result in the reduction of the unemployment rate? It suggests that one of the possible reasons lies in business and labour market reforms, which, though introduced, are not fully or properly implemented. In addition the poor strength of political institutions and the level of corruption undermine the positive effect of economic reforms on the business environment. This document can be found at: http://www.biepag.eu/publications/the-prospect-of-job-creation-in-the-wb6-economies/

How successful have post-conflict resolution efforts been since the end of the Balkan conflicts? What progress has been made on resolving inter-ethnic tensions?

18. The Balkan wars of the 1990s were stopped by internationally brokered peace agreements and the use of military force (NATO). While international intervention ended the violence, the underlying conflicts are not fully resolved and continue to persist in different forms. The memory of the wars and the divergent interpretations continue to interfere in bilateral relations and
majority-minority relations are easily mobilised by nationalist politicians. On the positive side, the region has not experienced reoccurrence of military, ethnic conflicts and had very low incidence of post-war violence. On the other hand, inter-ethnic tensions, particularly at the local level are rare between ordinary people in their everyday life but grievances related to ethnic and religious identities, especially among those who were directly affected by the war violence, are strong. It is easy to mobilise them in the environment of long-term economic, political and social volatility by political elites, which perpetuates tensions does not lead to open violence between different ethnic groups. When it comes to nationalist tendencies among political leadership that drives segregation stemming from unresolved or partly successful conflict resolution, Bosnia and Herzegovina is among the most problematic countries in the region, alongside Kosovo and Macedonia.

UK beyond Brexit

What are the implications of Brexit for UK policy, influence and standing in the Balkans? What other effects has the UK’s decision to leave the EU had on the region? How should UK policy-makers respond?

19.The ramification of Brexit for the region is significant but perhaps not as much as it seemed last year when it happened. First, largely anticipated domino effect didn’t happen. The EU didn’t pull back completely and shut the doors to the candidate countries; the most affected being the Western Balkans aspirants to EU membership. Brexit negotiations have been initiated but the process is slow in the light of the recent political developments in the UK and the major decisions are still under way. The UK policy may experience limitations and setbacks in the involvement and the level of support it can offer to the region in resolving internal issues and challenges. The region may reject close involvement with the UK, which should prompt the policy makers to seek for specific points of engagement. Brexit could prove a useful opportunity for the Balkans because the process of developing a framework and negotiating extramarital ties with the EU, particularly around the single market and free flow of labour migrants could be applied as model for the Balkans too.

After Brexit, what relationship should the UK seek with countries of the region? Does the UK currently have the right interlocutors in the region?

20.It is important for the UK to support the culture of regional cooperation between the countries in the region. In 2015 BiEPAG published a study on regional cooperation and how it changed since the 1990s. It argues that the cooperation between the governments is dominant but bottom-up, local initiatives are legging behind and lack support, which leads to lack of sustainable results. For the UK it is important to consider not only building
relationships with countries and their governments but also a wide range of actors who are important interlocutors in the region. This document can be found at: [http://www.biepag.eu/publications/culture-of-regional-cooperation-in-the-western-balkans/](http://www.biepag.eu/publications/culture-of-regional-cooperation-in-the-western-balkans/)

Submitted 15 September 2017
Mr Kurt W. Bassuener, Senior Associate and Co-Founder, Democratization Policy Council and PhD Candidate/Fulbright Scholar, University of St. Andrews (personal capacity) – Written Evidence (BUB0013)

1. Great Britain has for over two decades played a deep and important role in the Western Balkans, and continues to do so. The belated forceful intervention by NATO in the war in Bosnia and Herzegovina, catalyzed with American leadership, ended the most sanguinary of the post-Yugoslav conflicts, and began the process of developing a more coherent Western approach to the entire region. While British forces, particularly at the company-level and below, often took initiative to prevent or react to war crimes, it was only two years after the war that London’s policy took a moral leadership role, beginning the overdue process of conducting arrests of war crimes indictees for trial at The Hague. Since then, I have seen British policy in the region as drawing a cross-party consensus in favor of assertively preventing such crimes, laying the groundwork for functioning democratic societies which can ultimately integrate into NATO and the EU, and attempting to propel that process forward, in close cooperation with other Western actors. This was certainly the ethos I saw in action when advising Lord Ashdown in preparation for his taking on his role as international High Representative in Bosnia and Herzegovina, and later within OHR.

2. However, the actual vector in the region in the more than decade since Ashdown’s departure from Sarajevo has been decidedly negative, despite declarative totems of progress. This may appear at odds with the narrative often proffered in Brussels and other capitals, which often point to the entry of Croatia, Albania, and Montenegro into NATO and Croatia into the EU, as well as the Serbia-Kosovo Dialogue, the EU’s “Reform Agenda” in Bosnia, and so on. But below the surface of these indicators, the state of actual democratic practice and accountability, rule of law, and broad-based economic development are dire and retreating, as reflected in a host of independently assessed comparative indicators. The essential error was the presumption that Euro-Atlantic enlargement alone would impel organic and durable reform in the states of the region, based on the “big bang” enlargement in Central and

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Eastern Europe in 2004. Even in retrospect, with the retreat from liberal
democracy most visible in Hungary and Poland, that enlargement was a
success. However, that process was an experiment which succeeded for a
number of reasons, both on the demand side and on the part of the EU and
NATO. The countries of the former Yugoslavia, in which political leaders had
benefitted personally from the conflicts of 1991-2001, posed a much greater
challenge, requiring a broader set of tools and different incentive structure.

3. On top of this error, shared on both sides of the Atlantic, an additional element
to the EU’s vaunting of its “transformative” and “soft power” served to limit its
field of vision and leverage. The invasion of Iraq in 2003 and attendant ructions
within NATO and the EU led the leading continental powers and the EU
institutions to append a connotation to “soft power” that Joseph Nye had not
intended. Put cheekily, this could be summed up as “we don’t need to employ
coercion and violence like our simpler Anglo-American friends – we have soft
power.” However, what regional leaders rightly heard was “we no longer have
the will to apply strong leverage or deter your worst practices.” They have
acted accordingly – and have been indulged in their malpractice through
undeserved declarations of progress and effective sidestepping of standards in
the name of stability. The loss of Western credibility in the region has been
considerable. And the stability achieved is not actual, durable, or in conformity
with Britain’s professed liberal democratic values.

4. The winners of a string of five wars (Slovenia, Croatia, Bosnia and Herzegovina,
Kosovo, Macedonia - the middle three of which collectively yielded a death toll
of at least 130,000) are the political elites, which through accumulation by war
now form durable political, business, organized crime, and media complexes in
each country. The overwhelming majority of their citizens, including many who
fought, very clearly recognize that they lost. But the West's approach has been
predicated on the delusion that they share the same interests – and that the
winners actually represent the losers. They are our “partners,” according the
enlargement model, after all... The clearest indicator of popular sentiment
regarding the future is the accelerating brain drain from the region. Even those
with decent and secure employment are choosing to emigrate for the sake of
their children. A more damning indictment of local leaderships, economies,
and by implication our policies, can scarcely be imagined. The hollowness of
democracy and capitalism in the eyes of large swathes of the local populations
owes to applying the terms to blatantly self-serving behavior by leaders. This

7 The EU and NATO’s leverage to effect change of applicants ends upon their entry. The unwillingness to
demand Croatia end territorial disputes with Bosnia and Herzegovina was therefore a missed opportunity for
NATO and the EU. Since entering the EU, Zagreb has involved itself ever more deeply – and detrimentally –
in BiH’s internal affairs. See Bodo Weber and Kurt Bassuener, “Lost in Transition? Croatia’s Policy Toward
Bosnia and Herzegovina,” DPC Policy Note, November 2015. Available at:
cynicism provides a wellspring for populism, nationalism, and other forms of radicalization. The trend toward authoritarian rule has been manifest not only in Serbia and Macedonia, as well as the sub-state entity of Republika Srpska in Bosnia and Herzegovina, but also within the club, in Croatia.

5. The vacuum which opened over the past decade because of the West’s bureaucratic autopilot – in which Britain (often with some discomfort) participated – has allowed the increased regional leverage of external actors. Russia is the most obvious and immediately threatening of these. Up until the invasion of Crimea and launching of its war in eastern Ukraine, Russia could play opportunistic spoiler in the Western Balkans, abetted by Western disunity and differentiation in threat perceptions. This was most pronounced in Bosnia. But it was manifest throughout the region. Following Crimea, Moscow shifted into a much higher gear to being an active disruptor: first encouraging separatist adventurism by Republika Srpska President Milorad Dodik in Bosnia and Herzegovina, then moving to support the increasingly nationalist and authoritarian regime of Nikola Gruevski in Macedonia, and most spectacularly in the attempted coup in Montenegro a year ago. In all these cases, Moscow has aligned its talking points and policies with Belgrade, creating a visible alignment of political players opposed to (in word and/or deed) to NATO and EU enlargement. From 2014 on, Russian Foreign Minister Sergei Lavrov made clear that it sees Euro-Atlantic integration – not just NATO – as a “provocation.”

8 Serbia’s government, despite claiming ambitions to join the EU and being a candidate for membership, refuses to align with the Union on sanctions against Russia – and appears implicated along with Moscow in the October 2016 coup attempt in Montenegro. It also seems, most worryingly, to be collaborating closely with Moscow in efforts to subvert Macedonia’s new, fragile coalition government led by Prime Minister Zoran Zaev.

6. Turkey, ever more deeply authoritarian and under the unchecked paranoid and abrasive leadership of Recep Tayyip Erdoğan, has also amplified its regional ambitions and footprint, backing retrograde political, social, and religious elements in Western Balkan societies. The deepening frictions which result from Ankara’s policies may well amplify these efforts.

7. China sees the Western Balkans as a vital economic conduit into the EU. So while unlike Moscow, it does not oppose EU or NATO enlargement (quite the contrary as for the EU), it does – as in sub-Saharan Africa, Latin America, and throughout Asia – offer alternatives to leaders who wish to avoid the stipulations of international financial institutions, adhere to democratic and

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human rights standards, and so on. Balkan leaders have all warmed to their
ministrations.

8. Finally, Persian Gulf autocracies have developed a far larger footprint in the
Western Balkans over the past five years. This can be seen through state-
directed investments, private investment (often in large property purchases
and construction of exclusive resorts for Arab visitors), cultural and
humanitarian investments (often with a religious angle), and a large influx of
people – most numerous being new arrivals to the lower-middle class. What
is unnerving is not so much the influx of people per se, but the confluence of
interests driving the process: opaque investment in collusion with local political
actors (with attendant corruption) and an alien influence on local and organic
Islamic practice. These factors have generated considerable resentment in
Bosnia and Herzegovina and Kosovo in particular – and mainline into standing
anti-Muslim narratives and prejudices propagated by Serb, Croat, and ethnic
Macedonian nationalists.

9. It is hard to conceive of a region on Earth where the West had developed a
wider portfolio of policy levers and influence over more than two decades –
and at great cost. The decline in Western leverage and credibility is
overwhelmingly its own fault. While the challenge of the region’s organic
democratization and development is in many ways greater than it was a decade
ago, it can be surmounted. But only with a clear-eyed view of the actual
dynamics, the stakes, and active development of a popular constituency for
these processes is this feasible. A desire for “stability,” as reflected in the
Committee’s request for evidence, is understandable. But it is illusory. The
Western Balkans are, despite the recent positives of Montenegro’s joining
NATO and Macedonia’s genuine, though reversible, forward movement,
regressing in the aggregate. A Western policy posture which, as with the entire
Mediterranean littoral, is focused on pacification and containment, not only
undercuts Britain and the West’s real friends in these countries, to the benefit
of its kleptocrats. It is also doomed to fail. It can only be maintained as a
protection racket, effectively allying us with kleptocrats against their citizens.
Maintenance of the current policy is politically and bureaucratically the easiest
course. But it cannot succeed. Its threadbare character, together with the
zero gravity environment which followed the Brexit vote and the Trump
presidency, has encouraged all those with unfulfilled agendas to amplify and
accelerate them. It has also resurrected dangerous fantasies of redrawing

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9 See the author quoted in Judy Dempsey, “Judy Asks: Is the EU Sleeping on the Western Balkans?,” Carnegie
Europe, May 13, 2015. Available at: http://carnegieueurope.eu/strategiceurope/?fa=60069

10 See Kurt Bassuener and Valery Perry, “Erratic Ambiguity: The Impact of Trump’s Unpredictable Foreign
Policy in the Western Balkans,” DPC Policy Paper, June 2017. Available at:
borders\textsuperscript{11} – a policy which would guarantee both violent conflict (in a far more geopolitically volatile environment than 20 years ago) and embroilment of the West – including Great Britain.

10. Britain’s bilateral policy, along with the US, has maintained greater credibility than the "international community" as a collective as a result of demonstrating that it understands it is willing to operate with a broader set of policy tools, including hard power deterrence. The UK’s deployment of troops to Bosnia four years ago and continuing backup of the anemic EUFOR demonstrate this.

11. Great Britain’s diplomatic credibility in the region remains potent; the Ambassador in Macedonia has been widely praised by civic activists as being direct and sincere. But Brexit has reduced the UK’s leverage already in intra-EU fora, and therefore in other ad hoc coordination efforts as well. Efforts must be redoubled to compensate for this unfortunate retreat. NATO is one obvious avenue through which to pursue this. Efforts to more deeply engage with solid non-EU Atlantic partners Canada and Norway, particularly in light of the mixed signals from Washington, are essential. Canada’s closing of several diplomatic posts in the region a decade ago, including in Sarajevo, where it is represented in the Peace Implementation Council, often makes them an afterthought. This is a mistake and dissipates the relative strength of like-minded capitals (which usually include Tokyo as well).

12. Despite Brexit, the UK has deep sunk costs and long-term interests in a democratic, open, and prosperous Western Balkan region whose states can integrate – under their own steam – into NATO and the EU. Britain’s security obligations in Bosnia and Kosovo, for example, do not disappear with Brexit, as they are reflected both through NATO and bilaterally.

13. While the timelines and modalities – even certainty – of Brexit remain open questions, this need not, and must not, impede Britain’s assertive engagement and collaboration with its democratic and developed allies and partners on both sides of the Atlantic in the Western Balkans. The UK’s less doctrinaire and more practical posture, reflected across party lines for two decades regarding the region, is more vital than ever before. For all these countries desperately need – and had citizens actively calling for – rules-based societies and actual representation. Britain has a great deal to offer.

14. Following the German election, in which Chancellor Angela Merkel seems poised to be the victor, a wholesale reassessment of EU’s operating system and policy portfolio is necessary – catalyzed by last year’s Brexit referendum.

There is widespread and vocal recognition that strong cooperation between the UK and the EU on security, defense, and rule of law is necessary, regardless of Brexit’s functional arrangements. The Western Balkans provide an ideal venue and platform for this cooperation. Furthermore, London can act as a catalyst for the long-overdue reassessment of the West’s stale, unimaginative, and unconvincing policy posture, both through its continuing membership of the EU and NATO. Such an initiative, I am confident, would be welcomed by Ottawa and Oslo as a joint endeavor – jointly proposing such a wholesale reassessment to NATO and EU allies. This ought to be launched in Autumn 2017.

15. The West cannot fix the Western Balkans on its own; the best it can do is use its still-massive leverage and to create an environment in which those citizens of these countries who do want rules-based societies and systems can gain traction toward that end. While the full panoply of policies and assets to be employed is perhaps a subject for another memo (DPC has proposed a consistent and full portfolio through its decade of analysis and advocacy), the basic elements include the following:

- Amelioration of the existential fear which forms the central pillar of the political life support system for the durable elites forged during the wars. The West once provided this through security guarantees in Bosnia, for example; absolving itself from that responsibility fueled the ongoing regression. Without the credibility of the threat of renewed conflict, political elites would have to deliver to citizens or suffer the consequences – electorally, legally, or extra-legally. Providing direct bilateral security guarantees to the Western Balkan states in their current borders against external and internal threat would also reduce the room for maneuver of adversarial geopolitical actors, particularly Russia. Even NATO membership, for example, cannot replace the Chapter 7 UN Security Council guarantee of a “safe and secure environment” that first NATO, now the EU are obligated to provide under the Dayton Agreement’s Annex 1A.

- Assertively and consistently advocating rule of law, democratic standards, and the full set of obligations attendant with OSCE and Council of Europe, as well as NATO and EU membership aspirations. For too long, local elites have been graded on the curve, in the vain hope that through positive discrimination, they would be encouraged to redouble their reform efforts. This approach has had precisely the opposite effect.

• Britain and its Western partners must demonstrate solidarity with those who do espouse and adhere to our standards and values – in terms of publicly visible/audible policy support, as well as material assistance. At present, the beneficiaries of our support are, in the aggregate, the adversaries of reform and democratic accountability. This would include vigorous support to special prosecutors and courts to pursue abuse of power, corruption, and organized crime. – and where possible through existing mandates (as in Bosnia), executive personnel to directly assist.

• Finally, once the utility of ambient fear has been reduced through credible security guarantees, the West’s leverage through financial support – as provided through IFIs, the EU, and bilaterally – leaps in potency. At present, the West effectively buys social peace for fear of violent instability in the Western Balkans. By deterring violence unilaterally, this regressive relationship, which forestalls reform and political accountability, can end. Once their room to maneuver is limited, political elites should face much tougher conditionality from the West. The leverage of their citizens over them will correspondingly grow.

In short, while the direction of travel in the Western Balkans has been largely negative over the past decade, these countries can develop genuine and resilient liberal democracies, and therefore pursue credible membership applications for NATO and the EU. In fact, the only way they will achieve entry, given justifiable skepticism in Western publics, is to demonstrate the support for values and obligations of membership in these clubs is sincere, deep, and broad. Despite the ructions of Brexit, Britain can play a catalytic and leadership role in righting a policy posture with which it has rightly, but inconsistently and to date ineffectually, demonstrated misgivings. The time to act is now.

Submitted 15 September 2017
Dr William Bartlett, Visiting Senior Fellow, London School of Economics (personal capacity) – Written Evidence (BUB0031)

1. This response to the call for evidence relates to the question "What are the key economic challenges facing the countries of the region? Is there a constructive role to be played by the UK? What are the commercial interests of the UK in the region?"

2. Following the end of the wars and conflicts of the 1990s and the democratic turn in Serbia in 2000, the region experienced a period of rapid economic growth with growth rates of real GDP averaging 5.6% per annum between 2003 and 2008, with some variation between countries.\textsuperscript{13} During this time there was an influx of foreign investment into the banking sector, almost all of which came under the ownership of banks based in the EU, mainly from Austria, Germany, Greece and Italy. This led to a sharp expansion in credit that supported the economic boom. Levels of public and external debt fell as a proportion of GDP during this time.

3. The countries of the Western Balkans were severely hit by the global financial crisis and the follow-on eurozone crisis. Real GDP fell by -1.7\% in 2009 (excluding Kosovo). Exports from the countries of the region took an immediate hit, falling by 25\% between 2008 and 2009.\textsuperscript{14} However, the main consequence was a collapse in credit growth. Indeed, foreign banks began to pull their capital out of the region in order to shore up their capital base at home. A catastrophe was only avoided by the actions taken by the international financial institutions and the governments of the home countries to reach an agreement to support the financial sector through the Vienna Initiative. Even so, between 2009 and 2013 real GDP grew on average by only 0.9\% per annum.

4. The crisis has been long lasting, with a “second dip” into recession in 2012 when real GDP fell again by -0.8\%. Only Albania managed to avoid a recession, but growth there has gradually slowed down due to the reduction in remittance incomes from workers employed abroad, especially in crisis-hit Greece. Kosovo has been less affected by the crisis due its relative isolation and lack of integration into the European economy.

5. As a consequence of the recessionary conditions, unemployment increased rapidly throughout the region, and in 2015 was 17.1\% in Albania and Bosnia

\textsuperscript{13} Author calculation from Eurostat data available from online database, http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=cpc_sigeb&lang=en
and Herzegovina, 32.7% in Kosovo, 26.1% in Macedonia, 17.5% in Montenegro, and 17.7% in Serbia. Youth unemployment increased even more, reaching as high as 62.3% in Bosnia and Herzegovina.15

6. Unlike the peripheral countries of the eurozone, where public and external debt increased prior to the onset of the crisis, debt ratios did not increase in the Western Balkans before the crisis. However, since 2009 governments have sought to buy social peace by maintaining high levels of public sector employment funded largely by external borrowing. As a consequence both public and external debt have increased as a proportion of GDP. In Albania, Montenegro and Serbia, levels of public debt increased beyond 60% of GDP by 2015, while gross external debt of the region as a whole increased beyond 70% of GNI (with the exception of Kosovo). These dangerous levels of debt have led governments to turn away from deficit financing of the economy and to impose strong austerity measures in several countries, a policy supported by the IMF and the EU. This has been accompanied by democratic backsliding in some countries (Macedonia and Serbia in particular) as a way of forestalling protests against cuts in public sector employment and wages.

7. In the last couple of years however, an economic recovery has begun to take place, and unemployment has begun to fall, especially in Macedonia and Serbia. By the second quarter of 2017, unemployment in Macedonia had fallen to 22.6% and in Serbia to 11.8%.16 Foreign direct investment has begun to return to the region in response to business friendly policies, and special measures to encourage and support foreign investors. The region is also attractive to foreign investors due to the availability of well-educated and skilled workers at relatively low labour cost. Unlike the investment that entered the region in the 2000s which was mainly into the non-tradable sectors such as banking and telecommunications, the recent wave of investment has been into the manufacturing sector, and has often been strongly linked into global value chains.

8. Of particular interest in the context of Brexit are the measures adopted in Macedonia and Serbia to support the inflow of foreign investment through tax holidays, tax exemptions, employment subsidies, and other forms of support. Generally, a more attractive business climate has been created for foreign investors. Investors based in the Western Balkans can export their goods duty free into the EU, since the countries of the region enjoy free trade with the EU under the Stabilisation and Association Agreements. Moreover, the CEFTA free trade agreement provides duty free exchange of goods between the countries


16 Data from the statistical offices on Macedonia (http://www.stat.gov.mk) and Serbia (http://www.stat.gov.rs/WebSite/Default.aspx)
of the region, establishing a large free trade area from which British companies could benefit.

9. Efforts to attract foreign investment have been strongest in Macedonia and Serbia where special economic zones have been set up that provide specific incentives for foreign investors. The zones are attractive because they shield investors from the difficulties of doing business related to administrative delays and other business obstacles. Zone management companies provide a range of aftercare services including administrative services, support to obtain licences and permits, and coordination of goods entering and exiting the zones.

10. Macedonia has established a network of eight active “Technological Industrial Development Zones”. Businesses based in these zones benefit from exemptions from customs duties and VAT, receive a ten-year tax holiday on corporate profits (0% profit tax), 0% personal income tax for a period of up to ten years, 0% excise tax, exemptions from utility taxes on natural gas, water supply, sewerage and electricity supply, exemption from fees for building permits, cash incentives up to €500,000 in construction costs depending on the size of the investment, and generous employment subsidies. By 2015, the mainly foreign investors based in these zones employed 7,000 workers. One large British company already has a factory in the Skopje zone producing motorcar components for the EU market. Other companies should be supported to follow in the footsteps of this company.

11. Serbia has established a similar set of 14 special economic zones known as “Free Zones” in which companies benefit from exemption from customs duties and VAT for raw materials used in the production of export goods, and exemption from customs and VAT on imported equipment. By 2016, the mainly foreign investors based in these zones employed 25,000 workers. In addition, Serbia provides a generous nation-wide programme of investment incentives through the Serbian Development Agency, which provides foreign investors with generous employment subsidies and subsidies to cover the cost of investments depending on their size and location.

12. These investment promotion measures and the creation of special economic zones have had a noticeable impact on increasing exports of goods from Macedonia and Serbia, which together increased from 28.5% of GDP in 2012 to 35.2% of GDP in 2016.

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18 Data provided by the Directorate for Technology Industrial Development Zones, Skopje, http://www.dtirz.com
19 Author calculation from annual reports of the Free Zone Administration, Belgrade, http://www.usz.gov.rs/eng/
13. Other countries in the region are looking at the experience in Macedonia and Serbia and are beginning to develop a similar range of policies to support foreign direct investment. British technical advisory services should be provided to assist the governments of these countries to design the optimal set of investment incentives and the most suitable institutional arrangements for the establishment of special economic zones.

14. Specific opportunities for British businesses are for investment in outward processing activities, especially in the motorcar components industry and more broadly in parts and components trade. Location within Western Balkan countries, and in special economic zones in particular, would enable British companies based there to export their products to the EU free of customs duties.

15. British companies investing in the Western Balkans and in the special economic zones in particular should be supported to maximise spillovers to the local economies through technology transfer and upgrading employee skills. This would have a long-term pay off in improving the productivity of their operations and maximising the competitiveness of their export operations into the EU markets. Government assistance to the countries should provide technical advice on ways to develop the local supply base and improve the systems of vocational education so that a skilled workforce is available to support the operations of British companies investing in the region. Lessons could be learned from the approach of the German government and its assistance effort in the region in this respect.

Submitted: 03 October 2017
Introduction

1. Instability in the Balkans represents a danger, above all, to the countries and peoples of the region. Despite this, the prospects of the region resolving its conflicts are minimal. While the danger to wider peace and security is not as great as in the 1990s, the consequences of instability cannot be predicted and neither the European Union nor the United Kingdom can be insulated from the fallout. The danger, therefore, has to be managed and both the European Union and the United Kingdom have a vested interest in policies that contribute to building stability in the Balkans. Sadly, however, current approaches are failing to achieve this. This submission will consider the peace process in Bosnia and Herzegovina and how the United Kingdom could contribute to new, innovative approaches after it leaves the European Union.

Current situation

2. Nearly 22 years after the Dayton Peace Agreement came into force, Bosnia and Herzegovina is not at war. However, the absence of war is not peace. The country has failed to move on from its experience of conflict. Political processes are deadlocked. The country is in a state of political, social and economic paralysis. As the international community has reduced its presence and involvement, conditions have deteriorated steadily, irredentist agendas have resurfaced and the outlook is increasingly negative. The optimism of the immediate post-war period has gone and been replaced by a fatalistic pessimism. Moreover, matters may come to a head in the near future. The inability of ethno-national elites to agree and implement reforms that are a precondition for further IMF borrowing will likely lead to an acute liquidity crisis in the coming months. Moreover, this may degenerate into a severe political crisis, if, as seems probable, the ethno-national elites fail to agree a new electoral system. This follows a decision by the Constitutional Court to delete articles of the existing electoral law that it had earlier deemed to be unconstitutional, after the ethno-national elites failed to amend the legislation. If amendments are not made in the coming months, it will probably not be possible to hold elections as scheduled in October next year.

Shortcomings of international strategy

3. The failure of the peace process was not pre-ordained, but the result of treating symptoms rather than addressing the underlying illness. Symptoms included
physical destruction, a moribund economy and the humanitarian needs of an impoverished population. The underlying illness was and remains the country’s political system, that is, its ethno-democracy. The massive reconstruction programme helped alleviate the symptoms so that physically the country looks better; the economy experienced many years of growth until fallout from the international financial crisis reached Bosnia and Herzegovina in 2009; and the immediate humanitarian needs of the population were largely met. However, the injection of vast resources as if Bosnia and Herzegovina had experienced a natural disaster, combined with failure to reform the political system, has had the effect of reinforcing the power bases of the ethno-national parties, enabling them to develop and finance patronage networks, thereby aggravating the underlying illness.

4. As long as the international community maintained a firm hand on the peace process and drove through reforms, regardless of the positions of Bosnia and Herzegovina’s elected authorities, it was possible to make it appear as if the country was making progress. However, the scale of the international involvement and the pressure brought to bear on seemingly every matter were so enormous that they masked the true state of affairs. Since the international community’s self-proclaimed and overriding aim had been to develop self-sustaining institutions capable of taking Bosnia and Herzegovina from the ‘era of Dayton’ to the ‘era of Brussels’, the ultimate test of the peace process was the ability of those institutions to function in the absence of international intervention. And when they were put to the test in the course of 2006 and 2007, they were found wanting.

5. Processes of European and Euro-Atlantic integration may have contributed to supporting reforms and building stability in those countries that joined the European Union and NATO from Central and Eastern Europe. However, they were designed to assist accession to international institutions, not to manage conflict. As a result, hopes that processes to support EU and NATO integration would also resolve internal issues have not been fulfilled. Despite obvious failings, international strategy has remained on diplomatic autopilot for the past decade. The urging and occasional pleading of international officials hoping to persuade Bosnian political leaders to see reason, build consensus and focus on their country’s European future have failed to have any impact. At the same time, talk of a return to war has grown in direct proportion to the discrepancy between the rhetoric of international policy-makers and Bosnia and Herzegovina’s reality.

**UK position and influence**

6. The United Kingdom’s position in relation to Bosnia and Herzegovina has been untenable ever since the Brexit vote. The country cannot, on the one hand,
argue, as it has done hitherto, that the panacea for Bosnia and Herzegovina’s ills is European integration, including eventual membership of the European Union, and, on the other, prepare to leave that same community of countries and what it represents. Given the failure of the international approach, however, this represents an opportunity. Moreover, the United Kingdom retains authority and influence both in Bosnia and Herzegovina and the wider region, irrespective of membership of the European Union. There are various reasons for this, including the following: the performance of the British Army in Bosnia and Herzegovina over many years both during and after the war, including in making key arrests; the legacy of Lord Paddy Ashdown, who was arguably the most dynamic High Representative; membership of the Peace Implementation Council; permanent membership of the UN Security Council; and the consistent appointment of able, articulate and linguistically capable ambassadors throughout the peace process.

Towards a new international strategy

7. Bosnia and Herzegovina’s trajectory since 2006 has been a consequence of the fact that the Dayton process appeared to be coming to an end and decision-making has been increasingly in the hands of domestic authorities but the fundamental issues that had led to war in the first place had not been resolved. In these circumstances, Bosnian leaders have behaved as if they were approaching the end game, jockeying for position in advance of the day when the Dayton settlement had to be opened up. As long as the international community retains a Chapter VII peace-enforcement mandate in Bosnia and Herzegovina, it should be in a position to deal with any contingency that might arise. If the mandate were terminated, however, the consequences would inevitably be destabilising.

8. The United Kingdom has to use its influence in the Peace Implementation Council and the UN Security Council to ensure that executive powers are retained in Bosnia and Herzegovina. This does not mean seeking to reinvigorate the mandate of the High Representative. This is no longer an option. Rather, it is important to develop a new, innovative justification for the long-term retention of executive powers. One way this may be achieved is through the concept of the responsibility to protect, which includes the responsibility to rebuild after ethnic cleansing and genocide.

9. Despite international reluctance to recognise failure in Bosnia and Herzegovina, the day will eventually dawn when it becomes impossible to continue to ignore the gravity of the situation. When that day arrives, the international community will have little choice but to begin addressing the shortcomings of the peace process, which will require a re-opening of the Dayton settlement. This, in turn, will involve re-opening all the points of contention that formed the historical,
political, economic and intellectual backdrop to the war. In this way, the country’s internal structure, the relative merits of partition as opposed to reintegration and, with it, the formal division of Bosnia and Herzegovina, including secession of parts of the country, will be up for discussion.

10. Opening up such a debate presents both a risk and an opportunity. There are and always have been better ways of managing relations between Bosniaks, Croats and Serbs than the Dayton settlement, but getting to them requires a paradigm shift. This, in turn, requires examining how democracy can be effective in a multi-ethnic state and designing a system that is tailored to Bosnia and Herzegovina’s needs. It also requires re-examining Bosnia’s relationship with its neighbours and developing mechanisms whereby the neighbouring countries are integrated into the settlement in a more constructive manner. And it requires developing new Euro-Atlantic mechanisms to support and drive through systemic change.

11. Freed of the obligation to repeat platitudes on the benefits of European integration, the United Kingdom could take the lead in preparing a reform process that seeks to address the illness in Bosnia and Herzegovina, rather than the symptoms. The need for amendments to the electoral system represents an opportunity in this respect and the United Kingdom should redirect spending towards initiatives to put in place a process to change the logic of Bosnian politics.

Submitted 15 September 2017
Mr Andreja Bogdanovski, Security Analyst/PhD Student – Written Evidence (BUB0008)

Security and stability

1. Security, stability and the prosperity of the entire Western Balkans should be a continued priority to the UK. Deterioration of peace across the region and going back to the conflicts of the 1990s can heavily harm the UK’s interests in the short and long term. Any escalation of violence, and any other serious conflict, can in the immediate aftermath mean renewed engagement of the UK with heavy diplomacy, boots on the ground, equipment and vast financial resources. Additionally, this would also put into question the entire foreign policy of the UK towards the Western Balkans in the last two decades.

2. Any escalation of violence in the region can create an influx of refugees all across Europe including the UK. The UK has been the home of number of refugees coming from the region as a result of the 1990s wars.

3. There is also of course the potential impact on UK business and other investment across the Western Balkans as well as the potential impact on the wider region, including Croatia, Greece and Bulgaria.

4. The UK should continue supporting the NATO aspirations of the Western Balkans which would further strengthen its Southern flank. Montenegro (2017), Croatia and Albania (2009) are the most recent countries that have joined the Alliance. Macedonia, Bosnia-Herzegovina, Kosovo are all at different positions in their relations with NATO but each has signalled a willingness to enhance such relations. The UK should therefore lobby for a NATO open door policy towards the Western Balkans and should provide tangible political and technical support for candidate countries such as Macedonia. This would allow the UK a greater visibility in the region, despite BREXIT, and further minimise the growing Russian influence in the region.

Beyond BREXIT and keeping the Western Balkans European perspective alive

5. EU accession is the only path forward for a more peaceful, secure, stable and prosperous Western Balkans. Despite BREXIT It is in the absolute interests of the UK to continue supporting the ongoing EU accession of all the countries in the region. All 6 Western Balkans countries are willing to become members of the EU and this ambition has been acknowledged at the EU Thessaloniki
Summit in 2003. This EU vision is shared by the vast majority of the people living in all 6 Western Balkans countries.

6. After BREXIT the UK should actively support programmes that are directly related to the EU accession requirements for all six Western Balkans countries. This may include, programmes for strengthening the rule of law, the functioning of parliament, border security, democracy, elections, the improving of food standards, environmental protection etc. This can be done individually or in cohort with other countries or through membership of international organisations present in the region.

7. UK can increase its presence in the Western Balkans through encouraging more of its diplomats and experts to apply to work within international organisations operating there such as the OSCE, UN, NATO, Council of Europe etc. BREXIT would undoubtedly negatively affect UK’s position in diplomatic circles across the Western Balkans. EU membership is a strategic priority for all Western Balkans countries and as such most of the activities of diplomats orbit around this. That is why investing in diplomatic and experts’ presence through other international organisations can minimise the potential risks BREXIT brings to UK’s diplomatic presence.

8. One of the reasons why the Western Balkans is lagging in progress in its EU accession is the number of unresolved internal and cross border issues such as Kosovo-Serbia relations, the Bosnia-Herzegovina complications and often tense relations between the two entities, the Macedonia-Greece name dispute etc.

9. BREXIT may offer the UK a unique opportunity for a more substantial diplomatic involvement in the region by offering good offices and mediation to the parties involved. As no longer a member of the European Union the UK would be able to provide needed impartiality in various mediation efforts. Not long ago UK’s Baroness Catherine Ashton, in her capacity as High Representative of the European Union for Foreign Affairs and Security Policy, managed to achieve a breakthrough in the relations between Pristina and Belgrade with the signing of the Brussels Agreement on normalisation of relations in 2013.

UK’s soft power

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10. At a very basic level, people contact is one of the most important aspects of keeping the bonds between the UK and the Western Balkans alive and vibrant. Unfortunately, the citizens of the Western Balkans states are still required to obtain visas in order to visit the UK despite the fact that almost all (except Kosovo) Western Balkan countries have been granted a visa free regime with the European Union (except UK & Ireland). For people in the region the UK visa costs is prohibitive and is a real stumbling block to engaging the population from the Western Balkans with the UK. While immigration is a very sensitive topic in the UK, London can offer the Western Balkans countries a lengthy roadmap of tasks (technical and political) each of the countries should complete in order to be given visa free or “visa-light” access to the UK. The London Western Balkans Summit scheduled for 2018 can be a good place for such a message to be conveyed.

11. UK has a solid foundation for building and enhancing relations with its Western Balkans partners. So far this has been done through various channels such as the Chevening Scholarship scheme offered by the FCO, British Council activities in the cultural arena and various civil society programs available across the region. These partnerships should continue with even greater intensity after BREXIT because they are offering the UK a unique voice and visibility across the region. Timely efforts should be made so that the UK’s withdrawal from the EU should have minimum impact on the various funding programmes/mechanisms in the region. For example, all of the British Council offices in the region are implementing EU Commission funded projects and, because of BREXIT, there are concerns about the tapping into EU funds in the future.

Submitted 13 September 2017
Dr Vesna Bojicic-Dzelilovic, Associate Professorial Research Fellow, Civil Society and Conflict Research Unit, London School of Economics – Written Evidence (BUB0027)

Has there been a radicalisation of Islam in the region? If so, what have been the driving forces and what are the consequences for the region? How can UK policy respond?

1. Under socialism- and roughly up until the onset of the wars in the 1990s, the Muslims living in this region tended to follow a secular tradition. A penetration of radical Islam started during the wars and has intensified since. The presence of Wahhabi and Salafists, particularly in parts of Serbia’s Sandzak and Bosnia and Herzegovina, has grown over the last 25 years, and their reach extends beyond the religious sphere. They provide a variety of public services, including education, health care, and childcare; they also provide financial assistance to poor households, and other forms of assistance needed by local communities. Their presence is also influencing social norms. Manifestation of this is visibly greater number of women following an Islamic dress code, an alcohol ban operating in many public venues, and the importance of public display of respect for religious rituals such as daily call for prayer. The roots of the phenomenon are in the combination of stalled democratic processes in the region, ascendance of authoritarianism and its instrumental use of religious identity, and widespread poverty.

2. These developments have attracted scores of sensationalist commentaries from the local and international actors, along the lines of the Balkans being a hotbed of radical Islam. While such claims can not be substantiated at present- and the number of followers of radical Islam is believed to be moderate- it is important not to lose sight of broader trends in the region and geopolitically. More recently, and especially linked to the conflicts in Libya and Syria, the region seems to be attracting a growing number of investors from the Arab world. They invest in commercial business but also in property- for example in Bosnia and Herzegovina many newly built settlements for Arab customers have popped up in various parts of the country. Turkey is also an important economic actor in the region, but its influence extends into other spheres in areas where Muslims are in a majority. This reinforces an image of ‘silent islamisation’ in some of the communities, which is a source of concern for the non-Muslim population, and works against peace and reconciliation in the region. To this mix, the problem of the Balkans becoming the final frontier for the migrants trying to reach Western Europe should be added when considering potential destabilisation of the region in the medium to long term.
3. Local religious groups, some of which have strong ties in the Arab world, provide the backing for radical groups often in exchange for financial and other support. Local political elites’ conduct in relation to local Islamic community and foreign actors, by either openly or tacitly encouraging more prominent presence of Islamic tradition in the region, is equally important in understanding the role of Islamic groups and the prospect of radicalisation that their increasing presence may give rise to.

4. The UK has long tradition of educational and cultural exchange with the countries in the region which can be stepped up both by bringing people to the UK on educational grants as well as supporting directly local educational and cultural institutions. The UK can also use its political leverage among some of the local political elites to break the cycle of opportunist behaviour that instrumentalizes religious identity.

What actions should the UK take to support efforts against corruption and organised crime in the region? What impact is corruption and organised crime in the region having in the UK?

5. Insufficient understanding of the nature of the phenomenon of corruption and organised crime in the Balkans among policy makers has impaired many internationally-sponsored initiatives to fight it. At the core of this issue is the existence of close, often symbiotic relationships among political elites, commercial actors and organised crime linked through transnational networks. Those close ties underpin extra institutional forms of governing that permeate political, judicial and economic institutions. To break up those structures would require a broad-based approach that targets those linkages so that covert support and protection to corruption and organised crime from within the political establishment is eliminated.

6. A support to justice institutions, and in particular to strengthening independent judiciary, is of immense importance. Strong support is also needed to civil society organisations working on corruption and organised crime, and to independent media. Many of the earlier initiatives supporting civil society and independent media have been phased out as a result of shifting priorities of donor countries despite the severity of the problem. The UK should also continue its support to the existing regional and international initiatives to fight corruption and organised crime in which the countries of the Balkans are involved.

7. Some of the most prominent organised crime groups in the UK have their origins in the Balkans, notably the Albanian ones. This exposes the UK institutions directly to the risks associated with global illicit flows of people, goods and money, and presents a threat to domestic security.
What are the key economic challenges facing the countries of the region? Is there a constructive role to be played by the UK? What are the commercial interests of the UK in the region?

8. For all the countries in the region ensuring broad-based growth by diversifying their economies, and improving competitiveness presents a main challenge. The region has been hard hit by the global financial crisis because the economic model prior to the crisis was based on growth in domestic consumption facilitated by the availability of credit through the affiliates of West European banks. Production base is narrow in most countries and hence they export limited range of goods, concentrated in low value added sectors. This has resulted in large trade deficits and high rates of unemployment. Long term unemployment which ranges between 63%-81% of total unemployment with more than 70% of the unemployed in the region out of work for more than a year on average, is of particular concern- both in terms of economic as well as political and security implications.

9. The UK’s economic relations with the countries in the region are weak; the UK is not a major trading partner for any of the six non-EU member countries. The UK along with Germany is a main driving force behind the Berlin initiative for the Western Balkans aimed at reenergising regional cooperation. This includes investment in infrastructure which is of crucial importance for improving development prospects in the region. This opens opportunities for the involvement of UK companies in what could be a major infrastructure investment cycle in the region.

Youth unemployment is extremely high in most countries of the Western Balkans. How is this manifested among young people? How can the UK engage more effectively, and to what end, with young people of the region?

10. There is a huge sense of disillusionment and despair among unemployed youth in the region. This creates strong incentive to emigrate. In some countries, notably Bosnia and Herzegovina, an accelerating trend of emigration of young and educated people is turning into a serious brain drain problem. Lack of employment is foremost associated with nepotism and corruption which leads to young unemployed people’s disengagement from public life. Unemployed youth is also vulnerable to extremist ideologies, and in the region where ethnic tensions remain dormant, this can be potentially destabilising.

11. Any other form of engagement the UK can offer is secondary to that of engaging the unemployed youth professionally which provides a sense of self-worth, opportunity and perspective. Having an opportunity for work
experience even for a limited period of time is crucial for providing young unemployed people a bridge towards more permanent jobs. In this regard, providing short term apprentice funding could be one form of help. Longer term, focusing on educational exchange the UK can contribute to the reform of the curricula that would address skills mismatches as one of the key factors driving high youth unemployment.

Submitted 21 September 2017
The British Council – Written Evidence (BUB0029)

Summary

1. The key political and governance challenges facing the countries of the Balkans are pervasive corruption, failing rule of law, and weak institutions. There are rising intra-regional tensions and increasing democratic backsliding in the region. Radicalisation continues to be an area of high concern, and concerns have also been expressed in some quarters over Russia’s increasing influence.

2. There are significant economic challenges facing the region. The high youth unemployment rate is causing young people to leave the region, and the lack of opportunities for those that stay may make them more at risk of various types of disenfranchisement from their societies and ultimately also to radicalisation. Uncertainty over the enlargement of the EU has also resulted in a sense of disillusionment and alienation amongst the public.

3. The UK has been encouraging EU accession for all of the countries in the region, and has invested heavily in projects in line with EU accession, especially in Bosnia and Herzegovina (BiH). Commitments have been made on both sides that Brexit will not affect the relationship of the UK with the region. However, there is a question mark over whether UK organisations will be able to bid for and implement large scale EU funded programmes in the region after the UK leaves the EU. If the UK were to lose access to this funding, it would have serious implications for the UK’s influence and standing in the region. The British Council was competitively awarded since 12.6 million Euros for its work in the Western Balkans since 2015.

4. The UK can support positive regional change by creating opportunities for young people by encouraging entrepreneurship, developing the creative industries, developing digital skills, and supporting systemic educational reform, thereby meeting the demand for quality education and skills. It can also help to create positive pathways and opportunities for young people through civil society projects, connecting UK CSOs and NGOs with the Western Balkans. The UK can also play a part in reforming institutions in the region by working with governments and civil servants, and by bringing young people across the region together to aid reconciliation. Increased activity in these areas would not only improve the security, stability and prosperity of the region, but would bring significant soft power benefits to the UK.

5. The focus on young people is crucial for long term stability and prosperity of the region. Efforts should be made by the UK to strengthen constructive grassroots initiatives, empower young people and strengthen media and civil society. Though outside of the EU, the UK should continue to support the EU accession path of the Western Balkans to bring stability to the region to
encourage judicial reform, media freedom, and conflict resolution in line with the EU accession process requirements.

6. With a 77 year history in the Western Balkans, the British Council’s work spans education, culture, the arts, entrepreneurship, civil society and institutional reform. Our cross-sector activity has resulted in close relationships with key government stakeholders in all Western Balkan countries, and we are considered a reliable partner in promoting reform agenda among the state authorities, civil society organisations and private sector organisations. The British Council is well placed to provide activities that both improve the stability and prosperity of the region and bolster the UK’s influence and standing.

The British Council in the Balkans

7. The British Council is the UK’s international organisation for cultural relations and educational opportunities. We create friendly knowledge and understanding between the people of the UK and other countries. We do this by making a positive contribution to the UK and the countries we work with - changing lives by creating opportunities, building connections and engendering trust. This enhances the security, prosperity and influence of the UK and, in so doing, helps make the world a better, safer place.

8. Last year we reached 8 million people across the Western Balkans. The British Council has been active in the region for 77 years, dating back to 1940 when we opened the Belgrade office as one of our first centres outside of the UK. Today the British Council has permanent offices in all 6 Western Balkans countries with an extensive track record of delivering high quality donor funded and grant projects in numerous sectors and a strong exams business.

9. Throughout the Western Balkans we support governments on the reform agenda, support capacity building in institutions and give individuals the skills they need for a prosperous future. Our work spans education, culture, the arts, entrepreneurship, civil society and institutional reform. Our cross-sector activity has resulted in close relationships with key government stakeholders in all Western Balkan countries, which is why we are considered a reliable partner in promoting reform agenda among the state authorities, Civil Society Organisations and private sector organisations.

Key socio-economic and political challenges facing the countries of the region

10. Twenty years after violent armed conflicts and dissolution of Yugoslavia, Western Balkan countries remain vulnerable and troubled. Economic challenges are intertwined with political and socio-economic challenges ranging from pervasive corruption, failing rule of law, weak institutions and economies, and an increasing youth unemployment rate. As a consequence, authoritarian
leadership is re-emerging; there is a spread of Islamic radicalism, and brewing intra-regional tensions.

11. Western Balkan economies suffer from structural weaknesses which impede economic growth and development. The transition from socialist to market economies was only partial and countries are still burdened with uncompetitive industrial sectors. The informal sector is seen as a severe obstacle by one in four firms in the region. Heavy taxation, social insurance payments and red tape all generate possibilities for corruption and the establishment of informal power structures. There is widespread corruption in the public sector, and oversized state apparatuses with overlapping institutions and extremely complicated decision-making process continue to generate possibilities for corruption.

12. The problem of “jobless growth” - a gap between job creation and the number of people seeking employment - has risen dramatically and the average unemployment rate in the region is 25%. The labour market is suffering from a severe skills mismatch, and Western Balkan countries register some of the highest youth unemployment rates in the world (BiH is ranked as number one with 62.8%,

13. Macedonia as fourth with 53.1%, Serbia as seventh with 49.9% and Montenegro as eleventh with 41.1%) However, in Serbia in particular there is evidence of empty positions that employers are unable to fill positions needing digital skills

14. Democratic backsliding on national level has been prominent in the last two years. BiH has undergone episodes of social instability and political conflicts, with Republika Srpska calling for independence and blocking state processes. After the initial cooperation under the Belgrade-Pristina Dialogue, relations between Kosovo and Serbia considerably deteriorated in 2015-2016. Albania, Kosovo and Montenegro all faced severe political crisis over the past year, while Macedonia experienced a full constitutional crisis which ended in violence in Parliament in May 2016, before the ruling party was urged to step down. The further consolidation of not fully democratic regimes, the centralization of power, and state capture by ruling elites makes the region more fragile with ongoing risks of instability.


15. The promise of EU membership has been a key driver for reform in Western Balkan countries in the past two decades. However, the passage of time and failure in delivering political and economic reforms, coupled with the Eurocrisis and uncertainty over enlargement has resulted in greater sense of disillusionment and alienation among the public opinion across the region, as well as large public dissatisfaction with political elites.

16. Poor socio-economic conditions and political instability are driving young people away, prompting brain drain on a large scale. Though it is hard to track exact data, the observation is frequently made that on average over 100,000 young people have emigrated from Serbia, BiH and Macedonia in the last few years. Faced with poor employment prospects, young people that remain in the region lack constructive pathways, and this may lead them to become more susceptible to various types of extremism and radicalisation.

17. Violent extremism and Islamic radicalisation weigh high on the security agenda. From 2012 chains of serious security incidents in BiH, Kosovo and Macedonia took place. More than 1,000 foreign fighters from the region departed for Syrian and Iraqi battlefields. Though the governments have adopted more robust measures and changes in counter-terrorism legislation have been introduced, radicalization remains an area of high concern.

18. Russia has an increasing presence in the region. A Russian military base in the city of Nis opened and in 2016 a joint Russia-Belarus-Serbia “Slavic Brotherhood” anti-terrorist exercise took place near Belgrade, which coincided with NATO’s largest emergency drill in Montenegro. Russia has also intensified security and defence cooperation with Serbia. Some Governments have expressed concern over Russian influence secured through media funding, investments (primarily in the energy sector), and by supporting nationalist movements. The Montenegro government accused Moscow of supporting individuals that wanted to stage a coup on the day of general elections before the country’s accession to NATO. There is concern from several NGOs over Russia’s role in Republika Srpska and in regional stability more generally.

Impact of Brexit on the countries of the region and implications for UK policy, influence and standing in the region

19. The UK has strongly supported EU membership for all the Western Balkan countries. The Foreign and Commonwealth Office has invested significant funds for judicial reform, media freedom, and conflict resolution programs in line with the EU accession process requirements. The UK’s influence was most visible in BiH where significant efforts were invested. In 2014, together with Germany the UK launched a new strategic approach towards BiH in order to move the

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EU accession process forward. In Kosovo the UK also provided support in securing Kosovo’s independence and has been insisting on Belgrade Pristina Dialogue within the EU framework. Both Albania and especially Kosovo see UK as a key ally and are concerned about losing this support in future EU negotiations.

20. Firm commitments were expressed from both sides that Brexit would not affect the relationship of the UK with the region during the Foreign Secretary’s visit to the Western Balkans in April 2017. The decision to host the 2018 Western Balkans Summit in London testifies of the UK’s support for reform to improve the region’s stability. The Summit is a chance to enhance security co-operation on organised crime, anti-corruption and cyber security with Western Balkan partners, enhance the economies of the region, and to showcase the UK’s experience and track record in the digital and creative industries. However, if the UK is not a partner in the EU accession process anymore this could result in the UK voice becoming less prominent in the region. One way to overcome this is to continue engaging both on national as well as regional level with issues that could benefit from UK expertise.

21. The British Council’s projects implemented with the support of EU funding have created tangible impact in the region across different sectors. In Kosovo, we have built capacity of more than 100 civil servants who will implement reforms in public administration. In Serbia as a result of the EU Judicial Efficiency programme the backlog of unresolved court cases was reduced by 50%, which was one of the priorities under the EU Accession Chapter 23, and we have improved 21st century skills for over 3,500 vulnerable persons. Our education projects in Montenegro, Macedonia and BiH have succeeded in modernising education systems to respond to labour market requirements and improved VET schools curricula. These results are some of the outputs of the implementation of 10 EU funded projects which we were competitively awarded since 2015 in total value of 12.6 million Euros.

22. It is not clear what the impact of Brexit will be on UK organisations’ ability to bid for and implement large scale EU funded programmes across the Western Balkans. This is significant as the British Council are currently pursuing a pipeline of projects worth 30 million Euros in the fields of education, public administration and justice reform which would provide significant impact on the stability and prosperity of the region and the UK’s influence and standing in the region.

The role to be played by the UK in key challenges facing the region

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23. The region should remain a priority for the UK Government, both because of its strategic importance, and also because it offers opportunities to engage and mobilize UK institutions, organisations and companies which are in demand in the region and can make a positive impact whilst also supporting wider UK influence and relationships. The UK is respected for its parliamentary systems, rule of law, creative industries – including music and film - and digital skills, all of which present opportunities for engagement. The UK also has a role to play in the security agenda, supporting alternative opportunities and pathways for young people to reduce their risk of radicalisation.

24. The lack of opportunities for young people is a pressing concern. The UK can provide expertise in entrepreneurship to give young people the skills to create opportunities for themselves and also support wider economic growth. Through the British Council’s regional project Encouraging Youth Entrepreneurship in the Western Balkans (2015/16) the British Council has supported young people to start their own businesses and improve employability skills through quality training programmes and UK experiences. The project also organised study visits to the UK and taught entrepreneurs digital and promotion skills.

25. Given the need for 21st skills, the UK should continue investing in digital skills and English language acquisition as this has proved invaluable for youth employment and could have a huge potential for future engagement between the Western Balkans and the UK. In Kosovo alone, through a project jointly funded by the UK and Kosovo governments, the British Council has given nearly a thousand young people digital skills. Through its 21st Century Schools programme, this year the British Council will give 600 teachers training in teaching core skills and digital literacy and 18,000 students practical coding skills through its partnership with the Micro:bit Foundation and the ministries in each of the countries involved. Last year 6,000 people attended the British Council’s New Technologies in Education conference and fair including 50 exhibitors from international, UK and Western Balkan tech companies. Last year we reached more than two million people using our digital English resources such as Learn English and the recently launched platform The English Channel.

26. The UK can play a part in developing the creative industries in the Western Balkans region, creating opportunities for young people, showcasing UK expertise, and creating long term links with the region. The British Council connects the Western Balkans with expertise in the creative industries and supports individuals and institutions in developing enterprising cultural offers. Through our Creative Industries project, the policies and practices of UK institutions such as Creative England, Knowledge Transfer network and NESTA have shaped the Macedonian government’s creative industries policy. We have also established a National Commission for Creative Industries in Macedonia and distributed grants to cultural institutions and creative practitioners. In
partnership with the FCO we have trained more than 120 young entrepreneurs and developed the Western Balkans Start-Up website which has been used by 50,000 people.

27. Our work with museums and galleries has expanded in the last three years. We trained over 60 high and mid-level management professionals in skills needed to attract new young audiences supporting the ongoing change in those public institutions turning them into places of knowledge and regional cooperation. As a result, institutions involved in our programmes engaged more than 100,000 people with UK artists over the last year. We also supported the creative industry sector in the region by training more than 250 film production companies and creative studios in digital skills making them more competitive on the international market.

28. Weak institutions are a key risk factor for instability in the region, and the UK can share expertise of its world-renowned institutions. Over the past 10 years the British Council has worked closely with the Western Balkan Government in numerous policy areas, such as capacity building for civil servants and leading in policy formulation processes so we have close relations with individual line ministries. In Kosovo we have developed a specific programme with the Government called KosovoTalksEU where we have engaged leading Civil Society Organisations in helping the Government to design and deliver effective public and digital diplomacy. British Council Kosovo has also been managing the Young Cell Scheme Project for the last 6 years, building professional, accountable and apolitical civil service by supporting the public administration reform through a Masters Scholarship programme. The British Council have provided working attachments for influential public servants and key influencers in the UK in various key reform areas and we have a Western Balkan alumni network of established of future leaders and agents that can lead change in their societies. We also run the EU funded Western Balkans Young Professionals programme which builds capacity and understanding across all 6 countries.

29. Security is a major concern in the region, and the UK should play a part in the response. Under the Conflict Stability and Security Fund (CSSF) funding, the British Council is currently implementing a regional preventing violent extremism project, which seeks to establish a regional research hub that will provide national, regional, UK and EU decision makers with strong evidence base for development of effective preventing violent extremism policies. The regional study will be completed in the first quarter of 2018, and the fieldwork and data collection is now complete. In this project we work closely with the UK Government and HM Embassies ensuring strategic alignment to UK policy priorities. The UK can also utilize its leverage in preparation for the upcoming 2018 London Summit which gives a chance to reinforce cooperation in the field of security.
30. The UK already plays a role in building civil society and creating positive opportunities and pathways for young people at risk of radicalization. Our Active Citizens programme has created networks of young community leaders and agents of change across the Western Balkans and supplied them with the skills they need to further their goals through combination of training workshops, social action projects and UK exchange visits. In BiH we have developed a network of 300 motivators and over 1,000 volunteers across the country. In Macedonia 100 teachers and CSO representatives attended the ‘Basis of community youth work course’. After receiving training, representatives of 5 Skopje municipalities worked on the introduction of new Antidiscrimination legislation. In Kosovo we have promoted intercultural dialogue and community-led social development in 8 municipalities. In addition, the Connecting Classrooms project in BiH has helped secondary school teachers to address deeper drivers of conflict within their schools and wider communities through targeted extra-curricular activities.

31. In light of accession being postponed the Berlin Process is seen as the only route which can bring together the main political leaders in the region and push the reform agenda. Now the UK has committed to hosting the 5th in the series it is an important opportunity to show our commitment to the region, and to leverage EU partners and bring people on board. Now we have committed to it, it is critical we do a good job in the execution if we want to retain impact and influence in the Balkans.

32. Though outside of the EU, the UK should continue to support the EU accession path of the Western Balkans to bring stability to the region, and encourage judicial reform, media freedom, and conflict resolution in line with the EU accession process requirements. The British Council, as a cornerstone of the UK’s soft power and with strong links across the government, civil society, education, entrepreneurship, culture and the arts, can implement further initiatives in these areas that can be important and influential in the future stability and prosperity of the region.

Submitted 19 September 2017
The British-Serbian Chamber of Commerce – Written Evidence (BUB0011)

1. The British-Serbian Chamber of Commerce focuses on a bilateral trade between the UK and Serbia. Other than commercial issues, the focus is also on the business environment in which UK interests would flourish.

2. Economic trends are positive:
   - On the World Bank Doing Business List, Serbia moved up by 32 places in 2016, and is now ranked 59th globally.
   - The business environment is stable, and it offers transparent market conditions, which creates a good starting point for the business growth in the long run.
   - Belgrade was recently named a "City of the Future" in Southern Europe (Financial Times).

In Geopolitical terms
3. Free trade agreements exist with the Russian Federation, Turkey, Kazakhstan and Belarus.

4. UK products made in 14 free trade zones in Serbia are as such "Made in Serbia" and entitled to free of customs entry in the above countries. This represents an opening to 248 million consumers. These free trade zones currently employ 20,000 people from more than 200 multinational companies with Euro 5 billion turnover in 2015. They represent 20% of total Serbian exports.

5. The vehicles for future UK cooperation exist already: British-Serbian Chamber of Commerce, RAS (Serbian government development agency) and the excellent UKTI desk at the British Embassy in Belgrade.

Economic Challenges
6. There are not many of these. It is simply a matter of "get up and go". The Germans and Italians are already there:
   - Foreign direct investment into Serbia by number of projects:
     - Italy 17.2%
     - Germany 13.2%
   - Foreign direct investment into Serbia by value:
     - 13.6% Italy
     - 11.9% US
     - 7.0% Germany

7. In all the statistics above the UK is hovering at around 1%.

8. Our challenge is to move that number upwards, which is very achievable. The total inward foreign direct investment into Serbia since 2000 has been over Euro 26 billion.

Political and security Challenges
9. Serbia is now a stable country, devoid of the radicalisation of Islam. Perhaps run by a somewhat authoritarian regime of President Vucic, particularly in the area of free press, it is nevertheless safe and secure.

10. The low level of migration from Serbia into the UK is another pointer. It consists mostly of well-educated people with a good command of English. The reverse trend is also visible where a number of them are going back (with the proactive work of the Serbian City Club).

**UK beyond Brexit**

11. As far as the Western Balkans area is concerned, bilateral agreements with the countries that are outside EU, should be a main focus.

12. The UK has the opportunity to expand its influence by exploiting still untapped sources of business and capitalise on the language and skills available in Serbia:
   - 85% of university students study English as a main foreign language;
   - The unemployment rate of the under 30s is high at 43%. However, this is easily converted to a good labour source with 61.4% educated to high school level and 21.6% to university level. (Serbia was ranked 4th out of the 76 countries in Business English proficiency by BEI*.
   *Business English Index, Global English Corporation, 2012);
   - Average Gross Monthly Salary (EUR) Serbia 506 (Romania 568, Hungary 799, Slovakia 880, Poland 927, Czech R. 971, Croatia 1,058)

13. Corporate Profit Tax is the lowest in the area:
   - Serbia 15% (Romania 16%, Czech R. 19%, Poland 19%, Hungary 19%, Croatia 20%, Slovakia 22%)

14. In addition, a 10-year Corporate Profit Tax Holiday is available in Serbia for investors who hire more than 100 employees and invest more than 8.5 million euros. Tax holiday begins once the company starts making a profit.

15. According to EUROSTAT, Serbia has the lowest costs of electricity, gas, other fuels and landline telephony among 37 European states.

16. And all that within a couple of hours flying from London.

Submitted 14 September 2017
1. The UK has played a quite passive role in most of the Balkan countries during their EU integration process, handing over the instruments of influence to Germany that has been driving economic and political change in the region. However, the region remains deeply impoverished with big social inequality, while the rule of law and institutional development is far from desirable. At the same time, economic potential for Balkan countries is underexplored, enormous natural resources, human capital and focal geographic location would allow for prosperity in the long run, regardless of their EU integration intentions. Therefore, the post-Brexit policy of the UK towards the Balkan region should be dual and dynamic. The first pillar of the policy should be much greater economic integration with Balkan countries and cooperation with businesses, academia and financial sector. The second aspect should be the UK’s pro-active engagement in building institutional efficacy and transparency in the region.

Geopolitical context

2. After the fall of Yugoslavia, the key moment for the Balkan region was 1999 and NATO aggression against Serbia, launched after the OSCE report, which is later to have been faked. The trigger for NATO bombing of Serbia, without the UN approval, was so called “massacre” of Albanian civilians in Racak, as suggested by OSCE chief in Kosovo - UNMIK* William Walker. However, the investigation of bodies that was conducted by a group of pathologists from Finland, whose head of mission, Ms Helena Ranta, later confirmed that she was threatened and forced to sign a report. According to Helena’s testimony, victims were members of the terrorist organization OVK that attacked a local police station and died in a battle with official authorities.

3. Nonetheless, NATO rushed to launch an attack on Serbia, the UK’s ally in the First and Second World War. Tony Blair’s government decision to lead NATO bombing of Serbia, which also resulted in targeting hospitals, schools and even Chinese Embassy, radically changed the constellation of the relationship between the UK and Serbia and the Balkans a whole.

4. The UK insisted on bombing Serbia although all evidence was suggesting that Serbian government is dealing with a terrorist organization and not civilians.

*Kosovo – United Nations Mission in Kosovo – Represented under the UN resolution 1244.
At the same time, NATO kept destroying Serbian capital for three months, killing over 3000 Serbian civilians, the youngest being only six months old. NATO attack also led to an exodus of 250,000 Serbs from Kosovo - UNMIK* and their property being confiscated by Albanian majority which declared independence from Serbia in 2008, also with the support of the UK.

5. This has created a big instability in the region which is constantly facing new threats as Albanian minorities in neighbouring countries, like Montenegro and FYR Macedonia formed paramilitary organizations in an attempt to create new secessions.

6. The US government orchestrated those events and it is now fully controlling local authorities in Kosovo - UNMIK*, but also using Albanian minority in other countries to channel its influence. Therefore, the US maintains the biggest political influence in the Balkan region, with strong intelligence on the ground.

7. On the other hand, there are examples of the very positive influence of other countries, through intensive economic cooperation. In the last decade, China has become the major investor and increasingly important political factor in the Balkan region. China’s investment mainly targeted transportation and energy infrastructure, which is of crucial importance for Balkan countries, that still rely only on projects built during Tito’s Yugoslavia.

8. The NATO aggression in 1999 destabilised region and China started to represent a factor of peace and stability, it brings economic benefit and does not interfere in the internal political affairs, which is what makes China warmly welcome in all Balkan states. This is also highly appreciated in Beijing, as Balkan countries are in the focus of “New Silk Road” initiative that makes stretching’s China’s trade links with the West and allows greater influence in European affairs. By investing in the region’s infrastructure projects, Beijing wants to accelerate the creation of a network of ports, logistics centres, and railways to distribute Chinese products and hasten the speed of East-West trade.

9. In the last couple of years, China agreed major investments in all Balkan countries, worth about 10 billion euros. Some of the major projects include motorways in both Bosnia & Herzegovina and FYR Macedonia. A huge road project has started in Montenegro, linking the country's port of Bar on the Adriatic Sea to the border with Serbia where China also builds a new 350MW unit at the Kostolac thermal power plant complex. In order to speed up trade between through Balkans, China signed a 1.5 billion euro deal to build a high-speed railway between Belgrade and Budapest, in addition to building Arber highway between Albania and FYR Macedonia.
10. Thus, China is building a mutually beneficial relationship with Balkan countries. The key channels of cooperation are China’s state-owned enterprise’s investments in infrastructure that include very favourable landing terms directly to governments (usually 35 years and interest rates of cca 2%). Second of all, every Balkan country has strengthened its trade links with China over the last decade, which is not the case with the UK. Foreign direct investments from China have also been increasing. The exports from Balkan region to China increased by almost 15% in the last ten years, while trade with the UK has mainly stagnated.

11. Serbia is the key partner for China, not only because of its long history of partnership with the government in Beijing but also because of its strategic role in the region. Serbia is the biggest country among the other non-EU Balkan states, a strategic partnership agreement with both China and Russia. Both countries are supporting the principles of equality in international relations and propose the protection of international legal order by refusing to accept the unilateral secession of Kosovo - UNMIK*.

12. Russia is also aiming to spread economic cooperation with Balkan states, but those are mainly limited to the energy sector, where Russia is naturally a dominant player. It is the main supplier of gas to the whole region, and its plans to build South Stream gas network that was blocked by EU, are now re-established through the Black Sea and the involvement of Turkey, so new “Turkish Stream” is going to supply the whole of Balkan with natural gas in the long run. This is the cheapest and most efficient option for everyone.

13. The influence of Russian Federation in Balkans is often perceived as negative due to its special relations with Serbia. However, this type of relationship is well known between the UK and the US, and it should not come as a surprise that Russia attempts to maintain military neutrality in Serbia, Bosnia and Herzegovina, Montenegro or FYR Macedonia. NATO has already approached Russian borders and has a strong presence in Balkans, where Albania and Croatia are full members.

14. The main security and political challenges for the UK are the growing threat of terrorism, as ISIS recruit its members from the Kosovo - UNMIK* province and Bosnia and Herzegovina, both of which have shown signs of radical Islam. In this regard, the UK’s further support for Kosovo - UNMIK* authorities is counterproductive and poses a direct threat to UK’s security and national interests.

15. Therefore, the UK should aim to cooperate more closely with other countries in the region in preventing radicalisation of Islamic terrorism. In this vein, its most important natural partner is Serbia but also Bosnia and Herzegovina,
where Turkey is the most influential political factor and one of the biggest investors.

16. Once the UK has left the EU, it is important to re-energise relationship with Balkans countries. In order to establish a secure and politically stable environment for its businesses, the UK should work most closely with Serbia, as a major country in the region. The economy of this country provides important stimulants for UK’s companies and political disagreements over Kosovo - UNMIK* issue require the UK to reconsider its recognition of Kosovo - UNMIK* independence. Not only has the UK’s security been under threat due to Islamic terrorist from Kosovo - UNMIK*, but its global role in protecting human rights and democracy has been washed-out as Kosovo - UNMIK* is nowadays paradise for organised crime. The bullying of ethnic minorities is brutal. Therefore, the UK should start a new page in almost a millennium long history of diplomatic relationship with Serbia. There is a big potential for the UK business and for a closer partnership with Serbia in the international arena after the UK leaves the EU.

**Political, security and economic challenges**

**The key political challenges, organised crime and corruption in the Balkans and the role of the UK**

17. All countries in the region suffer from the same disease, which is killing their economic potentials – endemic corruption and organised crime. The main internal political issue is non-transparent election process which undermines the democratic institution. The ruling parties are not asked how they finance their political campaigns, and in official reports, they can write anything. The epicentre of corruption is in political parties, as they use power to appoint political figures to all management roles in state apparatus. Through the abuse of power, manager of public companies, use state funds to set up tenders for private companies of their choice, which execute some work at a price which is several times higher than market prices. Later, they are forced to pay the difference to the political party, which is using this money to occupy media and retain the vicious cycle of bribery.

18. The lack of transparency and complete absence of independence in judiciary system is characterizing all Balkan states and this where the UK should be more active in promoting institutional efficiency. Some of the policy options for the UK are engagement in law enforcement through training and education of local authorities. The other options include pressure through economic diplomacy, to establish institutions of control in public money spending. The UK government should financially support projects that involve human capital development and the usage highly educated workforce. In this regard, the
returnees from the UK universities to their home country should have institutional support to engage in cooperation with their governments.

19. The lack of appropriately educated figures in most of the governments leads to a closed circle of friends who set up businesses for each other, at the expense of public money. This type of practice should be condemned by the UK and appropriate measures should be in place to discourage such behaviour.

20. Serbia and Montenegro are countries with high personalisation of power and open misuse of public funds. The real threat to economic prosperity is the inability of non-party member individuals to run any businesses. In those countries, it more than usual that any successful businessman must be paying a bribe (or “membership” as they call it euphemistically) to a ruling party to set up their projects for public tenders, or to simply leave them alone.

21. In addition to those problems Albania and province of Kosovo - UNMIK* are those with extreme infiltration of organised crime in official institutions. Albania is officially dealing with drug cartels, so it is to a lesser extent financed by black money. However, Kosovo - UNMIK* is the only territory in Europe ruled by former members of drug gangs and former terrorists. Organised crime in Kosovo - UNMIK* has its roots in every element of the society and it used its independence to build the web of non-controlled criminal activity that grounded in official anti rule of law policy.

22. Bosnia and Herzegovina, together with FYR of Macedonia, on the other hand, suffer from the lack of leadership, which is the source of continuous political instability, that undermines economic growth. Bosnia and Herzegovina is an auto-destructive state as it is artificially formed as a result of a rotten compromise to end the war in Bosnia. The territory of Croats, Bosnians and Serbs is united and ruled by the representative of all three entities but each of them drags the state policy in a different direction. At the same time, FYR Macedonia is under the threat from Albanian ethnic group which is showing separatist aspirations.

23. In order to play a constructive role in those turbulent circumstances, the UK should engage in a direct dialogue with policy makers and refuse to cooperate with those that have criminal past. In Serbia and Montenegro, the UK should insist on the rule of law, and offer greater economic partnership. In Albania, there should be the UK offer to jointly deal with organised crime, while in Kosovo - UNMIK*, the UK should revoke its recognition of independence, thereby supporting regional peace and work with Serbia on institution building in Kosovo - UNMIK*. In cases of Bosnia and Herzegovina and FYR Macedonia, the UK should join the EU in an attempt to establish an order that allows democratic processes to take place.
Balkan’s security and the role of the UK

24. The main security issue in the Balkans in the radicalisation of Islam in Kosovo - UNMIK* and the rise of nationalism. There have been several hundred cases of Muslims from Kosovo - UNMIK* being recruited to fight in Syria, many of them have joined ISIS and launched attacks in Paris. As Kosovo - UNMIK* has not built institutions of its own, but is still under the supervision of international community, there is little capacity to deal with the radicalization of Islam. The main driving forces of this phenomena in Kosovo - UNMIK*, is, first of all, it's very low literacy rate, extreme poverty, and the financial support from the US and the EU that was misused. An additional fuel to this was given by Saudi Arabia that has invested several billions of euros in Kosovo - UNMIK*, most of which was used for in building mosques, which often serve as training centres for paramilitary rebels.

25. The destruction of state after the NATO bombing has enabled development of paramilitary forces which are out of control nowadays. The consequences for the UK and for Europe are evident, the increasing number of terrorist attacks in London, Paris, Munich, Barcelona, Brussels. The Balkan region is at the edge of conflict every time extremist groups in Kosovo - UNMIK* receive support for their idea – to build an ethnically clean state.

26. The UK should act determinately to stop the continuation of ethnic cleansing of Serbs and other non-Albanians in Kosovo - UNMIK* that started in 1999. Serbia was an ally of the UK in its fight for freed and security in Europe, now that the security of Europe is under threat due to the radicalisation of Islam in Kosovo - UNMIK* and in Bosnia and Herzegovina, the UK should admit its mistakes from the past and revoke acceptance of Kosovo - UNMIK* independence that has led to deterioration of peace and abuse of human rights of non-Albanian population in the region.

27. The UK should work with the international community to help Balkan countries overcome a migration crisis that has led to the collapse of border security in the region. The UK should play a constructive role and provide financial support for migrant centres, including humanitarian help for refugees. Non-response to the migrant crisis in Balkans creates new security issues for the EU and the UK. Therefore, a joint effort is required to facilitate incomers without violating their human rights.

The economic challenges in the Balkans and youth unemployment

28. The region suffers from extreme youth unemployment and low-quality investments leading to the deterioration of human capital. The youth
unemployment rate is higher than 40% in all Balkan countries, which is why young people immigrate, creating additional costs for their home countries, that are losing population.

29. An average economic growth of 3% across Balkan countries is not enough for the eradication of poverty and foreign direct investments are not complementing domestic industry, but rather acting as a subsidiary, which discourages entrepreneurship. The overall trade patterns show that there is a big potential for growth but also that the UK is not a significant partner to Balkan countries.

Table 1: The UK trade with the Balkans.

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<td>Serbia</td>
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<td>Albania</td>
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<td>BiH</td>
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<td>FYR Macedonia</td>
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<td>Montenegro</td>
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30. According to Table 1, the main trading partner for the UK is FYR Macedonia, but also a country with the highest deficit in trade with the UK. The only country that maintains a surplus in trade with the UK is Serbia. All the other countries are having insignificant exports to the UK. Therefore, the UK commercial interest is to increase trade with its main partners Serbia and FYR Macedonia. The interest of UK’s companies is mainly in the supply of high-tech products and machinery in the energy sector and providing IT services for the digitalisation of state services. On the other hand, the UK should abolish tariffs for agricultural products from the Balkans, especially meat and meat derivatives. This would have given an important fundament for building greater economic cooperation with the region.
31. According to Table 2, Germany is the most important supplier of goods and services to all Balkan countries. Serbia mainly exports to Germany and Russian Federation, while its main suppliers are China, Germany, Russia and Turkey. Albania has the biggest trade deficit among other states, while Bosnia and Herzegovina’s main trading partners are Germany and Turkey, while for Montenegro, those are Germany and China. The only country that imports more from the UK than from other observed countries is FYR Macedonia, however, most of its exports go to Germany.

Table 2: Balkan’s trade patterns

32. The UK should welcome companies from Balkan countries, trade forums, seminars, and networking with local partners should be encouraged by the UK. The imperative should be the abolishment of visa requirements (for tourist and business visitors up to 6 months) for Balkan countries, especially Serbia and FYR Macedonia. Serbia shows the highest potential to export to the UK and its main capacity is in agriculture, so the UK should provide a friendly environment for Serbian companies if it wishes to influence political and economic affairs in the Balkan region.

The UK beyond Brexit
The implications of Brexit for UK policy in Balkans

33. There are no direct implications of Brexit for the UK policy in Balkans. In the short run, Brexit created a vacuum in cooperation with the region but in the long run, Brexit should allow more freedom for the UK in facilitating its interests in the Balkans. The EU integration process of the Balkan states should be encouraged only to the extent to which it does not hamper economic cooperation with the UK.

34. The UK should define its political and economic interests in the region, and those should include closer economic integration and joint work in fighting against terrorism and organised crime. The relationship with Balkan states at the macro level should be aimed at partnership and cooperation in the area of mutual interest. At the same time, the UK should remain consistent with its devotion to the rule of law, fight against corruption and respect for human rights. In this regard, the UK should engage more closely in cooperation with countries such as FYRM Macedonia, Serbia and Montenegro and remain cautious when providing help to Bosnia and Herzegovina or Kosovo - UNMIK* who might provide a threat to the UK’s national interest.

Conclusion

35. In the near future, direct UK interest in the Balkans is commercial. The UK should provide grounds for its companies to operate freely in the regional markets, especially in the energy and IT sectors. The UK should abolish visitor visas for Serbia and FYR Macedonia in order to foster tourism and business activity and send a positive signal to those countries.

36. The other political factors interests’ are not colliding with the UK’s. The UK should search for partners, not for enemies. There is a common threat to the European and UK security, which shall be tackled. It is impossible to obtain security in Europe without obtaining it in Balkans and acknowledging Russian interest in the region.

37. The main partner for the UK in the region is, naturally, Serbia. It is the most important economic and political non-EU country in South East Europe and it has a long history of cooperation with the UK. The potential for trade and investments is evident, but it needs institutional support.

38. The main political obstacle is the support that the UK provided to the Kosovo - UNMIK*, which is, twenty years after NATO bombing, shown to be the biggest European mistake. NATO created legal drug cartels in the heart of Europe that produce terrorism and radicalisation of Islam. In the long run, the UK should
revoke its acceptance of Kosovo - UNMIK* independence and return to principles of international legal order.

39. This would have provided ground for the UK influence in the region after Brexit. It is in the UK’s national interest to maintain stability and economic prosperity in the Balkan region in order to pursue its own commercial goals.

Submitted 15 September 2017
Introduction:
1. The UK remains committed to its trading relationship with the Western Balkans; as per the Prime Minister’s speech at Lancaster House in January 2017, the region is one where the HMG has played a central role in promoting stability, security and prosperity. Trade remains an important part of supporting prosperity with the Western Balkans, and is fundamental to the future stability and security of the region.

2. As requested, the information below details the work that the Department for International Trade (DIT) is currently pursuing in the region.

How DIT works overseas
3. DIT’s International Trade and Investment group (ITI) work on trade promotion in foreign markets as part of our vast overseas network, and follow a business model called High Value Campaigns (HVCs). HVCs bring together the regional and sector expertise of staff based both overseas and at HQ, and their combined knowledge of buyers and suppliers to create a plan of where DIT should target our resources across the world. This plan helps us to focus on where the Government’s support can make a real impact on increasing the value of exports and investments, adding value to the UK economy. Government support in markets where HVCs are identified can take the form of deployment of resources, events, marketing, contractor support, ministerial and VIP visits, and policy intervention.

4. HVCs mean that DIT’s overseas work is underpinned by a defined methodology, measured by the financial targets included. Our aim is to ensure our resources are focused on the areas with the greatest return on investment for the UK

DIT in the Western Balkans
5. Priority markets for DIT activity in the Western Balkan region are in Serbia and Bosnia and Herzegovina. DIT currently has four HVCs in Serbia and Bosnia and Herzegovina in the following sectors:
   • Mining - in both Serbia and Bosnia and Herzegovina;
   • Retail - in both Serbia and Bosnia;
   • Financial & professional services - in Serbia only;

   • Automotive - in Serbia only.
6. Serbia and Bosnia-Herzegovina are part of DIT’s Central Europe Network (CEN) which also includes Poland, Czech Republic, Slovakia, Austria, Slovenia, Hungary, Croatia, Romania, Bulgaria. Our resources to service the Western Balkans area include three DIT staff in Serbia and two in Bosnia. Other Western Balkan markets (Albania, Kosovo, Macedonia and Montenegro) do not have DIT dedicated resource; however, there is a network of FCO Prosperity Officers that cover that region. Prosperity Officers signpost opportunities for UK business in their respective markets to DIT Serbia and DIT Bosnia, and then through the wider DIT CEN network to provide some in-country support to UK businesses. Prosperity Officers undertake trade promotion activity with small ad-hoc commercial work (e.g. making contacts, promoting countries as trading partners, signposting opportunities), and at times this could also include large scale and value tenders and development projects.

7. DIT Serbia and Bosnia also work closely with Prosperity Officers in this region. For example, DIT Bulgaria, Serbia and Bosnia support major mining projects in Macedonia to ensure UK companies can access potential opportunities as these projects develop. Another example is in Montenegro, DIT is supporting a Prosperity Officer to help a UK company put a bid for a £10m tender for Montenegrin national broadcasting company.

**Western Balkans Summit 2018**

8. In July 2018, HMG will host the Western Balkans Summit, which demonstrates the UK’s continued commitment to the region. The Summit will be the fifth in a series of Western Balkans Summits under the “Berlin Process” - launched by Chancellor Merkel - to increase regional and intra-regional trade cooperation. DIT will be playing an active role in the Summit, using this opportunity to highlight HMG’s expertise and looking for ways to bolster the trade relationship between the UK and the Western Balkans. We will work closely with the FCO to support countries in the region improve their business environments, as well as promoting our Global Entrepreneurship Programme which seeks to support entrepreneurs from the region who want to promote their businesses globally.

**Corruption in the region**

9. DIT is aware that companies operating in the region sometimes experience issues with corruption. We can confirm that DIT have not been approached to assist with work on corruption in the Western Balkans in general, and have not undertaken any specific work or research on the issue.

Submitted: 30 September 2017
The Rt Hon. Sir Alan Duncan, Minister of State for Europe and the Americas, Foreign and Commonwealth Office (QQ 68-75)

Wednesday 15 November 2017
11.30 am

Watch the meeting

Members present: Lord Howell of Guildford (The Chairman); Lord Balfe; Baroness Coussins; Lord Hannay of Chiswick; Baroness Helic; Baroness Hilton of Eggardon; Lord Reid of Cardowan; Baroness Smith of Newnham.

Evidence Session No. 6 Heard in Public Questions 68 - 75

Witness

I: The Rt Hon Sir Alan Duncan MP, Minister of State for Europe and the Americas, Foreign and Commonwealth Office; Ms Fiona Mcilwham, Head, Western Balkans and Enlargement Department, Foreign and Commonwealth Office; Mr Andrew Page, Western Balkans Summit Coordinator, Foreign and Commonwealth Office.

Examination of witness

Sir Alan Duncan, Ms Fiona Mcilwham and Mr Andrew Page.

Q68 The Chairman: Minister, good morning. I thank you and your team, Fiona Mcilwham and Andrew Page, for coming to see us this morning. We are grateful to you for sparing the time when there is a great deal on on every front.

As you know, this Committee has been visiting the western Balkans area. We are putting a report together that we hope will be useful both generally and in the context of the western Balkans summit that your department and the Government are planning to hold next year.

I begin with a rather general question for you. You have a whole series of formidable roles. Ministers in the Foreign Office are of course allocated vast areas of the planet; I know that is the way it does things. I imagine that the western Balkans are not your main preoccupation at the moment. Nevertheless, we feel it is an area where the UK influence could continue to be highly effective; an area that, if neglected, is full of potential danger; and an area where our interests are as much at stake now as they were in the past; and an area where, if necessary, we can prove that the UK has a
continuing and positive role in key danger areas, with all sorts of wider-world involvement. Do you agree with that assessment of the priority of the area?

**Sir Alan Duncan MP:** Chairman, first, thank you for asking me to appear before you. On my right I have Fiona Mcilwham, who handles the Balkans in the Foreign Office. On my left is Andrew Page, a former ambassador to Slovenia, who is specifically in charge of the Balkans summit preparation and the summit itself. You are right that I have an enormous part of the world to look after—the whole of the western hemisphere, basically; 77 countries. I would disagree with you in only one respect: you perhaps implied that the Balkans are a slightly lower priority than some other countries in my portfolio. They are not; they are very significant. The summit itself as a focus for us on this. Only last week I travelled to Albania and Kosovo. We see it as a region in which the UK can play a very important part in promoting European prosperity, stability and stability. So the Balkans matter; that would be my main message to you.

We think the summit will give us a chance to demonstrate our commitment to both the Balkans and surrounding partners in the rest of Europe. Our priority is to make tangible progress on some of the core challenges in the region that threaten our collective security and stability. We are working very closely with Germany, as part of the Berlin process, and the Governments in the western Balkans to try to shape a summit agenda. We expect to focus on prosperity, security and the reconciliation legacy that is always part of the region. We are trying not to impose things from London but to consult people and make sure that they have had significant input in advance into the priorities that we then inject into the Balkans summit itself. I expect that we will want to take forward some previous successes, such as connectivity—it is an important economic area—energy, digital and entrepreneurship. We will also look at key issues that undermine progress, such as the all-pervading corruption and the significance and real difficulty of organised crime, which leads to the trafficking of drugs and people. As part of the broader issue of countering violent extremism, this will be very important.

**The Chairman:** Thank you very much. That is an extremely full and comprehensive answer. I found it a very useful guide. All sorts of points were touched on in your reply that we would like to pursue in more detail. Thank you for an excellent start.

**Lord Hannay of Chiswick:** Minister, I wonder if we can look a little at the countries in the western Balkans that are not yet members of NATO or the EU. How do you see the accession process going forward for those of them that want it? Because of Brexit, I suppose the answer on the EU accession process is less relevant than the one on the NATO accession process.

In particular, could you address the issue of the country that is most advanced on the road towards NATO membership, Macedonia, whose Government, as far as we can tell from the evidence we have had, have had a radical change for the better in recent months? Do you think the British Government are in a position to bring that process to completion in
a reasonably short period of time? Does it depend on solving the name issue, or could it be that NATO accession at least—I am not talking about EU accession—could be achieved by some means that does not involve solving the name issue as a precondition?

**Sir Alan Duncan MP:** There are lots of issues there. First, on NATO, Montenegro has just joined. As you imply, we remain strong in our continuing support for NATO accession for these countries, and we have success in some areas. One could almost park that to one side compared to the issue of the EU, where I think anyone would accept that our continuing support for accession to the EU where the proper process can be reached and agreed, which is our position, may appear slightly paradoxical. However, even though we are going in one direction, we will to our utmost, because we think it is important for the stability of the region, to do what we can to encourage and support countries that wish to join the EU.

It is unlikely that we will solve the name question in one fell swoop, but an important moment when I visited Macedonia was that the democratic outcome of the election was being pretty well challenged. I spoke directly, in my normal way, to President Ivanov, and was pleased that a couple of weeks later he gave the mandate for the new Government. That was a very important moment for the smooth workings of democracy in that country.

We also, and this underpins our clear policy in the region, have programme funding and clear support for the improvements in society and government that will make the country qualify for membership of the EU, such as improvements in the rule of law and tackling issues under the broad label of “corruption”, such as judicial appointments. So the UK is having a very positive influence in the entire region in helping countries on their journey to qualify for membership of the EU. That has very much been the focus of our political and programme activity. With your permission, Lord Chairman, my better-informed officials on either side of me might want to add to that, as this is an important issue.

**Lord Hannay of Chiswick:** Could I just follow this up before we move on? You said that you wanted to park the NATO issue, but actually the main thrust of my question related to what we were told by the new Macedonian Government—that they thought there was more hope of overcoming the obstacles to getting into NATO in the short term than the obstacles to getting into the European Union. Could you comment on that? Is that your view, too? If so, what can the Government do to smooth Macedonia’s path towards NATO membership, if you agree that that is a more realistic objective than early EU membership?

**Sir Alan Duncan MP:** If I may correct you, you may have misunderstood me when I spoke about parking that. That was just for the purposes of this conversation. The deeper and more difficult issue, exactly as you say, is membership of the EU as distinct from membership of NATO, which is more advanced and more likely in many cases.
**Fiona Mcilwham:** As the Minister has rightly set out, we will actively support all countries that aspire to join NATO and the EU. In the case of Macedonia specifically, we are encouraging it to meet the requirements. Obviously, the country has been in deep crisis for a significant period of time, which has implications for its institutional structures. We are encouraging the reinvigoration of reform, including in the security sector. The alliance would want to be assured that it had indeed met the criteria and could contribute. So, yes, the name issue is a key block. We are all clear on that and we will do what we can to encourage the discussions between Athens and Skopje. We have offered our support in that regard. However, there is a process in place, so we would be in a supporting role but using and identifying opportunities where we can offer practical and more active support.

**The Chairman:** Minister, you are indeed right that there is a certain paradox in arguing the case for these countries moving towards the EU while we are moving away. Several of our interlocutors put on a piece of paper a large circle with an arrow pointing them in and us out. It caused some awkwardness. What is your assessment generally—we will come on to the detail later—of our position as we seek to move away from the great European treaties? How does that affect our overall approach and influence in the area?

**Sir Alan Duncan MP:** Anyone can argue one way or t’other that leaving the EU removes us from certain forums and reduces our influence in certain areas, but I think the mood is that these countries accept this; they accept that this is a democratic decision that we will follow through. What they also accept—and this is the main point that I have been making everywhere I go ever since I became a Foreign Minister—is that we may be leaving the EU but we are not leaving the European or the world stage. Indeed, in many respects we will want to prove that point by reinforcing and strengthening a lot of our bilateral relations, but also our clear policies of engagement in defence and security in this part of the world. They accept that. We have, for instance, just increased our reserve force for the Balkans from a company to a battalion. It was announced when I was there last week. That is the sort of positive step that is appreciated and understood.

My simple answer to your question is that I do not think that anyone in the Balkans thinks that because we are leaving the European Union we are going to withdraw from their part of the world or reduce our commitment and our positive activity within it.

**The Chairman:** Thank you. That is very clear. Lady Smith.

**Baroness Smith of Newnham:** Minister, is not some of what you have just said rather undermined by the rhetoric of certain Conservative MPs who are suggesting that we are leaving the European Union not necessarily because of issues that might be fully understood more generally but because the EU is undemocratic and so on? If that is being said, as certain MPs said yesterday, does that not create a disincentive for countries in the western Balkans to aspire to EU membership? It makes it much harder for you and your colleagues to say to them, “You should aspire to join the
European Union”. “Do as we say, not as we do” is not a very good lesson, is it?

Sir Alan Duncan MP: Nice try, but no, not at all, and I do not really think that that is a legitimate part of this inquiry, in some respects. Everyone knows that we are leaving the EU, but they also know that we are in the P5 and in the G20, G7, NATO, OSCE—all those organisations. As the one country that is spending 2% of GDP on defence and 0.7% of GNI on development, and the only country doing both, the message about Britain is very strong, and the voices that you are describing in your own language do not undermine that.

Lord Balfe: I want to get to the more detailed work that happens below ministerial level, which is extremely important for shaping things in a post-Brexit world. For instance, a lot of the decisions about pre-accession aid and programmes that are supported through the EU are dealt with in the Political and Security Committee and largely shaped at official level. We, it seems, will be outside that structure. How do you see us influencing it, or will we just be informed about what is happening and perhaps invited to contribute? It certainly seems to me that we will have less of the day-to-day influence that comes from the official-level discussions which I know, having spent 25 years out there, prearrange things; for instance, when they start shaping the budget headings and how to go forward and what the Enlargement Commissioner is going to make as the priorities, et cetera. How will we have a continuing influence in there? If not, how will we compensate?

Sir Alan Duncan MP: As a diligent Minister, I would like to think that my officials are not doing things that I do not know about and that we are perfectly joined up on these things. But I understand what you are saying about a lot happening at that level. I will ask Fiona to say something about her involvement in this very process.

Fiona Mcilwham: We have set out a political and strategic commitment to work closely with our European partners in the western Balkans. That was set out in the White Paper as part of our Brexit package. That is the principle by which we are guided. How we organise and arrange that is part of the negotiation, and I cannot prejudge that now. Obviously, for the period during which we are a member, we will play an active role in the committees in the normal way—and we do, both in the direction and in the areas in which the spend is made and in value for money. It will be important that we maintain some sort of relationship to be able to guide in the future, but we will also be able to use our bilateral spend to shape and steer that. We already do that through pilot projects, et cetera.

Lord Balfe: Do we have a strategy for continuing involvement in the Political and Security Committee?

Sir Alan Duncan MP: Yes, we do and this has been laid down by the National Security Council. The NSC has defined a specific Balkan strategy, which allows me to give a definite yes to the question you have just asked.
Lord Balfe: What is it?

Q71 Baroness Hilton of Eggardon: On our recent visit to Serbia we were very struck by the fact that the media—television and newspapers—are totally controlled by the Government. Is there a role that this country, as a critical friend, could play in perhaps influencing a rather more democratic approach to the media?

Sir Alan Duncan MP: This is an essential part of what makes up a democratic society. I am pleased to say that the BBC will be going into Serbia next year, which is a good step forward. Nonetheless, it is fair to say that we are concerned about the politicisation of the media and declining media freedoms in parts of the region. In some cases, I am sorry to say, this includes violence against the media and unbalanced media coverage, particularly in election periods, which of course is more antidemocratic than we would ever like to see. We raise these concerns with the Governments bilaterally and through the EU and the OSCE, and one of our focuses is to improve the media landscape. Without improvement in this area, they will not qualify for membership of the EU.

The Chairman: Baroness Helic has a question on a wider dimension.

Q72 Baroness Helic: Minister, we have had a lot of evidence about the roles of Russia, China, Turkey and countries such as the United Arab Emirates in the region. How do the Government assess their role? Do you see benign or less benign influences there? Do you see any opportunities for partnering any of these countries in the post-Brexit era?

Sir Alan Duncan MP: I think it is evident to everyone here that Russian influence is being watched very closely. There were some very adverse reports of its involvement in the elections in Montenegro. It has a very long-standing and complex relationship with the region that takes many forms—historical, cultural, political, and of course the energy influence, as well as through information campaigns and links with politicians. Our analysis is that Russia has recently been pursuing an increasingly confrontational approach and would appear to have a broad policy of causing division where it can, so we cannot rule out further Russian interference.

You mentioned Turkey, which obviously has a very important historical role in the region, and it continues to maintain its interest. It is itself a NATO member and an EU candidate country, albeit that might be some way off. It has long-standing military, security and defence links. Turkey has tended, as I understand it, to focus more on Bosnia and Herzegovina, a bit of Kosovo, Albania, Macedonia and the Sandžak region, which crosses the borders, straddling Serbia, Bosnia and Montenegro. However, in October, President Erdoğan visited Serbia, with a large business delegation going with him. Trade is better than anything else if it is conducted properly, so that is good news.

We have seen China’s engagement as primarily commercial. It has increased its involvement in the region, particularly in infrastructure projects, and its financial support for the region normally takes the form of
loans without the sort of preconditions for reform that we would normally attach to any kind of help. In that sense, it might be lending money and putting down commercial roots, but it is not contributing as we might wish to putting the region in the right direction, as our policy is. That is my quick canter over those countries.

**The Chairman:** The Russian influence comes without money. We can tell that they are everywhere persuading with broadcasts and cyber operations and so on but not with money, whereas of course the Chinese involvement comes with very large commitments to infrastructure, which we have heard about. What is HMG’s view generally? Do we welcome Chinese involvement as part of the bigger picture, as they plan railways to Warsaw and Budapest and through Croatia, or do we take it rather more cautiously?

**Sir Alan Duncan MP:** I do not know whether there is a clear goodie-versus-baddie answer to that. In other parts of the world they tend to link their generosity to growing ownership of natural resources, but obviously that is less the case in this region. To say exactly what the effects of that influence are is not easy to analyse. Andrew, as an ambassador, understands this very well.

**Andrew Page:** The Chinese were not very active in Slovenia, but thank you.

I would like to refer to an interesting conversation with someone senior in the EBRD that Fiona and I had recently when we were in the region. We were at a get-together at a conference that three of the six western Balkan Prime Ministers were attending. We talked to the EBRD about Chinese involvement and the fact that they give very concessional loans at very low rates of interest without any preconditions attached, and I asked what indications this had for EBRD lending. It is worth bearing in mind that in the Berlin process the Commission, which leads on interconnectivity, much of the prosperity agenda and particularly the building of road, rail and telecoms communications, has already invested the best part of €600 million in the region over the last four years in the Berlin process, so it is very much in the lead on the economic front and the EBRD is lending where it can.

I asked the EBRD person how we could get the best out of Chinese infrastructure investment without difficulties arising, and she said that the EBRD was looking at how it can work with China, for instance, through the Asian Development Bank and whether the EBRD can come in as a partner with China on long-term infrastructure investment. When the EBRD comes in, that brings in a level of rigour to due diligence and conditions attached to its lending. That is a rather interesting way of trying to harness the Chinese, rather than oppose them.

**The Chairman:** That is very helpful and useful, thank you.

**Baroness Coussins:** Minister, we have heard a great deal of evidence that corruption and organised crime, including human trafficking, are pretty much entrenched across the region. You have already referred to the need
for anticorruption measures by the countries that aspire to EU membership. Could you say a bit more about how the Government are working with individual countries in the region and with international partners to combat crime and corruption? What impact does such crime and corruption have on the UK domestically?

**Sir Alan Duncan MP:** First, you are absolutely right: this is perhaps the most crucial question facing our working relationship with countries in the Balkans. It involves the whole of government. It is not just a Foreign Office thing; the Home Office, the National Crime Agency, the police and all sorts of organisations across the board are working together on the priorities here. Organised crime is a massive problem in these countries, but it also affects us because of drugs and people trafficking. In this sense, Albania, which is seen as the origin of a large element of this, is working with us as an increasingly co-operative and helpful partner.

When I was there last week, organised crime was the main issue that I was discussing all the time. It was as important for me to see the Ministers of the Interior and of Justice as it was the Foreign Minister, so I did. Indeed, I attended the launch of an organised crime strategy, which the UK Government have been instrumental in helping to shape with senior Ministers. That is where a lot of our focus is. We are also engaging with other western Balkan countries on serious and organised crime. My colleague Ben Wallace, the Security Minister, signed a bilateral extradition treaty with Albania in April, for example. This is a key focus for us, and it ties together all the interests that we need to work on between western Balkan countries and us. We have coincident interests on this issue. That is why it is such a powerful agenda.

**Lord Hannay of Chiswick:** I am sorry that Brexit keeps breaking in, but presumably our ability to work effectively in this area is going to be fairly heavily conditioned by whatever arrangements we reach with the EU about co-operation on justice and home affairs, because much of the EU’s activity in this area will be run through things like Europol and so on. I recognise what the Government said in their White Paper in October, which to me personally was extremely welcome, but would you confirm that this will be a vital determinant of whether we are successful in our objectives in the fields of corruption, organised crime and so on?

**Sir Alan Duncan MP:** Yes, but we are developing practical alternatives to existing structures through enhanced bilateral relations and, as I explained earlier, an all-embracing, cross-Whitehall approach to these challenging issues—alternatives that in themselves will also have to deal with EU institutions should we not be part of them. So I hope that alternative structures can be designed, devised and implemented, but there are undoubtedly issues that we will have to adjust to as we leave the European Union.

**The Chairman:** As you have just been to Albania, you are in a very good position to give your impressions. What about the Kosovo issue? This remains the big Serbian hang-up. The President of Serbia told us that he is going to organise a great internal discourse or debate on Serbian
attitudes to Kosovo and on whether they should change. He was not totally negative about changing attitudes in Tirana and across Albania, and of course he says that some great motorway or other physical structure will link Serbia and Albania. Do you sense from your visit that there is movement towards reconciliation and the careful handling of Kosovo?

Sir Alan Duncan MP: Obviously Kosovo has an enormous affection for us. That was very evident and it is very reassuring for any Foreign Minister going across the world. In a way, Lord Chairman, I suggest that your question is the fundamental one which the Balkans summit and the continuing work in the Balkans are designed to address over the long term. I do not think I can give you the immediate, straightforward answer that that everything is falling into place and it will all be fine, so these challenges no longer remain. The whole point about the Balkans is that these challenges always remain. It is a question of how one can inch forward, and I hope that the Balkans summit can contribute to that process of inching forward in a tangible way.

Baroness Helic: I come back to the issue of corruption. In the Balkans, it seems, politics in general has become business, and corruption is sucking every gram of oxygen out of the possibility of the meeting moving things forward. Have you given any thought to introducing to the region the open-government approach that we have in this country and which we have shared elsewhere, and to whether we could make it part of our contribution to the western Balkans Summit—in particular, the British contribution to fighting corruption, which is holding the region back?

Sir Alan Duncan MP: Again, this is a primary focus for us in the Balkans. This broadly comes under the heading of “state capture” and it needs to be addressed. You have political systems in which politicians wield enormous influence in all walks of public life, while also being close to very wealthy businessmen. You have the civil service and state-owned enterprises being used as political patronage systems, and you have different degrees of this at all levels. That has to be overcome. We have what I think is a rather successful programme of vetting and recruitment in Kosovo. It makes sure, particularly for judicial appointments but also for others, that there is a much more open and transparent recruitment process, overseen by a force independent of the direct interests of politicians. This is something that UK programmes have been supporting, paying for and pushing towards. For instance, when I visited last week, I secured a public commitment from a Minister that one appointment that we were concerned would not be subject to the proper recruitment process would indeed be so. That, to me, was a small but tangible achievement in what was only a 24-hour visit. If we can do that incrementally and continuously in these countries through our programmes and through working with partners, I think that we are heading in the right direction.

The Chairman: We talked to some young people from Albania, and a rather negative note was struck about the ease of getting student visas and entry to the UK. I know this is a pervasive issue, but do you have anything to say on it? It came over rather strongly to us that this was not
the best side of British policy on Albania.

**Sir Alan Duncan MP:** Everywhere I go anywhere in the world, the two most mentioned words are “Brexit” and “visas”. I hardly ever go to a country where I fail to get complaints about our visa regime: its expense, its unfairness, its unreasonable structure, the fact that some passports have to be sent to a neighbouring country, which they find diplomatically offensive, and all that kind of stuff. It is a major problem of international reputation for the United Kingdom.

**Lord Hannay of Chiswick:** May I follow up on that? Some of the evidence that we have received has suggested that in this region, where we do not have very big commercial interests and where our trade is very slight, higher education is probably one of the most promising British invisible exports and that it needs to be given a lot more encouragement. This links to what you have just said about the visa regime. Surely it is time for the Government to stop treating students as economic migrants. It is a disincentive. It damages our universities and our capacity to develop a very important set of links, soft power and so on, which is what you have admirably suggested in the last half hour is our objective.

**Sir Alan Duncan MP:** I am no great expert on migration, so I apologise straight away to the Prime Minister if I get this wrong, but I do not think that we treat students as economic migrants. However—this is the net point—we ensure that if they come to study, they then return home. That is why they appear in the migration figures. Therefore, I do not accept that we treat them in the way that you imply. We welcome students coming here. If we have 1 million in and 1 million out, we have a net of zero, but if we have 1 million in and half a million out, we have a net half a million coming in.

I repeat that we welcome students. That is why everywhere I go I normally have a reception for Chevening scholars in the countries that I visit. Their numbers are growing, they have benefited from an education in the UK and they are increasingly in significant positions in their countries of origin. Indeed, in the Balkans I met some seriously senior civil servants and members of the judiciary. This is a very good news story. Therefore, I would challenge the image that you describe of our approach to students. We welcome them. We are increasing the number of our Chevening scholarships. This whole process has had a really positive influence in many, many countries and it has been very good for the relationship between those countries of origin and the United Kingdom.

**Lord Hannay of Chiswick:** That is very encouraging, but I have to say to you that the Government rejected an amendment to the research Act, which it now is, that would have stated that students would not be treated as economic migrants. The Government rejected that, wrongly in my view, but that is their position. Therefore, I do not think it can be said that the Government do not treat them as economic migrants. We now have Office for National Statistics figures that show that only 4% of students overstay. So if we really do want to build up our influence in the Balkans, is it not time to build into that a more generous approach to welcoming, and indeed
encouraging, higher-education students to come to this country?

Sir Alan Duncan MP: I am very grateful to you for giving me the opportunity to highlight the fact that that is one of our objectives for the Balkans summit. If I am successful in getting this put properly on to the agenda, as well as the list of tangible outcomes that we want to secure, I will, I hope, have pleased you even more. The trouble is, you have made me let the cat out of the bag a little earlier than I intended.

Lord Hannay: Well, good luck.

The Chairman: Minister, you are getting a very strong message from this Committee. We realise all the constraints and the need for balance, but generally, in this and many other areas, we think a shift of policy is probably overdue.

Q74 Lord Reid of Cardowan: Good afternoon, Minister. You made a rather good fist, if I may say so, of what some people might regard as a rather weak case for our projected continuing major influence after Brexit—one of the two words that assail you. When the Government are arguing the case, they place great stock on trade—almost a caricature of the Adam Smith view that trade will solve all problems or at least will set the framework within which problems will be solved. In this region, which you have said is very important, our trade is very low. Yet people have told us, perhaps not unexpectedly, that there are extensive opportunities for developing that trade. My question is really quite simple: what can and are the Government doing to facilitate and support British businesses in their trade with this region before and after Brexit?

Sir Alan Duncan MP: You are absolutely right to imply that the total trade between the UK and the region is low. It is too low. In 2016 total trade flows were about £2.3 billion. UK exports were £1.7 billion and UK imports were about £540 million. This should and could be bigger. One area that we focus on is trying to improve what is labelled the investment climate, where we ensure through pressure, as best we can, that people will want to invest in a country because they feel that it has integrity, that the rule of law is properly adhered to and that the risk of having contracts completely skewed by political corruption is minimised and may disappear altogether. We have targeted programmes for this kind of thing. In Serbia, we are helping on transparency and things like that. The Department for International Trade is focusing some government support on these markets. There are several high-value opportunities, particularly in mining, retail and financial and professional services, and possibly automotive. There is a long way to go. Things have started but this needs more effort.

Andrew Page: As you say, Minister, in Serbia and Bosnia and now in Macedonia as well, under the Good Governance Fund, which is part of the Conflict, Stability and Security Fund, the best part of £35 million or £40 million is being spent over several years in these western Balkan countries—also in Ukraine, Georgia and Moldova—aimed at improving the business environment and working in other areas such as public
administration reform and media freedom. We are looking to step up our programme of funding.

We are also looking to do more for Montenegro. I have just spent a year on secondment in the private sector working for PwC, which is organising and running the managed fund of the Good Governance Fund, so I have seen how it is working from the supplier perspective. It is coming up with some good ideas, together with our embassies, of where we can do more. This is a very active focus of our programme funding. At root it is trying to improve at source the problems with governance, which are linked to state capture, which the Minister has talked about, and some other problems of cronism and corruption at very senior levels. It goes hand in hand with our efforts, building on previous Berlin process summits, to tackle those issues as well.

**The Chairman:** Are you finding that other departments are rowing in behind you in promoting more trade, probably more digital trade and services as well because that is the new pattern of international trade? I know what the answer is going to be, but is the DIT working closely enough with you? Are you going to seek more co-ordination with other departments? Is it all going ahead smoothly?

**Sir Alan Duncan MP:** It is all going crackingly well. The answer, actually, is yes. We have a very good working relationship with the Department for International Trade. It has been very assiduous in reviewing and in many cases increasing its export finance cover. You mentioned the digital area. That excites young people. Where there is large youth unemployment, this is an area where you can have youth employment and enterprise. It is an area where we are increasingly strong, and I hope that the links between the UK and the Balkan countries in that sort of field will grow.

**Andrew Page:** We are only now forming our summit team, but just last week a colleague of mine had a meeting with a senior official in the DIT, who heads up the global entrepreneurship programme, which has about 40 deal-makers working with the DIT. There have been more than 100 deals in the past year, very much in the entrepreneurship and start-up area. The programme carries out workshops. It has done a lot with India, China, the United States and Singapore. It has already started with Serbia. We are looking to do more work with it in the build-up to the summit so that the summit can showcase what we are doing on digital, entrepreneurship, start-ups, business-to-business contacts and mentoring.

**The Chairman:** Lord Reid had not quite finished his question.

**Lord Reid of Cardowan:** It follows on conveniently from what Andrew has just said. Given the physical constraints and the number of students who could come here and the intention to maximise the influence—commercial and so on—of British higher education, what thought and support have been given to the development of online university courses? If students cannot come here, the cyber age nevertheless permits us to maximise the effect, here and the region, of the reputation of British universities and British higher education.
**Fiona Mcilwham:** The British Council has been involved in improving educational standards in universities in the region. That is one line of engagement that we have been looking at. But we can and will look at other opportunities, including online. We will take that away; we cannot answer that now. In the sphere of digital we are also looking at working through the British Council on digital literacy in schools. That indeed is a potential element of our summit work: trying to build on that.

**Andrew Page:** This is particularly for the 10-to-14 age groups, where we are running pilots in all six western Balkan countries. We are exploring whether we can scale that up in advance of the summit.

**Lord Hannay of Chiswick:** Going back to the trade issue, I think I am right in saying that all these countries in the western Balkans have a free trade relationship with the European Union under negotiations being made. What are you or the Department for International Trade doing to make sure that on the day we leave we do not lose all those links? Have we had contact with these countries? Are they willing to cut and paste or roll over these access arrangements to the UK, or are we treating it as a lower order of priority?

**Sir Alan Duncan MP:** No. This is an issue with all non-EU countries. We discuss and we travel the world, and I think that by and large, where there is a trade agreement with the EU, most countries would like a seamless transition to us on similar terms when we leave. Of course, this has yet to be done, but in most of the countries that I visit I find the appetite for doing so really very encouraging.

**The Chairman:** I think I am right in saying that the European Union (Approvals) Bill going through this House at the moment includes a paragraph on greater technical co-operation with Serbia. Is that the sort of thing that we will approve now but in 18 months’ or two years’ time we will have to unpick and rearrange, or can we go ahead with it outside of the European treaties?

**Sir Alan Duncan MP:** That question is perhaps a little technical and goes a little wide of what I understood would be the subject of this inquiry. However, my instinct is to say, as I have just said to Lord Hannay, that there is an appetite for making sure that, where there is an agreement between a country and the EU, they can have a similar economic or trade agreement with us once we leave. I hope that, wherever possible, there will be a replicated understanding that does not harm our or their economic interests.

**The Chairman:** Baroness Helic has a question on a final but very important area.

**Baroness Helic:** My question relates to reports of radicalisation emanating from the region.

**The Chairman:** I have just made an error. Baroness Coussins was longing to get in on the previous question, and then you can start. I am sorry.
Baroness Coussins: This relates to what we have just been saying. The world of digital entrepreneurship and start-ups that you mentioned is one where young people are the experts. A young people’s forum was part of the last western Balkans Summit. Can you tell us whether there will be something similar at next year’s summit, which we are to host, or whether young people will be incorporated more centrally, rather than just being on a fringe forum? Can you also tell us whether the work of NGOs in the region can be incorporated into the summit’s programme as well?

Sir Alan Duncan MP: Fiona can provide our institutional wisdom because she was at the last summit and will help us move seamlessly into the next one.

Fiona Mcilwham: I think the short answer to your question is yes, youth will be a central focus and it will run throughout the agenda. We do not see it as an add-on event, precisely because, as the Minister said, we see the talent through our Chevening scholarship programmes, but, more widely, we can see that we need to draw on it in a more meaningful way. Therefore, I think that the summit will be looking to engage the youth and other dimensions of these countries along specific themes, be they in economic, security or political co-operation areas.

Andrew Page: In my very first week in this job, which was four weeks ago, we had a round table for two hours with 40 outstandingly good and eloquent young Chevening scholars from the six western Balkan countries. They were aged from 18 to about 30 or 32. Some of them were already very successful young professionals in their own right. Many of them had start-ups and were entrepreneurs. They arrived with some very clear-cut ideas of what they would like to happen as a result of the summit and how they would like to be involved. We want to involve them. We want to involve RYCO, the Regional Youth Cooperation Office, which was set up a couple of years ago under the Berlin process, and we also want to work with other young groups in the area.

However, as Fiona says, we do not want to work with them just as a discrete group of youth. In a way, we want to bind together some of the people in academia and in think tanks and those who are activists with some business people and young entrepreneurs, many of whom are young. The western Balkans is very rich in other talent. They are very strong in areas of education, particularly engineering and maths and so on, and they still want to work on other areas in their syllabuses. We want to get their ideas in advance of the summit, work with them at various staging posts and have them make a presentation on the day of the summit, probably to Foreign Ministers. We want representatives of them to be involved on the day.

Sir Alan Duncan MP: It is in the bloodstream of the planning.

The Chairman: We return to Islam.

Baroness Helic: Would you like me to repeat my question?
**Sir Alan Duncan MP:** I think I got the gist of it.

**Baroness Helic:** But perhaps I may just add to it. Very often the President of Croatia uses that particular strand of influence to emphasise that there are tens of thousands of radicals roaming around Bosnia in particular. Are there or are there not?

**Sir Alan Duncan MP:** I think that extremism and radicalisation in the Balkans are both nationalist and Islamist. There are probably those two identifiable strands, which may of course overlap, but at its simplest that is what we think we have to look at. Nationalist extremism can often be inappropriately exploited by politicians. Some religious and indeed political leaders use radical Islam to play on people’s fears about their security. So, yes, this is something on which we work closely with other countries. You will appreciate that some of it has to be relatively discreet. We estimate that probably about 1,000 foreign terrorist fighters travelled to Syria and Iraq from the western Balkans, but there have not really been any new reports of such people since about 2015. There are some estimates—broad-brush stuff—that in the case of Bosnia and Herzegovina about a third have been killed and a third have returned. So quite what the legacy might turn out to be in terms of any kind of continuing extremist risk will require continuing assessment.

All I would say is that this is on the radar and we are not complacent. We work with countries where we think that we can be of use to them in making sure that this does not become a growing problem.

**The Chairman:** Just on one aspect of this, we were told that there is a genre of European Islam in Sarajevo, for instance, which to the visitor is much more moderate—the hijab is not worn and there are no questions about who can drive motorcars or anything like that. There is this Islam which I suppose springs historically from the conversion to Islam of many people under Turkish occupation in previous centuries. Is that a different culture from the sort of Islamist feelings that give rise to jihadists and young people going off to perform horrors with Daesh in Syria?

**Sir Alan Duncan MP:** I would not want to pretend to be too deeply versed in these deep and intellectual questions. If I may, I will turn to Fiona, because she served in Bosnia and will have a direct personal view or experience of this.

**Fiona Mcilwham:** I am conscious that we have a lot of expertise in the room. I think you are right that indigenous Islam in the Balkans is, I suppose, more progressive—that is one way of describing it—and it is something that we need to encourage and nurture. There are some very positive models of interfaith co-operation across the region, including in Albania, where I also served. I think that we can also use the positive examples and positive leadership in the region for wider global purposes. Indeed, the Prince of Wales also looked at this when he visited the region last year.

**The Chairman:** That was the final question. Walking through Sarajevo,
you pass through, first, what looks like Istanbul—the Turkish area—then you pass mosques and a predominantly Muslim area, and then suddenly you are in the Austro-Hungarian European sector. This is the complexity of the region. I suppose that, as you say Minister, we just have to live with these contradictions and paradoxes; they will continue.

In the meantime, you have been amazingly helpful to us. I am very glad to be corrected in my view that maybe the western Balkans were not one of your higher priorities. You have made it clear that they are and that you are right on top of the issue. We are very grateful to you for your time. Thank you very much.
Early Years – Written Evidence (BUB0026)

Introduction and context of submission

1. Early Years - the organisation for young children\(^\text{30}\) (hereafter ‘Early Years’) is the largest voluntary organisation in Northern Ireland working with and for all young children. It is a membership-based, non-profit making organisation.

2. During 2016 Early Years celebrated 50 years of working to promote and develop high quality, evidence-informed, cross community early childhood services for young children, their families and communities. Our vision is that children are strong, competent and visible in their communities; physically and emotionally healthy; eager and able to learn; and respectful of difference.

3. Early Years provides a range of information, training, and advice and support services for parents, early childhood care and education providers, management committees and boards, employers, local authorities, departments and agencies. We have successfully worked in some of the most divided areas in Northern Ireland and internationally.

4. Projects and activities relate to child focused community based health and education; tackling social and educational inequalities; working with young Traveller children and their families; community development; working with children, practitioners, management boards, parents and carers to respect the various forms of difference in our society; and the impact of conflict on young children.

5. These and other local and cross-border evidence-based services and projects offered by the organisation also have proved to be internationally applicable, through our participation in a number of international partnerships, networks and initiatives designed to 'export' and share locally acquired yet internationally applicable knowledge, resources and best practice concerning peace building, shared spaces and early childhood education and care.

6. Of most relevance to the present Committee inquiry, the organisation has over thirteen years of experiences of working in partnership with representative civil society organisations in the Balkans in supporting both the development of quality early childhood programmes and also other shared learning initiatives relating to the essential connection between

\(^{30}\) For more see [http://www.early-years.org/](http://www.early-years.org/)
peacebuilding, reconciliation and cohesion efforts and early childhood development (ECD).

7. Some relevant examples, initiated with supporting EU Funding, of this include:

- Leading, with the support of the International Centre of Education and Human Development (CINDE) in Colombia, on an *International Network on Peace Building with Young Children*\(^{31}\). The Network brings together early childhood practitioners, child rights advocates, researchers and civil society and international organisations and enables the sharing of best practice across countries experiencing conflict and post-conflict situations (including Albania, Croatia, Kosovo, Macedonia, Serbia and Turkey as well as partners from elsewhere in Europe, the MENA region, Latin America, Asia-Pacific-Indonesia and Africa) through the use and development of internationally applicable programmatic tools, frameworks and resources and the ongoing implementation of a Masters Programme on Applied Peace and Conflict Studies with early years, in partnership with the International Conflict Research Institute (INCORE) at Ulster University. There are also further plans for roll out of a Masters in the Balkans, Israel and Palestine.

- Contributing to and supporting the work of a *Partnership for Reconciliation through Early Childhood Education and Development in Europe (PRECEDE)*\(^{32}\) network project. PRECEDE further builds on the outcomes and results of the above International Network specifically with partner NGOs in the Balkan region and Europe, including Serbia, Macedonia, Montenegro, Albania, Croatia and Kosovo, to develop and strengthen the capacities of civil society organisations and support civil society influence over peace building and reconciliation processes and cohesion through quality and inclusive early childhood education and development.

- Directly supporting the delivery of pre-school programmes, in collaboration with relevant local Ministries and NGOS, within Serbia and Turkey; and

- Hosting visits to Northern Ireland by Turkish delegates from the Ministry of Education and UNICEF to view models of good practice, visit settings and participate in round table debate.

8. Early Years welcomes this opportunity to submit written evidence. The organisation would also be willing to further participate in this process of

\(^{31}\) [http://www.early-years.org/international/](http://www.early-years.org/international/)

the Committee inquiry as required on anything contained in this submission. Commentary on relevant elements of the Committee inquiry both to our remit as established above and our practice based experience is as follows.

**Political, security and economic challenges**

9. A ‘Regional Advocacy Strategy 2016-2019’ produced by the aforementioned PRECEDE network outlines a number of key issues, derived from comprehensive project related regional analysis work carried out in the partner countries, as a consequence of the years of conflict in the 1990s in the Balkans and the division of the countries into separate states.

10. Issues identified include:

- Animosity and distrust remaining amongst the different ethnic groups in the Balkan countries;
- Children growing up in many countries in communities that face segregation from birth and then from pre-school onwards with separate educational institutions and few incentives for any group to engage with others, which deepens the existing problem of exclusion and intolerance of differences;
- There having been practically little reconciliation activities over the past undertaken or peacebuilding practices incorporated into the preschool education curricula or within any human rights of child protection policies within preschools.
- There being almost no national legislation in respect of education, health, or early childhood development referring to respect for diversity, peacebuilding or building socially cohesive societies with young children.
- Respect for human or children’s rights being low, especially taking into consideration the migrant and refugee crisis.
- An increase in nationalist ideology.
- CSOs at grassroots levels individually trying to work on peacebuilding and reconciliation, but there being little cooperation at either the national or cross-border levels.
- There being few standardised preschool programmes that systematically include respect for diversity.
- A lack of institutionally recognised and continuous systemic work on peacebuilding through the education and development of young children.
- Insufficient inclusion of topics in the national preschool curricula that promote peace building among children, which may later be a contributing

[33](http://www.childrensembassy.org.mk/content/pdf/PRECEDE%20Regional%20Advocacy%20Strategy%202016-2019%20(3).pdf)
factor to the growing occurrence of antisocial behaviours, prevalence of stereotypes and prejudices and absence of sensibility to diversity and respect.

- An insufficient number of children attending preschools, mainly due to the lack of public kindergartens, poor economic family conditions in the poorer countries of the Balkan Region, disability and the lack of appropriate transport between home and kindergarten, lack of free transport, long distances to walk each day, over-occupied capacities of the kindergartens and lack of recognition of the importance of early years’ education and development by the children’s parents and the general public overall.

- A lack of professional training, skills and abilities of the kindergarten personnel on addressing topics related to peace-building, diversity, tolerance and reconciliation, as well as the insufficient involvement of parents and children in their young children’s education.

11. The above issues also serve as significant examples of the essential and ongoing need for the type of holistic inclusion, respect for diversity and peacebuilding work at early childhood level evidenced by both the International Network on Peace Building with Young Children and the PRECEDE partnership.

12. Early childhood development programmes need to include and methodologically address respect for diversity, promotion of gender equality, inclusion of ethnic minority communities and the inclusion and equal opportunities for differently abled children, the promotion of peace culture, non-violent communication and multiculturalism.

13. By educating, promoting and practising respect for diversity and inclusion with all young children during their formative years, whilst their cognitive and emotional progress is at its peak phase of intensive development, changes in societal behaviour and values can be achieved.

14. The work of these innovative early childhood partnership projects emphasise such elements as:

- Adopting approaches beginning at the earliest levels of education and care and building on this consistently up through the tiers of the education, care, health and economic and wellbeing pathways.

- Embracing an ecological approach actively incorporating wider support networks involving parents, families and all communities as well as staff and leadership within schools and early childhood care and education providers, government officials and the media.
• Effective governmental linkages and commitment to resourcing of key policies and strategies.
• Information exchange and engagement.
• Sustained networks and linkages.
• Advocacy and mobilisation.
• Programmatic development.
• Capacity building, training and research-based impact evaluation
• Effective utilisation of current best practice and evidence.

15. Further examples of Strategic Plan 2015-2018 and Toolkit manual, programme mapping, programmatic framework (such as illustrated in Fig. 1 below) and other research and practice related publications and resources developed by the International Network on Peace Building with Young Children and being further implemented and evaluated in the Balkans can be found at: http://www.early-years.org/international/publications.php

Fig. 1 – Programmatic Framework for Early Years Practitioners Working in Conflict

16. In terms of the early effects of such work and activity in the region, the previously mentioned PRECEDE Regional Advocacy Strategy notes that between 2014 and 2016 in kindergartens across the six Balkan countries making up the PRECEDE network a pre-school programme was piloted. Baseline and post evaluation surveys were conducted with the young

children between the ages of 3 and 6 years old, their parents and their pre-school teachers. The piloting and the results of the evaluation showed that children were able to see and feel the effects of exclusion and prejudice and were able to learn how to be more inclusive and not pick on children because of their differences.

17. In addition, the Strategy states that the training and support to the pre-school teachers has resulted with improved understanding and an enhanced level of skills in all the countries to address issues of respect for diversity, recognition of emotions and understanding of exclusion and ability to work effectively with young children and their parents.

18. Documents such as the Regional Advocacy Strategy are intended to guide each of the national PRECEDE networks to develop their own strategies so that their members can start regular and constructive dialogues between the CSOs and the decision and policy makers to enable them to lobby effectively for legislative and policy amendments to improve and include respect for diversity, peacebuilding and reconciliation through education, health and development for young children.

19. Further in terms of advocacy work and required key calls for the governments of constituent Balkan partner countries, the PRECEDE network has released a Manifesto for young children urging the relevant institutions, political parties, national and regional policies and decision making bodies, local communities, parents, pre-school teachers, caregivers, educators, together with the media, civil society organizations and formal and informal groups to MAKE A REAL DIFFERENCE FOR YOUNG CHILDREN by committing to such areas as:
   - Ensuring access and inclusion of all children in high quality early years services including, health, preschool education and family support services.
   - Early childhood education being available for every child from the age of three years old.
   - Investing in the early years, childcare and family support workforce in terms of relevant qualifications, high quality effective theoretical and practical training, employment opportunities, supportive management structures and continuous professional training.
   - Enabling and creating ways for increased parental involvement in the preschool centres, both as active participants in the learning processes, but also as promoters of respect for diversity and inclusion amongst families and educators.

Preschool education including as standard modules activities that ensure that the learning environment promotes, inclusion, respect for diversity, conflict prevention, tolerance, peace building and reconciliation as an integral component of national preschool curricula.

UK beyond Brexit

20. The EU support for such innovative projects, networks and initiatives as outlined above has enabled Early Years to continue to build the peace in Northern Ireland; to continue to work in partnership to develop practice materials, training programmes and advocacy tools and strategies on reconciliation and peace building through early years programmes that are relevant and applicable domestically as well as internationally; and to consolidate and extend international relationships in such regions as the Balkans.

21. The track record of the organisation of working to promote and develop high quality, evidence-informed, cross community early childhood services for young children, their families and communities in Northern Ireland, on a cross-border basis and on the international platform has been well established in the previous sections of this submission.

22. The organisation has extensive experiences of both being a direct recipient lead body and of being an active contributory partner within EU funded international early childhood development partnerships and networks. Experiences, research and practice materials garnered through such projects clearly demonstrate that peace building and reconciliation initiatives through early childhood development, incorporating the effective participation of other key family, community and governmental stakeholders, is a lengthy and continuing process.

23. Whilst it is appreciated that the UK EU relationship post Brexit is still under negotiation we would be concerned that the effects and positive potential outcomes that can be achieved from such work would be impacted on by Brexit and strongly urge that such work is not only continued by the UK, but also actively built on.

Submitted 18 September 2017
Mr Michael English, London Southside Chamber of Commerce (QQ 50-67)

Wednesday 1 November 2017

10.30 am

Watch the meeting

Members present: Lord Jopling (The Chairman); Lord Balfe; Baroness Coussins; Lord Grocott; Lord Hannay of Chiswick; Baroness Helic; Baroness Hilton of Eggardon; Lord Purvis of Tweed; Baroness Smith of Newnham; Lord Wood of Anfield.

Evidence Session No. 5 Heard in Public Questions 50 - 67

Witnesses

I: Dr Jonathan Eyal, Associate Director, Strategic Research Partnerships and International Director, Royal United Services Institute; Sir Adam Thomson KCMG, Director, European Leadership Network; Mr Angus Lapsley, Director Defence, International Security and Southeast Europe, Foreign and Commonwealth Office.

II: Mr Jonathan Mitchell, Consultant, Fox Marble; Mr Michael English, London Southside Chamber of Commerce

Examination of witnesses

Dr Jonathan Eyal, Sir Adam Thomson and Mr Angus Lapsley.

Q50 The Chairman: Good morning. Can I say thank you to the three of you for coming to talk to us about defence matters this morning? You are most welcome. We appreciate you being here. I have some housekeeping notes to begin with. You will realise that this is a public session. It will go out with a video transmission on the parliamentary website. In a few days’ time, you will be sent a transcript of the evidence. If there is anything that you think is wrong, we would be very grateful if you would let us know as quickly as possible. Let me start by asking about NATO. We know that NATO, in broad terms, supports membership of western Balkan countries. Apart from that, could you tell us about NATO’s influence in the region already and give us an assessment of how effective it is? Who would like to begin?

Sir Adam Thomson: Until a year ago, I was the British ambassador at NATO, so I thought I might have a shot at that question. I guess the first point to make is that four western Balkan countries are members of NATO.
In that sense, NATO is continuously present in the region, with Croatia, Slovenia, Albania and now Montenegro as NATO members. NATO is physically present in other parts of the region through KFOR, in Kosovo. It is not just the Membership Action Plans or the Partnership for Peace engagement that sees NATO present. There is also a continuing, if in my view not sufficient, political engagement. So far example the North Atlantic Council has just been to Pristina. The NATO Deputy Secretary-General attends various Balkans forums from time to time.

Dr Jonathan Eyal: I agree with everything that has been said. NATO is involved out of volition and also out of the developments that are taking place at the moment. The volition question is, of course, that countries in the Balkans are members of NATO already, so it is impossible for the alliance to claim that it does not have a stake there. The by-product of the developments in the region lock NATO in in two ways. First, it is impossible to conceive of a successful European Union engagement unless the pillar of NATO is at least made available to the countries in the region. That does not mean to say that every one of them would want to join. The more important thing is that it is in the south of Europe, in the southern flank of NATO, to use the old terminology of the Cold War, that we are being tested by the Russians. I hear a great deal being said about the Baltic states, which are very vulnerable, but the reality is that since 2008 all our confrontations with Russia have occurred in the southern flank of NATO around the Balkan regions. Examples are the Georgia war, the Russian military intervention in Ukraine, the Russian military intervention in Syria and the eastern Mediterranean, as well as the outrageous Russian behaviour in Montenegro last year when they attempted a coup, which is fairly well documented. In technical terms, if NATO does not do something or does not appear to be engaged there, it would effectively concede what Mr Putin wants, which is a division into spheres of influence and an acceptance of a new border being traced in Europe.

The Chairman: We shall, of course, come on to talk about Russia in a subsequent question. Dr Lapsley, did you want to come in?

Mr Angus Lapsley: Just Angus Lapsley will do. I am not a doctor, I am afraid. Good morning, Chairman. I agree with everything the previous two speakers have said. It is worth remembering that KFOR is NATO’s largest operation, and it does not act just as a responder for dealing with any instability that arises. It also has a more active role—for example, mentoring and supporting the Kosovo security force and making sure that that develops in the way that we would like it to.

Perhaps less well known is the fact that NATO also provides the headquarters for the European Union mission in Bosnia, which is commanded through a British general in his capacity as DSACEUR. It is plugged into what the European Union does militarily in Bosnia as well. NATO does quite practical reform work. It has offices in Serbia, Bosnia and Macedonia. It does quite a few practical things, such as assisting with the destruction of old munitions. Its role in supporting defence reform is
particularly important. Perhaps we will come back to that in the context of enlargement.

I would agree with Sir Adam on the importance of NATO diplomacy in both directions. For example, President Vučić of Serbia is coming to address the NAC—the North Atlantic Council—in a few weeks’ time. Again, we will probably come back to this later, but even if there is little prospect of Serbia joining NATO any time soon, improving that dialogue is quite important.

Lastly, there is a growing demand from allies and European member states to see NATO and the EU work together on strategic communications, which is basically about getting across to the people of the region what Euro-Atlantic integration means for them in the face of a fairly persistent push from Russia setting out a different future for the region. It is a mixture of practical help, a military role and diplomacy.

The Chairman: I just make a point to Dr Eyal that, further north, the Russians have been posturing on the borders of the Baltics and Poland, which has caused NATO to react. We will perhaps come to that later.

Q51 Baroness Smith of Newnham: All the witnesses have talked a bit about the importance of NATO in the Balkans and then moved on to the relationship with the European Union. As the United Kingdom prepares to leave the European Union, there are suggestions that the UK wants to go global and play an important role in the world, but we have heard from witnesses both in this inquiry and in previous inquiries that there is a danger that the United Kingdom will be less influential once we have left the European Union. What role do you think we can have in the Balkans and, in particular, to what extent do you think the UK’s membership of NATO is going to mean that we still have an influence?

Let me tag on an additional question. The Government’s position paper on the future of security and defence relations with the European Union seemed to suggest that the Government want to stay as close as possible to EU foreign policy. Is that likely to be possible in the Balkans?

Mr Angus Lapsley: I will kick off on this one, not least as I was ambassador to the EU’s Political and Security Committee until a few months ago. The fact that the UK will no longer be part of the European Union and therefore not part of the EU accession process, which is so important to the future of the Balkans, undoubtedly changes the way we will be perceived in the region and the role that we might play. Whether it makes us less important is up to us in terms of the kind of role we choose to play.

Going back to very shortly after the vote to leave the European Union, the Government have been looking at the question of what role we should play in the Balkans and have reached a very firm conclusion that it is in our national interests—in terms of protecting ourselves from harm that may come from the region, whether it is organised crime, drugs trafficking, arms trafficking or people trafficking, or whether it is our historic investment in the stability of the region going back to the 1990s—that we should carry on playing an active role.
The NATO aspect of that is important. Apart from anything else, it is a serious matter for us to commit ourselves to the collective defence of countries. That is not something that we should enter into lightly. It therefore means that we have a quite profound interest in their security and stability, and making sure that they are moving in the right direction. I think the NATO side of this does matter. Sir Adam and I were talking about this before we came in. For example, we have already boosted the resource in our mission to NATO in Brussels to make sure that the UK is well equipped to be a thought leader when it comes to evolving NATO policy, not just in the Balkans but in other parts of the wider European space as well.

Leaving the European Union means that if the UK is looking for something specific—some added value that we bring to international efforts on the Balkans—it probably moves us more into the security space, which also fits some of the resources, assets and expertise that we can bring to bear anyway, whether they are on the defence and military side of things or the criminal justice and law enforcement side of things. That is one of the reasons why we have decided that the western Balkans summit, which the UK will host in 2018 as part of the Berlin Process, will have quite a strong security focus to it. In all of this, we are signalling very closely that we want to carry on working with the European Union, both with the External Action Service and with the Commission. I was in Brussels on Friday talking about exactly these kinds of issues, and that is possible.

Dr Jonathan Eyal: I would like to add a few points. First, our reputation as a security provider remains undiminished. I have had plenty of evidence on the ground in the last few months. The interests of Ministers, as far as I can see from outside the Foreign Office, remains undiminished. In fact, the Foreign Secretary has just attended a commemoration or celebration of the 180th anniversary of our diplomatic relations with Serbia. That is not something he needed to attend but he did make a point of doing so, as a message.

Whether we will be successful in maintaining our footprint depends largely on us. I do not think we are being underestimated by any in the region. I think we are being taken very seriously. Whatever level of membership or associate relationship the European Union provides between now and 2025, which will be the earliest a country could be considered for membership of the European Union under what Mr Juncker said, I do not see for a moment how the European Union could claim to be the chief provider of security in the region. In many respects, we hold all the cards. My doubt is whether Ministers will have, to use internet language, the necessary bandwidth to continue. They will have a lot on their plates when it comes to recasting Britain’s international law, but there is nothing automatic about us being written out of the plot.

The Chairman: Sir Adam, do you want to come in?

Sir Adam Thomson: I have very little to add. It is worth underlining that, just as security is not the only area of British concern in the western Balkans, so NATO is not the only channel for British influence in the western
Balkans. Angus Lapsley has referred to the Berlin Process. There is also the UK-Germany bilateral collaboration over Bosnia-Herzegovina, for example. There are many bilateral opportunities for the United Kingdom.

One small point—I do not know whether it is shared by the Foreign Office—is that in the region Brexit has been seen as a setback, partly because there is a fear that, with the United Kingdom gone, there will be one voice fewer in favour of EU accession for these countries. It is, perhaps, for the United Kingdom to consider as it moves out of the EU whether it can counter that impression.

Lord Grocott: I wanted to ask a question about NATO, and perhaps I can in a moment, but the discussion has moved on so much to the EU. I was very interested to hear two or maybe three of you saying that the influence we have post Brexit will depend on the decisions that we make in this country more than anything else. With your vast experience as far as EU enlargement is concerned, Mr Lapsley, I would like to ask you this question.

One of the anxieties that we encountered on the visit that the Committee made recently to the region was that they felt, as Sir Adam said, that somehow us not being a member of the EU would be disadvantageous to them in terms of EU application and the speed with which they might accede. Mr Lapsley, would it be thought within the EU that, somehow or other, Britain not being there would slow down the possibility of the western Balkan states that are not members of the EU joining the EU? Or is it a question that it is one voice among 28 and it is unlikely to make much difference?

Mr Angus Lapsley: It is not a straightforward question to answer. The first point is that us leaving the European Union is one of several big things that the European Union is now grappling with, along with the future of the eurozone, migration issues and now Spain as well. To take Dr Eyal’s point, there is a bandwidth question for the European Union that probably does have some impact on enlargement. My interpretation of what President Juncker was trying to do a few weeks ago when he put enlargement back on the table quite vocally was to try to redress the sense that the European Union just would not have the time, political energy and will to do it. In that sense, what he said is very welcome.

Secondly, there probably are some countries in the European Union that have been supporters of enlargement but have been used to us making the case, who are now thinking about how they step up and become a little more vocal. That is one effect that we have already started to see.

The third question is one that will play out over a slightly longer time. One of the roles that the UK had traditionally taken on the enlargement process was to say, “Look, we are very much in favour of getting all the countries in the western Balkans into the European Union, and by that we mean all of them, but that means you have got to tackle the difficult political questions around the relationship between Serbia and Kosovo, the functionality of Bosnia as well as the name issue for Macedonia, all of which are a problem for the NATO enlargement process as well”. Probably the
toughest question is, who will step into the role of forcing the European Union to try to tackle those very knotty political questions? I think the answer is probably Germany. We work very closely with Germany already. I believe that what will not work is the European Union simply saying, “Look, we have a nice open door; that is fine, and as soon as these countries are ready they can join”. We will have to be more active in trying to solve those deep political problems.

The Chairman: Lord Hannay, do you want to come in?

Lord Hannay of Chiswick: Please. First, I was slightly surprised at the characterisation of President Juncker’s latest statement on enlargement as being welcome and an encouragement. It seems to me that telling these countries that they will not join by a date quite some way off in the future is not the best way to encourage them to go through the nitty-gritty task of making the changes they need to make if they are to fulfil the Copenhagen criteria.

The question I wanted to ask you was a quite different one. Do the three witnesses before us recognise that in this part of the world, which is not unique, manipulation and playing one off against the other is a national sport? If so, do you think that there is not a risk that, when we leave the European Union, vigorous attempts will be made by quite a lot of people in the region to play us off against the European Union on certain matters, one being tougher than the other on something or weaker than the other on something, and that sort of thing? If you think that is a risk, what do you think is the best way of preventing it?

Dr Jonathan Eyal: Lord Hannay, can I go, first, to your observation about Juncker? It is a classic case of a half-empty or a half-full glass. The perception in the region was that the European Union was not interested and that the process of enlargement had thereby stopped. While you are right that giving a tentative date, implying that nothing will happen in the term of the Commission coming up now but that it could happen in the middle of the next decade, may sound like a put-off, at the end of the day it is, paradoxically, a half-full glass in the sense that it reiterates the readiness of the Union to enlarge.

Some countries love to talk about enlargement but dread what needs to be done. There is the famous Article 35 in the accession negotiations of Serbia and the European Union, which demands a settlement of the Kosovo question. It is a classic case of “Please God, make me good but not yet”. They know they have to deal with it, but they would quite like the idea that it is kicked into the long grass. What I am saying is that it is much more nuanced.

On the subject of them playing us off, I have absolutely no doubt that they will try to play off institutions. This is one of the big questions about Brexit. I dare say that countries such as China may try to play us off against the European Union in the future as well. It is one of those areas that would require resisting temptation by both Brussels and people in London. As far as the Balkans are concerned, the danger is less important because, to be
brutally frank, these countries in most of the dossiers are demandeurs. Therefore, they do need the NATO input. Bosnia most certainly does; Macedonia most certainly does; and Kosovo most certainly does for the reasons that we have heard. They do need the European Union input for all the obvious reasons. The room for manoeuvre may be less. In diplomatic terms, they may play a few games, but in practical terms I doubt how much they could play it.

The Chairman: Does any other of our witnesses want to come in?

Mr Angus Lapsley: On the “playing us off against each other” question—I agree with what Dr Eyal said about President Juncker—we have had this problem a little already with occasional attempts to play off the US and the EU together, and we solve it most of the time through having informal networks of very close co-operation between the big four European countries and the Americans in what is called Quint format, with the EU involved as well and sometimes NATO. That is absolutely critical. It is that informal, small-group diplomacy that underpins what the NATO and EU structures are doing, which we absolutely have to preserve.

The Chairman: Let us go back to the issue of Russia.

Baroness Coussins: I want to come back to the question of Russia’s role in the region. Dr Eyal, you have mentioned several examples of disruptive interventions, to put it mildly, in recent years. There are clearly unresolved tensions between Russia and NATO that remain. If other countries in the western Balkans achieve NATO membership—we certainly heard on our visit to Kosovo and Macedonia that NATO membership is a much greater priority than EU membership in many people’s eyes—what would you expect Russia’s response to be to further expansion of NATO, if it is possible to expect any predictability?

Dr Jonathan Eyal: Let me say a few words. I am sure that Sir Adam has plenty to say. Russian policy in the region is to disrupt NATO and to divide Europe. That technique will continue and that is the bottom line. There has been some serious positioning of Russia in order to allow them to maintain their influence. They have established all kinds of funny organisations, particularly in Serbia—Obraz is one—and then disbanded them. There are a variety of them. The Russian Institute for Strategic Studies, which some would doubt is full of think tankers, has established a branch in Belgrade for this purpose. There is an Institute for Democracy—the old names are always the best—in Niš in Serbia that has been directly implicated in the attempted coup in Montenegro. There is a lot of discussion.

The Russian 2016 National Security Strategy talks about the Slav solidarity in terms that would have been very familiar to Tsar Nicholas II, circa 1890s. In that respect, it is there. How much they can actually do, I am not sure. If you look at it in terms of how they reacted to Montenegro, Montenegro is not very important to the Russians, but they played a very hard game, and they did so in order to make the point that they have succeeded in imposing a veto on how far NATO extends and what it does. Once they have done that, they would win an important victory, which is the division
question—the spheres of influence question. I suspect that they will fight very hard on that one, although it is fair to say that when Croatia and Albania were admitted into NATO the Russian reaction was minimal, but that was then and this is now.

**Sir Adam Thomson:** Just to build on that, it may be helpful to say two things. One is that the Russian behaviour is genuinely felt. The Russians genuinely see it as unfair and inimical to their interests that NATO, in particular, and the EU, to a degree, should be extending their sphere of influence in the Balkans. Russian investment in Serbia, for example, is born of genuine feelings about Serb nationality, and ethnicity to a degree, as well as geostrategic interests. While it is, certainly from a NATO point of view, easy to see Russian activity as malign, it is real and driven by Russia's sense of its own interests, not just about doing down NATO for the fun of it.

The second point I would like to underline is that it is too easy to paint the dynamics in the western Balkans as a West/Russia competition. That is certainly one of the things that is going on, and it is now undoubtedly going on with much greater vigour than it was a few years ago, but there are so many other things at play. We will come on to talk about Turkey, and that will lead us on to the question of Saudi and Qatari influence in some countries, for example. There is the interplay of nationalities in the region. There are other threats to the stability and security of the region than those which we think Russia might provide, such as migration, returning foreign fighters, organised crime or whatever. It is worth making this point because, if NATO Governments dwell too much on a NATO/Russia competition, they are unlikely to be doing any favours to stability in the region—or, indeed, even to NATO’s interests, which I suggest need to be played in a more nuanced way than a straight black and white West/Russia competition.

**Mr Angus Lapsley:** Let me make three quick points. I agree with all of that. First, you can differentiate a little between how Russia sees each of the four countries left who have not joined NATO, with their political, emotional and economic links to Serbia being much the most important. They might not treat each country in the same way.

Secondly, it is very striking how much better Russia is at telling its story in the region than the EU, NATO or the western allies. When you ask Serbs in particular, “Who invests most in your country? Who provides the most security support to your country?”, there is a strong tendency to say, “It is obviously Russia, is it not?”, when in practice it is almost overwhelmingly the other way round. That is a challenge for both the EU and NATO.

Thirdly, to pick up on Adam’s last point, we do need to talk to Russia about this region, we should engage with them and there are formats in which that happens. For example, Russia is still very much part of the Peace Implementation Council in Bosnia, following on from its Dayton commitments. We have to be clear with Russia that we recognise that they have legitimate political, human, cultural and economic interests in the region.
What is not, in a sense, tolerable for the West is that they regard countries in the region as client states or that they seek to deliberately weaken them in order that they are not functional and, therefore, that they are easier to penetrate in terms of corruption or whatever. We do not want weak states in the Balkans. We want strong states that can look after their own national interests.

**Lord Grocott:** It would be nice to have that point developed a little about working with the Russians or talking to the Russians. I cannot remember precisely what you said about the region. Again, picking up on Sir Adam’s point about the West being a bit nuanced about Russia in terms of the western Balkans area, for most of my lifetime that whole area was a non-aligned area. I know that many somersaults have been performed in eastern Europe and south-eastern Europe in the last 20-odd years. My broader question about NATO is this. Is it a sensible question to ask what NATO’s strategy is so far as the western Balkans is concerned? By that I mean is it—evangelical is the wrong word—one of actively wanting these countries to join NATO or is it one of it really is up to them, bearing in mind, of course, that a number of these countries do have a non-aligned background, particularly Serbia? We have to bear in mind that it is not that long ago that one of these countries was bombed by the West. That is my question. Is it up to them whether they wish actively to seek membership of NATO or is it something that NATO would actively seek to encourage them to do?

**Dr Jonathan Eyal:** NATO is not an amoeba. It does not need to grow in order to grow. The justification for NATO cannot be growing. That in itself is not a justification. There is no question of countries being forced to join the alliance. There is no doubt that, in the case of Serbia, there is very little support at the moment for joining the alliance. If that is the case, let it continue.

I, personally, have misgivings about Montenegro as well. The reality is that, in the case of Montenegro, only 46 out of 81 MPs in the national parliament have voted for NATO membership. It is a majority, but it is not the kind of majority that obtained in any other country that joined NATO, usually with enthusiastic support. It is a controversial institution, you are absolutely right. If it is a controversial institution, it should stay out of membership discussions. It is a fact that it is the only, to use the old cliché, exporter of security in the region. It does myriad things that nobody else can do. For instance, only last week NATO did an exercise in civil defence with the Serbian Government. Whatever you think of the Serbian Government, in terms of civil defence for emergency situations, this is clearly a good thing to do. In terms of defence reform, putting politicians firmly in charge of military establishments, separating security services from the military and creating a democratic functioning society, there is no other institution that has the capabilities of NATO.

I would take the black and white admonition in a different way. Perhaps the discussion is too black and white in terms of what NATO can do. NATO
does not need to end up with membership and still be a useful functional institution in the Balkans. Otherwise, I accept all your points.

_Sir Adam Thomson:_ To the extent that you can characterise NATO as having a single position when it is 29 different allies, what still drives the organisation is a concern for stability, security and, to a degree, prosperity in the western Balkans. It is not about getting more people into the organisation. But NATO, quite naturally, tends to think of itself as a rather good thing, and that, if you belong to it, that does make a real contribution to stability and security. The process of travelling towards NATO membership makes a real contribution to that stability and security. NATO is quite committed to what it already does in terms of engagement, as Dr Eyal has described it, in the Partnership for Peace programmes, which even Serbia joined as early as 2006, and in a Membership Action Plan for Bosnia-Herzegovina and Macedonia. But it is not driven by a concern simply to get these countries into the fold. It is a different objective.

_Mr Angus Lapsley:_ I totally agree that it is up to the countries themselves whether they see NATO as their future. As Dr Eyal says, it is perfectly plausible that Serbia will not for a long time, or may never, see NATO as its future. Of course, western Europe has examples of countries that are members of the European Union but not of NATO but who make a broad contribution to stability. Sir Adam will remember that it is one of the truisms of life in Brussels these days that the Swedes are among the best NATO allies, for example, even though they are not part of NATO.

Secondly, getting into NATO is a lot less demanding, in some ways, than getting into the European Union. It does not have the same broad and deep acquis on economic, social, environmental and these kinds of policies. If you are trying to move your country towards the West, it may be an a waypoint that is quite important to you and which helps encourage reformers in your country to say, “We are getting somewhere, even if we are still quite a long way”, as President Juncker said, “from joining the EU”.

_Dr Jonathan Eyal:_ I am prompted by Mr Lapsley’s comment. There is considerable statistical evidence that I can provide to the Committee that membership of NATO for the countries of central Europe has encouraged and sustained membership in the European Union: namely, that investments increase considerably for countries joining NATO even before they join the European Union. In relation to countries such as Romania and Bulgaria, for instance, there is considerable evidence that investors are reassured by the completeness of the European membership package. It does not mean to say that this will be persuasive for Serbia, for instance, but it does mean to say that this is an element that needs to be brought into account.

_The Chairman:_ Thank you. I am very conscious of time. We have a lot more questions and we have another raft of witnesses to come, so we are going to have to try to move a little quicker, if we can.

_Q53 Lord Balfe:_ My question has, more or less, been asked. The only point I wish to add is: do you have any hierarchy of preference of the western
Balkan nations that are not in NATO to join? We have pretty much put Serbia on one side. Do you have a hierarchy?

Sir Adam Thomson: Very quickly, it is the art of the possible. Macedonia, of those not already a member, is closest to membership, although receding, regrettably.

The Chairman: We are coming to Macedonia in a few moments. Let us move on.

Q54 Lord Purvis of Tweed: My question follows Dr Eyal’s point. What impact has membership had on the existing members? It probably is too early to tell with Montenegro, but what is the impact of membership of NATO between those countries and their neighbours? Have you determined what an impact would be? Is there a wider impact of membership beyond a pure defence relationship with other NATO allies?

Dr Jonathan Eyal: That is a very big question, but let me highlight a few points. There is considerable evidence from other countries in central and eastern Europe that membership of NATO tends to attenuate rather than eliminate any tensions that exist between them. For instance, the latent tensions between Hungary, Slovakia and Romania would have become unmanageable had it not been for NATO membership. In many respects, it does not address the question but it suspends them on a political rather than any military level.

The same applies in the case of the countries in the Balkans. It does not eliminate problems. Croatia and Slovenia have notably continued problems over the border demarcation, but it elevates them to the political level, which is, very often, the only thing we can do and it is a very honourable achievement to reach. It also gives a certain level of parameters to a country that otherwise would be much more unstable, Albania being the classic one, and probably Montenegro as well. Either way, in the case of Montenegro, where you have a military of about 2,000 or 3,000 soldiers, the balance is overwhelmingly in favour of Montenegro joining the alliance. There is plenty of evidence that it tends to remove the military question from the equation, which in the case of the Balkan states is probably the biggest contribution.

Mr Angus Lapsley: It is worth remembering that NATO is a military alliance. We have seen Albania, in particular, become quite an active member of that alliance and a bilateral partner of growing importance. We are now conducting exercises with Albania in a way that would have been inconceivable just a couple of years ago. So that transformational effect can continue after you have got through the door.

Q55 Baroness Helic: You may have already answered this question but I have to ask it. There are countries in the region that still have, if not animosity, tension between them, and there are countries in the region that have internal tensions with them, particularly when it comes to a choice of whether or not to join NATO or pursue the possibility of joining NATO. A previous witness said that having these countries in the alliance might be described as “consumers of stability that are in the alliance rather than
producers of stability”. Would you agree with that description or statement?

**Sir Adam Thomson:** If I might answer that, that is a reasonable point to make about NATO membership in general. You could point to Turkey, for example. It is in a very difficult environment. The way that that situation has tended to suck NATO in, even if it is only over shooting down Russian aircraft, is an example of how a member inside NATO can consume NATO security capacity. I see it less, personally, in the Balkans, partly for the reasons that the two other members of the panel have described about the way in which NATO membership takes the military out of the equation on the whole. Partly it is because, in the hypothetical event that other western Balkan nations joined the alliance, they would be in an environment that was not threatening to them and that did not provide borders that were likely to get NATO into trouble. On the contrary, having new members, even if they bring with them animosities with other members, tends to dampen down those animosities. Look at the long history of the relationship between Greece and Turkey.

**Dr Jonathan Eyal:** Let me add—I am always diffident in answering Lady Helic because she has a lot of personal experience of the region—that there is a tendency to become a consumer of security rather than a contributor after you join NATO. Sadly, historically, all the countries that desperately knocked on the door, the moment they entered NATO, slashed defence budgets. That is a fact. Everywhere, including Poland, quite rightly, is very proud of its defence contribution. There is also a story of how NATO can reimpose a community spirit and can force them. There is the example of how we went out of the trough in defence expenditure in the new member states and back on to a level where they take responsibility. An example is of the Baltic states accepting that they have got to be involved in the security of south-eastern Europe. It was not easy to persuade them, but they have taken to it with some measure of alacrity. That indicates that probably the instrument—the danger exists exactly as Lady Helic says—of NATO membership is still the most adequate one to try to address the danger.

I do admit that the problem of Serbia will be exceedingly difficult. It is by far the biggest in the region. It feels that it is entitled to be treated as the biggest in the region and it has the most emotionally charged baggage with the alliance. So, accommodating Serbia would be a different proposition altogether. As far as the others are concerned, the balance of the ledger would be positive rather than negative.

**Lord Hannay of Chiswick:** In the framework of the response that you have already given of the countries that are not yet members of NATO, I want to turn to Macedonia, which is the most advanced and hopeful. Do you have any thoughts on ways in which Macedonian membership could now be advanced? Could it progress without the name issue being resolved? Are there any other obstacles to Macedonian membership? How could the UK contribute? Obviously, this comes up against the question of Greek objections to the name “Republic of Macedonia”. We had a useful session with the new Macedonian Foreign Minister in which some hopes
were expressed that a way would be found of solving the NATO problem well in advance of solving the EU problem.

**Sir Adam Thomson:** I cannot myself see a way forward without addressing the name problem. NATO’s formal position is that an invitation to membership is on offer as soon as the name problem is resolved. It is absolutely accepted in the alliance that that is the obstacle. Maybe there are roles for the United Kingdom alongside the United States and the European Union in addressing this issue. The US and the EU were active at the end of last year in brokering political deals inside Macedonia, and I believe that the Americans have also engaged the Greeks on the name issue, but the name issue has to find some resolution. It is very difficult, in other words, to imagine a NATO summit statement saying that the name issue no longer matters, unless Greece transforms its position. Are there other obstacles? Yes, regrettably. The failure to bring Macedonia into NATO is one of the significant contributory factors to a backsliding on governance in Macedonia. That deterioration of governance is now definitely a factor in Macedonia’s application for NATO membership. It will need to be addressed alongside the name issue, not as a formal matter but as a practical political one.

**Lord Hannay of Chiswick:** Were you talking about the previous Macedonian Government or the present one?

**Sir Adam Thomson:** Either. The difficulties and instabilities in Macedonian politics are a concern for a number of NATO allies. While we have said, quite rightly, that countries join NATO only if they want to—that is obvious—it is also the case that they do not get to join NATO unless the 29 existing members think that that is a good thing.

**Mr Angus Lapsley:** I hesitate to be a voice of optimism on a problem that has been with us for 20 years or so, but the change of government in Macedonia raises the prospect that they might be able to reach an agreement with Greece on the name issue, and the Greek Foreign Minister himself has recently said that there may be a window of opportunity. If there is anything that we, as the UK, can do to help realise that opportunity, we will seize it. I would not want to put any percentage chances on a breakthrough, but they do look marginally higher than they have for a while.

**Lord Hannay of Chiswick:** Do you think that next year’s July summit—the Berlin Process—has any role to play in this matter?

**Mr Angus Lapsley:** We will help if an opportunity arises that looks as though it might be useful, but it is not an issue that the UK can pick up and run with. It would need to be something that the parties wanted us to help with. There are several events next year, including the Bulgarian summit on EU accession, our summit and a NATO summit where there might be useful moments to come together on this.

**Baroness Hilton of Eggardon:** You have largely answered the questions about Serbia and NATO, but do you think that their attitude to NATO is
predominantly because of Russian influence or because of having been bombed by NATO, or is it a combination of the two?

**Dr Jonathan Eyal:** As always, we are trying to ascribe to a particular nation an attitude. It is a complicated matter. I definitely think that there are some Serbian politicians who have an emotional aversion to NATO because of what happened in 1999, but also what happened in 1995, namely, the Bosnia operation, and because some of them are close to the Russians, either in political terms or very often in financial terms. I also think, however, that the political elite in Belgrade—unfortunately, that includes even President Vučić—very often plays the Russian card against us and tries to persuade us that, unless we move very fast and we buy the bargain, there is another purchaser. There is an element of a bazaar there, which we should confront—and confront directly.

I do not buy the argument of an emotional attachment to Moscow. After all, as the Lord Chairman reminded us, this was a country whose military was preparing for a Soviet invasion until 25 years ago. So, the idea that they are having a love affair with Moscow is fanciful. Nevertheless, they are playing that card. It is true that it is difficult to go around Belgrade without seeing a crater here and a stump there of a building that was bombed in 1999. It is difficult for politicians to persuade the public. There is not a consensus in Belgrade about NATO and that is absolutely fine. The real consensus should be about the level of co-operation that we can achieve between us.

**The Chairman:** Let us move on to talk about Turkey.

**Q58 Lord Wood of Anfield:** Turkey’s official position on NATO expansion seems very positive in the region. It is in a complicated position by having a relationship with Russia that is different from other countries. Also, it has a strained relationship with the US and Germany at the moment. It also has relationships with other Middle Eastern countries. How clear and how unhelpful or helpful is Turkey’s position on NATO enlargement in the region?

**Mr Angus Lapsley:** Turkey, as you have said already, is consistently supportive of NATO’s presence, NATO’s role and the prospect of enlargement in the region. It also plays quite a significant military role in KFOR and it is the second largest contributor to the European Union mission in Bosnia. It is there and it is contributing in a positive way. What is more difficult is when Turkey takes policy positions sometimes on Balkan issues that are deliberately designed to set itself apart from the West. It makes statements like “Kosovo is Turkey”, which is designed to suggest that in some way the EU and NATO are treating both of them equally badly. That is not helpful. Turkey is, historically, an important player in the region. This is something that we talk to the Turks quite a lot about. Indeed, I will be doing exactly that in Ankara in 10 days’ time.

**Sir Adam Thomson:** I agree with all of that. I do not have very much to add. I observe that, whatever Turkey’s current relationship with Russia is, it has been up and down, and it is capable of both warmth and very
considerable difference, currently. Surely, one of the drivers for Turkey about its engagement with and support for NATO membership has nothing to do with Russia and everything to do with Muslim identity.

The Chairman: Let us move on to our final question.

Q59 Baroness Helic: A big player in the region is the United States. Whatever people say, they have been present since 1995. I think that 30,000 US soldiers were part of the SFOR—the stabilisation force. The engagement continues through KFOR. We have been told that there is a lesser interest coming from Washington towards the region. If this is the case—although it is easy to argue against that, considering that they have had a major role to play in stabilising Macedonia and that they continue to be steadfast, and to have a very clear policy towards Bosnia—what do you think is the influence of the United States upon any kind of association or further membership of the regional countries in the alliance?

Sir Adam Thomson: I am less of an expert than the two other panellists here, but it is considerable. My impression is that US engagement diminished in the 2000s, in particular in the first Obama Administration. But we have seen substantial US re-engagement more recently, as you have set out. There is clear evidence that that really matters. You have pointed to the US role alongside the EU on stabilising Macedonian politics, for example. In other words, it is not just through NATO that the US influence is expressed.

Dr Jonathan Eyal: It is no secret that Germany had big misgivings about Montenegro becoming a member of NATO. That is why the issue was postponed by at least a year when it was first discussed. The Americans have maintained their position and the Germans turned around on this issue. As far as evidence on the ground is concerned, the broad outlines of America’s position have remained unchanged. One needs to bring into the equation also the growing military presence of the United States in Romania, for instance, near the Black Sea, and the particular attention that the Americans are paying to Turkey for all the reasons that we know of. For many practical reasons, the interests will not diminish. Of course, there is the broader question about the priorities of the Trump Administration, but that is a subject that is broader to all of Europe.

Mr Angus Lapsley: I would agree with all of that. It has been a while since this region was at the top of any President’s in-tray. Vice President Pence has been engaged in the region during the past couple of months, much as his predecessor was. The new Assistant Secretary for Europe, Wess Mitchell, whom I saw in Washington last week, went straight to the region as one of his priorities.

To come back to something we were touching on earlier, when it comes to the really tough political questions, such as what is the nature of a future settlement between Serbia and Kosovo and how does Dayton Bosnia hold together, those are questions where the Americans still have a really important role and are still listened to, respected and looked to within the region, in particular in Kosovo but not just in Kosovo.
The Chairman: Thank you. Do any of my colleagues want to come back on anything? I see none. Thank you all very much indeed. You have enlightened us enormously. We very much appreciate it.

Examination of witnesses

Mr Jonathan Mitchell and Mr Michael English.

Q60

The Chairman: Mr Mitchell and Mr English, thank you very much for coming. We are looking forward to talking to you about trading with the western Balkans. To begin with some housekeeping points, you will realise that this is a public session although I see no members of the public here, but you are being televised. This meeting will go out on the parliamentary website as a video. We will take a verbatim transcript of what has been said. In the next few days we shall be sending you a transcript to check it for accuracy. If there are any corrections that are necessary, if you would be kind enough to do that as soon as possible, we would appreciate that. Perhaps I can begin with a general question and ask you to talk to us about your experiences of trading with the western Balkans, and to what extent there is a difference between the various countries of that region. It is a very general question, but I think it starts us off well.

Mr Jonathan Mitchell: As a precursor, my experience is investment rather than trade. The western Balkans is a tiny market for UK trade. If you are selling something unique such as a Land Rover, then, great, but if you are selling something that is manufactured in the UK that is not unique, UK manufacturers—exporters—struggle to compete on price. We have direct experience of that at Fox Marble with some cranes, where a UK manufacturer simply could not compete. But we do have pretty extensive experience of investment, and the western Balkans is a huge potential investment market for the UK, so it is very good for UK plc from that perspective. If you are content for me to talk about investment rather than the buying and selling aspect of trade, I will continue to talk about it.

The Chairman: Of course.

Mr Jonathan Mitchell: My main focus is Kosovo, but we also do business in and with Macedonia and in Albania. We can see, at the very top level, some pretty profound differences between those three countries. My experience does not extend further than those three countries in the western Balkans. I should say that right now. In Macedonia, there is a pretty labyrinthine bureaucracy, but it is a state. It runs as a state and things work. There is corruption but it is possible to get round it reasonably easily if you are trying to run a foreign business in the country. Once you know your way round the system, you can pretty much make it work for you. The same applies in Albania. Again, it is a state. The organs of state pretty much work. Again, there is corruption.

Get to Kosovo and the state of affairs is entirely different. Kosovo has quite an impressive statute book. It has commissions, committees and goodness knows what to try and make the place work. It is even capable of getting
some pretty good business metrics out through the World Bank, as it did today, but actually trying to do business there is extremely difficult. It is who you know, not what you know. If you are a UK plc quoted on the London Stock Exchange Alternative Investment Market, as we are—we have to do everything according to the highest standards of western business legal compliance and governance—it is a very difficult place to work indeed. It is perfectly possible to do it—we do it, and business is going pretty well right now—but there are overheads that you have, principally in managing the compliance side of things.

The Chairman: Thank you. Mr English, do you want to come in?

Mr Michael English: Yes. I also come from a business development side, but again it is trade. I have been working in Macedonia for about 10 years now. I know the country well. I was the person who introduced Johnson Matthey, which is one of the big companies in the UK, to Macedonia, which is 10% of their GDP at the moment. I did not find any evidence of corruption there but I know it does go on. I arranged and took a trade mission to Macedonia and Kosovo earlier this year, but the difference between Macedonia and Kosovo from a trade point of view is most interesting. I found Kosovo more vibrant. It was evident when we went there that they were keener than Macedonia to trade with us. Macedonia, through the years of the previous Government, has been sat on, effectively, but Kosovo, at the moment, is quite vibrant. My colleague has more experience there than I do, but I am quite impressed. Opportunities exist for UK companies. Likewise, there are opportunities for Kosovo companies in the UK. That is my very short answer.

The Chairman: Thank you. You both mentioned corruption. Let us start with that.

Q61 Lord Purvis of Tweed: Good morning. Following up on what you have said—although it is a shame to start with negatives, to some extent—on corruption, it is interesting to note that all the countries in the western Balkans during the past year have fallen dramatically in the Transparency International perceptions of corruption. They are all around either half or the lower half of countries in the world, whereas even last year and the year before they were much higher. How much is either the reality or the perception of corruption preventing UK businesses seeking trade in the area? Just to add, we have received evidence from the Department for International Trade, which says: “We can confirm that the DIT has not been approached to assist with work on corruption in the western Balkans and, in general, have not undertaken any specific work or research on the issue”. The second half of my question is, if it is a barrier, what do you think the DIT should be doing, if anything at all?

Mr Jonathan Mitchell: I am not sure that I would say it is a barrier to UK business in the Balkans. It is a drag on business. It is endemic. It is within the systems. It is much more apparent in the systems in Kosovo than it is in Albania or Macedonia, but it nevertheless exists in those states. It is worth saying that the western Balkans is probably the rumour centre of Europe. One hears about some really quite blatant forms of corruption. We,
in Fox Marble, have some direct and written evidence, which we are working out what to do with at the moment, concerning the Kosovo Central Procurement Agency. If you know it exists and you have the appetite to manage it, if the investment and trade potential is such that you can build managing it into your business model in a compliant way, there is ample scope to work in the region, but you do have to build it in. You have to accept that it will be a drag and that you will have to work around it, with it and not succumb to it. There are many misapprehensions about what corruption is. Is it somebody saying, “I want 30% of your business,” and we have had that kind of conversation with vested interests? We no longer have it in Fox Marble, but we are expecting it again for our expansion plan. That kind of blatant corruption is not what we see day to day. We see it around trying to get services and finding that the methodology for getting services has somehow been tampered with. There is a vested interest sitting on some process slowing it down. It has taken us a very long time to establish the Fox Marble processing factory in Lipjan, central Kosovo, partly because processes are slow and because probably some of that slowness is corruption. I could not prove its existence in a court of law but I am pretty sure it exists.

Mr Michael English: In talking about Macedonia, much of the recent foreign investment that has gone into Macedonia has gone into the free-zone areas. They are almost protected from corruption, although the security company you are being asked to employ is probably owned by the cousin of the prime minister or something. That was under the previous Government. Everybody is hopeful that things will change under the new Government. I know that Johnson Matthey has never been approached on that side.

Baroness Coussins: When we visited Kosovo and Macedonia, a number of witnesses mentioned e-procurement to us as a new mechanism that was being introduced to try to tackle corruption, although in Macedonia we spoke to many people who were very cynical about even that, and said that people had already worked out ways of getting around that and sustaining corrupt activity. Have you come across e-procurement, what do you think of it and does it have any mileage in tackling corruption as part of an anti-corruption package, which, of course, Kosovo and Macedonia will have to pursue if they want to join the EU?

Mr Michael English: I have not come across it, but I know that the EBRD last week introduced it under its procurement processes. I try to work closely with the EBRD on other projects, so it will be interesting to see if the companies will adopt that approach. On e-procurement, I have not been involved with that.

Mr Jonathan Mitchell: I am aware of it from my days as a former British government official. It would be extremely useful, but it is probably one of a package of things that would be useful. The issue is the absence of transparency around such things as state procurement systems and pressures that can be brought to bear on an otherwise quite well-designed system by vested interests, and how you deal with that. That is the problem
in Kosovo. We have evidence of that in our particular issue with the Kosovo Central Procurement Agency. We are still working out with the British ambassador and, very soon, with the German ambassador, how to get maximum mileage out of it.

Q62 Baroness Smith of Newnham: In moving from corruption to other issues that may be a problem for the United Kingdom and its potential for trading and investment in the Balkans, let me deal with the suggestion that the public sector is rather bloated and that there is a large grey economy that is preventing the private sector from flourishing in the western Balkans, which might raise some questions about whether this is a region that we want to be thinking of investing in. Is this something you have experienced? Is it changing and can anything be done about it?

Mr Michael English: Again, Macedonia and Kosovo, I believe, are the same, and to a certain extent Croatia as well. I know there is hope in Macedonia that, with the new Government, things will change. If you reduce the number of government employees and so on, where do they go? What business can they go to? Can they set up on their own? There is very little money there. The average salaries are between €300 and €400 a month. Where do these people go? How are they supported? If you look at the education system, people are coming out of university, yet there are no jobs for them and all they want to do is to get into Europe. So, you reduce this bloated bureaucracy, but then how do you fill the void?

Baroness Smith of Newnham: So you just increase unemployment.

Mr Michael English: Exactly. We are hoping that in Macedonia, with the new Government, things will change. It will take time. Let me put it that way.

Mr Jonathan Mitchell: I completely agree with Michael. Bloating in the public sector is a symptom of limited economic development and limited alternative opportunities. We see it in two areas, one of which is minor but it is a factor, nevertheless, in Kosovo, and one of them is rather more significant, again, primarily in Kosovo; so please forgive me for keeping coming back to that particular point. The minor area is that it creates an artificial upward pressure on salaries, which are quite low. One of the things that makes the region very competitive for investment is low salaries. It means that production costs can be kept well and truly in check. If you are coming in with British investment, that is quite a significant issue. There is this upward pressure. It is not something that has affected us as a business, but we are conscious of it and we can feel it. Sometimes it has an impact in that, if you are going for a particular member of staff, they get sucked away by the public sector to go off to be an adviser and do precisely nothing.

The other area that is much more difficult is that the bloating of the public sector in Kosovo is a way that the vested interests ensure that they can continue to operate. You bring in your friends and relatives and put them into key jobs. We are seeing it happening right now. How do you stop it? As internationals, I am not sure that we can. It is about the appetite of
local leaders to do that, and if they are the ones who are putting people in key positions it is a bit of an issue. I would not go so far as to say that it is massively holding us back, though, but it is something you know is there and you work around it. It is all to do with the basic corruption issue, the rule of law and country risk that you have to manage.

The Chairman: Following on, Lady Helic, would you like to come in?

Baroness Helic: Thank you. You have described the way that corruption works in terms of family, friends and patronage being brought in to sustain the individual in their political or other positions. What steps do you believe the UK and other countries should be taking to try to help to tackle this level of corruption?

Let me give you one example, if I may. A few years ago, the then Foreign Secretary, William Hague, suggested to the Bosnian Government that they sign up to the open government transparency project, which really opened up exactly the issues that you have been referring to, such as the procurement process, employment and so on. Has anything been done so far, which you have seen, that has been successful in improving the situation? Have there been any attempts? Is there anything that you would take out of your book and say, “If these three things were to be done in a sustained and focused manner, we would see a positive change”?

Mr Jonathan Mitchell: If the open government initiative were introduced in Kosovo and if the Government of Kosovo signed up to it, it would have a very profound impact. It would be completely countercultural. It really would bring about a deep and powerful systemic change, but the big “if” is if they signed up to it, because a lot of people would see that as a direct threat. Therefore, they would be unwilling to. As with Macedonia, Kosovo also has a new Government and there is quite a lot of optimism around it. We, as a company, find the new Government much easier to deal with than the old Government. There is a possibility for change, but to some degree the old guard has changed. It is, literally, just a changing of the old guard. It is not changing it for something else.

I have a particularly strong view on what should happen in this area, what would make a big difference. I have seen, taken part in and been part of capacity building. There is an enormous amount of capacity building that goes on and has gone on for the last 20 years in Kosovo, a bit less in Macedonia and Albania, but there is capacity building going on right across the region. I am quite certain there will be in Bosnia as well. It is something that Governments find relatively easy to do and something that foreign Governments find extremely difficult to judge in terms of its impact. I think that British policy has put far too much emphasis on capacity building as a way of dealing with just about everything, but corruption is one of those issues. The time is absolutely ripe for a very significant policy change that rebalances things. I am not going to suggest for a nanosecond that we do less capacity building, but we need to balance it. There is a weariness, certainly in Kosovo, with all the international capacity building. It is not just HMG but the Americans, Germans and just about anybody who cares
about the region. There is a tremendous weariness at being preached to. They will take advice if sage advice is offered.

What has been missing, and what drove me nuts, when I was sitting in Kosovo back in 2006 and 2007 wondering what the hell was going to happen after we had delivered independence to this fledgling state, is, where was the economy? That is what has been missing. Western Governments, HMG included, have consistently failed to address the economic growth that is needed in the region. Western Governments are not particularly well geared up to addressing that. They are much better geared up for capacity building. The one thing that HMG should do now and categorically have to do after Brexit—and Brexit becomes a tremendous opportunity for this, astonishingly—is to do much more to promote investment in the region. It does that by dealing in a much more aggressive and determined way with country risk in advocating British businesses in a way that it is not used to doing. The level of advocacy would vary across the region depending on the nature of the problems. In Macedonia, it is easier to do business without it. In Albania, it is easier to do business without it but you probably need some. In Kosovo you categorically need it, and it immediately ties into geostrategic interests. It is not just about making money for UK plc, although it would make that much easier.

**Lord Hannay of Chiswick:** You say that Brexit provides a great opportunity for this. Is there anything that has stopped the British Government in the past 10 years from doing it because we were in the European Union, or are you simply saying that, because there is a shift in Britain’s position, opportunistically this should be the opportunity to change our approach to the balance between capacity building and investment encouragement?

**Mr Jonathan Mitchell:** It is both. There has been a tendency to push difficult issues over to the EU. I saw when I was in Kosovo DfID close down and UK financial aid was entirely sent through the European Union. That is aid and a different issue, but nevertheless the European Union has been a very convenient vehicle in a part of the world where I sense that Britain is slightly embarrassed that it is so involved. I am guessing here but I imagine that Brexit will force HMG to approach things differently. Therefore, it becomes an opportunity.

**Lord Hannay of Chiswick:** What you are saying, if I understand you correctly, is that it was not because of anything that the European Union did but it was a conscious decision by the British Government to de-prioritise the western Balkans and to use the European Union as a vehicle for masking that.

**Mr Jonathan Mitchell:** I do not know that there was a conscious decision to de-prioritise and use the European Union for that. That is my perception, but I would not go so far as to say that I know that to be the case.

**Baroness Coussins:** I would like to come back to the point you were making just now about government support for businesses looking to expand and ask you, how effective or relevant are the services that the UK
Government provide to businesses that are looking to expand exports or move into new markets in relation to this particular region? I am aware, for example, that under the old UKTI there used to be a service that provided one-to-one support for businesses looking to move into new markets that they had their eye on to give them advice on language and culture. I imagine that might be a significant element in relation to this region. Under the new system, that one-to-one advice has been done away with and now there are regional contracts with the new DIT. I would like to know from you how that is working and whether the right sort of advice and encouragement is built into the new structures. Also, I would like to know if that ties in with what all the embassies in the countries in the region are able to do.

Mr Jonathan Mitchell: I do not know what the situation is in Macedonia. As far as I am concerned, the DIT is completely non-existent. If you look at the description of what the DIT does, it is trade. It does mention the word “investment” but it is inward investment. It is not investment into the region. The fact that the DIT has failed to produce anybody to sit here on an expert panel speaks volumes. I would not know where to start talking to anybody in the DIT, and I would not even know whether they were going to be interested if I did. Maybe part of a policy shift would be getting the DIT to do something useful in the region.

The Foreign Office has tried to pick up the pieces, to some degree. We get a heck of a lot of support from the Foreign Office in Kosovo. We do not need it in Macedonia and we do not need it in Albania, or we have not needed it, but we do need it in Kosovo. We need the Foreign Office to ensure that the legal playing field is level to help us manage country risk. I do not know what Ruairi O’Connell of the Foreign Office would think if he was here and listening to this. I suspect that he feels constrained by the fact that UK government policy is not more overtly pushing investment. We are like a sideshow. A letter of welcome went from our Prime Minister to the Kosovo Prime Minister at the beginning of October that talked about capacity building but did not mention investment. I exploded on the phone to Ruairi O’Connell, our ambassador in Kosovo. He is in quite a difficult position, with policy the way that it is at the moment. We need him to do more. HMG needs him to do more. We need to see investment support levelling the playing field and tackling corruption. We need to see that much more overtly. That would be my bid. I could not fault the embassy for their willingness to be helpful, but they are very constrained as to what they can do. I cannot speak for the embassies in Tirana or Skopje.

Mr Michael English: I have had a lot of experience with the embassies and I found them extremely helpful but not necessarily on the trade side. When you spoke about a change of policy in the DIT and they went out to tender, it was American companies that got the tender in Europe, whereas in my view it should have been COBCOE, which is the Council of British Chambers of Commerce in Europe. There are about 28 British chambers around Europe. They are the people who are on the ground and who know of opportunities in the countries, and we should use those more.
For the DIT here, for investment into the UK, I found it really excellent. I have had a recent experience with an IT company from Macedonia that wants to invest in the UK and buy a company in the UK. It has been very helpful on that. I am working with a furniture company in Kosovo. It has been helpful, but also the IOD’s business centre has been extremely helpful in identifying opportunities there. The people in the embassy looked after our trade mission and they did a superb job in that, but when you follow up on it you get referred to somebody else. Their offices are in Sofia but you cannot talk to them. The Government need to support the British chambers in those countries.

**The Chairman:** Mr Mitchell, you have said some very stern things about the Department for International Trade. The Committee has just received a document circulated from the department with regard to its work in the western Balkans. I would like to give you this document. The Committee would like to have your comments on it as soon as you can provide them. You are going to get them now: a quick delivery. I suggest you do not look at it now but take it away and let us have your comments, which will be appreciated. Lady Helic wanted to come in on that last question.

**Baroness Helic:** I have a quick question. It has been fascinating seeing the investment for non-traditional countries in terms of engagement in the region, such as the UAE in Serbia, Qatar, China and so on. What is it that they are mostly attracted to? Is it the fact, if I may say so, that they probably take less care about, and pay less attention to, the stringent rules in terms of transparency that we would want to pursue?

**Mr Jonathan Mitchell:** I can talk about it a little but not the examples that you have given. I can talk a little about Turkish investment in the Balkans. That is partly a re-establishment of the Ottoman empire, but it is quite clear that they do not apply the same standards of business governance that we do. Many people in Kosovo feel that quite acutely. Again, I am talking for Kosovo rather than for the wider region. Kosovo is a state that wants to look west. If you are looking to make a fast buck, it is a lot easier to look east. The same is true to some degree in Macedonia. There is something about the Balkans that is very attractive. It is ex-Ottoman empire. There are people in those countries who think in a more Levantine way and may be more natural partners for people whose standards of governance are not as high as our own. There are things in those countries that are very attractive for investment. The things that attract us for investment, which are, primarily, geology and agriculture, are going to be attractive to anybody.

**Q65 Lord Grocott:** You have touched on this broad question that I am about to ask in a number of your previous replies. It is, basically, about the scope or possibility for Britain increasing trade with the western Balkans in the future. Despite your very good endeavours, overall, we start from a pretty low base. We hope, I suppose, that the only way is up. Could you speculate, and inevitably you are speculating in a context of the UK leaving the European Union, on how you see trade developing?
Mr Michael English: You are right. It can only go one way. When you talk trade, it comes into a lot of areas such as financial services, IT and education, but particularly education because the Erasmus programme, which supports students coming to the UK, will go after Brexit. What is going to replace that? That is my understanding. There are a lot of opportunities on education. My colleague is in mining, and opportunities exist there. The Balkan countries produce a lot of organic food that could be developed. Let us work on tourism. I come back to education with summer schools, language schools, everybody who wants to speak English, so that is where the promotion should go.

Lord Grocott: The scope of our inquiry is Beyond Brexit: The UK and The Balkans.

Mr Michael English: That answers that question.

The Chairman: Lord Hannay, I know, wanted to come in on Brexit a little later. As we have broached the subject, Lord Hannay, would you like to come in now and then we will come back to Lady Hilton in a few moments?

Q66 Lord Hannay of Chiswick: Talking now about trade policy rather than trade itself, the relationship, if I understand it rightly, with all the countries in the western Balkans is that, with the present 28-member EU, they have a deep free-trade relationship that benefits, potentially, the UK along with the other 27 member states. Similarly, I think it is correct to say that on the day we leave, which could be 29 March 2019, those benefits to the UK will cease because they are commitments by the countries of the western Balkans to the EU, of which we will no longer be a member. Do you think it matters whether we do something about that to ensure that there is some kind of maintenance of that relationship after we leave? If so, do you think that the idea of generating full free trade between the countries of the western Balkans is something that Britain post Brexit ought to be encouraging?

Mr Jonathan Mitchell: We probably do need to try to ensure that we have those benefits that the EU has and that the countries in the region enjoy with the European Union after Brexit. I would worry about it slightly because it just feels like the kind of issue that could suck in an enormous amount of official time and effort, which I would prefer to see devoted to encouraging investment and to the active advocacy of investment. That is a UK government capacity issue as much as anything else. It would be quite important.

On the second point of free trade between the countries of the region, speaking for Fox Marble, that would be tremendously useful. If we were advocating that, it would put Britain in a position of quite clear leadership in terms of geopolitics. One of the things we should be doing is to try to show real leadership in that part of the world. I believe that, if we do show leadership and we become known for showing leadership, the benefits to the UK economy as well as to the stability of the region will follow.

Lord Hannay of Chiswick: On your point about ensuring that we do not
lose out as a result of Brexit and the trade relationships being broken off, that, presumably, has some cost to us if we simply allow that to happen. Since you were rather critical of the Department for International Trade, might not their numerous civil servants be quite usefully employed in ensuring that the current arrangements could be applied to the UK after Brexit, too?

Mr Jonathan Mitchell: That sounds like a splendid idea.

Mr Michael English: I think most people would.

Mr Jonathan Mitchell: I do not know how they are currently deployed. I know very little about them. It would be jolly good. The immediate benefits to the UK economy are probably not going to be enormous. As markets, these countries, even collectively, never mind singly, are tiny. That is what sits behind my comment that it is the type of issue that could suck in a huge amount of HMG time and effort that could be spent doing better things elsewhere. It would mean quite a lot, potentially, to the countries of the region. They are all pretty sensitive to their trade relationships—on paper, at least. Going back to Kosovo, it gives them legitimacy and they rather like that. We should certainly try to devote some effort to it, but I would not want to see it having a negative impact on advocacy for investment.

Mr Michael English: I fully agree with that.

The Chairman: We come to our final question, which is one of the key questions of the morning.

Q67 Baroness Hilton of Eggardon: Our experience of trading with that part of the world has been pretty minimal, whereas Germany manages to export and import $5,000 million-worth of trade. We seem to import a bit but we export nothing, according to this particular table I have in front of me. Should we be learning something from Germany and Italy about how they manage to be much more successful in the region?

Mr Michael English: Absolutely.

Mr Jonathan Mitchell: Absolutely. I was in Germany three weeks ago, talking to like-minded Germans, not only looking to learn from them but to work with them. I would want that very much to continue post Brexit.

Italy and Germany are two very good examples. Italy sees the Balkans as its back yard, to some degree, in a way that we do not—certainly, Albania and then, by extension, the Albanian lands, which takes in Montenegro, Serbia, Kosovo, Macedonia and down to Greece. It is close. It is an hour’s hop from Verona and an hour’s hop from Rome. In Kosovo, we see active business advocacy by the Italian ambassador in a way that we do not see from the British ambassador. That is not a criticism of the British ambassador. It is a criticism of policy. With the Germans, again, it is very much their strategic back yard. The Austrians also feel it is their strategic back yard. They are much more aggressive and interested in identifying business opportunities than the UK, although it is interesting that, with the
Germans, we have all identified pretty much the same business opportunities and we are now working together to try to realise some of those opportunities.

The Germans have a much closer interest. It is a geostrategic interest. They have 350,000 to 400,000 Kosovars living in Germany. Goodness knows what the number is if you add in Albanians, Macedonians and Serbs. They have a real vested interest in trying to get trade sorted out, the economy going and stability in that part of the world. They are really interested in stability in a way that we are but probably not as much as they are.

Mr Michael English: Exactly. I made a note, “Germany”, on my pad. I was at the German chamber of commerce in Kosovo last week and it was absolutely incredible. It is really active. It is looking at outsourcing. It is bringing companies to Kosovo to look at the market. It was an eye-opener for me. The same was the position in Macedonia.

Baroness Hilton of Eggardon: Is it the German Government who are pushing that or the business world?

Mr Michael English: The German Government.

Mr Jonathan Mitchell: There is quite a big thrust from the business world as well.

Mr Michael English: You are right about the foreign diaspora in those countries. It is very high.

The Chairman: Let me follow that up because you began by telling us that there are massive opportunities. You went on to address the corruption problem and you said it is an irritation but not necessarily a drag. I think I have explained the way you put it. If this is the case, why is it that our trade with the western Balkans is so small? Is it because we just cannot be bothered? Why does the UK do so badly there?

Mr Jonathan Mitchell: It is because the UK does not see the opportunities, but UK businesses and the City of London worry a heck of a lot about country risk. Corruption is a drag on business. You can work around it in a compliant way but it is a huge drag on business. If you are looking to invest, the principle of intervening opportunities applies. You would probably rather invest in Croatia than in Kosovo or, maybe, in Bosnia. I do not know what the corruption levels in Bosnia are like. It is almost “anywhere other than Kosovo”. It is Macedonia definitely rather than Kosovo. There is no question that it would be Albania rather than Kosovo. Kosovo competes incredibly badly in perception terms. The region as a whole competes pretty badly with most other places, certainly in Europe. The reason why there is not more British business is because British business feels that “there be dragons” and also it is a pretty small market. If you are looking to sell something, the market is tiny.

Mr Michael English: Also, there is the visa regime. It is very difficult to get a visa. The length and cost of the process that you have to go through
make it very difficult. If you want to sell something, invariably, the buyer will want to come to the UK, and it is very difficult to get a visa.

**The Chairman:** Thank you. Do any of my colleagues want to come in finally?

**Lord Hannay of Chiswick:** Mr English, you put a lot of emphasis on education. Does it not seem, therefore, that we ought to be more proactive in trying to construct helpful links in education with the western Balkans, because that, surely, is an area where we are market leaders?

**Mr Michael English:** Yes. Exactly.

**Lord Hannay of Chiswick:** We are purveying something known as the English language, which the other countries with whom we would be competing are not, or not to the same extent. Are higher education and other education services something that a post-Brexit British Government ought to be looking at?

**Mr Michael English:** Certainly, 100%. I can give you an example on this. About five years ago I did a study in Macedonia—it was a kind of gap analysis—between university and business. I was seeing whether, when they came out of university, they were prepared for business. I did a lot of work on that. Two years ago, I had an idea about looking at setting up a centre of engineering excellence in Macedonia. I approached Warwick University, and they were extremely interested in doing this. We signed an MoU in September of last year with Warwick and the Ministry of Education and Science in Macedonia. It was signed by Lord Bhattacharyya, who is one of your colleagues. Then we got Brexit. We were looking to the EU for funding. There was a call last year for a centre of excellence over a three-year period. It is about €4 million, but we could not go for it because it would have gone beyond the period. The Government have changed again, so we hope we will get it back on the agenda. It is a great opportunity. It is one example of developing education in that country. I am also talking to people about setting up an academy for cybersecurity. I have a number of companies in the UK that would be interested in joining that, with a key university in Macedonia. The Government, I believe, are behind that as well. So, yes, opportunities exist there, as well as getting students into the UK and language schools.

**Lord Hannay of Chiswick:** Then you come up against the visa problem.

**Mr Michael English:** Yes, exactly, and the cost.

**The Chairman:** Thank you. We are most grateful. You have enlightened us enormously.
Dear Lord Jopling,

Thank you for sight of the DIT paper. You asked me to comment. I found it thought-provoking.

As a taxpayer, I applaud the DIT's systematic approach to the deployment of its limited resources. As a representative of a group of people and companies that see, day to day, the considerable UK investment potential in a part of the Balkans where the DIT does little, I believe that the time may be right for it to reassess its approach to the region. The DIT's highlighting of the Western Balkan Summit in July is helpful.

The notion of the Balkan Marshall Plan that emerged from the Balkan Summit in Trieste this year came up in the discussions I held with German counterparts to which I referred in my evidence. We all agreed it was positive. However, we also noted that not only were investors deriving little directly from the Berlin Process but western governments appeared to be placing insufficient emphasis on the role that western commercial investment could play in bringing stability, prosperity and eventual EU accession to the Balkans. We agreed to work on ways to overcome the disconnect.

It did not occur to me at the time that the next Western Balkan Summit might be a mechanism for this but, given the remit of the Berlin Process, the DIT paper makes me think that it might be something to at least consider. If, as hosts, HMG can set the agenda, a theme examining country risk and how to mitigate it, investment incentivisation and the role of investment in promoting growth might prove to be an excellent way not only to further the cause of UK overseas investment but for the UK to show a level of European leadership which few will expect as we head towards Brexit.
I and my colleagues would be very happy to support the DIT in a reassessment of the SW Balkans and, should the idea of using the summit as I suggest take hold, to help develop the thinking. If you could identify a suitable point of contact in the Department, I would welcome the opportunity to meet them in order to discuss this. Perhaps the FCO might also engage?

I am, My Lord, very much at your disposal should you wish to discuss this or any other matters arising.

Yours sincerely,

[Signature]

Jonathan Mitchell
The UK’s interest in the Western Balkans

1. The UK’s primary interest in the Western Balkans is for the region to be peaceful, stable and prosperous, and for the countries to be run by democratic governments that respect rule of law and good governance. The UK has an interest in the outstanding status issues of the region being resolved, a lowering of inter-ethnic tensions, and the development of friendly relations among the states of the region. Supporting the states to become members of the European Union will remain an overarching interest for the UK even after it leaves the EU.

2. The UK has invested substantial military, diplomatic, and economic resources in the Western Balkans since the breakup of Yugoslavia. It has been instrumental in ending the wars in Bosnia and Herzegovina and in Kosovo, been a leading player in peacemaking efforts, and dedicated significant resources to reform and development in the region. The UK has a strong interest in ensuring that this investment is not squandered. The negative effects of instability or state failure in the Balkans would quickly spread to the rest of Europe.

3. Notwithstanding Brexit, the UK has a fundamental interest in supporting the EU accession process for the countries of the Western Balkans. The prospect of EU membership is by far the strongest incentive for reform that these countries have. It is a major stabilising factor for the region and provides a political framework within which to resolve the outstanding status issues. For instance, the membership perspective for both Serbia and Kosovo ensures that the EU-facilitated dialogue between Belgrade and Pristina continues.

4. But the UK finds itself in an awkward position vis-à-vis the Western Balkans because of Brexit. The UK’s interest in promoting EU accession for the region remains unchanged. But Brexit makes it difficult for the UK to make the case for the EU to the Western Balkans in a convincing manner.

Military-industrial links with Russia and consequences for NATO

5. The Western Balkans is not a major foreign policy priority for Russia. But the region has strong emotional connotations in Russia and provides low-cost opportunities for Moscow to disrupt Western objectives. In particular, it is a region in which Russia can scuttle further NATO enlargement. As EU-Russia relations have deteriorated over the past few years, Russia has shifted its position from rhetorical opposition to
the Balkan states becoming NATO members to, today, proactively working to prevent NATO enlargement in the region.

6. Russia has been particularly active in fostering even closer ties with Serbia since 2014. In October 2014, as most of Europe shunned President Putin over the annexation of Crimea, he was hosted in Belgrade at a major military parade where he was awarded the Order of the Republic of Serbia. This visit was used by Presidents Putin and Nikolic to stress the importance of their alliance, both military and political. The two countries have also held joint military drills, most recently in June in Belarus, close to the border with Poland. In December 2016, President Putin promised Serbia a ‘donation’ of 6 fighter jets, 30 tanks and 30 combat vehicles. President Vucic has also expressed an interest in purchasing Russian S-300 missile systems, stating that it needs this capacity to help prevent any potential repeat of NATO’s military intervention in 1999.

7. Moscow opposes Bosnia and Herzegovina’s membership of NATO and has strengthened its ties with the President of Republika Srpska (RS), Milorad Dodik, who has also expressed an interest in buying military equipment from Russia. Special police units from RS already receive training in Russia; officials state that they work with the Russian police mainly to combat terrorism, and to fight the drug trade and human trafficking. Further steps by Bosnia and Herzegovina towards NATO membership, such as receiving the Membership Action Plan, is likely to spark a reaction from Moscow.

8. The foiled coup attempt in Montenegro in November 2016 is the most egregious example of Russia’s willingness to proactively obstruct Western objectives in the Western Balkans. After Montenegro joined NATO in June 2017, the Russian Foreign Ministry threatened a response and said, “as in physics, in politics for every action, there is an equal and opposite reaction.” It remains to be seen whether Russia will continue its efforts against Montenegro now that it is a NATO member, or if it will set its sights elsewhere.

9. While Montenegro's membership in NATO does not mean a great deal in strategic terms for Russia, it represents the expansion of the alliance, which in itself is considered a threat. For Moscow, fostering instability and blocking reform in the region is useful as it serves as a repudiation of the euro-Atlantic transformative model and also undermines the credibility of Europe’s transformative power in the eastern neighbourhood.

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Key political and governance challenges facing the Balkans

10. The single greatest political and governance challenge is the return of “strongman” leadership in the Western Balkans. The most prominent examples are President Aleksandar Vucic in Serbia and former Prime Minister Nikola Gruevski in Macedonia. Their rule has done much to undermine healthy democratic politics, good governance, and freedom of the media. This method of governance provides the semblance of stability but creates underlying instability in the long run.

11. In Bosnia and Herzegovina, the primary challenge is political gridlock and stagnation. The country is making little progress towards EU accession as political elites continue to block reform largely because of vested interests. This situation risks festering, leading to growing discontent and instability. Kosovo is still struggling to develop its economy, build functioning institutions, and build a truly multi-ethnic society. The non-recognition of Kosovo’s independence by five EU member states is an impediment to its development and could pose problems for its accession prospects.

12. The UK should work together with the EU to take a firm line on the Copenhagen criteria, send clearer and stronger messages, and be more willing to call out leaders who obstruct reform and the EU accession process.

Implications of Brexit for UK policy, influence and standing in the region

13. Secretary of State Boris Johnson stated that “Peace in Europe must be preserved with a continuous investment of will and materiel. Britain has played an outsized role in safeguarding the continent and, in this respect, our departure from the European Union will change nothing”. In fact, it will change everything.

14. As it leaves the EU, the UK will be able to pursue an independent policy from that of the EU in the Western Balkans. This independence will not mean much, however, since the UK will continue to share the same objectives as the EU and indeed continue to have an interest in furthering the accession process. The UK will therefore find itself aligning with the EU but with little influence over determining the EU’s actions.

15. Not being a member of the EU, the UK risks losing much of its leverage in the region since it will have no say on the accession process or final decision to grant membership – which remain the underlying strategic objective of the countries of the Western Balkans and a fundamental source of leverage for the EU and its members. With Brexit the UK risks being relegated to the side-lines, able to cheer and boo but mostly occupied with watching the action on the pitch.
Dr Jonathan Eyal, Associate Director, Strategic Research Partnerships and International Director, Royal United Services Institute (RUSI) (QQ50-67)

Transcript to be found under Mr Michael English
Foreign and Commonwealth Office – Written Evidence (BUB0018)

Introduction

1. The UK’s commitment to the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia) is long-standing and enduring. 72 UK service personnel lost their lives bringing peace to the region since 1992. Given the fragile stability, direct threats to the UK and the presence of malign influences in the region, the Western Balkans remains central to UK interests and European security. We work with international partners to ensure that the Western Balkans becomes a stable, secure, rules-based and ultimately prosperous region.

2. Despite advances, including Albania’s and Montenegro’s NATO accession, the launch of EU accession negotiations with Serbia and Montenegro, and Macedonia’s emergence from crisis, risks and threats are increasing. Vested interests, state capture and weak governance allow space for organised crime (including drugs and human trafficking), illegal migration, radicalisation and potential terrorism. 900–1,000 foreign fighters travelled to Syria and Iraq from the region, from a combined population of just twenty million (although there have been very few departures since 2016). For a variety of reasons, the Western Balkans is a source and transit point for illegal migration and arms smuggling (for example, firearms from the region were used in the 2015 Charlie Hebdo terrorist attacks in Paris).

3. Russia’s increased interference in the Western Balkans, as seen in the attempted coup plot in Montenegro in October 2016 and its support for the destabilising activities of political leaders in the Republika Srpska (RS) in Bosnia Herzegovina (BiH), is of particular concern. Euro-Atlantic integration – the bedrock of UK, EU and US engagement in the Western Balkans since the late 1990s – provides an opportunity unique to this region to effect change and has underpinned stability and built resilience; it has not yet, however, entrenched irreversible progress and reform. The prospect of EU membership still unifies divided countries/communities and a divided region. But it is increasingly seen as a distant or abstract prospect by some in the region.

4. The UK’s long-standing relationship with the region, reputation and expertise mean that we are well placed to influence, bilaterally, multilaterally and through ad-hoc joint initiatives. We are active supporters of efforts to normalise relations between Serbia and Kosovo including the EU facilitated Dialogue, which was

40 Of these 72, 13 were as a result of hostile action and 59 were as a result of Other Causes. Further information on the conflicts of the 1990s, and the UK’s role, is set out in Annex A.
launched under Baroness Cathy Ashton’s mandate as High Representative. In November 2014 the UK and Germany launched an initiative to kick-start reform into BiH’s EU accession path, while a separate UK and US initiative secured adoption in 2016 of BiH’s Defence Review, which provides a framework for closer integration with NATO. We have strong representation in all six countries of the region and deployments to EUFOR Operation Althea in BiH and EULEX and KFOR in Kosovo. We spend £20m bilaterally to help improve the rule of law; support the implementation of much needed democratic reforms; and develop the region’s business environment and economies. We also spend through multilateral organisations (including £125m through the EU).

5. In her 17 January Lancaster House speech, the Prime Minister identified the Western Balkans as a region in which the UK Government has played, and will continue to play, an active role in promoting European prosperity, stability and security. Our Western Balkans Summit in 2018 is a demonstration of that commitment to the region and recognition by major European partners, such as Germany, of our strategic role. In recognition of the challenges in the region and our interests, we plan to increase our level of engagement and spend in the coming years.

Geopolitical context

6. Russia, China, Turkey, and the Gulf States also all have significant interests in the Balkans.

7. There are many strands to Russia’s long standing and complex relationship with the region: political and diplomatic; historical and cultural; energy and wider economic and financial interests; soft power (including cultural, educational, and religious cooperation); Russian information campaigns and penetration of local media; links between politicians, as well as some donor assistance and significant military and intelligence cooperation.

8. In 1995, Russia was a member of the Contact Group that negotiated the Dayton Peace Agreement in BiH and, with President Ahtisaari of Finland, helped negotiate UNSCR 1244 on Kosovo. Until 2006 Russia worked with EU Member States and the US in the then G8 and the Contact Group to reinforce stability and peace and security in the Western Balkans. Since 2006, however, Russia has been pursuing an increasingly confrontational approach. Despite a brief attempt with the EU and US to broker a peace agreement between Serbia and Kosovo in 2007, Russia has proved largely inimical to Euro-Atlantic integration, as demonstrated by the Montenegro coup attempt.

9. There has been growing Russian interference in Macedonia since the start of the 2015 political crisis, which increased significantly immediately after the December 2016 elections and stoked inter-ethnic tension. In Serbia, concerns
over media freedom are compounded by the dominance of Sputnik, the most quoted news source in the country. Anti-Western and pro-Russian commentary has increased significantly, and with it, the bolstering of “pan-Slavic / orthodox solidarity”. Russia presents to local publics a far higher image of trade and defence cooperation than is in fact the case. While Russia continues to recognise the sovereignty and territorial integrity of BiH as a member of the Peace Implementation Council (PIC) Steering Board, it has supported (some) destabilising and anti-Dayton activities of political leaders in Republika Srpska (RS). This includes the illegal referendum held in the RS in 2015 on the holding of a RS national day. Russia also vetoed a 2015 UN resolution on the Srebrenica genocide.

10. **Turkey** also has a deep historical role in the region and the presence of Muslim communities throughout the countries of the former Yugoslavia largely derives from the Ottoman era. In 1995, Turkey became the representative of the Organisation of Islamic Cooperation on the PIC Steering Board and its relations with the region have concentrated on BiH and Kosovo. Since the failed coup in Turkey, the Turks have asked Western Balkans governments to close a number of educational and religious establishments. To date the Western Balkans governments have not done so.

11. A NATO member and EU candidate country itself, Turkey supports the Euro-Atlantic aspirations of the Balkan countries. It contributes to EUFOR Operation Althea in BiH and NATO’s Peacekeeping Mission (KFOR) in Kosovo, and is a significant investor and trade partner in the Western Balkans. Turkey spent £122m in aid in the Western Balkans in 2015.

12. In recent years, there has also been an increase in foreign investments (in particular in infrastructure) from the **Gulf** states and **China**, with financial support particularly as loans coming without the need for reforms often linked to Western assistance. China has significantly scaled up its interest in the region, which forms part of its One Belt, One Road initiative. Chinese companies have bought Europe’s third-largest port – Piraeus – in Greece and the concession to run Tirana International Airport. It has also provided finance for a range of large infrastructure projects such as the Pupin Bridge (£156m) in Belgrade and a new Belgrade-Budapest high-speed rail link (£2.76bn).

13. The EU, Germany and US are the biggest donors in the region (£411m, £218m, and £150m respectively). The UK Government will continue to work with the EU and US to promote stability and security in the Western Balkans, by aligning diplomatic and programmatic interventions. German Chancellor Merkel has devoted significant time and energy in the region, including in 2014 launching the so-called Berlin Process to bolster intra and inter-regional cooperation. Our Summit next year is part of this Berlin process.
14. The IMF, World Bank, EBRD and EIB are key partners in the region – their economic and political leverage can help to drive forward much needed reforms. And we are committed to play a leading role in multilateral fora such as the UN, OSCE, NATO and G7, to deliver our collective security and stability objectives.

**Political, security and economic challenges**

15. All countries in the Western Balkans experience varying degrees of state capture, including weak rule of law and governance. Powerful individuals, political parties, executive branches, and state-run companies dominate institutions in much of the region. In many cases media are controlled by, or beholden to, those in power. Corruption is a major problem. Like other partners⁴¹, we are concerned that there has been increased backsliding on freedom of expression in some countries in the region. This includes political interference in the work of public broadcasters, a lack of transparent public funding of media and intimidation of journalists. Political links to organised crime (and vice versa) tends to be a feature of governance. Court systems are inefficient and often subject to political interference and corruption. Weak rule of law and entrenched interests undermine resilience, cause inter-group conflict and reinforce a sense of exclusion and unfairness in society. This diminishes the prospects for meaningful reform and long-term stability. While there has been some progress in adopting public administration reform strategies and public financial management reform programmes, driven by the EU accession process, there has been limited implementation and enforcement in many parts of the region.

16. **Organised crime** in the Western Balkans poses a direct threat to the UK. Albanian crime groups have established a high-profile influence within UK organised crime, and have considerable control across the UK drug trafficking market, with particular impact and high-level influence on the cocaine market. Criminals from the Balkans are increasingly expanding their network of influence, forming direct relationships with cocaine suppliers in Latin America. Serbian crime groups dominate high-volume maritime cocaine logistics.

17. **Extremism and radicalisation**: The UK Government is concerned about increased nationalist politicking. Islamist extremism is present in BiH, Kosovo, Macedonia and Serbia’s Sandzak region. The conflict in Ukraine also lured nationalist Serb fighters from the region. The drivers of radicalisation in the region remain. As well as the links to radicals in the diaspora, the challenges include home-grown extremism, the return of foreign fighters and radicalisation in prisons. Attacks in the region may be indiscriminate in targeting and effect.

18. Nationalistic posturing and extremist rhetoric by political leaders exacerbates tense ethnic relations within and between countries of the region, and

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⁴¹ European Commission’s 2016 Enlargement Package progress report
contributes to instability. Much remains to be done on reconciliation following the conflicts of the 1990s, and ordinary citizens still fear a return to violence in several parts of the region. Denial of proven war crimes, including genocide, is widespread and used cynically by nationalist politicians. The slow prosecution of war crimes has also not helped the process of reconciliation. The legacy from the various wars, including from sexual violence, has resulted in trauma and social exclusion, and subsequent problems with poverty, unemployment and lack of health care. Divided and divisive education is another aspect of a failure to deal with the legacy of war. Segregation in schools is a problem in BiH, south Serbia, Kosovo, and Macedonia. Different ethnicities tend to live in separate communities. They have little opportunity to get to know each other.

Experience has shown that post-conflict reconciliation or resolution is a multi-generational process. We continue to urge local politicians to lead by example and make greater efforts to reconcile their communities.

2015 and early 2016 saw a dramatic increase in the numbers of migrants using the Western Balkans as a transit route to Western Europe (the vast majority having travelled through Greece), placing economic, logistical and political strain on the region and fuelling organised immigration crime. Macedonia and Serbia were the Western Balkans countries most affected. In March 2016 borders along the route closed, leaving people of varied nationalities stranded. The borders remain tightly controlled and there are no signs that they will be opened anytime soon. Since October 2015, the UK Government has provided £17m in humanitarian assistance to refugees and migrants moving through and stranded within the Balkans (the six countries, plus Croatia and Slovenia). This support has provided life-saving assistance such as food, water, hygiene kits and infant packs, as well as more than one million emergency interventions, such as psychosocial support to refugees and migrants.

The UK Government is concerned about the high levels of youth emigration from the Western Balkans. While this serves as an escape valve which mitigates possibilities of social unrest, it also contributes to brain drain. It is estimated that 80,000 people have left BiH in the past four years; 400,000 Macedonians left their country in the past five years; and, around 80,000 Kosovars left in the first three months of 2015 (although significant numbers have returned). Serbia faces a long-term demographic crisis, and has one of the most negative population growth rates in the world. Migration numbers across the region are high enough to alter demographics – and potentially voting patterns, as certain socio-economic or ethnic groups leave in greater numbers than others.

While headline economic growth rates look reasonably positive, with around 3 to 3.5 percent forecast for 2017, this hides volatile local factors, exclusion and inequality. All countries face major structural economic and social challenges. Unemployment across the region in 2015 stood at 21.6 percent, with youth
unemployment at 45 percent (and stands at 67.6 percent in BiH, the highest in the world). There is a heavy reliance on remittances and domestic trade, and limited productive or value-added ability of local industry. Long-term stability in the Western Balkans will require inclusive economic private sector-led growth.

23. According to the European Bank for Reconstruction and Development (EBRD), unfriendly business policies are holding back the legitimate economies of the region and discouraging foreign investment. Businesses in the Western Balkans lose 13.2 percent of their annual sales due to a combination of crime, electricity issues, poor transport infrastructure, and corruption. The region’s GDP per capita is at about half that of Poland and Hungary, and a quarter of that of the EU’s richest members.

UK Role through Brexit

24. The UK Government wants to help the Western Balkans become a more stable and resilient region with improved capacity to tackle its own problems. Our historic involvement in the Western Balkans - in the conflicts, peace agreements and post-conflict transition - and our activist role as a critical friend since then has given us profile and influence. We are perceived as a champion of the region’s Euro-Atlantic perspective.

25. Our National Security strategy for the Western Balkans focuses on improving security, influence and prosperity: combating the impact from serious and organised crime and terrorism and building resilience within the region to tackle its own problems; building UK influence, galvanising international engagement and countering malign influence; and building long-term stability and prosperity within the region.

26. Our approach harnesses cross-HMG interests and capabilities and includes regional and country-specific approaches, delivered through our strong network of Embassies in the region and targeted operational and military deployments. We work closely with international partners.

27. For stability and post-conflict reasons, we continue to prioritise engagement on Serbia-Kosovo, BiH and Macedonia.

28. Examples of recent activity in the region include our increasing cooperation on security. We will launch a new Security Discourse with the region. We are also working closely with international partners to disrupt the activity of transnational organised crime groups, transiting and emanating in the region. In Albania we are increasing our cooperation with the government to improve its resilience to serious and organised crime (including support on judicial reform, prisoner management, and anti-corruption measures). We signed a new bilateral Extradition Treaty with Albania in April this year. The UK Government is also
working with the policy and security agencies and with State-level justice institutions in BiH to strengthen independence, professionalism and efficiency in tackling terrorism, organised crime and corruption. We are working with the authorities in Montenegro to tackle cigarette smuggling (we are now looking at expanding this work within the region).

29. The UK Government contributes to the security and stability of the region through our membership of the UN Security Council, through our membership of the Peace Implementation Council in BiH and our military contribution to EUFOR, KFOR, the EU’s rule of law mission (EULEX), NATO’s Advisory and Liaison Team to Kosovo’s Security Force. We are also working with the Western Balkans countries to develop more professional, multi-ethnic, and resilient Armed Forces through improvements in officer selection (BiH), and training.

30. The UK Government will continue to work with partners to improve governance and the rule of law, and increase transparency. In Kosovo, we launched a flagship project to ensure the appointment of senior heads of public institutions (e.g. Head of Customs) by a fair and transparent recruitment process. The UK Government is providing advice and capacity building support to the new government of Macedonia. This includes work to help embed political reform and improve transparency and provide communications support for the Office of the Prime Minister. Tailored advice is also being provided on the implementation of new public administration laws, with a focus on the implementation of reforms, strategic planning, training and equitable representation in the public sector workforce.

31. The UK Government has undertaken work to promote reconciliation, including within the framework of the Preventing Sexual Violence Initiative (PSVI) in the region – notably in BiH and Kosovo. Since the start of our work in 2013 in BiH, there has been a marked increase in prosecuting conflict-related sexual violence cases from the nineties. BiH courts have now completed 116 cases involving charges of conflict-related sexual violence against 162 defendants. This is more than any other country in the world. Following a landmark ruling in June 2015, courts in BiH have provided financial compensation to victims of sexual violence in six cases, to be paid by the perpetrators. TRIAL, the NGO that provided legal support to the survivors, was part-funded by the UK Government.

32. The UK Government continues to support the work of the International Commission on Missing Persons (ICMP). In March 2017 HRH The Prince of Wales met representatives of families of the missing to emphasise the need for coordinated regional work in this area.

33. The UK Government is also supporting the region to implement much needed economic reforms. This includes projects in Kosovo to encourage economic integration and business to business links between Kosovo-Albanians and
Kosovo-Serbs. This has contributed towards the development of 12 multi-ethnic and minority businesses/social enterprises/community initiatives, resulting in the creation of 78 new jobs, registration of two new minority businesses and one multi-ethnic partnership. We are supporting the development of links between the Chambers of Commerce in Kosovo and Serbia. In BiH, the UK Government is helping the government reform its labour laws and produce its first Transport Strategy (which unlocked approximately €130 million of EU funding to support infrastructure development across the country). Targeted programmes in BiH and Serbia are helping to improve transparency, tackle corruption, and improve the business environment.

34. The UK Government has reassured regional and European partners that the UK remains committed to the region and its Euro-Atlantic future. We continue to reinforce that message with action/engagement, both bilateral (including through increased programming) and through cooperation with other donors, including the EU and other multilateral partners. Our Western Balkans Summit next year will be an opportunity to showcase that commitment, UK expertise and ongoing co-operation with European Partners and it will provide a basis for longer-term UK engagement.

Submitted 15 September 2017
Annex A: Conflicts of the 1990s

How many lives were lost in the conflicts of the 1990s?
There are no agreed figures on the number of lives lost. The conflict in Bosnia and Herzegovina was the deadliest, with the International Criminal Tribunal for the former Yugoslavia (ICTY) estimating that more than 100,000 people were killed. The war in Croatia is estimated to have left around 20,000 dead, and around 10,000 are thought to have been killed in the Kosovo conflict. In addition to lives lost, many millions were forced to flee their homes, thousands of women were systematically raped, and many people remain unaccounted for.

How many British servicemen killed and wounded?
As at 17 February 2017, 72 UK Armed Forces personnel have died as a result of operations in the Balkans[1]. Of these 13 were as a result of hostile action[2] and 59 were as a result of Other Causes[3]. The table below provide further detail.

<table>
<thead>
<tr>
<th>Country</th>
<th>Gunshot wound</th>
<th>Road Traffic Accident</th>
<th>Medical issue/Accident</th>
<th>Mine strike</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>BiH</td>
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<td>15</td>
<td>15</td>
<td>5</td>
<td>51</td>
</tr>
<tr>
<td>Kosovo</td>
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<td>1</td>
<td>2</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Macedonia</td>
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<td>0</td>
<td>8</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Croatia</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
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<td><strong>16</strong></td>
<td><strong>27</strong></td>
<td><strong>8</strong></td>
<td><strong>72</strong></td>
</tr>
</tbody>
</table>

In 2007, Defence Statistics released historical casualty data for operations in the Balkans. This set out that between 1 January 2001 and 30 April 2007 there were 17 UK Armed Forces personnel seriously injured as a result of operations in the Balkans. Of these four were ‘Very Seriously Injured’, and 13 were ‘Seriously Injured’. Casualty data prior to 2001 have not been examined – the MoD have previously determined that data prior to 2001 should not be analysed due to the disproportionate cost and scale of staff effort due to the reliance on paper records for this period. Further details can be found within the MOD Defence Internet operations fact sheet, Balkans British fatalities dated 10 June 2006 in the link below.


What was the cost in aid and refugee numbers?
During the period 1990-2015, the UK Government committed $884m of Official Development Assistance to the Balkans region (including $640m of debt relief). From 1991-2001, data from UNHCR and the IOM suggest that the number of refugees/internally displaced persons in the region numbered in excess of 4.5 million.

[2] Hostile action is a battle casualty who is killed outright or dies of wounds received in action.
[3] Other causes are deaths due to: accidents; natural causes; assaults; coroner confirmed suicide or open verdicts; and cause not known.
1. The primary focus of the UK policy towards the Western Balkans countries that will participate in the Western Balkans Summit in London in 2018, could be to make a thorough evaluation of the current policy under the European Union and learn from the shortcomings of the current EU policy in addressing issues of particular concern such as corruption and organised crimes, migration, and democracy. Furthermore, this is a good opportunity for the UK to make an assessment on how it can support more effectively these countries in their complex transitions of becoming some fully functional democracies with a liberal market economy.

Rethinking the policy approach again corruption and organised crimes:

2. Since, since the end of the Cold War, the EU has become as a significant donor and a positive actor for strengthen independent institution, rule of law, and good governance structural reforms. However, the impact of the EU over the Western Balkans in addressing key issues such as corruption and organised crimes, makes it worthy of assessment in context of developing a UK policy towards the Western Balkans in particular after Brexit.

3. The UK needs to understand the most outstanding issues concern the Western Balkans and not respond in similar ways as the EU policy has done through satisfying certain legislative recommendations as set out in their annual EU Progress Report, as the whole process becomes a box ticking exercise with no long-lasting impact. Studies show that the people in the Western Balkans rank corruption as the most important problem facing their countries, right after unemployment and poverty. Therefore, the UK must assess its policy in the context how it can contribute to efforts against corruption and organised crime in the region through a more technical support to each individual country, rather than ‘name shaming reports’ that the EU has operated so far, for example with cases such as Romania and Bulgaria. The idea that corruption can be dealt with universal measures as the EU has currently done in the Western Balkans it is not a sustainable policy and it is insufficient. Thus, technical support in strengthen independent institutions to address corruption and organised crime might be more beneficial in the long run, and the UK should seek to jointly address these issue with each of the Western Balkans individually and reach out to grassroots civil society organisation.

4. At a first glance, it is easy to conclude that recommendations of the EU have found a response in most Balkan countries. However, the UK should try to avoid in replicating the EU’s one-size-fits-all approach toward the Western Balkans. As
numerous examples from the Western Balkans countries studies and EU policy suggest, treating corruption as a cultural phenomenon without any uniform characteristics from the specific countries, is likely going to be a missed opportunity for a thorough transformation. While a certain amount of generalisation might be useful to understand certain repetitive patterns across the countries in regions, an effective approach against corruption and organised crime needs to include sources and perception for the Western Balkans societies in particular. Improving the policy that has been used by the EU so far, can be a step forward for the UK in promoting peaceful relations and good governance policy in the Western Balkans region.

**Geopolitical context and future UK policy priorities**

5. Democracy in the Western Balkans has been backsliding for a decade and the EU policy towards the Balkans has been rather inadequate in supporting democratisation of the region. The Economist Democracy Index in 2016 considers all countries in the region as hybrid regimes and this finding shows a disappointing picture of democracy in the region which the UK needs to take into account in reshaping its policy towards the Western Balkans.

6. This decline of democracy in the region is part of global trend, visible also among EU member states such as Romania, Hungary and Poland. However, according to Freedom House findings in its 2016 Nations in Transit Report, the Western Balkans are back where they were in 2004 and thus none of the countries are a consolidated democracy. This wasted time should be considered as dramatic failure of the resources put, while considering the ever-closer ties of nearly all the countries of the region with the EU in which the UK has entrusted its policy towards the Balkans. Moving closer toward the EU, negotiating accession, receiving endless reports and recommendations, which none of these steps delivered the promised sustainable progress towards democracy as well as improving the living condition of citizens in this region. Therefore, the process of EU approximation has become unrelated to progress in democratisation in region and thus leaving the region vulnerable for other competing influence such as Russia, Turkey, Middle Eastern countries and China. Furthermore, the current policy approach by the EU has left autocrats in the Western Balkans to rule through informal power structures, state capture by ruling parties, patronage and control of the media. However, the UK needs to evaluate the situation in all of the all countries of the Western Balkans individually as they are not equal, and the features of flawed democracy vary amongst the countries that will take part in at the Western Balkans Summit in London.

7. The UK approach in post Brexit climate, should seek to support the Western Balkans countries institutions in their democratisation formation and offer support in human resources as still many institutions never were able to develop the independence, and more democratic governments failed to foster independent institutions since the end of the Cold War. The UK as well as the Euro-Atlantic partners in the region should be concern of the increase of Russian influence meddling in the Western Balkans. So far, the EU has been weak and it has undermined the Russian influence. Thus, leaving Autocrats in region to use
Russia and Turkey as model of governance to shore up their support. Therefore, if the UK wants to be successful in its new policy approach in the Balkans, it must not continue the status quo used by the EU.

8. The UK can focus to empower democratic institution in the region in supporting the involvement of constructive grassroots initiatives (i.e. NGOs, civil society organisations, independent investigative journalists) and also engage with communities from the Western Balkans residence in the UK. Civil society empowerment and direct engagement should strengthen the UK expertise and capacities to support the Western Balkans countries in their democratisation process and make a more effective policy towards the region.

**UK beyond Brexit: Rethinking migration policy towards the Western Balkans**

9. Youth unemployment is extremely high in most countries of the Balkans and the level of migration as well as desire to migrate from these countries are amongst the highest in Europe, and if not in the world. These countries with an official count of 18.2 million inhabitants have lost at least a third of their populations working abroad as economic migrants according to the recent Gallup poll of 2017. The UK can engage more effectively in addressing some of the key economic challenges facing the countries of the region by reevaluating first its relationship with communities from the Western Balkans in the UK and learning the main reasons for the high level of migration from this region. Thus, then engage with governments for this region.

10. Migrants from the Western Balkans are mainly labour migrants, but the response of politics so far is reactive and lacks a constructive approach in the UK and as well as in the EU policy. The current regulatory regimes, including those also at the EU, largely ignore the needs for labour migrants. Thus, restrictive migration policy creates informal and illegal work, combined with criminal and corrupt practices, which can also be found operating in the UK.

11. The paradoxes of regulatory migration regimes produce social anomia and the UK can adopt a new approach to regulating labour migration with a key focus on migrant communities in the UK form the Western Balkans. Furthermore, the UK might want to take the Western Balkans communities efforts seriously in regulating migration from this region. The UK might also want to evaluate the potentials of communities from the Western Balkans and seek to create a partnership on how to regulate labour migration from the Western Balkans in the UK. Citizen involvement in problem solving of labour migration can be an asset in shaping a coherent and effective migration policy, and getting to the root of the issues faced in the country of origin which leads to large scale of migration.

12. The UK policy might want to start to investigate some of the main reasons for mass migration, by focusing primarily in the living conditions in the countries of
the Western Balkans and evaluate the pivotal role that labour migration play in supporting families in the region.

Submitted 05 September 2017
Institute for Democracy Societas Civilis – Written Evidence (BUB0019)

What are the UK’s interests, direct and indirect, in the Balkans? How are these likely to evolve in the near future?

1. A stable, peaceful and prosperous Balkan region is the UK’s primary interest. There are two main processes that will significantly influence the evolution of these interests: 1) the pace of the EU accession process, together with the subsequent implementation of EU-related reforms, and 2) the outcome of negotiations between the United Kingdom and the European Union, and the role of the UK in post-Brexit Europe. However, in order to sustain, nurture and further advance its own interests in the Balkan region, the UK should place special emphasis on security issues, such as radicalisation, terrorism, illegal migration, fighters returning from Syria, and the rule of law. The UK should explore new avenues for collaborating with the Balkan countries in tackling these issues, which should be complementary to those promoted by the EU and implemented by the EU’s justice and home affairs agencies in the region.

Are some countries in the region building closer military-industrial links with Russia? If so, what are the consequences for NATO?

2. While Russia’s military influence in Kosovo is out of the question for obvious reasons, Bosnia and Herzegovina, and Macedonia are still vulnerable to such developments, especially considering the long-standing obstacles to them joining the alliance. The situation is more complex in Bosnia and Herzegovina, where the entity of Republika Srpska has strong ties with Russia, which are most explicitly operationalized through Russian training for the Republika Srpska’s Special Forces and the entity’s plan to buy Russian weaponry. However, the only country in the Western Balkans which has established continuous military-industrial cooperation with Russia is Serbia, which is also the only country in the region to have ruled out NATO membership. In addition to Serbia providing a platform for Russian transport aircraft flying to Syria, the military cooperation between Russia and Serbia culminated in Serbia buying discounted military jets from Russia. Furthermore, the establishment of the “Russian-Serbian Humanitarian Center” in the city of Nish is indicative of further military cooperation between the two countries.

3. The combination of stalled NATO membership prospects and increasing Russian influence has the potential to disturb NATO’s projected vision for the region and its Euro-Atlantic integration as a whole. This has the potential to negatively influence the plans of the Alliance to prevent Russian military penetration in the region thus weakening its commitment towards the European security.
4. To address these challenges, NATO should increase its efforts to build resilience capacity for the countries in the region, and work more closely with them in overcoming the obstacles to membership of the Alliance.

What are the key political and governance challenges facing the countries of the Balkans, and what policy options are open to the UK to support stability in the region?

5. Balkan countries face similar patterns of political and governance challenges. The state and judicial institutions face continuous derogation due to strong Government meddling, which seeks to impose party control over employment policies at all administrative levels, thus weakening institutions. The newly employed staff are often taken from, or are closely related to, the ruling political parties, and lack expertise, professionalism and ethical standards. This constellation of circumstances contributes to clientelism and nepotism in the administration, since employment is often perceived as a reward for achievements and work for political parties and their interests. As a consequence, this leads to low trust from citizens in institutions. In different terms, these processes have led to state capture by a narrow political elite, resulting in growing authoritarianism, corruption and impunity, as is the case in Macedonia.

6. The most effective way the UK can support the region is through continuous support in building a strong, sustainable, independent and resilient state and judicial institutions. An additional line of support could be oriented towards bolstering civil society organizations by enhancing their capacities to provide assistance in devising policy solutions and monitoring the implementation of these policies by the state and judicial institutions.

What action should the UK take to tackle corruption and organised crime in the region? What impact is this having in the UK?

7. Corruption in the Balkans is widespread and involves all levels of the state, from administrative corruption and bribery, to the highest levels of policy-making. There has been no sustained policy breakthrough in anticorruption, although there have been efforts to deliver technical solutions and to improve the functioning of law enforcement institutions, mostly with support from the EU. Reducing corruption requires relevant institution-building measures and creating the social preconditions for establishing the rule of law. In that context, the wider civil society in the region can contribute by triangulating their efforts and finding a common platform with reform-minded local politicians, state institutions and regional, European and international stakeholders, so as to work on anti-corruption monitoring, prevention and prosecution.
8. The UK should provide assistance in three sectors: 1) technical assistance to the Government and independent institutions in their attempts to tackle corruption; 2) support for civil society organizations working on anti-corruption; 3) support for independent media engaged in investigative journalism. Both the wider civil society and academia agree that the political will to tackle corruption, though necessary, fluctuates over time, so long-term resistance to corruption can be sustained by independent media uncovering cases of abuse of power, and by civil society mobilising collective action against corruption.

What are the implications of Brexit for UK policy, influence and standing in the region?

9. The UK would have greater influence as part of the EU than outside it. Accordingly, Brexit will decrease the influence of UK in the region in tackling political (regional) issues such as, for example, the Serbia-Kosovo issue. In addition, the mere fact that these countries are thriving towards the EU, and the UK will no longer be part of, additionally reduces its influence and standing in the region. It is very difficult to predict what will happen with the initiatives that are being undertaken by the UK in some of countries in the region. Just take as an example the UK/German initiative for reforms in Bosnia. At a policy level, the ability to influence and to assist in the implementation of reforms will remain the same, and may even increase in the area of security. Overall, UK will be still regarded as one of the most influential political actors in the region; however, greater influence on hot political issues will be lacking due to Brexit. In this sense, initiatives such as hosting the 2018 Western Balkans Summit (the Berlin Process) are very important, and give a signal to the countries in the region that the UK is still engaged, and will remain engaged in the region.

Submitted 15 September 2017
International Rescue Committee UK – Written Evidence (BUB0028)

Executive Summary
1. The International Rescue Committee (IRC) welcomes the decision of the International Relations Committee to hold an inquiry into the UK and the Balkans, especially with the inclusion of questions on migration in the region. The IRC is focusing this written evidence on the patterns of migration through the Balkan region and highlights recommendations to the UK Government moving forward. We stand ready to provide the Committee with any further information relating to the points that follow and would be willing to provide oral evidence to the inquiry.

Section I: The International Rescue Committee (IRC)
2. The IRC works in conflict-affected and fragile countries around the world to deliver life-saving assistance to people affected by war and disaster, and remains working with communities to assist with rebuilding through the post-crisis phase. Our presence in some 40 countries in education, health, protection, environmental health, women’s protection and empowerment, and economic recovery programming provides us with an expert understanding of humanitarian and development challenges in contexts of conflict and fragility.

3. The IRC works with local partners in Serbia to implement protection programmes with a special focus on women, children and other vulnerable individuals. Further to this, the IRC supports Serbian authorities to provide better care to the most vulnerable refugees, asylum-seekers and migrants, and improve accommodation facilities. In Bulgaria and Hungary, the IRC is implementing protection programmes with three Bulgarian and one Hungarian partner. Finally, the IRC monitors migration in Macedonia, Romania and other countries across the Balkans route.

Section II: Root causes of migration in the Balkans
4. Ongoing conflict in countries around the world are causing high levels of displacement. Millions of individuals are fleeing war and regimes such as ISIS and the Taliban in order to save themselves and their families. Many of these individuals suffer psychological and physical effects of war.

5. The ongoing Syrian war has destroyed the structure of Syrian society, resulting in a shattered economy, bombed schools, medical facilities and other civilian infrastructure, and widespread daily insecurity and violence. This has subsequently led to over 5 million people fleeing their homes. Hundreds of thousands of civilians have been killed. It has become the largest humanitarian crisis of the 21st century.
6. The vital and growing needs of refugees have strained host countries’ resources and infrastructure, and exacerbated pre-existing issues regarding resource scarcity, such as children’s access to education and peoples’ access to legal employment.

7. 2017 has been one of the most violent years in Afghanistan for security incidents since the ousting of the Taliban by the Northern Alliance more than a decade ago.

8. There is a need for the continuation of support to and leadership in the global efforts to resolve conflict and invest in the sustainable development of countries such as, but not limited to, Afghanistan, Iraq, Syria and South Sudan. ‘Global Britain’ has shown great contributions to these efforts, however, now is a vital time to continue this and show continued leadership.

Section III: The Balkans Migratory Route

1. The so-called Balkan route consists of Macedonia, Serbia, Hungary, Bulgaria, Croatia, Romania and Slovenia.

2. The EU-Turkey Statement has not stopped refugees from seeking alternate routes into Europe – including the use of the Black Sea from Turkey to Romania. Thousands of refugees, including unaccompanied and separated children (UASC), continue to transit through Serbia and other Balkan countries.

3. Of those moving onwards irregularly, most travel from Greece via Macedonia to Serbia or cross directly from Bulgaria to Serbia in order to then try to cross to Hungary, Croatia, or Romania.

4. People moving onwards irregularly from Greece and Bulgaria reported abuses at the hands of smugglers, as well as being beaten, and set upon by police dogs, the UN Refugee Agency (UNHCR) said in its new “Desperate Journeys” report. Allegations of push-backs by state authorities continued, including in Bulgaria, Croatia, Greece, Hungary, Romania, Serbia, and Macedonia. There were also reports of access to asylum procedures being denied and allegations of violence in some instances.

5. On August 14, a young man committed suicide by throwing himself under the wheels of a moving locomotive in Sid, near Serbia’s border with Croatia. In the same town last November, a 23-year old committed suicide after several unsuccessful attempts to cross the border irregularly. As options for onward movement decrease, these tragic incidents highlight the need for systematic psychosocial support to refugees and migrants stranded along the so-called
6. According to the EU’s data on asylum seekers in 2016, there were over 39,000 asylum applications lodged for unaccompanied children. Since most refugee children hope to travel beyond the Balkans and farther into Europe, they often fear and avoid formal registration and detection by the authorities. The actual number of UASC present in countries along the Balkan route is therefore likely much higher than official estimates.

Section IV: What are the patterns of migration through and from the region? What have been the consequences for the region?

Across the region

7. A total of 3,412 people arrived along the so-called Eastern Mediterranean Route between January 1 and July 31, 2017 (IOM).

8. As of September 10, 2017, 7,200 refugees and migrants were in government-run centres in countries along the Balkan route, with hundreds more moving under the radar each week towards Western Europe (IOM).

Serbia

9. According to IRC’s partners in Serbia, the number of irregular arrivals was on a slight increase late August and early September, though only a fraction of the mass influx of the previous summer.

10. 4,061 refugees, asylum-seekers and migrants were counted in Serbia on 10 September. 3,754 were housed in 18 government-run centres. Among them, at least 300 are UASC. 225 new arrivals have been recorded from August 28 – September 10, almost doubling from the previous fortnight, when there were 120 arrivals (UNHCR). Most were Yazidi families from Iraq, mainly arriving from Bulgaria.

11. Hundreds of people continue to try and cross the borders irregularly and stay in urban and rural informal shelters, including 100 individuals living in Belgrade.

Bulgaria

12. At the beginning of September 2017, there were about 2,200 refugees, asylum-seekers and migrants in Bulgaria according to a regular report by the country’s Interior Ministry.

13. Most of the migratory pressure is at the border between Bulgaria and Serbia, as individuals try to make their way onwards to Western Europe.
14. The danger of drowning across the Mediterranean has forced people to seek alternative routes, and in the summer they headed to the Maritsa and Rezov rivers. Organisers of cross-border traffic take between EUR 2,000 and 3,000 per person for the transfer and about EUR 10 for forged documents (Bulgarian Interior Ministry).

15. Bulgaria, which in 2015 pledged to accept 860 asylum-seekers transferred from Greece, has so far accepted 50 according to the European Commission’s most recent progress report on the EU’s temporary emergency relocation scheme.

**Hungary**

16. According to the International Organisation for Migration (IOM), Hungary currently hosts 551 asylum-seekers.

17. In a recent statement, UN High Commissioner for Refugees Filippo Grandi said that Hungary clearly intends to “severely limit” the access refugees have to protection in the country and expressed his particular concern with Hungary’s practice of detaining asylum-seekers in closed centres at the border while they await decisions on their applications and appeals.

18. The Hungarian government has decided to extend by six months, until March 2018, the state of emergency declared early last year because of the migrant crisis.

**Other Balkan Countries**

19. Croatia is hosting 526 asylum-seekers (IOM).

20. Slovenia is hosting 234 asylum-seekers (IOM).

21. Macedonia is hosting 47 asylum-seekers in two centres (IOM); however, many more are known to be in transit each day under the radar.

**Unaccompanied and Separated Children**

22. The number of children stranded in the Balkans who could be eligible to join family in the UK and elsewhere in Europe is unknown, and the IRC is urging the UK Government to ensure appropriate resources are available to identify eligible children in the Balkans and support them through the family reunification process.

23. In May 2017, UNICEF warned that tens of thousands of children are stranded in countries along the so-called Eastern Mediterranean Route, including Greece, risking long-term psycho-social distress. While the numbers accommodated in camps have decreased as many choose to move forward irregularly, thousands of children remain in countries along the Balkan route. For example, roughly 40% of refugees, asylum seekers and migrations
registered in Serbia are children.

24. UASC face a very high risk of violence, including gender-based violence (GBV), and some fall into the hands of traffickers. Those arriving to a new country with smugglers are often in immediate need of medical assistance, food and rest. They require specialised child services including psychological support. Despite this, in Serbia, Bulgaria, FYROM and Croatia, identified UASC are not consistently provided with safe accommodation options or services, including in specialised centres which are overcrowded and underfunded.

25. Best interest assessments (BIA) and best interest determination (BID)\(^1\) are often carried out in an ad hoc manner, using different criteria, with language barriers when translation is poor or non-existent.

26. Smugglers often also prey on UASC under 14 to support them in gaining clientele, because children cannot be prosecuted for these offenses—for example, English-speaking UASC in camps are used by smugglers as interpreters. NGO staff report that smugglers are highly visible and there are reported instances when the smugglers purposely separate sibling groups or children from their parents to have better control of them.

27. The situation is particularly acute for single mothers travelling with children. In addition to suffering psychological distress, they are also exposed to a heightened risk of violence if they decide to move on irregularly. Those deciding to move on irregularly expose themselves to risks of trafficking, sexual violence, exploitation and other abuse. Keeping families together is the best way to ensure that families are protected.

**Section V: Implications for the UK - Recommendations to the UK Government**

28. There are a number of policy adoptions the UK Government could make which the IRC has outlined below.

29. The Department for International Development (DfID) should provide funding and technical support for the humanitarian response in the Balkans, ensuring that all arrivals have immediate access to shelter, health care, safe water, sanitation, information, and protection for vulnerable groups.

30. DfID should advocate for UNHCR and IOM to support responses to the crisis, especially in monitoring arrivals and providing arrivals with information on reception and asylum processes.

31. The UK should commit to expanding the use of all possible tools for safe entry into Europe. Safe and legal channels that present an alternative route to (and therefore undermine) the smuggling networks must be made
available. The UK should increase the use of:

- Humanitarian visas offered in third countries hosting refugees and, where possible, in countries of origin;
- Humanitarian and medical evacuation programmes;
- Flexible application of family reunification admission, particularly in cases involving lost, separated or unaccompanied children;
- Resettlement;
- Other forms of admission, including private sponsorship schemes; and
- Regular mobility schemes from which refugees can benefit, such as education and work visas.

32. The UK should work with the EU and Member States to adopt a comprehensive, common asylum policy with minimum standards of protection. EU Member States must ensure they fully uphold the rights of those seeking international protection and ensure due process, as provided for by the EU asylum acquis.

33. The UK should advocate for an end to blanket detention policies that most worryingly also affect children, as well as efforts to increase violence prevention measures and efficient response to GBV, human trafficking and other forms of violence and exploitation against women, children, and other vulnerable refugees.

34. The UK should advocate for more capacity for dedicated accommodation for children (separate from adults) with specialised support in line with international standards is needed across the Balkans, as well more options for alternative care for refugee children, including fostering.

Submitted 20 September 2017
International Security Institute - Written Evidence (BUB0002)

1. The Western Balkans suffer from institutional inefficiency and professional incompetence, corruption in the public and private sectors (to include the media), lack of political and economic freedom and rule of law and widespread poverty. Corrupt politicians and the media attribute Brexit to the general failure of European Union and not as a genuine attempt to recreate a network of already complex UK relations with the EU, the US, NATO and the British Commonwealth. In such an unfavorable context, Great Britain’s exit from the EU is used to:

- encourage euro-scepticism
- fuel nationalism and strengthen autocracies; and
- advance the illegitimate interests of Russia, China and Turkey.

2. The implications are unpredictable for Eastern and, potentially, Central Europe. Brexit, therefore, must not be allowed to challenge the Western liberal consensus, even within European peripheries already involved in integration with the EU and NATO. UK authorities understand the domino effect of any European state’s democratic failure. Autocratic rule (the Balkans, Hungary, Poland, etc.) is always related to strong outside influence as Russia and China work tirelessly to impact European policies and economies. An example of this is the leftist Greek government’s opening of a Chinese path to Central Europe. The Chinese government and government-influenced private corporations utilize “non-transparent” negotiation practices to place unfair dumping pressure on EU markets through the port of Thessaloniki and the railway line leading to Budapest. Russia opposes EU and NATO integration of Serbia, and disrupt democracies in Bulgaria, Macedonia and Montenegro. Moscow’s influence is even felt in Croatia. Bosnia is no longer divided by the Bosnians, Serbs and Croats, but between Russian and Turkish spheres of influence. Turkey and Middle Eastern theocracies are attempting to control the Balkan Muslims. The political future of the Western Balkans may eventually resemble that of recently divided Ukraine or Hong Kong, where China violates agreements on the preservation of local freedoms and democracy.

The influence of Russia, China and Turkey

3. Brexit permits the United Kingdom to focus more on the security problems and strategic position of the Western Balkans. Russian strategic influence, political Islam (Turkey, Iran, Saudi Arabia), and corrupting Chinese business influence (struggling to accomplish deeper penetration into European markets and policies), especially in failed states as Greece, Serbia and Hungary, endanger Europe more generally and specifically the eastern Mediterranean. Russia’s
strategic presence also provides political and strategic space to any other illegitimate influence. Russian-backed coups in Macedonia and Montenegro have failed, but Moscow still controls significant political forces in these countries. Russia is undisputed in Republika Srpska, the Serbian half of Bosnia and Herzegovina (although the national interest of neighboring Serbia could be territorial and political unity of that state, implying the growth of common EU integration capacities). In Serbia, Russian political influence is largely represented in the National Assembly and security structures but loses its strength in the official European integration policy. Serbia is also one of the exporters of Russian arms, standards and politics in all conflict areas under Russian strategic influence. Serbia still has no political and economic capacity to commence NATO membership discussions, adopt NATO standards or recognize the status of Kosovo (NATO intervention in 1999, sense of national pride related to the independence of Kosovo, influence of traditional and pro-Russian political forces, etc.). The Russian so-called humanitarian center in Niš is a concrete institution of strategic partnership and political influence of the Russian government and its promotion of anti-Western and anti-democratic affiliations and political arrangements. Within these complex relations, the United Kingdom could contribute to the pro-NATO commitments with more reconciliatory, friendlier and less intimidating rhetoric, and by intensifying political and strategic engagement.

4. Serbia, with the Republika Srpska, is the subject of Russia's special interest in preserving and enhancing political, economic and military influence in them. It has accomplished it so far, relying on four levers:

- Political support to Serbia in the case of Kosovo, using the position of a permanent member of the UN Security Council;
- Economic impact, through full energy dependence on Russian gas and oil;
- Dependence on military technology and weapons; and
- Traditional religious and cultural connections.

5. At least two of these levers may cease to be influential in the foreseeable future. By ending the Brussels process of normalising relations between Serbia and Kosovo and concluding a compromise under the auspices of the EU, Russia loses political importance for Serbia, since the deal with Kosovo was set up without its influence, but within the EU. Second, the diversification of Serbia's gas supply sources, which is ongoing, can drastically reduce Serbia’s energy dependence on Russia. Similarly, the dependence of the Serbian Armed Forces on Russian military technology and weapons can be resolved, especially in the current procurement of high-tech equipment (i.e. fighter aircraft). The largest promoter of historical, cultural and religious ties between Serbia and Russia is the Serbian
Orthodox Church, whose influence is equally large in both Serbia and the Republika Srpska.

**International Organizations**

6. Once the UK has left the EU, Britain's influence in the Western Balkans will be impacted. The UK can neither expressly promote EU integration nor promote alternate models of regional neighborhood cooperation (due to internal constituent problems of Britain itself caused by Brexit). The Western Balkans are also sharply divided in attitudes towards NATO. NATO is almost invisible in the context of a transatlantic political partnership, which is equally important as its strategic framework. Due to its political, not just strategic character, and especially due to anti-American propaganda, NATO is extremely unpopular in Eastern Christian states, such as Greece and Serbia. The issue of NATO integration has sharpened actual political divisions in Montenegro that started to be identified with national divisions, which, until recently, were barely visible or non-existent. However, NATO integration, regardless of the small size and modest strategic importance of Montenegro, has put important pressure on Macedonia and Serbia to gather the Western Balkans in strategic unity to prevent the distortion of liberal consensus in the wider European framework. NATO obviously cannot encourage and motivate democratic change or economic progress. However, the Western Balkan states still tend to maintain internal order by causing conflicts with their neighbors and more broadly in the region. Russian and Chinese interference is therefore to be expected.

7. Regardless of Brexit and because it is in its best interest, Britain should indirectly encourage EU and NATO integration. Encouragement could include sanctions or penalties related to the Western Balkans political leadership, economies and population, such as:

   - abolition of entry visas and humiliating procedures; and
   - Sanctioning state and political leaders uncovered in illegal, corrupt or illegitimate strategic, political and economic deals with Russia, China, or similar foreign actors. The United States’ Magnitsky Act should be perfected, expanded and liberally applied in all territories of Russia's strategic influence, above all in the Baltic States and the Western Balkans.

8. US global domination and EU exclusivity no longer exist. The UK, EU and US need to build more stable and common attitudes toward the Western Balkans, particularly within the context of EU and NATO integration. This is also true in relation to the local political, economic and strategic priorities of the countries of the Western Balkans -- democracy and rule of law, protection of minorities, state building and legal reform, poverty and technological backwardness, education and culture, establishing distance from communism, nationalism and clericalism,
penetration of alien authoritarian policies and political Islam (Russia, China, Turkey, Middle East). Brexit gives the UK a clearer chance in mediation between the EU and the US in establishing common policies. Bringing together Greece and Turkey to overhaul political extremism and strengthen the strategic presence of NATO in the Eastern Mediterranean could be included in further UK-Western Balkans policies and their mechanisms.

Religious Extremism

9. The proliferation of radical Islam in the Western Balkans is the result of the wars in Bosnia and Kosovo. But it is also stems from weaknesses of Western allies in relation to local political elites. The ethnic division of Bosnia opened up a political space for Turkey and even more dangerous currents of radical Islam. Ethnic division in Bosnia allowed its current division between Turkey and Russia. The argument of Turkish and Islamic influence is the inheritance of war crimes and genocide committed by the Serbs. The argument of Russian influence is Western failure in dealing with political Islam and terrorism. The much-needed future functional re-arrangement of Bosnia and Herzegovina must become the general principle of regional relations, and their partnership with the West: small, functional governments, trans-boundary rule of law, demilitarization and secularization of policies and ethnic relations. In particular, he same applies to the future status and functioning of Kosovo.

10. How can UK policy respond to the radicalization of Islam in the region? This is an important question in relation to the series of Islamist terrorist attacks in the UK since 2005. The crisis of British multiculturalism is similar to that of the Western Balkans that arose after the violent rampage of Yugoslavia and the mutual radicalization of its national and religious communities -- especially under foreign influences. Both Britain and the Balkans are facing new, native generations of political, national or religious extremists, deprived of otherwise important cultural or emotional ties with the societies and their values built after the Second World War. Local radical Christian nationalists and religious extremist behave more like Islamist extremists and stand at odds to their own national and religious groups from the late 1980s. That is how the Western Balkans Christian orthodox identify themselves with distant and basically unknown Russia, and the radical Muslims with Turkey or other actual political and religious currents from the Middle East. Similar threats may be found within the British society. “There are pockets of our society that are not only broken, but frankly sick,” noted former Prime Minister David Cameron.

11. Rising political extremism and religious radicalism affect the decline in public support for European and regional integration, for the competition of transition and the development of open economy and free trade capitalism. This suggests cooperation with authoritarian and rogue states, and opens up the political space to authoritarian leaders with dictatorial ambitions. Working together to resolve
these similar problems could bring faster and more complete results than the usual postcolonial "assistance" of richer and more developed to the poorer and less developed.

**Migration Crisis**

12. The Western Balkans comprise the most important land transit area for Middle East migrants traveling to Germany and Scandinavia. The Western Balkans have also had internal migrations during the Yugoslav disintegration wars. In a wider historical context, generations of laborers, professionals or political refugees have immigrated from the Balkans to more developed European states, the United States or British Commonwealth. Poor and undeveloped Western Balkans states are currently directly involved in one of the most serious contemporary crises that impact European societies’ stability from the Middle East (political Islam, dictatorship, Russian influences, weaknesses or failures of Western interventions, etc.). The migration crisis has also caused disputes between EU member states. In the absence of a unique EU policy, especially in relation to the dilemmas of assimilation, multiculturalism and segregation, the United Kingdom may offer arguments and mechanisms provided by joint membership or partnership with NATO. NATO's role in the migration crisis could also become important in the need for strategic unification of the Western Balkans that will provide a most reliable obstacle to the penetration of political, economic or religious influences that potentially destabilize European democracy and security in a broader context.

**Conclusion and recommendations**

13. The issue of migration and political and religious radicalization across Europe cannot be the sole responsibility of the Balkan states. The application of the rule of law and the principles of freedom and tolerance must also be realized in the European legal and ethical framework, regardless EU membership or partnership status. Radicalism that is unacceptable in the UK must become unacceptable in the Western Balkans, and vice versa. Illegitimate influences (Russia, China, Middle East), which are unacceptable for the West in the Western Balkans, must become unacceptable also in the West (money laundering, social and cultural influences, etc.).

14. Brexit presents very real opportunities for UK partnership with the Western Balkans. Along with the "strong" strategic reciprocity of influence and benefits, stand "soft" areas of cooperation: science and education, rebuilding of the once strong British cultural modeling of contemporary urban society, especially its artistic spirit and shapes, in economy, the financial experience and knowledge, new technologies, experiences of small innovative companies and their refined manufactures.
• After UK leaves the EU, it will still be in London’s strategic interest to cultivate its interests in Central and Eastern Europe
• Even outside the EU, the UK will see the pressing case to bring Eastern European countries closer to the West, EU and NATO
• The Western Balkans will be a critical battleground in the attempts by the West to block further expansion by Russia of its influence westwards
• The UK should be active particularly in assisting countries in the Balkans to avoid reliance on Russian energy
• UK could, as one of the key NATO members, be especially active in the transfer of military technology of the Balkans states, from Russian/Soviet to the Western
• The influence of the UK "soft power" on opinion of people at the Balkans is still underused, especially when it comes to culture, education, science, innovation, media, positive historic heritage
• UK should be even more active in supporting joint regional (Balkan) actions and projects (government and non-government), whose aim is to control migrant flows from the Middle East and Africa

Submitted 08 August 2017
Mr Laza Kekic, former Economist Intelligence Unit and independent analyst (QQ 33-41)

Wednesday 11 October 2017

10.30 am

Watch the meeting

Members present: Lord Howell of Guildford (The Chairman); Lord Balfe; Baroness Coussins; Lord Grocott; Lord Hannay of Chiswick; Baroness Helic; Lord Jopling; Lord Reid of Cardowan; Baroness Smith of Newnham.

Evidence Session No. 3 Heard in Public Questions 33 - 41

Witnesses

I: Mr Laza Kekic, former Economist Intelligence Unit and independent analyst; Dr Jarosław Wiśniewski, Visiting Fellow, LSE; Mr Timothy Less, Director, Nova Europa; Dr Michael Taylor, Senior Analyst, Oxford Analytica; Mr Michal Makocki, formerly of EUISS and Mercator Institute for China Studies.

Examination of witnesses

Mr Laza Kekic, Dr Jarosław Wiśniewski, Mr Timothy Less, Dr Michael Taylor and Mr Michal Makocki.

Q33 The Chairman: Gentlemen, good morning, and thank you very much indeed for sparing time to come and share your thoughts with us on our current investigation. We are planning a report which will be entitled Beyond Brexit: the UK and the Balkans. Collectively, you have enormous expertise in these areas. The Committee has already had circulated to it an extensive number of learned papers and an extremely helpful summary by our clerk. Nevertheless, there is no substitute for verbal expertise and explanation of a kind that we all need.

The Committee has visited the region, including four of its several countries. Therefore, we have a number of experiences to test against your observations and papers. It will be a bit of a global tour this morning because we are looking at, in as far as they can be disentangled, the outside influences of the powers and world trends on the region, rather than the minutiae of the domestic scene. They are all entangled; we realise that everything is woven together but we will try to come at it from the outside, as it were, and to deal with the various impacts of China, Russia, Turkey, the United States and obviously the EU, NATO and Britain’s own interest as they work towards the western Balkans summit which is planned for next year. Its date is as yet unspecified but believed to be some time in July.

I add formally that this session is on the record. Records are made of it and
there is an opportunity afterwards for you to see those and alter anything in what you may say. That opportunity is there but we are on the record.

Coming down from the global level, I will start on an area which 20 or 25 years ago I think hardly came into our consideration yet has now come into the entire consideration of the world: the growing influence of China. We heard a lot on our visit about the 16+1 and the ambitious Chinese plans, backed up by vast conferences in Beijing, for the development of huge infrastructure projects in the region.

I was going to ask for a volunteer but Mr Makocki is probably most likely to start. I begin by asking how you see China planning to fit into the area and the neighbouring countries as well—that is, eastern central Europe generally, and indeed Greece. How do the west Balkans fit into China’s broader economic and political strategy? Why are they interested and why did we keep hearing references to China on our visit? Mr Makocki, would you like to start, but please, will any of you chip in? As we are going to deal with different subjects in which some of you have extreme expertise, I will try to get the lead each time to be the person who has studied that area. Let us have China first, starting with Mr Makocki.

Mr Michal Makocki: Thank you, Lord Chairman, and good morning to everyone. First, thank you for inviting me to this inquiry, which is very timely given the potential for a governance crisis in the Balkans. Here, the China dimension fits perfectly with the concerns about the potential governance issues in the region.

Let me start with a short description of the Belt and Road Initiative which China has proposed to the world, and of which the Balkans form part. The Belt and Road Initiative is one from the current Chinese leadership to change the domestic economic model of China, thanks to the global integration of its economy. This implies building infrastructure connecting the Chinese market with other parts of the world to solve two key issues in China. One is to export all the capacity of different Chinese industries; the other is to move China up the value chain. Through connections with different markets around the world, China wants to achieve a change in its economic model but also to redefine its global role. This will obviously have enormous geopolitical consequences for every region where China tries to establish those strengthened relations. With the Belt and Road, China is building infrastructure: it is trying to build new railway connections, maritime routes and ports; it is also investing in creating new links in so-called people-to-people connections, and in policy co-ordination with different countries.

The Balkans form a crucial part of that, because China wants to link its own market with the European market and the Balkans are perceived as a gateway to it. Since 2012 China has intensified investments in the Balkans and Greece, starting with a huge investment in the port of Piraeus in Greece, which serves as a bridgehead for China to access the Balkans and other parts of Europe. In the western Balkans, China is trying to build railway connections that will link the port of Piraeus in Greece to central Europe and then further on to the rest of the European Union. This has to be seen in perspective; it is not the only connection that China is trying to build. It wants to develop alternative routes, notably through central Asia and eastern Europe, which are also a way to connect with the European Union market.
What does that mean for the Balkans? In the Balkans, given the huge infrastructure deficiency, China’s overtures are seen as extremely positive as they may be a boon to the local economies. Since 2012 and the start of this rapprochement between China and the Balkans, we have seen huge attention paid to China. This is happening through different vehicles: one of them is called 16+1, which is a grouping of China with 16 countries of the region, which are central European EU member states and countries in the western Balkans. Crucially, China perceives this region as a contested space. This has been happening since 2012 and the moment of the eurozone crisis, which China perceived as a moment of strategic opportunity. It was perceived that because of a crisis in the European Union, the EU might diminish its commitment to the region and that would create a strategic opening for China. Since 2012 China has moved on, with lavish funds and political engagement, to establish close political links with the leadership of the countries in the region. It has also offered substantial funding for infrastructure and promised investments.

What does this mean for us in the European Union and especially for the United Kingdom? We have to see it in context. China is a relatively new player in the region. It started from a very low base but the dynamic is extremely fast. In a way, China competes with us but, at the same time, there is quite a substantive collaborative dimension to China’s relations with the region. The key issue in competition is that China brings with it its own investment model. With every infrastructure project there comes a new set of rules, which are part and parcel of China’s own domestic economic model. Those rules are related to the lack of public procurement tendering, which means that projects are awarded directly by politicians to their preferred companies. Chinese companies often operate with less attention paid to standards of corruption. They also operate with lower transparency standards. This all contributes to undermining the governance reforms that we have been promoting in the Balkans.

But there is also this collaborative dimension to China’s approach in a region such as the Balkans, which has not been a prime investment location. It is positive to see this new attention from an external investor, especially such a formidable one as China, which now has the second biggest economy in the world. This should be welcome but we have to work with China in a way that addresses all the different concerns and deficits of its investment model, so that we get the best of its attention to the region while mitigating the potential risks that I mentioned, which relate to China’s investment model.

Q34 The Chairman: On the finance side, are we talking about pure Chinese finance? I noticed that at the last Beijing conference on OBOR they began talking about raising money from the countries through which they were going to build their infrastructure. That might just be for central Asia, but is it the pattern that China arrives in these areas with real finance, or is it just promising it?

Mr Laza Kekic: That particular issue is of interest. I came back yesterday from an Economist conference in Athens on Eurasia, Russia and China. What struck me was that with this great initiative of theirs—one belt, one road—the annual sum of money involved in these projects, in this whole area, is apparently $1 trillion, which is absolutely astonishing. The money that goes
into the Balkans from this is just a drop in the ocean. We are talking a few billion dollars. It is not even on their radar screen.

The number two person involved in this walked up to me at the conference and I started talking to him about China and the Balkans, China and Serbia. He knew nothing about it; it was such a small aspect. Nevertheless, a relatively small amount of money goes a long way in the Balkans. Serbia gets about half of it. The estimates are of about $5 billion to $6 billion in contracts. The important thing is that this is all in the form of loans; hardly anything is in the form of foreign direct investment. There is only one significant foreign direct investment, the Smederevo steel works, which used to be owned by the United States Steel Corporation. The Chinese came in and saved it. It is of some significance, but everything else is loans.

That is one reason for some of the reservations among analysts about the money in the region. Even though, as Mr Makocki mentioned, the leaders of the region welcome it—and why shouldn’t they? It is additional money—there are some reservations. The first is the companies’ increased debt, because it is loans, not foreign direct investment. Loans are usually not accompanied by technology transfer, unlike foreign direct investment. Interestingly, the Smederevo steel works workers’ unions are also quite unhappy about it; they are unhappy about how they are being treated by the Chinese. One of China’s reasons for this model is to gain construction work for Chinese companies and workers, which is not that popular. So there are some caveats.

In direct answer to your question, it is mainly loan finance, and in the scheme of things the sums involved are relatively limited, although they are not insignificant from the perspective of the Balkan recipients.

**Baroness Helic:** You have said that you welcome Chinese investment. Could you tell the Committee where in the world Chinese investment has produced positive outcomes in terms of transparency, fighting corruption, developing good governance and strengthening institutions?

**Mr Michal Makocki:** I mentioned that we should welcome Chinese investment on the condition that they comply with our rules in the Balkans.

**Baroness Helic:** Are we in a position to put conditions on their investment in the Balkans?

**Mr Michal Makocki:** We should support the structural conditions in the countries, especially those that have applied for membership of the European Union. We have quite important policy levers in the accession process and we should incorporate specific China-related goals into it. China will stay in the region and the leaders of those countries will be interested in Chinese money regardless of what we tell them. We should work with China to establish the rules that will allow the societies in those countries to reap the benefits of Chinese investment.

In the accession process, those rules should relate to public procurement standards, to transparency issues, to debt sustainability and, more broadly, to fighting corruption. When we manage to establish those rules, there will be greater potential for the Chinese investments to bring positive effects. If we do not work with those countries to improve those conditions, China will
simply be there and will offer those investments with all the potential negative consequences.

Mr Laza Kekic: May I give a slightly different answer? I have two points. It is a bit like the pot calling the kettle black to talk about standards of transparency and so on. The idea that EU companies are paragons in this stretches belief. I have a few examples. Some of the main EU investments in the region, such as the Fiat plant in Serbia, are totally non-transparent. The content of contracts is secret. Local journalists recently investigated the nature of EU investments and subsidies, and the corruption involved is quite astonishing. So the idea that China is the only bad guy stretches belief.

Secondly, on the attitude to Chinese investment, Britain, post Brexit, should in my view be an open and welcoming economy and not be protectionist. At the moment, the EU is advocating very protectionist measures towards Chinese investment, screening it under the guise that these investments threaten national security. To my mind, this is just an excuse for protectionism, and the UK, post Brexit, should not take part in it. If you do not believe me, you should read Mr Juncker’s statement justifying this. It is quite stunning in its protectionist intent towards Chinese investment, and I do not think that the UK should participate in it.

Mr Timothy Less: I just want to add one other point in answer to your question. We have analysed some of the complications that come with Chinese investment, but the reality is that if China was not willing to put its money into some of these big infrastructure projects, nobody would, and the Balkans would not have the new railroads, ports, roads, factories and other investments which the Chinese are currently financing.

Baroness Helic: The same goes for Africa.

Lord Jopling: What do you think is the Russian attitude to China’s aspirations, which you have been explaining to us? An awful lot of the transport links involve going through the Russian sphere of influence, whether it is in the Eurasian economic—

The Chairman: Lord Jopling, I see that you are talking about Russia and China, so your question is linked, but it would be nice if we could just tie up the complete China scene and then come on to Russia.

Lord Jopling: I will put my question the other way around. Do you think that the Chinese are likely to be impeded in any way in developing their infrastructure projects by interference and objections from the Russian sphere of influence?

Mr Laza Kekic: You put a good question. I will refer again to the conference that I just attended. It was quite evident that the Russians were pretty sour and unhappy. I would not be at all surprised if they did not welcome this. Indeed, I have a strong feeling that they do not. In the human context, you could see that they were quite resentful at the pride of place given to the Chinese, but why should they not be given it? The Chinese are bringing the money, not the Russians. In places such as Kazakhstan, which is very close to Russia, the Kazakhstani are welcoming this Chinese initiative, and I can
imagine, although I have no proof, the pressure from Russia behind the scenes not to get too cosy a relationship with China.

Dr Michael Taylor: There was a time about 10 years ago when Russia saw itself as the East-West link. For the Russians, the Chinese are a rival. They are taking their lunch away from them.

The Chairman: We will come back to Russia in a moment. Just to sum up before we move on, we are saying, first, that this is loan finance. This is not comparable with aid in the American or the British sense. I think there is a Washington think tank this morning pointing this out: that it is loading up the area with debt. Secondly, it seems to be the opinion that, nevertheless, Britain and British business should seek to work with these vast projects in a reasonably positive way. Have we got that right?

Mr Michal Makocki: Let me confirm what has been said before but also correct some other approaches. First, yes, China's approach is based on lending, which also transfers the risk from all the different projects on to the recipient countries.

We should be very careful with the numbers that China has mentioned, such as $1 trillion. This is part of China’s soft-power attempt to convince others that its initiative is realistic—that it is based on some fundamentals and backed up with substantial funds. This is not always the case. Most of the Chinese lending throughout the different regions where it engages has been based on lending. Especially in the Balkans, this has fuelled the indebtedness of those countries. For example, we have seen that in Montenegro, one project amounted to a quarter of Montenegro’s GDP. It was also a loan, established in US dollars, which meant that with the currency exchange rate the amount of that loan to Montenegro suddenly increased by 25%.

The IMF and the World Bank have already engaged all the countries in the region on the issue of Chinese lending. Serbia has also become extremely cautious in taking up other projects from China because of a warning from the IMF that its indebtedness is already reaching its ceiling. Now, the Serbian Government—in my recent trips to the region, I have talked to advisers to its Prime Minister on infrastructure—are extremely cautious about making use of Chinese money. However, they are trying to find other modalities to engage Chinese funding.

For example, the well-advertised project to connect Belgrade to Budapest has raised a number of concerns, including in the European Union, because the Chinese investment model might stand in contravention to European Union law. There is a lot of noise around this project, which people describe as a high-speed railway when in reality it is a conventional-speed project. People also make assumptions that the entire project will be financed and executed by China, while in reality so far only a small portion of 40 km has been awarded to China; of the rest of the project, another 40 km has been executed by Russian companies and the rest of the line is still under discussion.

Why has it happened like this? Because the Serbian Government are also becoming cautious about Chinese money and were willing to grant China only a small part of this project. This is supported by the Serbian Ministry of
Finance but other political interests are in play. That is why I mention that those countries will take advantage of Chinese money, but we should try to engage them as quickly as possible to make sure that any parts of society or government which have a rational approach to Chinese money are supported. We should support them through all the different ways and means, including the accession and enlargement process.

The Chairman: Those was fascinating issues, but we must move on. Lord Reid will start on another question.

Lord Reid of Cardowan: As you say, China is relatively new in the area but we turn to Turkey, which is not. I am probably addressing this question initially to Dr Less and Dr Taylor—

The Chairman: I am so sorry but I have made a Chairman’s mistake. We are moving straight on to Russia first, which is why Lord Reid looked surprised. I apologise.

Lord Reid of Cardowan: We will come back to Turkey.

The Chairman: Hold it there and instead, Lord Grocott wants to go straight on to Russia.

Q35 Lord Grocott: I have a general question to begin with about Russian involvement in the western Balkans. We have had some evidence to suggest that this may be exaggerated by some leaders in the Balkans for the benefit of negotiations with the West, and that in any event Russian involvement is not nearly as extensive as it is sometimes characterised. Would anyone like to comment on that?

Dr Jarosław Wiśniewski: Russia’s approach to the region is based on several principles. First, it is pragmatic; it is eager and able to work with anyone, regardless of political or ethnic affiliations. Of course, it has certain preferences but the approach is primarily pragmatic. Secondly, it is opportunistic; it takes advantage of what is happening on the ground. You may hear different theories about a grand Russian strategy for the region but it is difficult to confirm it from the existing evidence. Russia's reaction to the region is also reactive; it is not very constructive and does not offer new or different opportunities to contrast with the European Union’s or NATO’s. It has more of a critical approach, where the basis is criticising the existing Western models. It is also flexible; depending on the situation, Russia has the flexibility to change its approach and the players that it supports on the ground. So Russia’s strength in the western Balkans lies primarily in its ability to exploit opportunities through a mixture of pragmatism, flexibility and opportunistic approaches. As I said, it is primarily reactive and not very constructive.

To answer your question directly, one of Russia’s priorities is to create a projection of Russia as a great power—that Moscow is one of the capital cities of the world, on the same level as Washington and Beijing. It is always a challenge not to underestimate the Russian approach. When it comes to the Balkans, Western leaders have often underestimated what Russia is doing there. At the same time, Russia should not be overestimated; it wants us to believe that its involvement in the region is bigger than it really is. There is a
fine balance between what Russia is actually doing, what we think it is doing and the projection that it has in the region.

In terms of flexibility, Russia’s approach has changed with different events. One might argue by going back into history but let us focus on relatively recent historical events. The Ukrainian-Russian gas crisis in 2006, when Russia cut the gas supplies for Ukraine, had a significant influence on Russian energy interests in south-east Europe. This is when Russia’s South Stream pipeline initiative appeared, as a possible transit route to bypass the existing pipeline systems, which is one example of its pragmatic and flexible approach.

The second thing is the recognition of Kosovo. Russia verbally supported Serbia throughout the conflict in the 1990s but in reality there was not much direct action. After the recognition of Kosovo in 2008, Russia re-engaged directly with Serbia to try to play the role of its bigger brother, and biggest supporter on the Kosovan issue.

The third example is the Ukraine crisis of 2013-14. In a way, this was a turning point in Russia’s approach to the region. Ever since, Russia has looked at contacts with the West more in terms of the West being an opponent—conflict may be too strong a word. The Balkans is often described as the EU’s soft underbelly. This is where Russia seeks the opportunities to exploit differences by playing the anti-Western card. It uses it in its relations to undermine the Western model and its achievements in the region, such as Dayton and Kosovo, to give two examples. It is therefore difficult to answer directly your question of whether Russia’s political influence is overestimated or underestimated. I would say that there is a fine balance and that it reacts more to the events than it creates them.

**Mr Laza Kekic:** I will attempt to give you a direct answer. In my view, the answer is much ado about little, as Russia is overestimated. If you look at it in economic trade and investment terms, Russia is so small. It has 5% or 6% of these countries’ trade and investment, so compared to the EU it is a very small player. Okay, as was said it is trying opportunistically to fill a vacuum which, to be fair, was created by the EU. Frankly, the enlargement perspective is almost finished as things stand so Russia is trying—just like China, which we talked about before—to fill a vacuum there.

In terms of Russia’s political influence, yes, it leverages to a certain extent some historical and cultural ties with the Slavic populations there. It did not help Serbia in the 1990s but I would not underestimate how much it leverages there. But Russia is crucial, along with China and some other countries, in blocking UN membership for Kosovo and its universal recognition. This is the main card that it plays with Serbia.

But when you look at Russia’s influence in the whole region, let us not forget that it has suffered some immense setbacks recently, such as Montenegro’s NATO membership. Montenegro is meant to be a traditional ally so that was a big blow; it incensed Russia but there was nothing it could do about it. Pence visited Macedonia where it was trying to stir up trouble by strongly backing Gruevski. That was also an incredible setback, with the Social Democrats returning to power. When you look at the region, the only area where you could argue that they have a strong influence is Republika Srpska, the Bosnian Serb republic. Even there, Dačić is effectively more reliant on
Serbia than he is on Russia. Serbia is trying to play old Tito’s game of balancing Russia against the West, and why not? Small countries tend to do that. Serbia is not clearly pro or anti-Russian. It is certainly not going to join EU sanctions against Russia, but at the same time it is still committed to EU membership and its new Prime Minister is very strongly pro-Western, though it has got into a bit of trouble by downplaying Russia’s role. So that is where Russia stands.

My last comment, which I am sure the Chairman will want to come back to afterwards, is that when we say “we”, I am not sure what we are talking about. One of the other witnesses was talking about “we”, as in the EU and the UK. To me, this is no longer “we”; remember that the UK is leaving the EU, so one should talk separately about UK policy post-Brexit. It is no longer the same thing as the EU.

**The Chairman:** Does that give us new opportunities to communicate more directly rather than go through the labyrinth of Brussels?

**Mr Laza Kekic:** Absolutely, I think so. I do not know if Lord Howell remembers but we were at a conference in Greece about 12 years ago where this point was made about British and Greek society. I think it does provide opportunities; even though Britain does not have many trade and investment links with the region, it has certain historic ties and the big advantage of the English language and its role in NATO as well as its cultural diplomacy and educational ties, and it is unencumbered by a certain EU view of the region. That gives the UK considerable opportunities to play an important role, which I hope will also become evident with the conference on the Balkans next year.

**Lord Grocott:** I would like to ask another question, but I think that Dr Less was about to go on.

**Mr Timothy Less:** I would endorse a great deal of what Mr Kekic just said there. To answer your question directly, you asked whether the influence of Russia has been overestimated and whether some local politicians were using it as leverage against the West. The short answer to that is certainly yes, and it is particularly true of those parts of the Balkans that are only weakly exposed to Russia, such as Albania and Kosovo, where there is pretty strong evidence that local leaders are exaggerating the threat from Russia in order to shock the EU and revive the stalled process of enlargement.

I would make one other point. Russia’s inherent capacities are limited in the Balkans, and I will go on to make the same point about Turkey. These are not big hitters in the region. The reason why they have any influence at all is solely because of the power vacuum that is opening up as a result of the breakdown of the EU enlargement process and the diminishing authority of the West. This means that Russia can have a significant impact when it inserts itself onto the politics of region, whether Serbia’s dispute about the final status of Kosovo or the crisis in Macedonia that unfolded last year. I would also emphasise the determination of the Bosnian Serbs to make a drive for independence, which Russia is backing. Because Russia is championing these causes, it has influence in the region, despite making only minimal effort and having minimal resources behind it.

**Q36 Lord Grocott:** I have a follow-up. Maybe this is too big a question to ask but
It is along the lines of the view from the western Balkans towards involvement by Russia and involvement by “the West”. I do not know the extent to which you can generalise this. Inevitably, as viewed from the West, if Russia is doing things in the western Balkans, that is regarded as interference; but if the West is doing things in the western Balkans, that is regarded as constructive engagement. You probably cannot generalise about the views from the western Balkans towards involvement from outside, but I would be interested to see if you were willing to make any observations on that.

**Mr Timothy Less:** That is absolutely true, if a country is in conflict with the West. We can go back to the ones that I mentioned. Serbia is in dispute over the state of Kosovo, and the Bosnian Serbs over their status in Bosnia. The Macedonian Government, which recently fell, was under massive pressure from the United States and other Western Governments to resign, and for a period of nearly two years was holding out in the face of massive diplomatic pressure. So we should not run away with the idea that everything coming from the West is seen as co-operation and everything coming from the East as interference or manipulation.

**Mr Laza Kekic:** Another example is the obsession with Russian interference and so-called fake news, whether that is interfering with local political processes or putting out false information, with a big role allegedly being played by Russian media outlets like Sputnik and Russia Today. Even that has to be taken with a pinch of salt. If one looks at the western Balkans, even though organisations like Sputnik are undoubtedly present, again they pale into insignificance given the Western ownership of all the main media outlets, such as newspapers and Radio Free Europe. The Russian share is very small. If we look at political influence in these countries, again, in a country that you might think would be receptive, such as Serbia, only some 10% to 15% of the Members of Parliament are members of parties that are obviously pro-Russian. So I would argue that its ability to influence events in the region and its media influence are vastly exaggerated.

**The Chairman:** Dr Taylor wants to get in.

**Dr Michael Taylor:** I can follow that up by saying it is interesting to look at the kind of political parties that do lean towards Russia. I would have trouble naming one that was actually in government in any of the Balkan countries. Having said that, you can probably find one example, but the number is still quite low. Most of the parties that Russia is engaging with are minority or extremist parties that no one is going to go into government with, so its influence politically is quite low.

I wanted to underline an earlier point about opportunism. It is a weakness from Russia’s point of view. If we look back at the Macedonian example, it took up Gruevski. In fact Sergei Lavrov, the Russian Foreign Minister, came out and said the West was intervening in Macedonian affairs and it was outrageous. Gruevski is now in opposition. Where is Russia’s influence now? The Social Democrats can say, “Well, the Russians picked their side. We’re on the other side now and we want nothing to do with you”. Look at the South Stream debacle—at least, I consider it a debacle. Putin unilaterally said it was finished. All these Balkan countries, Bulgaria in particular, were saying, “We’re really interested in this South Stream, it’s going to do us a lot of good”. But then he turns up in Turkey, I think it was, and says, “It’s over now”. That
seemed to be a fit of pique because the EU was applying its rules about competition against Gazprom’s pipeline so that Gazprom would have to let other people use the pipeline. Now Russia has revived TurkStream but we still do not know whether it will end at the Turkish/Greek border or go any further into Europe. No one knows. I think the Russians have a way of shooting themselves in the foot.

Dr Jarosław Wiśniewski: I have just one point concerning the media, because that is one of the hot topics whenever one tries to find evidence of Russian involvement in the region. They look mainly at soft power and strategic communication or propaganda, however one wants to label it. Going into the example of Sputnik, it is true that the actual reach of Sputnik is difficult to estimate but if one looks at other media outlets, they usually publish information based on a certain source. For example, Reuters is obviously one of the most famous news agencies but one of the main agency sources of news, particularly in Serbia but also in Republika Srpska and Montenegro, is Sputnik. So among what are considered respectable media outlets in the Balkans, when you look at the source of the information, not always but very often it is Sputnik because it is one of the few agencies in the region with a large number of correspondents or local stringers. Western media have a limited number of stringers and correspondents working in the region, which creates a certain imbalance.

Various studies done by academics have looked at Russian strategic communication. Those academic studies are not saying that all the communication coming from RT or Sputnik is propaganda, but that often there are certain narratives with experts who present a point of view that is more favourable to Russia—one that Russia prefers—than the West. For example, they present events in Ukraine from the Russian perspective rather than from the perspective of other countries in the region, or they look at the events in Kosovo from a perspective that favours Russia or Serbia rather than different actors in the region.

This is very difficult to quantify. It is difficult to estimate the actual numbers because no one is releasing them on how many people view Sputnik or open its website. But when you look at the available evidence out there, the fact is that it is often the main source of news information in the region.

Mr Laza Kekic: Just a quick addition to this, if I may. Heaven forbid that they should represent the Russian point of view but have you watched CNN recently, or the BBC for that matter?

Dr Jarosław Wiśniewski: I am not giving that opinion.

Mr Laza Kekic: The main point about people’s perceptions in this region is that the Russians are really knocking at an open door. They do not have to do much. In Serbia, two things that obviously affect the vast majority of Serbians’ view of the situation are the NATO intervention in 1999 and the recognition of Kosovo as an independent state. So the Russians really do not have to engage in fake news; they can rely on that recent history and its influence on the perceptions of the people.

Mr Michal Makocki: If I may—
The Chairman: Yes but very quickly, as we must move on.

Mr Michal Makocki: I have been alerted to one public opinion poll in Serbia where Russia was perceived as the number one aid provider to Serbia, which is far from being true. The same goes for China’s involvement; I described the high-speed project which is not high-speed. Even Mr Kekic’s quotation of some numbers pertaining to China’s involvement in the region complicates the picture. In reality, the combined funding from the European Union, individual Western donors and international financial institutions is much higher than any offer from China. As we also discussed, it is based on grants rather than lending. We should not underestimate ourselves. The discussion about Russia’s or China’s influence in the region always has to be seen in the context of how little we have achieved so far and whether we should step up our offer there.

Let me come back to the discussion on the UK post-Brexit, and counter a bit this upbeat tone about the opportunities that Brexit provides for the United Kingdom in the Balkans. The most important lever in the region is and will be an accession process. Even if that is not now on the cards in the short term, the whole agenda of engagement through the European Union, which the UK has been and is still able to influence, gives the United Kingdom much more influence on policy-making in the region than will be the case after Brexit. The UK should not forget about this lever. Even after Brexit, it will be able to have a co-operative approach with the European Union and work together there. I do not think that the United Kingdom will ever be able to match the engagement from the European Union or the level of funding from the European Commission, or even the level of investment and trade coming from Germany and other countries. But this would position the United Kingdom to having a collaborative spirit in working with the other partners in the region.

The Chairman: We will want to come back to this in a moment. There is much more to ask on Russia but perhaps we could now move on to Turkey. I apologise for my premature call, Lord Reid, but let us turn to the Turkish comeback, as it has been called.

Q37 Lord Reid of Cardowan: How is Turkey perceived across the region? Is it possible to discern where Turkey’s focus is, and to discern a strategic intent? We heard that Russia has a combination of opportunism, pragmatism and so on. My two questions are: how is Turkey perceived by the region itself, and what is its strategic intent and focus there?

Mr Timothy Less: The short answer is that peoples of the region hold strong views about Turkey, both positive and negative.

Lord Reid of Cardowan: Are those based on historical appreciation of the Ottoman Empire and so forth?

Mr Timothy Less: That certainly shapes perceptions but Turkey’s behaviour in the present day is also a major determinant of how it is seen. The contrast is clearest in Bosnia. Among the Bosniak population—the Bosnian Muslims—Turkey is seen very positively. About three-quarters of the Bosniak population cite Turkey as their favourite country in the world. This has a lot to do with a common Islamic heritage and the support that Turkey gave the Bosnian Government during the war, and more recently the support Turkey has given
the Bosniaks in their dispute with Bosnian Serbs and Bosnian Croats. By contrast, precisely because of the support that Turkey has given to the Bosniaks, the Bosnian Serbs see Turkey as a hostile power. That then plays into an inherited memory of discrimination and so on from the Ottoman period.

**Lord Reid of Cardowan:** I can understand that during the 1990s and so on but outside Bosnia, in the wider region—

**Mr Timothy Less:** Outside Bosnia you have a range of views. As a generalisation, you could say that perceptions of Turkey are more positive in countries with an Islamic heritage, such as Albania or Kosovo. But you cannot say that everyone in those countries is universally supportive of Turkey’s role; it also depends on class status and educational background. People have very nuanced views, particularly since their primary loyalty is towards the West.

**Lord Reid of Cardowan:** Okay. And on Turkey’s strategic intent or practical focus—

**Mr Timothy Less:** The first thing to say is that Turkish politics is in a state of extreme flux at the moment. Therefore, whatever one might say about Turkey’s strategic intent right now may not apply a couple of years in the future. But with that caveat in mind—

**Lord Reid of Cardowan:** So it is not consistent, like the President of the United States?

**Mr Timothy Less:** No! A great deal is changing. I cannot even be sure whether by the start of the next decade, for example, Turkey will definitely support the integration of the western Balkans into the EU. I cannot be sure what Turkey’s relationship with NATO will be and, by extension, what it wants for the western Balkans. But since you ask the question, to the extent that there are constants, in the political sphere, Turkey certainly sees the Balkans as part of its historic sphere of influence. It wants to project power there to demonstrate that it is a great power. It certainly wants stability in the Balkans because the region is its land corridor to western Europe. In the realm of security, Turkey does not want a hostile power gaining a foothold in the Balkans. That power might be Russia in the future—keeping in mind that Turkey now has this strategic alliance with Russia. Nor does Turkey support separatism in the Balkans, which could set a dangerous precedent for the Kurds.

**Lord Reid of Cardowan:** How does it regard the EU? Turkey is a member of NATO; that may change in future. I suppose it still technically has a relationship with the European Union in seeking accession, although that looks further away. So if it regards Russia as a potentially hostile competitor in the area for strategic power, how does it regard the European Union?

**Mr Timothy Less:** This is one of the issues in a state of flux at the moment. If you had asked me that question at the end of the last decade, I would have said that Turkey was reasonably well disposed towards the EU. It was certainly locked into the accession process. Most people would probably have said that its ultimate destiny was to join the EU, but things are changing. Relations with Germany and Austria are desperately strained at the moment.
It is probably a safe bet to say that Turkey will not now join the EU. This has implications for what Turkey would like to happen to the western Balkans. Hitherto, it probably took the view that Turkey and the Balkans would all join the EU together and that this was how it could project power and influence over the region. But if Turkey is not now to join the EU, it may decide that the best way to exert hegemony is for the Balkans also to be outside the EU, creating an open field for Turkish influence.

**Dr Michael Taylor:** Flux is probably one word to describe Turkey at the moment. It is a divided country; several other countries around the world are also highly divided. But Turkey is heavily polarised between people who think Erdoğan can walk on water and those who think he is a devil. Even within his own ruling party, which came to power with businesspeople in central Anatolia forming a large element—people who have done well out of the EU and the customs union—you get contradictory statements from within the party and the Government about this. It is abundantly clear that Erdoğan despises Europe. He thinks it is hypocritical and Islamophobic. He does not admire Europe in the way that, say, Atatürk and the people who came after him did. The tendency in Turkey, led by Erdoğan, is to move away from the West now but not everybody wants to get on that train. A lot of people still think that the West is where Turkey belongs. It is difficult to make a general statement about what Turkey wants when you have different strands within it, as within many other countries in the world.

Of course, as we speak, Erdoğan is in Serbia so these things are in flux. I think Erdoğan has realised that the policy they followed for a long time in the near past, which we can link to Ahmet Davutoğlu, who was Foreign Minister and then Prime Minister until 2016, was quite mistaken. Davutoğlu wrote a book called *Strategic Depth*, in which he talked about a kind of neo-Ottomanism—I do not know whether it was accurate to call it that—that would go back to the various past links Turkey had with countries which used to be part of the Ottoman Empire. It seemed unrealistic, and almost to regard those countries as having that nostalgia for the Ottomans which the Turks had. But on the whole other people did not have that apart from the Bosniaks, as Timothy mentioned. Turkey has found that it made quite a mistake there, generating antagonism among them by running that policy.

One way that Turkey was influencing countries was to put money into cultural things and rebuild their old mosques that had fallen into disrepair. They were also educational; one of the educational groups was the Gülen movement—people who were great friends of Erdoğan and are now his deadly enemies. The Gülen movement had quite a good press in the West because it was seen as people interested in education—“What’s wrong with education?” It did in fact offer quite a modern education system and opened schools around the world. That was all fine, as long as Gülen and Erdoğan were on good terms with each other, but as soon as they broke apart that became a problem for Turkey. Turkey is now going around the world putting pressure on Governments to close down these institutions, which locally are regarded with some favour, as a decent education system that parents value. It gives their kids a good education to make it in the modern world but Turkey has now decided it wants to close them down. All sorts of things that Turkey does are working against itself.
The neo-Ottomanism has been seen to have failed. It got Turkey involved with all sorts of adventures in Syria and Iraq, which have gone pear-shaped. The emphasis on Turkey being a great power is still true; it has an idea of itself as a major player but is now drawing its horns in a bit. At the moment, its big problem is the Kurds. A lot of things are now being driven by how it deals with the Kurdish issue and it is forming temporary alliances. There is a kind of Turkish-Iraqi-Iranian alliance being formed, following the Kurdish referendum.

I mentioned the Serbian visit, which is very interesting. It is only the second time that Erdoğan has been to that country; in fact, the last time he was there it had a different name. In a way, it looks as if Turkey is trying to overcome the bad blood it generated with Serbia because of its previous policy, with Erdoğan saying, “Let’s go in there and invest in the economy”. But he has ended up in Novi Pazar, so he has tried to make a bridge towards Serbia but at the same time is saying, “The people in Serbia who I’m really interested in are the Muslims down in the south-west”. They celebrated there when he was elected president; when the Turkish election was on, they had big screens up in Novi Pazar showing his triumph there. Those people are very pro-Turkish but that annoys the rest of Serbia.

**Mr Laza Kekic:** If I may make two brief points—and I agree with a lot of the points that Dr Taylor made—one aspect that I think has not been mentioned so far is the extremely limited economic capacity of Turkey in the region. It is far more limited even than that of Russia. Albania is the only country there where Turkey is among the top foreign trade partners—

**Mr Timothy Less:** There is Kosovo.

**Mr Laza Kekic:** Yes, and Kosovo but everywhere else it is quite limited. I think even Kosovo has gone down quite a bit but in Albania it is number three. It we look at investment, even in a country such as Bosnia where there is a predisposition to welcoming Turkey, as we heard, the sum total of Turkish investment is €200 million. That is hardly anything. I would emphasise that Turkey suffered great setbacks, after the 2008 crisis, to its ability to project itself into the Balkans.

The one caveat about this picture of low or insignificant Turkish influence in the future, depending on how things develop and on whether these prophecies of EU doom come about, is what demographic situation we will have in the Balkans. If you look at the projections for 2030 or 2040, the amount of people in the region who are Muslims will be very large and I suspect that they will look towards countries like Turkey for cultural education. As we heard, at the moment that is all spiked because of the Gülen movement but who knows what it will be like in a decade’s time?

**Lord Balfe:** I wanted to follow up on the Muslim input, in particular the Saudi Wahhabis who were active in Novi Pazar and have sent fighters to take part in the atrocities in Iraq. Do you have any comments on the impact, if any, on the local Muslim population of this more fundamentalist streak in the region, particularly on the young?

**Mr Laza Kekic:** I would say, to paraphrase a colleague, neither overestimate nor underestimate it. Some European politicians have been making alarmist
statements about the role of returning jihadi fighters. As Islamic State has been defeated in places like Syria and Iraq, many fighters have been returning to this region. We are talking about hundreds of people in Bosnia and Kosovo who, if not carrying out attacks in the region themselves, could become a conduit for terrorism elsewhere in Europe. So I would not dismiss this altogether, but at the same time we should keep in mind that some politicians are trying to get the maximum effect from this and maybe exaggerate it a bit.

Dr Michael Taylor: On the question of Islam in the Balkans, these countries have gone through decades of living under a secularising push under socialist Yugoslavia, so the religion became quite weak. Bosnia is different, and that is because of the war. The 1992-95 war polarised things. The Muslims in Bosnia have become much more definite that they are Muslims and, “Those people over there are Christians and they are our enemies”. If you look at Macedonia, Albania and Kosovo, I would not say it was anything like the sort of problem that you have in Bosnia, where there are small communities—

Mr Laza Kekic: And the foreign fighters.

Dr Michael Taylor: They stay behind afterwards and go on to a village somewhere. They are being watched very closely by the authorities.

Dr Timothy Less: To the extent that there are terrorist attacks—and they are very low-level, mainly stabbings and shootings—they have a strong nationalistic dimension to them. They are directed against Serbs who, for example, were prison camp guards during the war. They are attacked in a way that resembles a terrorist attack that you might see in Western Europe, with all the sloganeering and the paraphernalia around it.

Lord Balfe: Does Saudi money play a part?

Dr Timothy Less: To the extent that it promotes a culture that is enabling radicalisation, I think that is true, but I would not want to say more than that. I certainly would not want to go so far as to allege that anyone in Saudi Arabia is actively promoting terrorism in the region. I just do not think the evidence supports that.

Baroness Helic: To sum up this discussion, I was surprised to be woken up this morning by an email with a little video of Foreign Minister Dačić singing in Turkish to the President of Turkey at a dinner last night. I guess the relationship between Serbia and Turkey is going from strength to strength.

Mr Laza Kekic: Ivica Dačić will use any excuse to sing.

Baroness Helic: Still, that is what they call cultural diplomacy. We have spoken about Russia and China. I know we have not spoken about the United Arab Emirates, which has a sizeable investment in Serbia for whatever reasons. Do you think a country as small as Serbia can ride three horses at the same time, as they say, while having a relationship with the EU? Can it leverage all four at once? Five, including Turkey.

Mr Laza Kekic: They have a great historic teacher in Tito. I guess he rode many horses at the same time. We should not be surprised that small
countries aspire to maximise their limited influence; I would not find that particularly strange.

**Dr Michael Taylor:** The big dichotomy is always between the EU and Russia, and they manage that very well. When Nikolić was President he was openly pro-Russian, but that did not seem to stop the Government under Tadić or whoever going to Brussels and negotiating for better relations with the EU. They can definitely ride two horses.

**The Chairman:** It reminds me that in the networked world, every country has to ride at least two horses, if not three and if not four. That is the nature of the network. Let us turn to the United Kingdom’s role in all this.

**Q38 Baroness Coussins:** On a recent visit to the region, we spoke to some witnesses who thought the series of western Balkan summits that flowed from the Berlin process were important milestones, and to others who thought they were rather less significant, even tokenistic. I wonder what your assessment is of the effectiveness of the western Balkan summit and, in light of the fact that the UK will be hosting the next one next year, how you think we can add value to that and put our own mark on it. In particular, are there any goals of the western Balkan summit that might enable us to engage China and Turkey in the process as well? I do not know which of you wants to take that question.

**Dr Timothy Less:** I can offer some initial thoughts. The direct answer to your question is that the summit in Trieste was a modest success on its own terms. The main achievement was to sustain the Berlin process, the rationale of which is to give hope that the western Balkans will eventually join the EU, even as the process of enlargement remains in abeyance. To that extent, the EU is probably deferring the moment when local politicians switch their attention away from integration with the EU to unresolved national questions from the 1990s. However, this all has to be seen in the context of what, to my mind, is an effective end to the process of EU enlargement, which derives from the internal crisis in the EU and a strong feeling among European electorates and Governments that the EU is not ready to enlarge, particularly into a region containing a number of troubled countries whose problems could only add to the EU’s own. This is the strategic context in which the UK has to formulate its Balkan policy post-Brexit: how to uphold peace in these countries when the remedy that we have been promoting for the last 20 years, stabilisation through integration, appears to have reached a dead end.

There are three main approaches. One is to soldier on regardless in the hope that eventually things come good in the EU, that it emerges from its crisis, and revives the process of enlargement, which is what Governments in the region would ideally like to happen. As a second option, we could pick up on the aim of the Trieste summit, which was to promote a customs union in the western Balkans. However, while this is probably the best geopolitical option for the region, it has come up against a lot of resistance from countries that see it as a new Yugoslavia, dominated by Serbia. The third option, which would be a brave stance to take, is for the UK to try to address what to my mind is the underlying structural defect in the region, namely the mismatch of political and ethnic boundaries. This would involve backtracking on 25 years of policy towards the region but, I would argue, the stark policy choice is that unless outsiders are willing to manage a transition to nation states,
the locals will take the initiative and pursue it in a way that could be really destabilising.

Mr Laza Kekic: Gosh, that is quite radical. If I could add one or two things, my impression is that the main reaction to Trieste was indeed that it was tokenistic. One of the reasons why some of the locals resent the emphasis on a regional common market is not just the fear that Serbia will dominate; it is that many of them still cling to the EU enlargement perspective and think this is a big distraction away from that. One actor that I think we have not mentioned at all is the US. That is also important.

The Chairman: We have a question on it.

Mr Laza Kekic: Okay. Then my main point would be that the elephant in the room here is the lack of clarity or certainty about the UK’s position next year. Next year, the UK will still be a member of the EU. While I understand completely the argument made by our colleague here that, given the UK’s limited economic role, the future of the UK is to work in partnership with heavy EU hitters such as France and Germany—I understand that perspective—on the other hand, if the UK is genuinely going to exit the EU, I believe that this provides opportunities for a new and quite constructive independent approach by the UK to this region.

Lord Grocott: I fear this may open up a very wide discussion, but Dr Less, you commented on the mismatch between national loyalties and state loyalties. Were you saying that it might be addressed, or addressed as one of a number of options? Where does that lead us?

Dr Timothy Less: As a first step it means trying to resolve the dispute in Kosovo. The local Albanian population would like it to be independent; Serbia refuses to recognise this and maintains, at least formally, that Kosovo is an integral part of Serbia. This issue has been running since at least 2008, if not since way back in 1999. My suspicion is that there is a deal to be done over Kosovo involving partition, in which Serbia recognises its independence in return for the Serbian-dominated northern enclave. In other words, the deal would involve the partition of Kosovo with the north returning to Serbia. That would be a first step towards addressing what I see as the fundamental structural defect in the region: the mismatch of political and ethnic boundaries.

Mr Laza Kekic: Where would that leave Bosnia?

The Chairman: Mr Vučić, the President of Serbia, told us that he was going to have internal dialogue on this issue.

Dr Timothy Less: That is right.

The Chairman: But it seems we are a long way from your suggestion.

Dr Timothy Less: Partition is the proposal which Serbia’s Foreign Minister, Ivica Dačić, has put up. He received a lot of kickback within Serbia from hard-line nationalists who are not willing to make any concessions whatever, but perceptions can change once people start to pursue these options a bit more seriously. It is certainly the case that both Belgrade and Pristina want to resolve this issue, because it is clear that neither can have everything they
want in this dispute. In the meantime, the unresolved status of Kosovo is hurting them both: it is paralysing Serbia’s journey towards the EU and paralysing the whole development of Kosovo.

The Chairman: We will come back to these issues again. Our experts are getting a bit internal but I want to move on while they are all here. Could we look now at the NATO angle, with a question from Baroness Helic?

Baroness Helic: Thank you. I will try to be very brief because I am sure a lot of people will want to comment. There are different feelings towards NATO in the different countries of what used to be Yugoslavia. Do you, as experts in this area, feel that NATO is a stabilising factor for the region or would further NATO expansion bear a negative impact upon it?

The Chairman: Just to reinforce that, we have already heard that Turkey is in flux over the EU. Is Turkey in flux over NATO as well?

Dr Timothy Less: It is different because Turkey is already a member of NATO and there is no suggestion that it will leave. But if you look at actual political relations, Turkey’s relationships with America are very strained at the moment. It is the same with a number of NATO members, most obviously Germany.

Dr Michael Taylor: The purchase of the S-400 ground-to-air missile system from Russia looks very strange. We would have a NATO member using a Russian defence system, which interferes with the identification of friend or foe that airplanes carry on them.

Dr Timothy Less: Indeed, plus Turkey is in strategic alliance with Russia; that is very strange for a NATO member.

Dr Michael Taylor: It looks a bit short-termist because the issue, in the end, came down to whether there was any kind of co-production going on with whichever country Turkey went to for this new system, and what sort of deal it would get. Turkey has its own ambitions to become a major arms producer, so it wants to up its own access to technology. But it looks rather odd. I am seeing from people such as Stoltenberg, the NATO Secretary-General, a kind of desire to brush this under the carpet and not worry about it too much. They are trying to work around this but I would have thought that from a technical point of view, it goes against interoperability within NATO.

It also helps Turkey in the sense of ploughing its own furrow: “We are not so dependent on the West as you think we are”. Relations have obviously improved considerably since the shooting down of the Su-24 a couple of years ago. There are all sorts of tactical issues on which Turkey and Russia can cooperate to their advantage but in the end, if we are looking at some sort of zero-sum game in the old Cold War style, it does not work for Turkey in this case. We are not looking at Turkey saying, “We are no longer friends with the West and are now going to be friends with Russia”. Turkey wants to go its own way—that is Erdoğan’s vision of Turkey as a major Middle Eastern power, beholden to neither the West nor Russia.

The Chairman: I want to move on because we have only a few minutes. The other pathway is of course the EU itself. Baroness Smith?
Baroness Smith of Newnham: Thank you, Lord Chairman. We have already heard discussions about Turkey and the EU. Leaving Turkey aside for a moment, to what extent have either China or Russia expressed concerns about possible western Balkan accession to the European Union? We have seen particular problems in Ukraine’s relations with the EU—that is, from a Russian perspective. Are there similar concerns about the western Balkans or do they not really perceive that membership is likely to happen any time soon?

Dr Timothy Less: In the case of China, the answer is very simple: it wants them to join the EU because it sees EU membership as absolutely critical to the stability of the region. Given that China is pouring a huge amount of money into the Balkans, it does not want conflict there. It is probably also hoping that one day there will be six more friendly pro-Chinese countries represented in the EU institutions, which will lobby for Chinese political interests.

Dr Jarosław Wiśniewski: Just to respond to the Russia question, for years the Russian approach to the region was that they were obviously against NATO enlargement there, but there were signals that Russia would support enlargement of the European Union. The Ukrainian crisis might have changed these calculations because the Russian rhetoric started to be more antagonistic towards the European Union. I have not seen clear signals from Moscow in the region saying that Russia opposes enlargement of the EU there, but the context has definitely changed and the situation might have. For Russia it is more of a priority to maintain the status quo in the region and muddy the waters—to take advantage of the current situation, rather than actively pursuing or promoting European enlargement.

Mr Michal Makocki: I agree with the previous witness on China’s support for the European Union with respect to the countries in the region. They are investing heavily and aim to continue that, therefore the political stability of the region is key to them. However, as has been mentioned in different interventions here, the kind of engagement and investment model that China promotes has negative consequences, including on the EU perspective of those countries. We have to be very careful about China’s approach, where what China promotes has consequences in furthering corruption. This was the case, for example, in Macedonia. In the background of its political crisis we saw allegations, including towards the highest political officials of the former Gruevski Government, about direct dealings with Chinese companies amounting to the transfer of Chinese money directly to their bank accounts. We have also seen the effects on indebtedness and transparency throughout the region, so we have to be careful about China’s approach and the EU perspective.

If I may, I will also chip in on the previous question on the western Balkan summit and the UK’s potential role there. The summit next year will happen in the context of two key facts, from the economic point of view. First, the World Bank’s report on the economic perspective of the region has a positive view, for the first time in a number of years. It says that economic growth is returning to the region and in Serbia, after five years of pretty sluggish growth, it has seen a pick-up in economic growth. Secondly, the key trade and investment partner of the Balkans is and will remain the European Union,
and we have also seen the eurozone returning to growth. For the first time in many years, it has grown faster than other Western economies. Next year’s summit will happen in this context and the UK, together with European partners, can work on a crucial part of stability in the region, which is economic growth and, even more crucially, employment opportunities, especially for the youth population.

Engaging with all the other external investors in the region will also be very important. We may complain about China’s different investment model and its negative consequences, but China is there to stay. We had better take that into account and make sure that our policies are informed by this reality. My advice would be to engage China but in a very specific way. We cannot really talk to China directly about the kind of investment model it has; we are not going to change that because of our diplomatic efforts. What we need is to agree, first, with the countries in the region that European partners, including the United Kingdom, are ready to step up their economic offer if they comply with our high standards. If those high standards are adhered to, we will step up our offer. But we will also have to agree that those same standards will be adhered to when those countries deal with external investors. That will not be easy especially when, as we have discussed, the European Union is losing a very important member, but I think the UK will still have a very important voice in this.

Mr Laza Kekic: World Bank and IMF publications tend to be out of date. When we talk about returning to growth, we should keep in mind that first-half growth this year in Serbia was the second worst in Europe at only 1%. The worst growth was in Macedonia, where it was negative. We should keep in perspective the expectation that they are on to a bright new path. I tend to think that their economic perspectives are rather limited, which is a great complicating factor for the region.

The Chairman: They are rather limited, certainly. We are nearly at the end. Although the United States was mentioned earlier, we have not discussed it and Mr Trump, but they have obviously played a major part in the area.

Q41 Lord Jopling: Can you guide us through the rather imponderable situation with regard to United States foreign policy? Perhaps you can tell us—I realise how difficult this is—how you think it might evolve in the future. Do you see any softening in the United States’ position on Russian actions in the region? Finally, can you tell us how the United States is responding to the actions that we have discussed with regard to Turkey and China in the region?

The Chairman: This is a big question but we should polish it off. Who would like to start?

Dr Timothy Less: I will try to be succinct. The short answer is that there is no evolution in American policy and I do not anticipate any, unless the facts on the ground change so fundamentally that America has to rethink its approach. This Balkans is not a strategic priority for any senior official in the United States. There is reasonable confidence among the people leading the policy that the approach is correct and that, with a little more effort, the US can face down the various emerging challenges—Russia, China, Turkey and so on.
**Mr Laza Kekic:** The caveat here, though, is the perception that the US has lost interest and withdrawn from the region. On the contrary and quite interestingly, on Macedonia they showed the EU up. It was American intervention that resolved the crisis there. On Montenegro, in the end there was US assent for it to join NATO and Pence made a stirring visit to Podgorica to underline that. Even in Bosnia, the US has been in the forefront of slapping sanctions on Dodik. So the idea that the US is withdrawing from the region is probably not right.

**Dr Michael Taylor:** But in some cases there are still US embassy officials in post because they have not been replaced. The US Embassy in Skopje saw a continuation of the Obama policy on Macedonia. I would just mention the enormous problems with the US-Turkish relationship. Turkish hopes of Trump reversing Obama’s position on, say, extraditing Gülen have been dashed and the US is sticking to the idea that whether it extradites Gülen is purely a legal issue. There are two Turks on trial in America at the moment over busting sanctions on Iran. There is the question of whether Trump will unravel the Iranian deal, which could mean going back to having sanctions on Iran all over again and would hurt Turkey enormously. Turkey now imports most of its oil from Iran.

**Dr Jarosław Wiśniewski:** On the American question, it very much depends on the personnel. There was a sign when President Trump announced his intention to nominate Wess Mitchell to be the Assistant Secretary of State for European and Eurasian affairs. This post was vacant up until now—and it still is, because Mitchell was not nominated. But he was a co-founder of the Center for European Policy Analysis and is well-known throughout the regions of central and south-eastern Europe. He is considered a person who understands the dynamics of the region. To a large extent, I concur with what Dr Less said at the beginning. I would not expect any changes but the fact that a person may be nominated for their dealings with the region could increase the American President’s involvement there.

**The Chairman:** But there is no Richard Holbrooke who will come back on to the scene.

**Dr Timothy Less:** There might be. I am quite pessimistic about stability in the Balkans, primarily because the Bosnian Serbs are exploiting this new power vacuum to make a serious drive for independence. There is the potential for a shake-up in the region, perhaps at the end of this decade or the start at the next. In such circumstances, America would have to look hard at what it wanted from the Balkans and how to achieve it. It would also need some hard-hitting diplomats to get stuck into the question of how to promote stability in the long term.

**Dr Jarosław Wiśniewski:** If I may be a bit more optimistic—we will see whether this happens—it seems that there is a clear date of 2025 for the next EU enlargement. That was repeated by a number of EU officials including Juncker, Hahn and Mogherini. I believe that the President of France also mentioned 2025 as a potential date when Serbia and Montenegro might join the EU, so it may become more of a crisis situation but there may also be a more optimistic future.

**Lord Jopling:** To my knowledge, people have been saying for about 10 years
that Dayton is out of date. But you, Dr Less, said that at the end of this decade there may be a move to having Dayton II. They seem to be struggling on, albeit at each other’s throats, but Dayton is continuing. What events might cause a catalyst situation for Dayton II to be started?

Dr Timothy Less: I am not envisaging Dayton II because I do not believe that the Bosnian Serbs want that. Instead, they want to leave Bosnia and the leadership of the Bosnian Serbs is becoming increasingly explicit about the goal of independence. But there are preconditions because Republika Srpska is an inherently weak entity with only about 1.3 million people and an almost indefensible territory. So the Bosnian Serb leadership needs certain things in place before it makes a declaration of independence. These include support from Serbia and Russia, Western impotence and, ideally, some momentum for independence on the part of the Bosnian Croats, backed by Croatia. These elements are clearly not in place yet, which is why we see a mismatch between what the Bosnian Serb leadership is saying and what it is actually doing. I think Russia is dampening down some of its ambitions at the moment because it does not want a clash with Turkey in the Balkans, for as long as the Syrian issue is unresolved.

Mr Laza Kekic: That is correct, and there are worse things in life than frozen conflicts—look at the example of Cyprus. Okay, it is not the best solution but you can avoid a return to conflict and keep the lid on. I do not tend to support theories saying that, “Unless you resolve these issues, it holds you back from economic development”. Look at South Korea and Taiwan, where there are unresolved territorial issues and they have prospered quite nicely. I do not think it is a necessary condition.

The Chairman: I wanted to end on an optimistic note and I am not having much success.

Mr Laza Kekic: I thought I was being optimistic.

The Chairman: The trouble is that you all know a great deal more than we have given you time to share with us. I therefore feel there is a great unexplored region in your minds. We should have spent a day together, rather than a couple of hours. But at this point we will have to call a halt and express our extreme gratitude to you for confirming and revealing, by casting beams of light, the incredibly complex and interwoven set of relations that we are dealing with in this area. It looks small and yet it is somehow very big, and it raises all the great issues of a world much in flux, with all the old alliances becoming fluid and under question. Thank you very much indeed for being with us and we really do appreciate it.
Professor James Ker-Lindsay, Professor of Politics and Policy, St Mary's University - Written Evidence (BUB0015)

Summary

1. Brexit poses considerable challenges for Britain’s future relationship with the Western Balkans. Until now, the United Kingdom has been a major actor in the region. However, its influence has been largely a result of its ability to shape the European Union integration of the six countries. In future, while remaining supportive of their EU accession, Britain will be unable to play a direct role in their integration process. This will inevitably reduce the UK’s standing. Indeed, there is evidence that British influence is already waning because of the vote to leave the EU. Looking ahead, the UK’s influence cannot be easily replaced by other means. The links between Britain and the Western Balkans are in fact relatively weak. There is a very small Balkans community in the UK. Likewise, there is very little trade with the region. While Britain’s membership of NATO, and its permanent membership of the Security Council, will certainly ensure that it continues to enjoy a modicum of influence in the Western Balkans, neither can replace the influence Britain enjoys through its EU membership. The danger is that this could lead Britain to disengage from the region.

Introduction

2. Once the focus of the international media, the Western Balkans has largely disappeared from international attention over the past decade. The economic crisis in Europe, conflicts in Syria and Ukraine, renewed tensions with Russia, and, more recently, the Brexit vote and the election of Donald Trump in the United States, have seen the region recede into the background. However, the Western Balkans remains a source of instability within Europe. Bosnia and Herzegovina continues to be plagued by political division and economic and social stagnation. In addition, threats of unilateral secession by Republika Srpska undermine peace and security. Kosovo’s path to uncontested international acceptance is being hindered by a dysfunctional domestic political system and a stalled dialogue process with Belgrade. While there are hopes that Macedonia has turned a page with the election of a new government, its EU accession path is still blocked by Greece over the name issue. Serbia, while pushing ahead with its EU accession process, has faced accusations of increasing authoritarianism. As a whole, the region remains underdeveloped economically and prone to corruption. This is proving to be a breeding ground for organised crime, populist nationalism and religious extremism. All the while, Moscow has been seeking to extend its influence into the region and foment anti-Western sentiment.

3. In the face of these pressures, there is no doubt that the EU has been the single most important stabilising influence in the region. The prospect of membership
has done more than anything else to prompt the countries of the Western Balkans to engage with one another in a more positive manner as well as address many of the domestic problems they face. Most notably, the European Union has been responsible for promoting dialogue between Belgrade and Pristina. It was also at the forefront of efforts to resolve the political crisis in Macedonia. Overall, the EU has been the key driver of social, political and economic reform in the Western Balkans.

4. For the past twenty years, the UK has been at the forefront of efforts to tackle many of the region’s problems. Despite criticisms about the way it initially responded to the conflict in Bosnia, Britain has played a central role in post-conflict reconstruction there. It has also tried to revitalise political, economic and social reform, most notably in co-operation with the German Government. Meanwhile, it was the United Kingdom that took the lead on Kosovo in 1999, and has proved to be one of the country’s strongest supporters as it has sought to gain international recognition following its declaration of independence from Serbia, in 2008. Elsewhere in the region, Britain has also played an important role. For instance, the UK was visible during efforts to tackle the political problems in Macedonia. In all these endeavours, it has been Britain’s membership of the European Union that has given it special significance. The fact that the United Kingdom was such an important member of the EU, and had built a reputation for championing enlargement, saw Britain emerge as an extremely influential actor in the Western Balkans. As Britain prepares to leave the European Union, there are therefore very real questions about the degree of influence that it can continue to exert in the region. With limited diplomatic resources, the countries of the Western Balkans must focus on their attention on the EU states that can best further their membership ambitions. Clearly, Britain is no longer able to do that. As a result, the UK’s significance is already waning. As one ambassador noted to the author, London is no longer a key capital for his country’s government. The number of officials visiting Britain had dropped significantly.

**Limited British ties to the Western Balkans**

5. The problem is that without European Union membership, there are few links between Britain and the Western Balkans. For a start, and perhaps contrary to widespread belief, the number of people living in Britain who were born in the Western Balkans is rather small. According to the 2011 census, there were less than 75,000. This includes 28,000 from Kosovo, 13,000 from Albania, 8,000 from Bosnia and 8,000 from Serbia and Montenegro. To put this in perspective, there are 694,000 from India, 579,000 from Poland, 407,000 for Ireland, 274,000 from Germany, 191,000 from South Africa. There are even 274,000 from the United States. This number also pales into insignificance when compared with the numbers of people born in the Balkans living elsewhere in the EU. For example, there are well over a million living in Germany. Additionally, the communities living in the UK have little contact with one another. Albanians in Britain do not
make common cause with Serbs. There is no regional voice for the Western Balkans. There is no political community, let alone a community concentrated in specific locations that could give influence in some constituencies, in rather the same way as Cypriots have a presence in North London. All this means that there are few, if any, champions for the region in the House of Commons – even if there may be some very valuable voices of support in the House of Lords.

6. The trade relationship between the United Kingdom and the six countries of the Western Balkans is negligible. An examination of recent import and export data shows just how little interaction exists. No Western Balkan country features in Britain top 50 export destinations or sources of imports. Indeed, data from the Office for National Statistics reveal just how bad the picture is. In 2015, Albania was 154th for exports and 161st for imports; Bosnia was 130th for exports and 124th for imports; Kosovo 179th for exports and 177th for imports; Macedonia was 57th for exports and 128th for imports; Montenegro was 182nd for imports and 157th for exports; and Serbia was 100th for exports and 88th for imports. Speaking to ambassadors from the region in London, they have repeatedly said just how hard they have found it to build economic links between Britain and the Western Balkans. British companies have been much more focused on wealthier European markets, or have wanted to pursue trade with Commonwealth countries, where there are often established links. Few want to explore opportunities in the Balkans, especially as the entire population of the six counties is less than 20 million people. In the Brexit context, it is hard to see how the Department for International Trade would want to expend energy on such a fractured, small and relatively poor region.

7. The soft power influence of Britain is also very limited in the region. Contrary to the view that Britain would have been ‘flooded’ by new arrivals from the region as the countries join the EU, the truth is that we have never been a significant target for those wishing to emigrate from the Balkans. Although somewhat outdated, a Gallup Balkan Monitor opinion poll taken in 2009 showed that the United Kingdom was not even in the top ten destinations. Germany, the United States, Switzerland, Italy, Australia, France, Austria, Greece and Sweden all came ahead of Britain as a preferred place to settle. Again, this can be explained by the fact that we do not have a large Balkans community in Britain. At the same time, few people from the region want to even visit the UK for holidays, largely because of the difficulties of obtaining a visa. Unlike the EU, which offers 90-day visa free travel for most of the Western Balkans, obtaining a visa for the UK is time-consuming and expensive. Almost everyone I have met has their own horror story to tell. This lack of engagement is reflected in other ways. For instance, Britain also fails to attract significant numbers of students to our universities. The total of ‘Other Europe’ (non-EU or EEA) students in the UK in 2015/16 was 19,490. This compares with 191,660 from Asia; 39,420 from the Middle East; 33,610 from

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Africa; and 28,040 from North America. Given that this would include students from Russia and Turkey, the number from the Western Balkans is likely to be significantly below 10,000. Most students I have met over the years have preferred to go to continental Europe or North America. Having said this, programmes such as the Chevening Scholarships have ensured that the students we do welcome from the region have often been some of the brightest and the best.

**Is the Western Balkans Britain’s problem?**

8. Although Britain may be leaving the European Union, it has repeatedly been said that it is not leaving Europe. We will still be an active and important member of NATO. This will necessarily require us to take an interest in European security issues, including the Western Balkans. Even more so given Russian efforts to extend its influence in the area. However, NATO membership is not the same prize for the countries of the region as EU membership. For a start, Albania and Montenegro are already members. As with its EU prospects, Macedonia’s hopes of membership are blocked by Greece. More to the point, Serbia, in many ways the key country of the region from a security perspective, has repeatedly stated that it has no wish to join to join NATO. At the same time, some may argue that Britain’s permanent membership of the Security Council will also ensure that we can continue to exert a degree of influence in the Western Balkans. It is not clear why or how this would be the case. It is a very blunt tool, and one that can only be used occasionally. It can also have negative consequences. An effort to pass a Security Council resolution on genocide, which made repeated reference to Srebrenica, generated considerable anger in Serbia and led to a Russian veto. This had the unwanted effect of further indebting Belgrade to Moscow. For all these reasons, neither NATO membership nor Britain’s place on the Security Council can credibly be presented as an alternative to the influence we have previously exerted as an EU member.

9. In many ways, the real danger is that British policy makers may decide that it is not worth trying to maintain such a strong role in the region, especially if this requires considerable effort that could be dedicated elsewhere. While many long-term observers of the region in Britain may believe that the case for continuing British involvement is unassailable, there is a danger of complacency. Although the risks of a return to conflict, state collapse, growing extremism and the further strengthening of organised crime are all things that should concern Britain, some may argue that the Balkans, a region intent on EU membership, is primarily a problem for the EU. Certainly, Britain can play a supporting role in these efforts as and when needed. Nevertheless, the argument may become louder that the EU should bear the bulk of responsibility for continuing efforts to address the

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43 ‘International Study’, Higher Education Statistics Agency (HESA) – [https://www.hesa.ac.uk/data-and-analysis/students/international-study](https://www.hesa.ac.uk/data-and-analysis/students/international-study)
instability in the region. Another risk is that there may be those who would say that, having taken back control of our borders, the United Kingdom will be better able to prevent the effects of organised crime and religious extremism from being felt in Britain without having to be directly engaged with tackling these issues in the region. In many ways, this is the real problem that is looming. An isolationist Britain may be tempted to disengage from the Western Balkans. And yet, paradoxically, a ‘Global Britain’ could also see Britain take a more distant role in the region. Faced with its own limited diplomatic resources, many may argue that the United Kingdom should focus its efforts on where it can achieve the best results and where it has stronger ties. In the context of Brexit, a case for continuing British involvement in the Western Balkans will need to be made, especially when we do not have particularly deep links to the region and such engagement may require time, effort and money that could be more obviously deployed elsewhere.

Submitted 15 September 2017
Mr Vladimir Kicošević – Written Evidence (BUB0001)

1. I am writing to suggest potential topics to be discussed in UK Parliament, following the news I read on your website. Please note that I write this purely as individual who would like to help British public in general to understand some complex relations between people living in the Balkans and thus try to change the global picture that Britons have about this region. Wherever you go and ask people what do they think about Britain (Macedonia, Kosovo, Serbia, Bosnia, Croatia) – they will all tell you as one either: “Britons do not like us”... or “They do not care about us at all“...

2. Unfortunately, this is mainly true – because of the British policy towards Balkans – that greatly helped creation of such image. What we now have – is pretty much lose-lose situation where Britons consider Balkans for a black hole of the continent – and Balkan(ers) think of British as far and distant people – taking care only of their own benefit. Since I was in Britain – I know people are not like this and would like change both views. Therefore here are some topics you should discuss:

   i. **How to increase level of investments on Balkans** - for example – besides British Council – I do not know a single British company that exists in Serbia or Macedonia or Bosnia). There are maybe some small enterprises which a great majority of people have never heard of

   ii. **How to improve British image on Balkans** - many Brexit activists during the campaign used the following slogan/sentence: „If we stay in EU, in a few years Serbs and Albanians will come to Britain"

   iii. **Lowering the prices of British visas for citizens of Balkan countries** - as far as I know the price of British visa for Serbian citizens is currently 120 euros. If you take into consideration that average Serbian or Macedonian or Bosnian salary is around 320 eur/month – it is easy to understand what people think: “British deliberately keep high visas prices to prevent us from coming.” It is not the price of visa that will prevent illegal immigrants from coming to Britain – but the quality assessment of your visa officers. High prices in most cases prevent normal people from coming.

   iv. **Enabling people from Balkans to work in NHS** – Why? Because people from Balkans had a good and quality education, since the educational system was copied from ex-Yugoslavia – which medical workers have been and still are amongst the best in comparison to the similar staff from Africa or Asia.

3. I am willing to elaborate further if need be. I do not know if the form is right, but please consider this a true and open insight and wish of an ordinary individual to
point out some important topics that might be overlooked in your future discussion

Submitted 25 July 2017
Introduction

1. This submission addresses the Inquiry’s concern with ‘political, security and economic challenges’ and ‘UK beyond Brexit’ from the perspective of war crimes committed in the Balkans in the 1990s and their legacy. Subtitles indicate specific questions that are addressed.

Key political challenges faced by the countries of the Balkans

2. Impunity for war crimes committed in the 1990s in the Balkans and the related sense of injustice are among the key political challenges in the region. They contribute to pervasive insecurity and mistrust between ethnic groups. They are used to perpetuate nationalist rhetoric and underpin policies that divide communities (e.g. ethnically divided schools in Bosnia and Herzegovina). In the Balkans, there is ‘peace without reconciliation’ both between countries and between ethnic communities within multi-ethnic countries (Bosnia and Herzegovina, Kosovo, Croatia, Serbia, Macedonia, and Serbia). ‘Peace without reconciliation’ means there is no consensus on the causes and nature of violence committed in the conflicts of Yugoslavia’s dissolution in the 1990s. Also, all ethnic groups still tend to see themselves primarily as victims and not as perpetrators of violence. ‘Peace without reconciliation’ is unstable.

Post-conflict resolution efforts since the end of the Balkan conflicts

3. The closure of the International Criminal Tribunal for the Former Yugoslavia (ICTY) is scheduled for 31 December 2017, after 24 years. Since the cooperation with the ICTY became a condition of membership in the European Union for the Balkan states, the impact of the tribunal on the region has been immense and complex. Above all, the ICTY has prevented a complete denial of war crimes and the avoidance of responsibility for war crimes. Nonetheless, its verdicts continue to be contested, which has an adverse impact on inter-ethnic relations. For example, Serbs in Bosnia and Herzegovina and in Serbia contest that the killing of some 8,000 Bosnian Muslim men and boys in Srebrenica was a genocide (as established by the ICTY). A vast number of war crimes remain either unpunished or unacknowledged. On the one hand, there is objective inability of an international court to process all perpetrators in cases of mass atrocity such as that of former Yugoslavia (the ICTY indicted 161 individuals; it is estimated that around 130,000 people were killed, and over 2 million fled their homes). On the other hand, the start of war crime trials in the countries of the region ought to be recognised as a step towards
accountability. However, these trials have been politicised, and often compromised by procedural irregularities and selectivity, i.e. prioritising indictments of members of the other ethnic group; a lack of capacity in the judiciary has resulted in the build-up of a backlog of cases. The capacity issues notwithstanding, the major problem is the lack of will of the political leaderships in the region to confront war crimes committed by their own ethnic groups.

4. There is still no record of war crimes and human rights violations committed on the territory of former Yugoslavia in the 1990s. It is very important that such a record is established. Lessons must be drawn from the late 1980s. On the eve of the Balkan conflicts, the facts about inter-ethnic violence that took place during World War Two were manipulated to whip up ethnic tensions. There has never been an official record of war crimes in the history of conflicts in this region. A multi-ethnic initiative, known by its acronym RECOM, advocates the founding of a regional commission to establish the facts of war crimes. Due to a cross-border nature of violence and population displacement, national initiatives are not adequate, because victims, perpetrators and the evidence are located in different countries. The RECOM process demonstrates the ability of civil society groups to collaborate across ethnic lines. But, it also points to the obstruction at the level of national governments who have not committed themselves to the project. Also, there are still over 10,000 persons missing from the conflicts in Bosnia and Herzegovina, Croatia and Kosovo. The original figure from the immediate post-conflict period, which stood at over 30,000, has come down. There has recently been a notable lack of progress on this front. For the national authorities this issue is not a priority. Additionally, there are difficulties in pursuing regional cooperation which is necessary to make progress. Unanswered questions about the fate of the missing relatives keep the conflicts ‘alive’.

5. It is wrong to assume that all violence in the region ended when the armed conflicts ceased. Other forms of violence, such as domestic violence against women (and, as many experts argue, endemic violence among peers in primary and secondary schools) is related to the war-time violence and its legacy. Particularly, the post-conflict violence against women cannot be dissociated from war-time sexual violence in Bosnia and Herzegovina and in Kosovo that took place en masse, overwhelmingly against Bosnian Muslim and Albanian women.\(^44\) Only a small percentage of victims have received state benefits that they have recently been entitled to. Stigma that surrounds wartime rape, and isolation of victims in their local environments and in their families, stops them from coming forward. Women in many cases struggle to provide for their families in silence (many have lost husbands and other male

\(^44\) There are no reliable statistics; estimates range between 20,000 and 60,000 in Bosnia and Herzegovina, and refer to around 20,000 in Kosovo.
family members during the war), or are economically dependent on their husbands (and unable to leave abusive relationships). The mental health needs of all victims of different kinds of war-time violence are considerable. The access to therapy is limited both by a weak state capacity (non-governmental organisations having played a crucial role owing to external assistance) and stigma. But, the need for truth and recognition of suffering is as great as ever. For example, many victims of sexual violence have begun to tell their stories now, more than twenty years after the end of the Bosnian war. They do not want to take their secrets to their graves; they want to end the culture of impunity. The sense of injustice is compounded by transgenerational trauma. With the passage of time, trauma is being passed on to younger (i.e. second and third) generations, affecting both the families of the victims but also those of the veterans (including the perpetrators). This means that those who have not experienced traumatic events themselves feel the trauma of the original violence and its symptoms. These symptoms impede one’s wellbeing, but also impact people’s ability to negotiate a social environment. Ethnic polarisation makes this particularly difficult.

**How are these challenges different to previous ones in the region?**

6. The consequences of impunity for the stability and security in the region are profound. Not unlike in the 1980s, nationalist discourse, which feeds off the unresolved legacy of war crimes, is used by the political class as a very effective tactic to divert attention from reforming governance, including tackling of corruption and informal economy with its patronage networks. Nationalism is perpetuated by the elites (the leaders’ rare conciliatory gestures have not been followed up by actions). In addition, the permissive environment accounts for the emergence and tolerance of nationalistic, i.e. illiberal and far-right, civil society groups. Consequently, nationalism becomes an accepted norm of public discourse, creating fertile ground for conflict to reignite at any time. Unlike in the 1980s, the sense of injustice and trauma from violence suffered in the 1990s is one of the factors that contributes to susceptibility of very small sections of the Bosnian and Albanian Muslim population to extremism and radicalisation (as evidenced by the ISIS recruits from the region). This phenomenon also ought to be understood in the context of emerging religiosity among all ethnic groups in the Balkans, after religion was used to underwrite ethnic/national divisions during the conflicts of the 1990s. Lastly, the issue of justice also reinforces old geopolitical loyalties, which have acquired greater importance in the post-Brexit period. For example, Serbia is indebted to Russia for vetoing the UN Security Council resolution in 2015. This resolution was to condemn the Srebrenica massacre as genocide, and was supported by the UK and the US.

**What effects has the UK’s decision to leave the EU had on the region? How should UK policy makers respond?**
7. The issue of post-conflict justice is central to understanding political, governance and security challenges, which can have transnational consequences. The UK’s decision to leave the EU is used by the opponents of the EU integration in the Balkans to argue that it is desirable to seek future outside of the EU. The problem with this argument is that it misrepresents Brexit as the rejection of European liberal values; nonetheless, it diminishes the ‘pull’ of the EU membership. The closure of the ICTY implies that there is no external support to active pursuit of post-conflict justice. Human rights issues are folded within the scope of adjustment required by Chapter 23 (judiciary and fundamental rights) and Chapter 24 (justice, freedom and security). But, human rights groups are already concerned that post-conflict justice has been abandoned as policy. Given the importance of accounting for past crimes, the UK should: i) champion human rights and post-conflict justice as a bedrock of stability and democracy in the Balkans; ii) step up engagement in the area of sexual and gender-based violence, given the UK’s role in the UN’s Women, Peace, and Security Agenda, and, specifically, in the Preventing Sexual Violence Initiative, and iii) engage with youth and civil society, who have consistently provided an alternative to impunity and nationalism.

Submitted 14 September 2017
Mr Angus Lapsley, Director Defence, International Security and Southeast Europe, Foreign and Commonwealth Office (QQ 50-67)

Transcript to be found under Mr Michael English
UK’s Interests

1. UK’s interest in the Balkan region is to ensure its economic stability and prosperity as a group of potential trading partners. For the purposes of this submission, the countries of interest are: Serbia; Kosovo; Bosnia and Herzegovina (BiH); Albania; Montenegro and Macedonia (also known as the Former Yugoslav Republic of Macedonia (FYROM)), all of which lie outside the European Union and are referred to as the Western Balkans (WB). While each country has its own characteristics and needs, this submission asserts that Serbia exerts the major regional influence and should be the centre of UK’s policy development in the region post Brexit; at least in the short term.

Geopolitical Context

2. History shows that BiH lies at the heart of the Balkan region’s instability. Geographically, the country embraces the confluence of 3 cultural rivers: Catholicism, Orthodox and Islam. BiH has enjoyed stability when under the influence of a fourth party to balance the separationist tendencies of her cultures. With that in mind, Serbia has the opportunity to play a role in ensuring the cohesion of BiH by countering those influences that seek to see country fracture around the Dayton Agreement’s confrontation line.

3. The UK’s post-Brexit strategy in the Balkans should focus mainly on security and providing a balance to Russian influence. Other areas of involvement on a bi-lateral basis, namely through Turkey, are instrumental in the development of security, trade and investment and the management of the refugee crisis.

4. From a transatlantic perspective, the US government seeks to maintain its traditional priorities in the region, despite initial worries that the Trump administration would withdraw from its previous commitments to the region’s security, prosperity and completing its Euro-Atlantic integration. Administration members such as VP Pense, Secretary Mattis and Secretary Tillerson have repeatedly emphasized that the US commitment has not changed. However, looming crises elsewhere may divert US’s attention to North Korea and the Middle East, therefore the UK role will be even more significant in the Balkans. London could play a very important role in pursuing
NATO’s goals in the region while stepping up efforts to complete the unfinished business in the Balkans and thus contribute to European security.

**Political, security and economic challenges**

5. **Security.** As an important NATO member, the UK can engage in preventing potential conflicts in the Balkans—there are several flash points that could boil over into a full-scale war or internal violence: Bosnia and Herzegovina, Kosovo and Macedonia are the main ones, but one should also watch Russian attempts to stir violence in other parts of the region, such as Montenegro. In addition, Moscow could use its close connections with Belgrade to pitch Serbia against its neighbours and incite conflict.

a. **Bosnia and Herzegovina:** The biggest problem in the region and the most inflammable is Bosnia, in particular Republika Srpska’s potential attempt to secede from Bosnia and Herzegovina and join Serbia. The government in Banja Luka has been a subject to subversion by Moscow, which is promoting closer relations with Belgrade and separation from Sarajevo. The problem is both constitutional and one of governance. Preventive measures through NATO, particularly engagement in joint initiatives with both Sarajevo and Banja Luka, could help build confidence between the two entities and serve as a means to keep Russia at bay. But the most important task is to help Bosnia and Herzegovina prepare for a NATO membership and eventually achieve it. London can play a critically important role in drawing Bosnia closer to the West.

b. **Macedonia** needs urgent help to be able to join NATO, mainly to find a solution to the name dispute with Greece. This will open the way for EU membership as well. The country, which was on the brink of civil war earlier this year, has made remarkable internal progress in the last two months after replacing the corrupt former government with a new cabinet that has been reaching out to both major ethnic groups (Macedonians and Albanians). Importantly, Skopje has been reaching out to the neighbouring countries as well. The friendship agreement with Bulgaria signed last week is one of the examples. The question is whether the UK is in a position to help with the name dispute, given that there is an on-going dispute over the Greek statues and two countries don’t seem to get along that well.

c. **Kosovo:** There may also be some additional scope for London to take on a greater diplomatic role in helping to resolve the dispute between Serbia and Kosovo. The UK strongly supports Serbia’s EU membership drive, to which the conflict with Kosovo remains an impediment. Baroness Ashton was the EU’s Foreign Affairs High Representative at the beginning of the rapprochement process, so the UK is a respected mediator in this process. Readiness to get involved in that manner would help raise the UK’s profile
in the Balkans and show it is still willing to work constructively hand-in-hand with Europe on important regional security issues.

6. **Balancing Russian Influence.** The UK can get more involved in the Balkans in countering Russian cyber-intrusion, media penetration, and disinformation campaigns. There are a number of bi-lateral initiatives that could be launched to compliment and enhance any local or EU efforts in this area. This is another area that cooperation with the EU could help UK–EU relations. The second part of countering Russian subversion is enhancing intelligence cooperation through NATO or on a bi-lateral level. The third part is greater Western economic presence and trade ties.

7. **Trade and investment.** Trade and investment are important areas of engagement with the region, and they are even more important for the Balkans, because of the slow pace of economic recovery. In addition, Russian economic penetration put the region in economic and political dependence on Moscow. More Western investment in the region would reduce that dependence and weaken Russian positions in the Balkans. The UK could have an impact on the improvement in the current investment climate in the region, which is heavily affected by corruption and a weak judiciary, often controlled by government and business interests. It will serve a strategic purpose to protect UK investments and stimulate trade with the countries in the region as well as to limit Moscow’s ability to penetrate the region economically through corruption.

8. **Refugee Crisis.** A looming problem for the Balkans is the influx of refugees from the Middle East and Afghanistan. If Turkey reneges on its agreement with the EU, the Balkans could be overwhelmed with millions of refugees that are currently residing in Turkey. The region is unprepared for large refugee inflows and is becoming politically volatile as a result of fear and xenophobia toward the newcomers.

**UK Beyond Brexit**

9. Despite the progress made to date in areas such as transport and energy policy, it’s very difficult to predict the sequence of EU accession for the six Western Balkan (WB) applicants. Meanwhile, Russia is exerting influence, as is China. There is a view that the EU will go for a staged accession and that the Muslim majority countries may be at the front of the queue. The comment is made in the context of the political zeitgeist in the Commission and the current issues surrounding migrant flows from North Africa and the Middle East.

10. Perhaps the most effective way of promoting political stability is to develop economic prosperity. This would involve strengthening national economies,
promoting trade between them and, crucially, improving their ability to sell goods and services to advanced and sophisticated customers in export markets. This approach is well articulated by Harvard’s Michael Porter (see ‘The competitive advantage of nations’).

11. The way forward for the UK could be as follows:

a. Focus on actions that will strengthen the business environment in the Western Balkans. Businesses cannot create wealth in uncompetitive, hostile environments. For example; reducing corruption and promoting the rule of law, availability of debt and equity, R&D and technology transfer mechanisms; support for key clusters such additive manufacturing, ICT and Cyber Security.

b. Promote Inward investment and bilateral trade between the UK and WB states.

c. Assist in the development of shared educational and vocational centers (something akin to the Stockholm or Sydney Schools of Entrepreneurship, or a network of ‘Fab- Labs’ and enterprise accelerators), which might act as a locus for development.

d. Promote exchanges of key personnel between the UK and WB in areas of importance and mutual interest. The EU, for example, has been doing this for decades.

Conclusion

12. If the UK doesn’t engage both politically and economically in the WB, and especially with Serbia, the influence exerted by Russia and China will grow. The implications of this are obvious and probably best avoided. Further, I have little confidence that the EU will manage accession in a way that promotes stability and prosperity in the WB as a whole. Rather, I fear that the process may sow further division and instability.

Submitted 15 September 2017
Dr Timothy Less, Director, Nova Europa (QQ 33-41)

Transcript to be found under Mr Laza Kekic
Mr Michal Makocki, formerly of EUISS and Mercator Institute for China Studies (QQ 33-41)

Transcript to be found under Mr Laza Kekic
Ms Fiona Mcilwham, Head, Western Balkans and Enlargement Department, Foreign and Commonwealth Office (QQ 68-75)

Transcript to be found under the Rt Hon. Sir Alan Duncan MP
Jelica Minić, Forum for International Relation of the European Movement in Serbia; Milena Lazarević, European Policy Centre; Lejla Ramić-Mesihović, Foreign Policy Initiative BH – Written Evidence (BUB0025)

What are the UK’s interests—direct and indirect—in the Balkans? How are those interests likely to evolve in the near future? What political, social, economic and security trends in the region will affect UK policy?

1. As any other EU member UK was directly interested in the EU enlargement to the Balkans. Now it will be reformulated to supporting Balkans future in the EU, not because of the EU plans but to strengthen the position of “western oriented societies” combined with rather declaratory “European values” that political elites in the Balkans nominally support.

2. UK will leave EU in next few years but it will remain as NATO member. And although the EU and the UK would be much better off together (from both sides), one should not neglect the fact that their geopolitical, geo-economics and security trajectory remains the same. UK and the EU share the same values around many core principles; therefore the “technical divorce” shall not change many joint commitments. One of those commitments goes directly to the future membership in the EU and NATO for all countries in the WB. UK’s legacy there is quite strong. Dozens of millions of pounds have been so far spent on different projects aimed to strategically “elevate” the WB countries way up higher towards so called EU standards. That directly and indirectly means better social cohesion, more meritocracies, less corruption, more transparency, better social cohesion and overall better security framework.

3. It should be noted that social and security developments in the Balkans are interlinked. The rising radicalism has its ground in the social-economic problems that political elites are not able to manage. Shifting the paradigm of “universal human right values” and “prosperous knowledge driven society” to the treats from neighbours and immigrants is a diversion aiming to short term political goals but having long term implications on societies and security issues. Moreover, at the end it could put in danger the very project of the EU and NATO.

4. This is not only the recipe in the Balkans. It is the consequence of spill over effect that EU witness in eastern European members of the EU as Hungary, Poland, Slovakia, Czech Republic, and Croatia. Now the Balkan societies and political elites can see that it is acceptable to EU to have member state governments promoting radical right wing policies and abolition of constitutionally guaranteed human rights because the fact that they are democratically elected. If a number of EU and high level Member States
politicians can use inflammatory rhetoric, why shouldn’t the Balkans politicians do the same and still pretend to fight for “European values”. It is because the “European values” and “European perspective” for many of those states were and still are envisages as only opportunities, values and perspective of their own “traditional societies” and not for the “citizen of Europe”. The rising radicalism has its ground in the social-economic problems that political elites are not able to manage. Shifting the paradigm of “universal human right values” and “prosperous knowledge driven society” to the treats from neighbours and immigrants is a diversion aiming to short term political goals but having long term implications on societies and security issues. Moreover, at the end it could put in danger the very project of the EU and NATO.

5. The WB, to the certain extent, represents a common denominator of future joint engagement of the UK, although from different perspectives. Stability and prosperity of the WB serves the best interests of not only people in the WB, but also the best interests of the EU and UK which will continue to lead many important Euro-Atlantic processes.

Geopolitical context

How is the geopolitical context evolving? How are longstanding actors, such as the US, working in the region? Are new actors, such as Russia, Turkey, Middle Eastern countries and China, seeking to make their influence felt in the region and to what end? What are the consequences for the region and for UK influence?

6. Balkans looks like “Eldorado” for all the different influences. Mostly, Russia and Turkey with the same affiliation to the political pragmatics of the populism and radical cuts on the expense of European stability and Human Rights. Although US presence has not been very visible in the region in the last decade, with the solution of the Macedonian prolonged post-electoral impasse, the US political mediation proved to be decisive and superior comparing to previous interventions of the EU high officials. Similar pattern seems to emerge in the Kosovo post-electoral crisis and stalemate of the Belgrade-Pristina dialogue mediated by the EU. Russian strategy in the region does not seem very comprehensive following some clear long term goals. Russia is showing capacity to interfere in an unstable region and its wider neighbourhood competing with other actors trying to strengthen their positions. Turkey is manifesting its aspirations to renew its traditional political and economic presence in the region as a growing regional power. Some Middle Eastern Countries are taking over their points of influence in the near European neighbourhood as a gate to their expansion to the West. China has the most comprehensive strategy “One Belt One Road” primarily as an efficient investor in the regional infrastructure connecting it with the wider European and Asian surroundings instrumental to her expansive widening of access to external markets. But it seems that in this moment there is synergy between
China and the EU in improving connectivity between the Baltic Sea, Black Sea and the Mediterranean. All of these players have not only diminished the UK influence in the Western Balkans but the influence of the EU in general.

7. It seems that only that keeps Eastern European States in the EU and NATO is a fear of Russia. Unsecured in EU defence potentials and political capacity of NATO those countries want to have better economic cooperation with Russia while part of society have sympathy for Putin like stile of handling politics. This point applies to all of the Balkans where Russia is interested only to prevent further NATO enlargement to Balkans and therefore use all political and diplomatic influence it can. For Russia, Balkans is also back yard but want to keep neighbours off. As such UK influence in the Western Balkans should deepen in the area of security and in diminishing influence of external players in the region which can be seen as obstructing the integrations in the EU and NATO.

Once the UK has left the EU, which countries and multilateral agencies (including the EU) should it work most closely with in the region?

8. The EU should take a more proactive role in the Western Balkans as Brexit combined with economic, governance, and migration crisis has undermined its influence and credibility in the region. Germany will increase its role in the region after UK leaves changing general balance in the EU. Germany already has a predominant role in the EU regarding Western Balkan affairs. Launching of and leading role in the Berlin Process is an announcement of the future constellation in the EU-Western Balkan relations. UK could and should become member of the RCC (Regional Cooperation Council) and use this platform to streamline effort in helping the WB to become a vibrant region which is open to Euro-Atlantic cooperation.

Are some countries of the region building closer military-industrial links with Russia? If so, what are the consequences for NATO?

9. Serbia and the Republika Srpska⁴⁵, are building closer links with Russia. In Serbia the emphasis is more on military and industrial links, while in the Republika Srpska there are very strong political connections and influences. It makes more urgent for NATO to consolidate its position in the region. The best way would be Macedonian full membership in the alliance as soon as possible. BiH should also be granted NATO MAP, which is something that still has internal political support unlike full-fledged membership. It would be a good opportunity for BiH to benefit from advice, assistance and practical support tailored to the individual needs of the country.

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⁴⁵The Republika Srpska is one of two entities in Bosnia and Herzegovina, established in accordance with the Dayton Peace Accord.
Political, security and economic challenges

What are the key political and governance challenges facing the countries of the Balkans, and what policy options are open to the UK to support stability in the region?

10. A slow transition process, bilateral tensions and frozen conflicts are the key challenges in the region. The best policy option remains full integration of the region in the EU and NATO. The UK can support stabilization of the region by its increased soft power expansion – education, reconciliation, and support to the security sector reform.

Has there been a radicalisation of Islam in the region? If so, what have been the driving forces, and what are the consequences for the region? How can UK policy respond?

11. According to publicly accessible information there are growing connections with ISIL in the region. Slow reforms, high unemployment and social dissatisfaction, frozen conflict, political revival of nationalism destabilize the region. On the other hand all Balkans “Islamic warriors” are less dangerous than one home grown “ISIL” cell in one bigger European town. These groups should be tracked but without overestimating the danger which would serve for the short term political purposes. Overestimation can be irresponsible since more resources security agencies invest in following these “Balkan groups” there will be less resources to investigate the real home grown threats that really already exist in the EU. Nevertheless, UK could strengthen its involvement in increasing regional capacities to fight radicalism, extremism and terrorism.

What are the consequences of rising nationalism for relations within and between countries of the region and for international relations? How should external parties, such as the UK, respond?

12. In a fragile region like the Western Balkans nationalism is a permanent threat. It inspires looking for external allies and establishing of political coalitions which do not contribute to the stabilisation (BiH and Kosovo).

What are the patterns of migration through and from the region? What have been the consequences for the region and what are the implications for the UK?

13. The Western Balkans managed to handle the migrant crisis in a rather organised and humane manner. But with growing restrictions to the movement of the migrant flows towards the EU and thousands of migrants stuck in the Western Balkan countries the situation could change. Just to
mention some of the challenges: growing power of human trafficking chains, tensions in local communities where migrants are located, low capacities for their integration if they opt to stay.

14. On the other side, the region itself has a very high level of legal and illegal migration of its own citizens towards European and other western countries what will influence the demographic balances along the migrant route in the long term if the migration from the south continues.

15. With the policy of closing the border (and society) from the rest of Europe the UK can prevent some negative developments related to the migrant crisis, but only on the short run, as this country is one of the main targets of the Islamic radicalism and terrorist attacks due to its colonial past and the role played recently in the military interventions in Islamic countries.

**Youth unemployment is extremely high in most countries of the Balkans. How is this manifested amongst young people? How can the UK engage most effectively, and to what end, with young people of the region?**

16. This is one of the alarming problems in region where the levels of youth unemployment in countries such as Bosnia and Herzegovina are at 65%. Such defeating statistics point to the weakness of private sector, unattractiveness of the countries for potential investors, complicated legislations and the gap between the academic education and labour market. Unemployment of young people manifests primarily in the large “brain drain” – with record numbers of young people leaving the region in search for jobs. UK should engage concretely through the projects which would stimulate improvements in some of the areas mentioned. Problem of youth employment is structural problem and as such should be addressed only through the programmes and projects which support systematic changes.

**What are the key economic challenges facing the countries of the region? Is there a constructive role to be played by the UK? What are the commercial interests of the UK in the region?**

17. Speaking from the regional perspective, the economic development has been slow and uneven. Compared to 2014, the intraregional trade is in decline. GDP per capita relative to the EU average, total trade in goods and services and overall inflow of FDI are growing, but at a slow pace. BiH and Kosovo* have seen decline in the FDI’s in past three year, while Montenegro and Serbia have experienced larger inflow. Same is valid for the employment rates, where there has been growth in regional aggregate, but again, highly uneven. This all points to the fact that the all of the countries are moving forward at a very slow pace, heavily reliant on FDI inflows, with much of the structural reforms in progress or untouched. Another evidence are strong trade deficits and low
shares of exports in the GDP for the countries. UK can definitely play a role in supporting the regional cooperation, reforms and further liberalizations of markets which would create benefits not only in economic terms, but would help in tackling stability and security issues as well. All of the WB countries hold good economic potential, with their geographic positions, natural resources, fairly large population in comparison to others in SEE region, skilled workforce and customs free access to some of the other non EU markets.

18. Serbia is lagging behind other countries of the region with regard to economic growth: in past 3 years (2014-2015-2016), based on data on growth of real GDP (source: IMF), Serbia has achieved total growth of only 1.66%(?!), which is the lowest in the region. In the same period Croatia (second lowest) had 4.1%, Montenegro 7.73%, Albania 8.02%, Kosovo 9.16%, Hungary 9.47%, Macedonia 10.2% and Romania 12.26%. Same trend has continued in 2017 (growth estimation for Q2 2017, by National Statistical Service is 1.16%, on annual level). Serbia is heavily dependent on foreign direct investments for rise of economic activity, yet in the same period there was not significant progress (1.5 billion EUR in 2014, 2.1 in 2015 and 2 in 2016; source: National Bank of Serbia; EU companies accounted for three quarters of the cumulative FDI stock in Serbia). On the other hand, Serbia is often viewed as a country of good economic potential, with its geographic position, natural resources, fairly large population in comparison to others in SEE region, skilled workforce and customs free access to different world markets.

19. Apparently, Serbia has a very good economic potential and stable, yet very low economic growth. Consequences of this trend in the long-run, combined with autocratic approach to political rule, could be a further increase of internal social conflict, based on combination of economic hopelessness, setbacks in political rights and raise of political divisions, very much alike Milosevic-period Serbia. UK, in partnership with EU, could play much stronger role by encouraging FDI in Serbia, changing this scenario for visible economic prospect that without accelerated accession of Serbia to EU, which is highly unlikely in near future, could be the only factor providing real stability for Serbia, and indirectly for the region.

**How successful have post-conflict resolution efforts been since the end of the Balkan conflicts? What progress has been made on resolving inter-ethnic tensions?**

20. It proved short term successful to allow for economic activities to resume but generally unsuccessful since any tension that involves emotion and history raises interstate disputes and ethnic tensions. Twenty years after it was more to expect.

**How are these challenges different to those the region faced at the end of the 1990s?**
21. The Similarity is worrying. Again one system of values and perspective starts to crumble as it was with SFRY, while same radical tensions are rising.

UK beyond Brexit

What are the implications of Brexit for UK policy, influence and standing in the Balkans? What other effects has the UK’s decision to leave the EU had on the region? How should UK policy-makers respond?

22. The overwhelming feeling among the expert community in Serbia is that Brexit negotiations are expected to further absorb the much-needed energy for EU’s enlargement policy. UK has been considered as an enlargement-friendly country; hence its exit from the EU is seen as a loss of an important ally within the EU. In Serbia’s case, however, the UK has been perceived as strong supporter of Kosovo’s independence and “hardliner” in introducing Kosovo-related conditionality in Serbia’s EU accession process. We believe that the UK’s leverage in imposing political conditions in accordance with its national interests into the enlargement framework is greater while being an EU member state than in a non-member state scenario. In Serbia’s case, losing a stringent EU member on Chapter 35, which relates to normalization of relations between Belgrade and Pristina and which has a detrimental effect on the outcome of accession process (aside from Chapters 23 and 24), might represent a facilitating factor in pursuing EU membership.

23. Nevertheless, while Brexit might have negative consequences on Western Balkan countries’ EU membership aspiration in the short term, in the medium term, Brexit might represent a good cause for the EU to seek for new “foreign policy victories”, and enlargement to the Western Balkans might just be that case. Some members of the expert and policy community in the Western Balkans thus believe that such approach should be further developed and advocated in the immediate end of Brexit negotiations, which also coincide with the termination of the current EC’s mandate.

24. In light of the above arguments, in case the enlargement to the Western Balkans is still considered as UK’s national interest, the UK should continue to promote and advocate for the expansion of the EU to the Western Balkans and thus build positive relationships with the countries in the region through relevant alternative fora, such as the Berlin Process.

Submitted 14 September 2017
Mr Jonathan Mitchell, Consultant, Fox Mable (QQ 50-67)

Transcript to be found under Mr Michael English
Mr Andrew Page, Western Balkans Summit Coordinator, Foreign and Commonwealth Office (QQ 65-78)

Transcript to be found under The Rt Hon. Sir Alan Duncan MP
1. **What are the UK’s interests—direct and indirect—in the Balkans? How are those interests likely to evolve in the near future?**

   The UK’s interests are political (stability on the European mainland) security related (migration, counter terrorism, malign Russian influence) and economic (energy and IT opportunities, British tourism). These are likely to evolve in line with broader European security and economic issues.

2. **What political, social, economic and security trends in the region will affect UK policy?**

   Economic and political stagnation in the region fosters regional instability, promotes migration to Europe and the UK. While there is “electoral democracy” there is not a tradition of “western liberal democracy”. Power lies with too few vested interests. The fact that all six Western Balkans aspire to join the EU will impact a post-Brexit policy where UK will need to balance individual interest versus a common European approach.

**Geopolitical context**

3. **How is the geopolitical context evolving? How are longstanding actors, such as the US, working in the region? Are new actors, such as Russia, Turkey, Middle Eastern countries and China, seeking to make their influence felt in the region and to what end? What are the consequences for the region and for UK influence?**

   The US post-election is yet to define a clear policy. Some actors feel that the EU has shown insufficient leadership but German Chancellor Merkel’s Balkan Process force the six countries’ leaderships to come together and discuss shared themes is the only serious process. Russia plays strongly on soft power exploiting legitimate historical, cultural religious and Slavic links to gain commercial advantage while taking opportunities to disrupt the region’s European and NATO aspirations. Turkey, Iran and Saudi compete to influence Islamic communities, the former seeking commercial gain while the latter are effectively funding a growth in Wahhabism, not a Balkan tradition. China sees the Balkans as a commercial opportunity to use its economic muscle to garner regional influence. Middle Eastern wealth funds enjoy privileged access (avoiding Western corporate governance rules)

4. **Once the UK has left the EU, which countries and multilateral agencies (including the EU) should it work most closely with in the region?**

   The UK has already agreed to host the London Summit of the Balkan Process in 2018. This should map out how the UK can collaborate with the EU on issue of mutual concern while showing Britain can show independent intellectual leadership while still working with the EU. The UK should critically study the contribution of the OSCE in the region.
5. Are some of the region building closer military-industrial links with Russia? If so, what are the consequences for NATO?
Russia has a strong military and intelligence relationships, in Serbia in particular. The Serbs have yet fully to embrace the notion of reconciliation and blame NATO for much of its own failings. Russia exploits the sense of victimhood and would see eventual Serbian NATO membership as a failure of their soft diplomacy.

Political, security and economic challenges
6. What are the key political and governance challenges facing the countries of the Balkans, and what policy options are open to the UK to support stability in the region?
Political stagnation with no tradition of genuine democracy but rather exploiting power for personal gain or to prevent an opposition coming to power. In some countries the security apparatus is insufficiently independent of the ruling party. Continuing post conflict isolationist tendencies hampers regional cooperation. UK should support EU, OSCE and UN efforts to improve governance and promote reconciliation. The concept of “accountability” (there is no word for it in Serbian) needs to be explained and embedded. The Macedonian name issue needs resolving.

7. Has there been a radicalisation of Islam in the region? If so, what have been the driving forces, and what are the consequences for the region? How can UK policy respond?
Yes. Saudi funding of Wahhabi mosques and Sunni families. Economic deprivation and marginalisation of some Muslim communities. The draw of global jihad. These will perpetuate historical ethnic-religious divides. Promoting mainstream Islam and countering extremist propaganda should be UK’s contribution.

8. What are the consequences of rising nationalism for relations within and between countries of the region and for international relations? How should external parties, such as the UK, respond?
The ultimate consequence of nationalism is a return, at some stage, to conflict, increased migration and marginalised communities. The region needs a supra-structure, and currently only the EU offers this possibility. The UK should support EU accession even after Brexit building on the post conflict reconciliation benefits of union (rather than the perceived economic benefits).

9. What are the patterns of migration through and from the region? What have been the consequences for the region and what are the implications for the UK?
There appears to be a general migration out of the Balkans to Europe and the UK where family links to those who emigrated during the 90s wars now encourage others to chance their luck. The Syrian Balkan migration route also showed the region is an integral part of wider European security.
10. **What action should the UK take to support efforts against corruption and organised crime in the region? What impact is corruption and organised crime in the region having in the UK?**
   Strengthened UK training and liaison officers particularly in Albania and Kosovo. A collaborative approach regionally, and in Europe, to exposing, shaming and punishing regional corruption.

11. **Youth unemployment is extremely high in most countries of the Balkans. How is this manifested amongst young people? How can the UK engage most effectively, and to what end, with young people of the region?**
   The youth in the region are generally engaged, bright and speak English. UK companies should be encouraged to tap into this talent for outsourcing while encouraging them to stay in their home countries to build local capacity.

12. **What are the key economic challenges facing the countries of the region? Is there a constructive role to be played by the UK? What are the commercial interests of the UK in the region?**
   The biggest area where the UK can play a role is in the Energy Sector where UK initiatives should seek to assist the phasing out of aging lignite power generation to better use of carbon capture and renewable technology. This would have the added benefit of reducing dependence on Russian gas in the region. The IT sector in the region should be linked up with UK Tech Hubs. The UK tourist sector should assist the development of better tourist services in the region.

13. **How successful have post-conflict resolution efforts been since the end of the Balkan conflicts? What progress has been made on resolving inter-ethnic tensions?**
   There have been some admirable cultural and local initiatives at bridging divides but partial tabloid media often quickly destroys any sense of progress. There is a lack of local leadership in bridging divides. Local politicians need to understand the economic and political benefits of reconciliation.

14. **How are these challenges different to those the region faced at the end of the 1990s?**
   Politically driven nationalism has made many of the divisions between communities more entrenched. Rewritten and biased histories and lack of integration at school level re-enforces these divisions such that there is now a generational divide with some Yugonostalgia in the older generation while the young know only the recent nationalist past.

**UK beyond Brexit**

15. **What are the implications of Brexit for UK policy, influence and standing in the Balkans? What other effects has the UK’s decision to leave the EU had on the region? How should UK policy-makers respond?**
   Initial reaction has been of bemusement and frustration that the UK has diminished its role. It has not seriously affected the desire of the countries to join the EU but the UK should explain that its decision to leave the EU should
not affect the six countries from joining a European Union that makes geographic, political and economic sense for them.

16. **Where, and in what fields, can the UK play the most effective role? What should the UK’s priority be, particularly beyond Brexit? How effective is the UK in the region currently?**

   The UK needs to show leadership where its values are most respected in areas such as anti-corruption, tackling organised crime and in innovative commercial spheres. The UK has lost much of its effectiveness through lack of senior engagement. It is perceived to have a greater influence on regional politics than it has.

17. **After Brexit, what relationship should the UK seek with countries of the region? Does the UK currently have the right interlocutors in the region?**

   The Balkans is often a forgotten region for senior ministerial engagement. Too often over the years Western Balkan Prime Ministers are not given the time they need with our own Prime Minister in comparison to European counterparts. If we want a relationship, which we should, given the region’s pivotal security role, then we need to build a strengthened presence encouraging practical action and senior engagement.

Submitted 13 September 2017
Wednesday 13 September 2017

10.30 am

Watch the meeting

Members present: Lord Howell of Guildford (The Chairman); Lord Balfe; Baroness Coussins; Lord Grocott; Lord Hannay of Chiswick; Baroness Helic; Baroness Hilton of Eggardon; Lord Jopling; Lord Purvis of Tweed; Baroness Smith of Newnham; Lord Wood of Anfield.

Evidence Session No. 2 Heard in Public Questions 16 - 32

Witnesses

I: Professor Marko Prelec, Director of Applied Policy Projects, Central European University.

II: Ambassador Qirjako Qirko, Albanian Ambassador to the United Kingdom.

Examination of witness

Professor Marko Prelec.

Q16 The Chairman: Good morning, Professor Prelec. I am speaking to you from London. I am the chairman of the House of Lords International Relations Committee. Technology has brought us together this morning, and we are extremely grateful to you for spending some time with us and sharing your wisdom on our inquiries. I should explain that this session is on the record. The Committee is assembling views on and inquiring into the pattern of developments in the western Balkans, and particularly the potential role of the United Kingdom. Always in the background to this is the likelihood that Great Britain will no longer be part of the European Union but will of course continue to be involved in international affairs and the stability of Europe in particular. That is our background. Again, thank you for being with us. I should like to start straightaway with some questions, but as you are the guest, is there something that you would like to say first?

Professor Marko Prelec: No. As a technical matter, I do not know whether I am supposed to see you because I cannot. However, I can hear you quite well.

Q17 The Chairman: Professor, it will have to be an audio session, if you do not mind. If you do not hear anything clearly, please ask us to repeat it. I was hopeful that the technology would work, but it does not seem to be working as well as we want.
Can we begin by asking from your view and with your expertise about the UK’s interests in the region? This is a UK Committee, so understandably we start from that point. What areas should the UK prioritise, and how do you think they will be affected by our operating outside the EU treaties in the future but obviously in close co-operation with EU structures? Can you give us an assessment of that question first?

Professor Marko Prelec: It depends to some extent on the timing, so the answer will change after Great Britain leaves the European Union. It also depends on how one understands the question. The “western Balkans”, is a common euphemism for the former Yugoslavia that is not in the EU yet, plus Albania, so it is an artificial distinction that is relevant primarily in the context of EU accession. As time passes, if the UK is no longer a member of the Union, that might not be the most relevant definition to adopt. One might need to look at the region framed in a broader way, perhaps by looking at a set of countries that share common problems. All the countries of the former Yugoslavia, including the members of the Union, share a strong family resemblance. They have a common administrative heritage, with the possible exception of Kosovo, a common political culture, common habits of mind, a common economy and legal heritage as well as common problems. They also share to a lesser extent features and similarities with parts of the Mediterranean region, in particular places like Greece, Malta, Cyprus and parts of southern Italy. There is, shall we say, a certain informal way of doing things. In other respects they are like the countries of the former eastern Europe.

If you do not mind, I will occasionally refresh my memory with some notes that I have here. With that preliminary comment out of the way, the interests of the UK in the region are mild, which I think is the best way to put it. The primary interest is simply that of avoiding a further outbreak of violent conflict. The risk of that happening, at least from today’s perspective, is very small. Absent that unfortunate occurrence, the region in itself is simply not very important to the United Kingdom. It is much more important to the European Union in a number of ways. I suppose you could say that for the UK it has a kind of indirect significance in that the EU is likely to be still by far the largest and most significant political actor in your neighbourhood.

In so far as the Balkans have the potential to be a problem for the EU, they also indirectly have the potential to be a problem for you. That would now most likely be not necessarily through an extreme case of conflict but through milder forms of state dysfunction or failure. One now has to get hypothetical, casting one’s gaze quite far into the future. It is possible to imagine a case where additional states have joined the European Union but are not behaving well. Given the structure and high degree of unanimity required for the EU to act, if one or more Balkan members are unable to act in their own internal affairs, as they have been in the past, that could, at a minimum, significantly degrade the EU’s ability to be a foreign policy actor. That is an indirect effect. That is all that I have on that issue.

The Chairman: Thank you for those comments. You have touched on a number of aspects. I will ask Lord Hannay to go straight on to one of them.
Lord Hannay of Chiswick: Professor, could we spend a minute or two on the Islamic dimension in the Balkans? It would be helpful if you could comment first on what I call Islamist extremist networks, which operate in the Balkans. Where are the hotspots? How are they funded? Do they represent a security risk for every European country, including the United Kingdom? Also—this is a completely separate Islamic question—what about the influence of Turkey, which is under a very authoritarian ruler? President Erdoğan seems to be trying to extend Turkish influence into parts of the world that were part of the Ottoman Empire, with which he seems to feel some affinity. Perhaps you could talk about those two aspects of Islam.

Professor Marko Prelec: Certainly. Taking the first question first, it is important to distinguish between several different kinds of extremism within the Islamic community—violent and non-violent extremism. That is important for outside observers and for policymakers in the region. This is probably a familiar fact to you, but Balkan Islam is—for lack of a better word—a moderate kind of Islam, traditionally. Over the past quarter century or so, since the wars and after the wars, there has been an influx of different Islamic traditions, sponsored by Saudi Arabia and other actors, in response to the traumas of war. So you have, for want of better words, little pockets of Salafi or Wahhabi practice of several different kinds throughout the western Balkans—in Bosnia, Macedonia, Kosovo and, to a lesser extent, Albania. These tend to freak people out because they are very different; these are ways of living that are at odds with traditional ways of living, to do with the segregation and covering of women. Some of these people practise isolationism in out-of-the-way villages in Bosnia, where they live by themselves and are hostile to outsiders. It is quite disturbing.

However, there does not seem to be a correlation between these groups and violent extremists. As far as I have been able to gather in observing this phenomenon, the people who tend to be receptive recruits are avowed extremists—the people who are interested in al-Qaeda or the Islamic State, the people who emigrate to join the Islamic State or commit acts of terror, largely seem to be drawn from a young population. They are often people who are to some degree troubled, socially isolated and religiously isolated; they are people who are not firmly tied into a particular mosque. They turn to violent extremism often mediated by the internet, not only by social media but through direct person-to-person contact, in chatrooms et cetera, with recruiters for these extra-Balkan extremist groups. They turn to these groups as a way of finding some kind of meaning in a life that is in other ways adrift.

The answer to your question is that, from the perspective of the risks posed to the interests of the United Kingdom, those are only to do with the latter community, which is quite small. In per capita terms, it is comparable to, although probably smaller than, the percentage of people who are drawn into violent Islamic extremism among Islamic minority populations in western Europe. It is certainly smaller than in places such as Belgium, where it is a large problem. They pale in comparison to the threat posed by home-grown extremists in the UK. It is not a zero threat, but it is quite small.
It would also be a mistake to react too sharply to or to be too concerned by Salafi communities in the Balkans. My information is not current; I last looked at this a couple of years ago when the Macedonian Albanian community was quite radicalised relatively speaking. Within broader qualifications, these are all very small groups—small clusters of individuals. There were perhaps more of them per capita among Macedonian Albanians. There were some in Kosovo and some in Bosnia. There had been quite a few in the Sandžak in Serbia, but that seems to have faded over time. Unless you have a follow-up question, those would be my reflections on that.

Moving on to the role of Turkey, there is clearly an ambition on the part of President Erdoğan to expand his reach into the region. There is a receptive audience in certain conservative political circles, especially in Bosnia, within the Party of Democratic Action, the SDA. I think that the objective reality of where these countries find themselves sharply limits how far this can go. Turkey will never be able to rival the economic importance of the European market for any of these countries. This is widely known, so I do not think that there are any serious political actors in the region who consider Turkey as a viable alternative. It is more a kind of folkloric reaction that people feel and a sense of importance that they derive from being the objects of attention for a person who, however much he is now condemned for his authoritarian tendencies, is now a major world actor. Beyond that, there is not so much to it.

Q19 Baroness Helic: Thank you very much, Professor Prelec. If I may, I will take you back to what you just said about the influence of the Salafis in the region, particularly in Bosnia. You paint a starkly different picture from the one that the President of Croatia has given over the past six to nine months. Not only has she spoken, most recently last week, about pockets of threat to Croatia, she has also obviously had discussions with four countries—Hungary, Poland, the Czech Republic and Slovakia—as well as Austria to the extent that Foreign Minister Kurz said very starkly three weeks ago that Bosnia represents a major threat to the stability of the Balkans and Europe. If I am correct, the same view came from Hungary and Slovakia. What can the President of Croatia see that you cannot?

Professor Marko Prelec: I have to offer a caveat with my answer. As I mentioned, my information on this is not current. It is possible that the President has access to information that I am not aware of, either public or otherwise. However, on the basis of what I do know, none of the comments that you have cited are credible. It is also plain that there is a long and well-documented history of exaggerating, if not inventing, an Islamic threat in the countries that you have mentioned—countries with extremely small Islamic populations and no history of Islamic violence—to which Croatia might now simply be gravitating. Croatia has its own reasons for encouraging suspicion of Bosnian political actors. It has a strong interest in the position of the Bosnian Croat community, which is not what most of that community would like and not what Croatia would like on its behalf. This can take us quite deeply into the weeds of Balkan politics, but the short answer might be that Bosnian Croats have a mix of legitimate and illegitimate grievances about their position that gives Croatia a motive, since of course all these people vote in Croatian elections.
It also might be apposite at this point to reflect on my initial comments about this inquiry. Croatia is not often seen as part of the western Balkans since it is in the EU, but despite having been a member for four years, it still has politics that are quite strongly nationalistic and prone to stirring up nationalist trouble where it has no real merit.

That also reminds me, since you mentioned it, that Minister Kurz, in his position as a party leader now since the recent elections, made what I think one could charitably call an unhelpful intervention during the last Macedonian election campaign, in which it is reported that he openly campaigned for the VMRO-DPMNE party. It is an unusual step, given the revelations of corruption that had been made available about that party. This is potentially stuff that is produced for domestic xenophobic and populist consumption within the countries in question.

Lord Grocott: Related to that, I have a broad question on nationalist groups and leaders within the Balkans: minority groups in relatively recently established states. I would like your views on the effect that has and is having on the stability of states in the area, including perhaps on the strength and stability of the present boundaries of all the states.

Professor Marko Prelec: It is important to be aware that by almost any sensible definition of nationalism, virtually all the political leaders who have been active in the region over the past quarter of a century and who are active today are nationalists. It is true that some of them see themselves and identify themselves publicly as anti-nationalists, but they are structurally identical, by which I mean that they base their political appeal and view the world through the prism of a well-defined community that does not coincide with all the citizens of a country. Whereas a nationalist in Croatia might be said to be someone who is focused only on ethnic Croats to the exclusion of ethnic minorities, you can be a nationalist in Bosnia in that way by focusing on Bosnian Croats or on Bosnian Serbs, or by focusing on the community that sees itself as primarily Bosnian citizens.

If that is a little too abstract, I can make it more practical by fingering a particular party. There are two leading anti-nationalist parties in Bosnia, the Social Democratic Party and the Democratic Front, both of which appeal to a subset of the total population. They in no sense see roles for the actual voters of Republika Srpska or the Croat-dominated areas. They do not see them as their constituency, because those people have a different political outlook and they are not interested in the same kind of state project that those parties are interested in.

Again, to make this less theoretical, we must ask why we are looking at nationalists to begin with and why we consider them to be a threat. The principal reason has to be that they present a danger of breaking down the state through their inability to get along well, construct reasonable compromises with and govern with other actors within multi-ethnic and multinational states. In the case of nationally-homogeneous states, they might run the risk of getting into inter-state conflict with a neighbour. This does not necessarily correlate with whether a party or a political actor sees themselves as a nationalist. To return to the Bosnian example, there is a fairly long and rich history, although it is by no means unbroken, of co-
operation between two quite nationalist parties, the Croatian Democratic Union and the Party of Democratic Action, the party I referred to earlier. That is not imperilled by the fact that they are both nationalist parties. On the other hand, one did begin to see state breakdown in Bosnia when the Social Democratic Party, a self-proclaimed all-Bosnian party, entered into government.

So the question really has to be: what do we do to discourage the parties from adopting intransigent and rigid positions with respect to one another? You also raised the possibility of border change. Perhaps I should pause at this point. Is there anything you wish to follow up on the previous answer, and should I simply continue and talk about border change?

Q21 Baroness Smith of Newnham: Can you tell us a bit about how the UK and the EU might be able to respond to the nationalism? Are sanctions appropriate? Also, you said earlier that we should move away from the theoretical, but I will take us back slightly to that. The EU has long seen itself as a normative power, seeking to export its values. To what extent do you think it is able to win round the leaders of countries that are aspiring to membership, and does the rise of illiberal democracy in some European states actually make it harder for the European Union to exert the positive influence and conditionality that it has exerted in other regions in the past?

Professor Marko Prelec: I think the latter part of your question is the answer to the first part of the question. Excellent examples of this arose in a previous question about comments made by the Prime Minister of Croatia and other eastern European leaders. If Martians were simply to tune in to the rhetoric that is coming out of Europe, it is by no means clear that they would find the most extreme or upsetting rhetoric coming from the Balkans. One can quite easily find more xenophobic statements being issued by irresponsible leaders within the European Union, and that certainly does hobble the EU’s ability to act as a normative power.

Baroness Smith of Newnham: I wonder whether there should be sanctions, but there was a point that you wanted to come back to.

Professor Marko Prelec: Yes, I have a couple of stray thoughts on this question and on a previous question on sanctions and secession. In respect of sanctions, there are, I think, already some sanctions, at least on the part of the United States. I do not know if the European Union has brought any in against Milorad Dodik and possibly some others. There are the usual sanctions against criminal actors.

It is potentially an important instrument. I do not see anyone currently in power who would unambiguously merit sanctions, but it is something that has to be preserved. The impact, as I understand it, is primarily psychological as a strong expression of international disapproval. The practical effects of an asset freeze or a visa ban on a Balkan political leader are mild. What is less mild is the sense of being cast out of the community of reasonable actors. Sanctions ought to be retained in the global arsenal, so to speak, but not necessarily resorted to with any frequency.

With respect to secession, the risk today is very low, but we have to be aware that the leadership of Republika Srpska is quite serious in its
intention to break away in due course. It is in no hurry, but for at least a
decade now it has made it clear that that is the aim, and it is an aim that
has fairly broad and deep public support in Republika Srpska. The whole
thing is hard for anyone to imagine, and it is not something that your
average Serb spends much time thinking about. But when you ask average
Serbs whether they would prefer to be independent or not, the answer is
quite clear that they do intend to be independent or, rather, to join Serbia.
So it is likely that this will remain a feature of Republika Srpska and Bosnian
political life for the foreseeable future.

The best defence against it ought to be that of ensuring that the conditions
for a move to independence do not arise. Those conditions can only be on
the one hand—and this is the more important one—a comprehensive failure
of Bosnian state institutions, or paralysis of the type that Bosnia flirts with
from time to time in its various troubles. The cause is a very complicated
legal structure and the fact that the need for consensus is built in. If the
Bosnian state is paralysed and unable to function for whatever reason, it
would be relatively easy for a Serb leader to say, “This ship is sinking. We
didn’t make the hole, but the water is coming in and we have to take our
own interests into account”. You might find an audience on the international
stage for that.

The other event, of course, would be a drastic shift in the international
climate such as, for example, a series of European secessions, perhaps
Catalonia or Scotland. If they were to take place peacefully and be
recognised, that would change the calculus within Bosnia. Short of that, I
think it is quite unlikely.

Baroness Hilton of Eggardon: Pursuing the same theme about Republika
Srpska and President Dodik, he has talked yet again about holding a
referendum on independence. Do you think there is a particular crisis at
the moment that is making him talk about it again, or is it just one of the
ongoing themes in that particular area? Also, do you think Russia is involved
in encouraging Serbian independence from other parts of the Balkans?

Professor Marko Prelec: To answer your latter question, from what I
have heard, and this is not especially reliable, Russia is not involved and is
not in favour of any immediate steps towards independence. The motive is
essentially that any move towards independence is likely to be violent and
would draw NATO back in to Bosnia. The primary Russian interest in Bosnia
is to keep NATO out. That is also the regional interest in the Balkans.

In response to your first question, the elections next year are due to the
crisis to which the referendum might be a reply. A lot will depend on the
details. It is entirely possible or even likely that the referendum will be
much discussed but will not take place, and if it does take place it will have
some form of built-in ambiguity. It might not be a binding referendum.
There will be some sort of consultative thing or the question might be
rephrased in some way. They toyed with this in the referendum that was
to be held five or six years ago. It was ultimately called off, but they got
quite far in fighting for it. It went as far as the high representative.

Obviously, if there were to be an unambiguous referendum for
independence in these conditions in Republika Srpska, it would merit an
exceptionally strong and clear response by every interested party because it would be profoundly dangerous and likely to lead to violence. So everyone from the Security Council to the European Union, the United States and the United Kingdom would need to be aware of that.

**Lord Jopling:** I would like to enlarge on that. Would you say more about the attitude of Serbia? I think you have given us the impression, as have other witnesses, that Serbia is not actively encouraging the secession of Republika Srpska at this time, but you have also given the impression that if there were an initiative internally in Banja Luka they might be sympathetic to it. Is that a correct reading of what you are saying?

Could you also tell us about Serbia’s general attitude to the enlargement of its interests? I am thinking particularly of the part of Kosovo that is primarily Serbian. I think we would quite like to know how you view the general policy and attitude, now and in the future, of the Serbian Administration.

**Professor Marko Prelec:** With respect to Serbian policy on Bosnia and the possible breakaway, again it would depend on the circumstances. In the current circumstances they would see a breakaway as rash and would certainly discourage it. I would go so far as to say that they would not recognise it. They have certainly discouraged noises—Vučić has done this in the past—about a referendum or independence on the part of the republic. If things were different, if there seemed to be a plausible road to recognising independence, Belgrade would have no choice but to take a seat on that train.

There is also some interest within Serbia in Republika Srpska as a kind of compensation for the loss of Kosovo. I do not know how widespread this is, but I have noticed that the political class in particular is not especially friendly towards the Bosnian Serbs, certainly on a party level. Dodik had much better relations with President Tadić, both through the Social Democrats and personally, than he does with Vučić, with whom he has really quite poor ties. They are all seen as somewhat rustic and somewhat crazy, and nobody is keen to integrate into the Serbian political scene.

Also, things have shifted, and it might still be a bridge too far to recognise Kosovo’s independence. It would perhaps be quite a difficult and challenging step for any Serbian leader to take. The extent to which people really care about this is now, I think, quite diminished. Serbia has neglected, to the point of contempt, the interests of its former clients among the Kosovo Serbs, and it has paid no significant price in popularity. The public image of the Kosovo Serbs in Serbia is that they are moochers and a drain on the state. There is not so much sympathy for them, and as time has passed people have got used to the idea that they are simply lost to Serbia.

I do not know whether that has answered your question.

**Lord Jopling:** In the past, peace in the Balkans has been pretty high on the United States’ agenda. Could you update us on what you perceive the influence to be now of the United States and how you think the Trump Administration will react to events in the western Balkans? Do you think
there is any particular possibility of the United Kingdom playing a part in encourageing the United States to play a continuing role in the area to try to keep it reasonably peaceful?

Professor Marko Prelec: That would certainly be welcome. There is relatively little hope of much of an effect. United States foreign policy can now be thought of as a ship without a captain. There is, of course, a President and there is a Secretary of State, but they are not actively engaged, certainly not in this part of the world. They have no demonstrated interest in or knowledge of the Balkans. State Department veterans in the foreign policy establishment are simply continuing to run policy and will continue to do so without any great change. There is no real possibility of escalation, which I suppose is the one thing that has changed. In the past, you could always say that things were looking really bad and you would get the Secretary of State or the President involved. That is no longer a plausible option. So we are essentially in housekeeping mode in the United States and are very likely to remain there for the duration of this Administration.

The Chairman: Thank you. We heard in an earlier session that in a sense there are two policies coming out of the United States, one from the White House and one from the State Department, and what you have said rather confirms that: that the State Department is carrying on with its professional work while various rather eccentric comments come out from the White House tweets.

Lord Balfe will open up the questions on the wider interests of the world.

Q24 Lord Balfe: We know that Russia is perpetually meddling in the region, and Lord Hannay has referred to Turkey. However, China and the Gulf countries have also been engaged; the recent Chinese takeover of half of the port of Piraeus will supposedly open up the new Silk Road. I understand that President of the Commission Juncker today in his state of the union message will deal with the need for the EU to have some sort of blocking mechanism for Chinese investment in crucial areas of EU real estate. What are your views on the intentions and actions of China and the Gulf countries, which are flush with cash and are clearly trying to increase their footprint in Europe, and on what the impact of their activities might be in this region?

Professor Marko Prelec: I think it is important to distinguish China from the other countries that you mentioned. China is the only actor that is a plausible rival to the European Union, possessing an economy that is the same order of magnitude.

Lord Balfe: And the Gulf states?

Professor Marko Prelec: They do, but it is dependent on petroleum and the level of petroleum pricing, and on the timing. On the China Belt and Road Initiative, China does see a significant national interest in the Balkans as part of its entry into the broader European market. The port of Piraeus plays an important role in that. Some of the railway and other transportation projects that have got into trouble with the European Commission because of apparent violations of procurement rules, for example in Hungary, I believe, are also part of that.
Although it is discussed less often, there are long-term political interests in fostering good relations now, when it can be done at relatively low cost, with states that are forecast eventually to have seats on the European Council. One can already see the dividends of that policy in certain actions taken by Greece in the Council to shield China from human rights criticisms as a kind of payback for Chinese loyalty. One need not think of this as a kind of buying of influence. In Greece this was seen as China being a friend when it had no friends during the crisis of 2015. However, for China this is subordinate to its relations with the European Union and the European market. The Chinese will never act in the Balkans in a way that will imperil their access to that market.

There has been a lot of talk in the Gulf mainly about influxes of populations in the form of people buying property. I do not know if that is what you meant. It is true that whole communities in Bosnia have been bought up by Gulf Arabs. My understanding is that this is simply people seeking comfortable and relatively cheap European property with a pleasant summer climate, unlike that of the Gulf, and a culturally welcoming Islamic population. There does not seem to be anything especially nefarious about it.

Baroness Helic: I would like to follow up on the previous question. There is a quite visible presence of Gulf tourists, if I may say so, now that Lebanon and Syria are in hot water; perhaps Bosnia is cooler in the summer for them. In particular, do you have any thoughts on investment by the United Arab Emirates in Serbia? Just one tranche was worth around €3 billion for building areas of the modern part of Belgrade. Where do you see the genesis of the relationship between President Vučić and HH Mohammed bin Zayed? Where do you think this is going to end, and what is the aim?

Professor Marko Prelec: I regret to say that I simply have no information about that. I am not familiar with the position and there is nothing helpful that I can say.

The Chairman: Professor, there is one final question that is slightly off the main schedule, and you may not want to answer it. You are sitting in Budapest, which is an area that has not been without controversy on a number of European issues. To what extent have all these problems in the western Balkans created any backwash into Hungary and the debates there about the European Union, and indeed about your own university, of which you are a distinguished member?

Professor Marko Prelec: There has been relatively little. The explosive impact on Hungary took place about a year ago during the migration crisis. There were of course migrants who were coming through the western Balkans; they were not from the western Balkans. There is not really that much interest here. I am sorry to say that there was lukewarm support at best in the western Balkans for the independence of Central European University, with a few welcome and distinguished exceptions.

I do not know if it is proper to do so, but I would like to offer one additional comment. I was thinking about your primary topic and it has occurred to me that Brexit, if it goes forward, has the potential to have a seismic impact on the western Balkans. The United Kingdom is now engaged in leaving the
Union, the prospect of entering which has been the sole effective policy implement for those seeking to effect positive change in the western Balkans. While it is impossible to say how this will play out in any detail, it is plain that it will greatly weaken the narrative that one hears both in enlargement circles in Brussels and within the region: that enlargement of the European Union has no alternative, because until now there simply has been no alternative. European Free Trade Association member states are all too unlike the states of the western Balkans, and in most cases too small, to serve as a possible model. After Brexit this will change, and the nature of the United Kingdom’s relations with the European Union has the potential to be enormously influential in shaping the political future of the Balkans. That has to be kept in mind.

There is also the potential to learn something in the other direction from observing the practices of the European Union as a foreign policy actor in this part of the world. We can see how it behaves and learn how it might behave in the Brexit negotiations. That is because it is unlikely that habits of mind and understandings of power and its exercise of decision-making practices will be entirely reinvented for this new circumstance. The issue you raise is fascinating and is likely to be very important for the region, for the United Kingdom and for Europe.

**The Chairman:** Professor, that is a challenging and perceptive comment on which to end. You have rightly reminded us as a Committee that we have some work to do in precisely that area. Thank you very much for your wisdom and patience in answering our questions. We are very grateful to you, and please accept our best wishes for the future.

**Professor Marko Prelec:** You are very welcome.

**Examination of witness**

Ambassador Qirjako Qirko.

**Q26** **The Chairman:** Welcome, ambassador. This is a public session and everything will be on the record. We are very grateful to you for coming. There will be a transcript of it, which you will be sent. Please change anything in it if you wish to. We were planning also to have your fellow ambassador from Kosovo here this morning, but I am sorry to hear that he has fallen ill, so we have you all to ourselves, which is very nice for us and I hope not too taxing for you. We are very much looking forward to hearing your perspective on problems of the region.

This session is part of an inquiry which this Committee is conducting into the west Balkans generally and the issues in which the UK can be a positive and constructive help in the future. Our own status, of course, will be somewhat changed by removal from the EU treaties. That is the background. If we may, we will ask you some questions, but first, as you are our guest, it might be right to ask whether you want to make any preliminary comment or statement.

**Ambassador Qirjako Qirko:** Lord Chairman, my Lords, it is my special honour and pleasure to be here today before the Committee. This session is a great example of the special attention which the British Government
are is paying to the region and especially to my country. I would like to take this opportunity to express on behalf of my President, my Parliament and my Government our gratitude for the continued support which the UK has given to my country in the last 27 years, supporting us on our path and in our ambition towards euro-Atlantic integration and making a special contribution to peace and stability in the western Balkans.

I am open to all kinds of questions if I can answer them, but there is something that I would like to stress. Especially in the last five years in the western Balkan region there has been a very positive climate, thanks to the fact that everywhere in the western Balkans there are democratically elected Governments and there is excellent co-operation on the economy and in fighting organised crime. It also seems that the ambition to join the EU one day has a magnetic force that makes all the countries aware that it is much better to work together and to build the future together than to fight. The bad legacy of the past is behind us. We are looking forward to our common future, and we hope that one day all six western Balkan countries will join the European Union. And why not? Albania, as a NATO member, strongly supports all countries in the region having membership of NATO, because security is important for the region and we think that NATO is the best solution.

Twenty years ago, Albania was, let us say, a kind of consumer of stability. Now, as a NATO member, our armed forces are contributing to the stability in our region. We have armed forces in Kosovo and Bosnia as well as in Iraq and Afghanistan, and we are contributing through our navy to the GLC to control of the refugee influx. This is an example of how joining the European Union and NATO will definitely bring this region peace and stability.

Q27 The Chairman: Ambassador, thank you for your kind remarks about the UK and for your positive and encouraging assessment of development in the region and in relation to your own country.

We want to come on to the political issues, which are all too familiar to all of us, and certainly to you. I will begin with the basic question of economics, prosperity and that sort of thing. How do you see the main economic challenges facing Albania as you move forward in your aspirations and in relation to the rest of Europe and your neighbours? How can we in the UK be most helpful in these areas of economic advance?

Ambassador Qirjako Qirko: Thank you for this question. With regard to the economic co-operation between our two countries, the reality is very far from our common ambition. Unfortunately, the UK is not one of the main partners in our economic affairs. The volume of exchange of goods between our two countries last year was around 40 million Euros. We think that Brexit is another opportunity for British business to discover a new economic area, such as Albania, because not only Albania but the whole region offers great opportunities for British companies. After Kosovo, Albania has the youngest population in the region; 61% of the population is under 35 years old. The country is rich in natural resources such as petroleum, gas, chromium, copper, iron and nickel, and there is significant potential for the production of sustainable energy such as hydro, wind and
solar. There are huge opportunities for investment in roads, infrastructure, airports, marinas and tourism.

For the moment, unfortunately, even in the British Embassy in Tirana, there are no representatives of the Department for International Trade, and we think that there is a lot of room for improvement. One of my objectives here as ambassador to Albania is to attract to and to increase British business not only in my country but in the whole region. We know that Albania is a small market, but consider the excellent relations that we have in the region, the opportunity that this region offers, and the excellent, let us say perfect, infrastructure in general—my capital Tirana to Podgorica is a two-hour drive, Tirana to Pristina is two and a half hours, and Tirana to Skopje is three hours.

Albania also has very flexible and very modern legislation that offers good opportunities for businesses, so my objective is to make my country more attractive to British businesses.

Q28 Lord Balfe: I have visited Albania on four occasions, once under what one might call the old regime and three times since 1990. In our parts of the world we often talk about corruption and crime as though it is something that just happens there, but of course one difficulty is that the system of knowing people to get on and to get jobs means that some of the best brains leave. Not so long ago I spoke to a Canadian ambassador, who said, “Part of our policy is to get people from the former Yugoslavia to work in Canada”. Unless this can be tackled, it will be very difficult to go in for nation-building, because there will be some extraordinarily good brains in your very young population, many of which will have as their ambition to leave unless this can be dealt with head-on. How do you envisage dealing with what appears to be an endemic problem that overall is weakening the country?

Ambassador Qirjako Qirko: Corruption is a problem not only for Albania but for all the countries in the region. We are building a system to fight it. Let us take an example. Some years ago, the traffic police service was considered to be one of the most corrupt in the country. After taking measures, every police officer now has a camera and is monitored throughout the working day. Now the service is considered to be the most respectful. There were other areas of corruption such as competitions to bid for public tenders. Now, 100% of tenders are now electronic, which means that no contract can be made through people. The object and the money are on the screen. You apply with all the documents that are needed and the commission has no contact with the individuals concerned.

I can give another example from the foreign service. Some years ago, consular activity was considered to be corrupt because sometimes people would pay money to get certain papers as quickly as possible. Last year, our foreign ministry adopted the e-consulate model. This means that there is no need to present yourself directly to the consul. You ask for what you need in an email and then fill in an application form. You send the money through your bank account and after a day or two you receive the document that you need.
Referring to the polls from four years ago, the judicial system in my country was considered to be the most corrupt area. At the end of July, and with the agreement of all the political parties, we were successful in stopping that corruption. With the assistance of an EU delegation, the United States embassy and your excellent British ambassador in Tirana, who was very energetic and active in the process, our Parliament adopted some changes to the constitution that allow for a specific ordinance to vet magistrates. This means that the wealth of judges can be checked. There is now a specific system. There has been a long discussion about how the law affects people’s human rights, and now not only the wealth of the judges or magistrates themselves is checked but that of their relatives—fathers-in-law, mothers-in-law, brothers-in-law and so on. After getting the opinion of the Venice Commission and with 100% support from all the political parties, the system is now in force. It started up last week and we are waiting for the results regarding the vetting of the judiciary. Then we will come to the vetting of all politicians, which is very important to the future of our country.

The Chairman: Thank you. Now let us come to the nationality and politics side of things.

Q29 Lord Hannay of Chiswick: Ambassador, I apologise for this question, which really was as much for your Kosovan colleague as it would have been for you. However, I am certainly not asking you to respond on his behalf. Can you comment on your Government’s attitude towards the very halting progress of the Kosovo-Serbia dialogue? What would your Government like to see emerging from that dialogue? Do you think the UK has a role to play in handling the unsolved dispute about the Serb majority populating part of Kosovo?

Ambassador Qirjako Qirko: Thank you for the question. Our position is that we are strongly encouraging a dialogue between Kosovo and Serbia. It is now clear to everyone that after the NATO intervention, Kosovo has been an independent state for about 10 years. This is the new reality, which is now recognised by more than 110 countries. Even to Serbia it is quite clear that there are no Serbian institutions in the area. There is no army, police or judiciary because Kosovo has its own institutions and Parliament. The Government and the judicial system are totally independent. We are encouraged that both parties, especially Serbia, will take what I would call a more realistic approach with regard to Kosovo. In its own interests, Serbia is playing well. As a candidate wishing to join the EU, one of the conditions is to accept that Kosovo is an independent state. Step by step, its ambition is to join the EU, and by recognising Kosovo the end result will be membership of the EU. Certainly the UK can play and is playing an important role because of the specific sympathy that you have in the region, particularly from Albanians. Given that, my opinion is that the negotiations will go on and the result will be the same as it was before.

Lord Hannay of Chiswick: You say that one of the conditions of Serbia negotiating with the European Union is that it accepts Kosovo as a state, but surely that position does not have a lot of force when some members of the EU do not accept it either.
**Ambassador Qirjako Qirko:** That is a problem in the foreign policy of the European Union: that there is no unification. We understand the position of countries such as Spain, which has its own problems with Catalonia. That is why we can understand the position. For different reasons, some countries do not recognise Kosovo, but Kosovo is certainly a reality. It is an independent state with its own institutions. It is a reality that cannot be changed, and Serbia will surely recognise that.

**Lord Jopling:** Some rather cynical people took the view, after Baroness Ashton made a deal on behalf of the European Union between Kosovo and Serbia that on the one hand that they could open negotiations to join the European Union and on the other could start living peaceably together, that those countries had no intention of living more peaceably together and that the whole point of agreeing to Baroness Ashton’s proposal was so that they could realise their ambition to join the European Union. Do you subscribe to that rather cynical view?

**Ambassador Qirjako Qirko:** As I mentioned earlier, there is a lot of history behind the western Balkans, and the history of the relations between the countries of the region has not been positive. We are now building confidence to get to know each other. The main problem between us has not been the political borders between our countries; rather, it has been the fences that we have had in our minds. We are neighbours, but we do not know each other. We do not know each other’s history, art, literature and so on. That is why the Berlin process, which was an initiative by Chancellor Merkel four years ago, was of extreme importance to all the countries in the region. It gave us the green light to work together, and for four years now we have been working closely with each other. The Berlin process has brought about some concrete results, especially in the areas of infrastructure and energy. We are working to build a common infrastructure and energy system.

In July, we had a meeting in Trieste, which was our fourth meeting after the first meeting in Berlin, in the presence of Commissioner Hahn. All the parties agreed to create a joint customs service and a common economic area, which is not easy. This is important because when you start working and doing business together the history is behind us, and we are always looking to the future. The month after there was an informal meeting, in Durrës, Albania, of all the Prime Ministers of the western Balkans. The Prime Ministers discussed in detail what would be in this common economic area, in preparation for the next step, joining the European Union. That is why I mentioned earlier that in this extremely positive climate in the region there is a lot of opportunity for the UK after Brexit to be an important partner in business, not only with Albania but with all the countries of the region.

**The Chairman:** Now we have a question about accession and the pathway to the EU.

**Baroness Smith of Newnham:** If I may, I will start with Brexit and move backwards, given that, ambassador, you have very eloquently said that there are trading opportunities for the United Kingdom, and that that is part of your role here. To what extent do you think the dynamics will change? At the moment, the UK, as part of the European Union, has been a powerful
advocate for EU enlargement over the years. We now have a situation where the UK is leaving. It may offer us a lot of trading opportunities, but will that mean that our voice matters less in Albania when it comes to politics and persuasion?

On the other side, could we be doing anything to help Albania’s moves towards EU accession, and is there still support in Albania for accession?

**Ambassador Qirjako Qirko:** We in Albania strongly believe what Prime Minister May has said on different occasions: that the UK is leaving the EU, not Europe. That means that even in the near future the UK will be a very strong partner in relation not only to very important global issues but specifically to our region of the western Balkans. I repeat that we are grateful for what Great Britain has done for peace and stability in the western Balkans—in Kosovo, in Bosnia and elsewhere.

We think that the UK’s strong voice will continue and we would like its presence in the western Balkans, but at the same time we think that Brexit offers new opportunities for the UK to be more present, specifically in the economic area, because as I mentioned there is only one representative of the Department for International Trade in the region, and the gentleman is posted in Belgrade. In the meantime, as I mentioned, there is a lot of opportunity now.

**Baroness Smith of Newnham:** I do not think there are many members of the department able to be deployed.

**Ambassador Qirjako Qirko:** There are other ways. For example, we have very good co-operation in the field of fighting organised crime. There are some people in the British embassy who are working on that, and Albania has two people in my embassy co-operating very successfully with the British authorities. However, it is time for economic diplomacy, because it is in our interests and yours. The climate is very positive towards the UK. On the other hand, there is opportunity for the young population. More or less everyone speaks English—everyone under 50 speaks English—and there is good legislation, so there is good opportunity for the future. From the economic point of view, there are lots of opportunities, not only for Albanians in the region but for all regions.

**The Chairman:** In looking forward to accession and involvement with the EU, are there views about the changing nature of the EU itself, which obviously is facing very serious challenges such as migration? The EU will now be in a different shape because it is not going to have Britain in it. Germany, of course, will remain the major power in the centre of Europe. We hear that Mr Jean-Claude Juncker is suggesting new ideas for a renaissance and carrying forward integration, and that Mr Macron has some ideas for single budgetary control, and so on. Do these matters come into your country’s assessment of its future in Europe?

**Ambassador Qirjako Qirko:** We really understand the situation in the European Union after Brexit. There is a different discussion regarding the future of this organisation, but, as I mentioned, the so-called Berlin process is very positive, and the message not only from Chancellor Merkel but from other leaders of the EU towards the western Balkan countries was very
encouraging: just do your homework and the door will open at the right
time for all countries in the region to become members of the EU.

**Lord Grocott:** One of the features of some countries in the western
Balkans at any rate has been population movement out of the country, and
even a declining population. It has certainly been a feature of recent
accession states from eastern Europe to the European Union that large
numbers of people, particularly in the Baltic states, have left their country,
often very able and important people for the economy of those countries.
Is it a factor in any way when you look to join the European Union that the
possibility of population movement out of countries in the western Balkans
would be more likely? Is that in itself likely, and if it is, what might the
impact be on the economies of the countries concerned?

**Ambassador Qirjako Qirko:** The movement of the population within the
European Union is already quite normal. There are a lot of Polish people
working here; there are Germans and there are French people. Everyone
likes to exchange experience. The exchange of experience and of
knowledge is part of the new world that is being created and is a human
right. So we do not see the movement of people within the countries of the
European Union as negative.

Well, there is a problem; there is some illegal immigration, even from
the countries in the western Balkans. People are trying to enter the UK and we
are taking all measures to stop it. I do not want to get into the details, but
my Government, in co-operation with other countries in the region, have a
programme to try to prevent this influx of illegal immigrants. In the end,
the reason for it is the same. Why do the Germans or the French like to
come to the UK? Because the UK is a great country with great opportunities.
The same is true for the people in our countries who want to come to the
UK, but because our countries are not EU members the immigration is
illegal. Anyway, my Government and the other Governments of the region
are trying to take all necessary steps to check and to control this influx of
illegal immigrants.

**Lord Grocott:** The impact on the economy of a smaller country—that is
partly why I mention the Baltic states—of substantial numbers of people
leaving the country is likely to be much more significant than that of people
moving from a country with a much larger population. Is that, or is that
not, the case?

**Ambassador Qirjako Qirko:** For the moment, Albania is not feeling this
problem. It is probable that in the next two or three years we can close the
gap. For example, with reference to medical staff, Germany has offered
opportunities to nurses and doctors. In Albania we have a very good
medical school for doctors, but last year we had hundreds of doctors
applying to work in Germany. If the trend continues like this, we will close
the gap in the medical field. As I mentioned, Albania has a young population
that is very well educated, so for the moment we are not facing the problem
that you mention.

**Q31 Baroness Coussins:** For a long time now, the engagement of the United
States has been thought of as vital to stability in the region. Do you think
Ambassador Qirjako Qirko: The presence and engagement of the US in the western Balkans, especially over the past 25 years, has been of crucial importance. As I mentioned earlier, the role of the United States and the UK in bringing peace and stability to the region has been extremely important. In Albania, more than 92% of the population support the American policy and that is why we were one of the first countries to join the initiative against terrorism and to make our modest contribution to the fight against it. So the role of the US is very welcome in the region. We do not think that anything will change from the other Administration. I would remind you that in mid-July a meeting of the Prime Ministers of the region with Vice-President Mike Pence was held in Podgorica. He confirmed the continuing support and engagement of the United States in the region, along with US support for the integration of the region into the European Union and NATO. We strongly support the membership of our neighbour Macedonia to NATO in an effort to try to resolve the country’s problem with Greece with regard to the naming dispute. We also welcome the membership of Montenegro to NATO, and we hope that our other neighbours, such as Serbia, Bosnia-Herzegovina and of course Kosovo, will join the organisation one day.

I would like also to inform the Committee that last month there were, let us say, political crises in some countries in the region. We had a kind of crisis in Albania before the elections, as did Macedonia and Kosovo. The US Deputy Assistant Secretary for the region, Hoyt Brian Yee, was very active in this process and everything was resolved in the three countries. That was thanks to the contribution of the United States. It is actively involved in the region, and we welcome its presence very much.

Lord Jopling: We have become aware of the influence and activity of a number of countries outside the western Balkans. Russia, for instance, is tinkering with Bosnia, Kosovo, Montenegro and Serbia, using its leverage with regard to hydrocarbon supplies in particular. We see China beginning to get involved in buying facilities in Greece at the port of Piraeus, and some of the Gulf countries are moving into the region. What is the experience of these activities in Albania, and how do you view them throughout the whole region beyond your own boundaries?

Ambassador Qirjako Qirko: Thank you for the question. First, we have no prejudices against foreign investors, wherever they come from. Of course, the third parties, if I can call them that, have their own agenda, but on the other hand so too do the western Balkans in general. When these agendas do not clash with each other—that is, so long as these third parties are not putting any obstacles in the way of our future ambitions—that is okay. There has been zero investment in Albania from Russia in the last 27 years. There is some minor investment from the Arab countries, and we welcome the fact that they can invest. We are trying to find common interest in this field.

In the last two years, China has been involved, but not it’s Government; rather, it is private companies. The main national airport, Nënë Tereza airport, has been run for the last 10 or 12 years by a Canadian and German
company called Hotchtief. In the end, Hotchtief sold this company to a
private entity, a Chinese company. One of the main oil companies, Bankers
Petroleum Ltd, a Canadian company that has been active in Albania for
around 10 years, was sold last year to a Chinese company. That is more or
less the situation in my country. When other countries do not have a
different agenda from ours, or they do not create any obstacles to our
future, they are very welcome to invest, without prejudice.

**The Chairman:** Ambassador, you have answered our questions very
patiently. I think you mentioned tourism at the beginning. It has just struck
me that of course in the last century your country was closed to us. Today
it is open, and not only does it have the most dramatic scenery in southern
Europe but it has the most fascinating antiquities in the region, which I am
sure a lot of people will want to visit. We look forward to Albania being the
tourist hotspot of the 21st century, and greatly welcome the prospect.

**Ambassador Qirjako Qirko:** Thank you. Because tourism is increasing so
much, it plays a special role in our economy. Last year, earnings from
tourism were more or less 6% of our GDP. We would like a slightly more
realistic approach in the FCO’s travel advice for British people travelling in
Albania regarding crime. I shall read it to you: “Public security is generally
good, particularly in Tirana, and Albanians are very hospitable to visitors.
Crime and violence does occur in some areas, but reports of crime
specifically targeting foreigners are rare. There have been occasional
shootings and small explosions, but these appear to be related to internal
disputes over criminal, business or political interests. There have been
reports of luggage stolen from hotel rooms and public transport, particularly
in the coastal resorts of Vlore and Sarande”. These kinds of messages are
not helpful.

**The Chairman:** We will note that. We can see exactly how you feel about
it.

**Ambassador Qirjako Qirko:** Really, I feel embarrassed when I read this.
It is totally unrealistic. In the first seven months of this year, 71,000
courageous tourists from Britain visited my country, so an assessment like
this is not realistic. Maybe the bureaucrats do not know about the Albanian
code of besë. I do not know if you know about it, but it is the tradition in
Albania that a foreigner, a guest, is of special importance. They give us
their trust, so they have our support and are under our protection. Nothing
could happen. It is shaming to have something happen to a foreigner. Let
me explain. From January until the end of July this year, more or less 6
million tourists have come into my country, and there has been only one
unfortunate case of a Dutch citizen whose wallet was stolen. So I am sorry
to see these messages.

**The Chairman:** That is a very strong message. You mentioned
bureaucrats, and I think we all know that bureaucracy always moves slowly
and sometimes gets a bit behind events. Let us hope your message gets
through more clearly. Thank you very much for being with us. We are
grateful.

**Ambassador Qirjako Qirko:** It is an honour to be here.
Ms Tena Prelec, Research Associate, LSEE-Research on South Eastern Europe, European Institute, London School of Economics and Political Science, Doctoral Candidate, School of Law, Politics and Sociology, University of Sussex – Written evidence (BUB0007)

Executive summary of recommendations for the UK government:

- Reverse the stability narrative and don't engage in 'stabilitocracy'
- Beware of simplistic pro-western and anti-western explanations when assessing political leaders.
- Promote transparent business practices by stimulating UK investments in the region.
- Invest in quality journalism and research efforts aimed at uncovering the mechanisms behind informality and corruption, and support grassroots efforts denouncing corrupt practices.
- Support the Balkan diaspora's political and economic engagement with their home countries.
- Provide opportunities for young people from the Balkans to have formational experiences in the UK, and support educational institutions in the region.
- Help communicate the positive contribution the EU and the UK make to the Balkans.

Note: This submission elaborates on some of the points highlighted above, focusing on areas of research I have been involved in recently: 1) diaspora, 2) informality and corruption, 3) elections, 4) government-sponsored surveillance, and 5) the involvement of foreign actors in the Balkans. It should be noted that my research concerns primarily the following countries: Serbia and Croatia (which is not part of the WB6 process), and – slightly less prominently – Macedonia, Montenegro and Bosnia and Herzegovina. Albania and Kosovo are touched upon only marginally in this submission.

Geopolitical context: Are new actors, such as Russia, Turkey, Middle Eastern countries and China, seeking to make their influence felt in the region and to what end? What are the consequences?

1. UAE. A recent study by LSEE-Research on SEE researchers, funded by the LSE Middle East Centre (Bartlett et al., 2017) has provided evidence on the engagement of the United Arab Emirates in the region, focusing on the case of Emirati investments in Serbia. It found that the sectors on which the UAE is focusing their investments are construction, defence, agriculture (food
security) and the airline industry. The nature of Emirati investment in the region has changed markedly from the 1990s to date. Two decades ago, the UAE clearly took sides with the Bosniaks (and against the Serbs) during the Yugoslav conflict; and their investment in the region mainly took the form of foreign aid to populations in danger, in Bosnia and in Kosovo. Recently, the character of the engagement has changed: starting from 2007, the UAE began to make commercial investments, first in Montenegro and then (from 2014) in Serbia. While they profess their government to be “geographically agnostic”, UAE officials do not hide a geopolitical interest (in terms of “making friends around the globe”) and stress the long-term character of the investments, in the hope of securing a foothold in the Balkan region before it joins a larger (EU) market. However, the research also found that these investments are decided at the top and in many cases suffer from a remarkable lack of transparency, raising worries about the emergence of corrupt practices.

2. Russia. Russia’s role in the Balkans is being debated in the media (both in the region and internationally), but it is widely misunderstood. Bechev’s recent monography (2017) dispenses myths on the presumed ‘ideological’ – or even territorial – expansion Russia would be attempting in the Balkans, describing instead the cool-headed use of Russia’s limited political arsenal to further its goals: clearly, not letting more countries come under the clout of the EU and NATO (hence the recent bad blood with Montenegro) and for its own economic gain (see e.g. the NIS takeover in Serbia). Galeotti (2017) asserts that the way the Kremlin operates abroad is via adhocrats, i.e. via business people close to the Kremlin who engage in actions to please the leader – this is an interesting perspective that rings true, for instance, in the case of the Aluminium Plant KAP in Montenegro (bought by Oleg Deripaska, an oligarch close to Vladimir Putin, partly also to increase Russia’s leverage in the country – an investment that didn’t end happily).

3. In other cases, however, the media portrayal appears exaggerated: some analysts have opined that Croatia may be “the next domino to fall” to Russian influence due to the possibility of Agrokor creditors Sberbank and VTB (both Russian banks) taking over the Croatian food giant, one of the largest companies in the Balkans. Business insiders, however, state that there is nothing further from the truth: the banks would simply want to get their money out and leave the troubled company. Any alarmism should therefore be treated with caution. It is furthermore important to remember that some of the leaders in the Balkans (esp. Serbia’s Vučić and Montenegro’s Đukanović) have become highly skilled at playing the Russian

46 Interview with Hafsa Al-Ulama, UAE’s Ambassador to Montenegro (the first UAE embassy in the Balkans, opened in 2010), September 2015.

48 Interview with a UK-based hedge fund manager investing in emerging markets, London, June 2017.
card to present themselves as the only pro-Western political option and thus garner support from the West. It is crucial that the British government is aware of this and treats these actors accordingly.

4. In economic terms, Russia makes a very limited contribution to the Balkans. The one sector where it is still dominant is energy, mainly through Gazprom and Lukoil, and it is aggressively attempting to increase its influence over energy markets. The EU is by far the most prominent investor in the region, but in spite of this, survey evidence suggests that a majority of Serbs think that Russia is still their biggest donor. There is thus clearly a communication problem: the EU (and the UK when it exits the EU) need to make sure that their investments have a prominent impact on people’s lives and that this impact is properly highlighted and promoted. The hiatus in the Balkan editions of the BBC World Service has not helped, and the partial reopening of some of these services is a welcome step.

5. Overall, the lack of a strong EU roadmap is helping non-EU actors gain a foothold in the region. In terms of FDI, this means that non-transparent investments, decided at the top and often without a tender, go to the detriment of orderly investors and give rise to opportunities for corruption. Encouraging business exchange with the UK would help stimulate more transparent business practices. On the other hand, it is important to keep a stricter control over UK companies whose involvement could aid authoritarian regimes and corrupt actors in providing sophisticated surveillance equipment for the previous Macedonian government, which has engaged in extensive illegal surveillance (Prelec, 2017b).

What are the key political and governance challenges facing the countries of the Balkans, and what policy options are open to the UK to support stability in the region?

6. For decades, the West’s primary objective in the Balkans has been to ensure ‘stability’. This has been exploited by actors who have presented themselves as beacons of stability while consolidating their patronage networks, ensuring near-invincibility at elections in years to come. Cracking down on corruption, ensuring the rule of law, potentiating the education system and stimulating a meritocratic structure in job allocation is much more important than ensuring short-term stability. Please read more on the concept of “stabilitocracy”, first introduced by Srdja Pavlovic (2017) and elaborated upon by Floran Bieber et al. in a policy report that includes a number of recommendations (BiEPAG, 2017).

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49 There are some indications that Russian companies are getting a foothold in the Croatian energy market through proxies.
50 As per documents I have recently obtained from the FCO (through an FOI request).
What action should the UK take to support efforts against corruption and organised crime in the region? What impact is corruption and organised crime in the region having in the UK?

7. Cracking down on corruption in the Balkans is no easy task, as the informal networks of power are embedded in societal structures, and many are rooted in the recent past. It is useful to keep in mind Alina Mungiu-Pippidi’s (2016) concept of particularism: in societies in transition, there is no level playing field, but rules are different for specific actors and resources are allocated along informal ties. This is particularly evident, for instance, when considering the major problems still vexing public procurement (David-Barrett et al., 2016). Politically, the same strategies are used by those who come to power: e.g. systems and individual actors employed by Serbia’s Democratic Party in the 2000s have now been taken over by the Serbian Progressive Party.51

8. The constructive action to take is to support efforts to uncover corruption, to analyse it and understand it (research and journalism). In Serbia, the website KRIK (affiliated with the OCCRP) is doing a great job, but its contributors are exposing themselves to risk – one of their journalists recently had her flat raided by unidentified individuals. BIRN (the Balkan Investigative Reporting Network) has been providing a solid service for years, including its offshoot Prizma in Macedonia. In Montenegro, a team of journalists has managed to re-establish the brave TV show Mehanizam at the public broadcaster RTCG after securing essential EU funding. All these initiatives depend on crucial external funding. Providing financial backing and political clout to these outlets is essential for their survival and to counter the narrative spread by tabloid newspapers. Furthermore, civil society initiatives are emerging throughout the region. The successful case of Macedonia, where mass anti-corruption protests have facilitated a radical change in the country’s leadership, is encouraging for the potential of grassroots initiatives to transform politics and society.

What are the patterns of migration through and from the region? What have been the consequences for the region and what are the implications for the UK? / Youth unemployment is extremely high in most countries of the Balkans. How is this manifested amongst young people? How can the UK engage most effectively, and to what end, with young people of the region?

9. Diaspora. Members of Balkan diasporas have previously been regarded as leaning towards nationalistic stances. The results of recent elections, however, indicate that today a rather different situation might be present

51 Interview with a member of the Serbian Progressive Party (the ruling party), Belgrade, April 2017.
on the ground, as voters abroad have started to choose predominantly non-nationalistic options at the ballot box, preferring candidates with a progressive agenda. A recent study (Prelec, 2017a) confirms this indication, pointing at a change in the outward migration patterns⁵². Many of the ‘best and brightest’, especially young people unable to find a satisfying job and unwilling to play by informal rules, are leaving the Balkans to look for fortune abroad. Their main concerns are issues regarding the lack of meritocracy in their home country: political corruption, a flawed education system, and skewed job allocation. The study also found that there are, at present, considerable barriers for them to take part in the electoral process. The good news is that a large portion of the respondents expressed willingness to participate in the political life of their home country: this is a resource to be leveraged. A possible constructive approach would be to fund schemes for young entrepreneurs and keep stimulating educational exchange (Chevening Scholarships are an excellent initiative, more are needed) while supporting educational institutions in the region. Only by helping to create a societal and economic structure that helps the best and brightest emerge, while hindering clientelism and nepotism, will long-term stability be ensured in the Balkans.

Submitted 12 September 2017

References


⁵² The study concerns Serbia, but similar dynamics are likely to be present across the region. Funding is currently being sought to secure a follow-up project on Bosnia and Herzegovina in occasion of the 2018 elections.


HE Mr Qirjako Qirko, Ambassador of the Republic of Albania in the United Kingdom of Great Britain and Northern Ireland (QQ 16-32)

Transcript to be found under Professor Marko Prelec
General Sir Michael Rose KCB, CBE, DSO, QGM, Former Commander of the UN Protection Force in Bosnia-Herzegovina (QQ 1-15)

Transcript to be found under Lord Ashdown of Norton-sub-Hamdon
Mr Behar Sadriu, Teaching Fellow, SOAS University of London (personal capacity) – Written Evidence BUB0010)

Aspects covered in this submission: (1) political, security and economic challenges; (2) geopolitical context; (3) UK beyond Brexit:

- The UK has a range of interests in the Balkans, ranging from the economic to security cooperation.
- The UK has invested a lot of time and energy into the region’s post-Yugoslav and post-communist trajectory.
- The Balkans remains a key node of international migration and trade, including in illicit goods.

**Political, security and economic challenges**

1. As is obvious to outside observers, the biggest issue facing the region is crony capitalism. This stifles and delays investment. It has also led to the mass migration of young people to other parts of Europe and thus indirectly influencing local political debates – especially as pertains to the mobilization of right-wing groups. Employment for new graduates too often depends not on their skills but whether they are affiliated to a political party. Migration is the preferred destination for these people. A recent study noted that more people want to migrate from Albania and war-torn Syria. In Kosovo, where the EU maintains widely loathed visa restrictions, thousands have nonetheless continued to migrate with Germany their preferred destination. The situation is not much better in Macedonia and Serbia, or even EU member Croatia for that matter.

2. One of the biggest challenges gripping the region is the ongoing dispute between Kosovo and Serbia, who remain at loggerheads over the former’s 2008 independence declaration (which the UK strongly backs). Serbia is unlikely to formally accept Kosovo’s independent anytime soon, though it understands this to be a precondition for joining the EU and should this aspiration continue to dominate mainstream political discourse, it will eventually will be forced to do so.

3. The UK can encourage Serbia to speed-up this process in the interests of the wider region and its own development. The longer this issue lingers however the more the chance increased that events exogenous to the Balkans will force a situation whereby border issues in the Balkans will once again reopen. This would have significant impact on, to begin with, Bosnia but also FYROM (Macedonia) and eventually—as in the 1990s—farther afield.
4. The so-called ‘radicalisation of Islam’ has again come to the forefront of politics in the region in such a way not witnessed since the Bosnia War in the 1990s. However, despite hyperbolic predictions, whipped up in no small part by obscure Russian-backed press reports but also increased US attempts to export its ‘Countering Violent Extremism’ (CVE) program abroad, the problem of extremism, particularly the violent type, is less acute than in many other European countries. More thoughtful and level-headed analysis in the region has shown that the prevalence of people joining the Syria War, for example, to be lower in relative terms to that of France, Belgium and indeed the UK. In fact, considering the high density of Muslim-majority populations in the Balkans, it is interesting to note the low numbers that have gone to fight abroad (see Kursani 2015). Balkan state elites are known to exaggerate the threat posed by local Muslims for domestic and international political consumption.

5. The official Islamic community structures in the Balkans – respected institutions in the country – have nonetheless worked with local government institutions to tackle issues pertaining to extremism.

6. Rising nationalism poses a much more serious concern. Bosnia is for all intents and purposes a dysfunctional entity divided between Bosniaks and Croats on the one side and Serbs on the other. This stems from agreements reached at the end of the Bosnia War in 1995 that effectively enshrined the consequences of the worst excesses of that conflict, including forced deportations, into the state’s constitution.

7. The Serb entity in Bosnia and its political class maintains close links to Serbia and increasingly so, Russia. Occasionally, there is a flare up of tension in Bosnia, with the head of the Serb Republic in Bosnia (‘Republika Srpska’) Milorad Dodik not ruling out a referendum on separating the entity from Bosnia. If such a move were to go ahead, the only thing which can be predicted with any certainty is greater tension, hostility and outright violence in the region.

8. Albania, especially under Prime Minister Edi Rama, has emerged in the past few years as one of the region’s most powerful players. Tirana is now an important address for the international community in resolving regional crises. Edi Rama helped to broker the so-called Albanian platform in FYROM (Macedonia) that saw former strong-man leader Nikolla Gruevski’s fall from grace and ushered in a more progressive government led by Zoran Zaev. The latter is now dependent on a wide platform of Albanian parties as its junior coalition partner. Any post-Brexit UK plan to engage with the Balkans that doesn’t consider Albania a top priority will risk Britain’s long-term interests in the region.

9. Albanian nationalist aspirations in the region, and for the time being, are muted considering the relatively powerful and secure position they occupy
today in the Balkans when compared to the not-so-distant past. However, the rights of the Albanian minority in southern Serbia (Preševo Valley), continued obstacles to full equality in FYROM and Serbia’s inflexible stance over Kosovo’s independence declaration mean that nationalist currency still pays dividends. Edi Rama’s not so subtle threat earlier this year that should the EU accession process stagger, then Albanians in the Balkans may seek to unite was a strong indicator of its potential.

10. For many of the more hard-core nationalists in the Balkans the borders that were settled on following wars in the 1990s are far from inviolable.

11. The EU accession process is seen as the best guarantor to keeping the most virulent nationalist aspirations in check and away from mainstream political rhetoric. If this were to falter or stagnate indefinitely then more weight will be lent to dissenting voices.

12. The UK will therefore be in a potentially compromising position of having to advocate for EU membership while it itself negotiates a way out.

13. Other issues of concern include the fact that a large percentage of the global narcotics and other illicit goods trade is invariably trafficked via the Balkans. The UK will have to maintain close cooperation with Europol in order to be fully aware of the types of threats this poses to the UK.

14. For all the apparent weaknesses of many Balkan state’s institutions, the region contains able leaders who, provided the right incentives, can help to transform the Western Balkans and manage security threats effectively.

**Geopolitical context**

15. US influence in the region is high, exemplified by recent developments whereby strong, incisive US intervention was part of bringing about a resolution to political crisis in FYROM (Macedonia) and Albania. Deputy Assistant US Secretary of State Hoyt Brian Yee, a person with deep knowledge and experience in the Balkans spearheaded this campaign that brought about a new government in FYROM and an end to opposition boycott of parliament in Albania earlier this year.

16. Much fanfare has been made over Russia’s recent foray into Balkan politics, especially in its support – some argue incitement – in favour of Serb nationalist interests. This can be seen recently as Kosovo’s political parties formed a government after months of wrangling, though not without including MPs from the minority Serb party in the country. The so-called ‘Serb List’ of MPs that gave their vote to the new government after blessings from Belgrade also chose to thank Putin and Russia for continued support.

17. Still, with claims earlier this year about Russian involvement in an attempted coup in Montenegro which failed to halt the country’s NATO membership, it
is nonetheless reasonable to argue that talk of a resurgent Russia dominating the region is overblown.

18. This isn’t to say that Russia cannot play the role of ‘spoiler’. Sputnik, Russia’s state-run news agency, actively maintains a Serbian language online presence that helps to galvanise elites which undermine those who wish to see Serbia join the EU and NATO.

19. Sputnik also comments daily on Albanian issues, in the Serbian language, attempting to present Albanians as prone to extremism and who work closely with the West to undermine Serbia’s priorities in the region.

20. Besides the US, Germany and Turkey have the strongest economic and political influence in the region. Germany is able, both through the EU and strong leadership from Angela Merkel at home to present itself as a credible leader of the Balkans’ EU future. The number of high-profile conferences that bring together Balkan leaders and organized at part of the so-called ‘Berlin Process’, most recently held in Trieste in July 2017, attests to this fact.

21. Turkey has over the past two and a half decades also established itself strongly in a number of Balkan states. In Albania, Kosovo and Bosnia, Ankara has worked to cultivate strong ties both economically, socially and politically. This has brought in much needed investment into the region and establish a Turkish loggerhead of business and other interests in the region (though significant investments in Serbia and FYROM are also apparent).

22. Middle Eastern states, particularly from the Gulf, have also made big investments – particularly in Serbia – focusing on agriculture and property. Gulf tourists flock to Sarajevo (Bosnia) for summer holidays with just as much enthusiasm as they do to London. Muslim communities in the Balkans, particularly official Islamic organisations, maintain strong ties to the Middle East – many personnel from here having studied throughout their late teens and early twenties in Arab states.

23. China is also making inroads in the Balkans. As it prepares for its huge ‘One Belt One Road’ project, the Balkans will naturally figure in its plans. The maritime portion of this new ‘Silk Road’ will pass through the Adriatic; Greece’s biggest and busiest port (Piraeus) was recently bought under Chinese shipping giant Cosco’s management control (after it purchased a 67 percent stake in the Piraeus Port Authority in July 2016). In 2016, President Xi Jinping visited Serbia and referred to the country as the centre of its $900 billion “One Belt, One Road” infrastructure initiative, clearly marking his country’s intent in establishing itself in this part of Europe.

24. The influx of Middle Eastern and Chinese investments will likely weaken any perceived urgency to act swiftly on the EU accession program in these countries.
UK beyond Brexit

25. The EU accession program remains at the forefront of the agenda in Bosnia, Montenegro, Kosovo, Albania, Macedonia and Serbia.

26. As noted above, Brexit has the potential to adversely impact the region’s EU aspirations – currently the key instrument through which complicated and potentially dangerous questions such as contested borders and minority rights are side-stepped.

27. UK policymakers, should they wish to preserve the flawed, though peaceful, status quo in the region will have to encourage states to fulfil the EU’s accession criteria. This will undoubtedly put UK officials in an awkward position of having to advocate for membership of a club it is leaving.

28. Whereas prior to Brexit the UK was guaranteed a ‘seat at the table’ over the regions’ future there is a risk now that states will relegate relations with UK further down on their list of priorities. This may manifest in missing out on larger economic cooperation projects.

29. The UK faces challenges, but also opportunities, in the climate of heightened geopolitical competition outlined above.

30. The UK can nonetheless leverage a number of key elements peculiar to it in this climate. Unencumbered by the EU and its bureaucratic structures, the UK is able to work on a more focused strategy in the region to ensure it forms strong political and economic relations with the aforementioned countries.

31. The UK political system, higher education, its perceived military prowess and its history are all elements lauded by local elites and aspiring young people. This fact will ensure the UK is taken seriously but it remains the role of the UK government and its agencies to successfully leverage this to ensure it does not play second fiddle to the other actors mentioned above.

32. UK influence can be sought in the fields of education, aiming to attract the region’s brightest away from higher-education competition in Germany and Turkey but also the US.

33. The UK poses a highly developed financial sector and its consultancy services on various economic issues will be prized by all Balkan states.

34. A specific example of this can be seen in Kosovo, a state which possess vast mineral reserves as part of the Trepça Mining Complex once accounting for 2/3 of its GDP, 70% of Yugoslavia’s extraction production and employing 10,000s of people. In late 2016 the Kosovo government decided to take control of the mine and guarantee its debt. Though Serbia claims ownership of the main for all intents and purposed the Kosovo government is in charge.
UK firms are primed to help both facilitate a sound investment plan so that the mine’s potential can be fully achieved as well as help to modernise currently inefficient management structures and practises.

35. The UK could potentially leverage its relations to other states to initiate joint projects in the region.

36. As an example of this, because Turkey enjoys a privileged position in Albania and as the UK negotiates its post-Brexit global posture, it would do well to leverage its ties to Ankara so as to be better placed to explore business opportunities here. The UK already works to increase links to Turkey through, for example, the Newton Fund as part of its official development fund. The aim of this fund is to strengthen science and innovation capacity and collaboration on development projects. The UK should investigate how its connections to Turkey in that project can be leveraged to increase its activities in Albania.

Submitted 14 September 2017

Studies cited:

Mr George Stamkoski, Managing Director, Volatile Media Ltd, UK – Written Evidence (BUB0024)

This submission focuses on how a supportive and fruitful bilateral relationship between a post-Brexit United Kingdom and a non-EU Republic of Macedonia could enhance the status of both countries in the wider Balkans.

Heeding the lessons of Balkan history

1. During the 20th century, Great Britain’s complex history in southeast Europe involved participation in several pivotal conflicts. It made its presence felt as a bulwark among Allied Forces in the Balkan Campaigns against the Central Powers in World Wars I and Axis Powers in World War II, through Churchill’s support of royalist forces in the 1946-49 Greek Civil War, as well as by appointing high level negotiators Lord Carrington and Lord Owen while putting boots on the ground to deliver aid as UN peacekeepers during the genocide in Croatia and Bosnia-Hercegovina from 1991 to 1995. Britain was also a proactive partner in the Nato defence of Kosovo in 1999 under Tony Blair, which inspired some Kosovars to subsequently name their new-born boys Tonibler. And it was Lord Robertson as Nato Secretary-General who led the United Kingdom’s ongoing Balkan commitment into the 21st century by mediating in the short civil war between ethnic Albanians and Macedonians that ended with the signing of the Ohrid Framework Agreement in 2001.

2. These past conflicts may not seem immediately relevant to enhancing post-Brexit Britain’s future relationships with the Republic of Macedonia and other Balkan states outside the European Union. Yet it cannot be overstated that an acute understanding of Balkan history (and Britain’s role within it) will be indispensable in helping to forge stable democracies across southeast Europe, without which lasting regional ties cannot be credibly contemplated.

Recipe for a failed state

3. Even though it is indisputable that a failed state is a recipe for regional instability and cannot be a reliable partner in prosperity, it is no exaggeration to say that the Republic of Macedonia has been allowed to become a failed state and now desperately needs more help than it is already getting from Britain, the European Union and the USA.

4. Living in a country that has been frustratingly knocking on the door of the EU since it voted for and then gained independence from former Yugoslavia in 1991, many of Macedonia’s two million citizens feel that Europe has left them in the lurch. When Macedonia received relatively little EU assistance to manage a growing refugee crisis over the last two years, disappointment turned to exasperation with the very EU that most citizens openly claim they
are eager to join. Among ethnic Macedonian citizens, the crisis reinforced a sense of being victims of history, surrounded by hostile neighbours Albania, Kosovo, Serbia, Bulgaria and Greece, which played its part in fuelling a broadly felt insecurity by successfully blocking both EU and Nato membership over a long-standing but little understood dispute over who has the right to use the name “Macedonia”.

5. Skopje’s precarious post-independence path to democracy has thus been braved in a constant state of political crises marked by high unemployment rates (mirroring those of Greece at between 22 and 35 percent), decades of economic deprivation, and rampant corruption linked to criminal structures that have infiltrated government and industry at all levels. Amid alarming rates of depression and a youth drain with over 20 per cent of the population leaving the country, a numbing despair has given false hope in some quarters, encouraged by nationalists and sweetened by the prospect of cheap natural gas, that fellow Slavs in Orthodox Russia can be Macedonia’s only saviours.

6. These ingredients have all played their part in a toxic mix prompting regularly resurging ethnic tensions that have fostered xenophobia and induced a slow but steady cultural stagnation. Since being elected to power in 2008, the recently ousted nationalist VMRO-DPMNE party has linked people’s frustration and dissatisfaction to historical grievances (inspired by Slobodan Milosevic’s late 20th century nationalist strategy in Serbia) to nurture a sense of victimisation and fear of a loss of identity. This has served to keep it in power for over a decade with the promise of protection, while allowing leaders to comprehensively plunder and commit the state to high debt levels that will heavily burden future generations.

7. Following a bitter six month struggle to form a government after elections in December 2016, one culminating in ugly scenes on 27 April 2017 when nationalist led mobs ransacked the parliament in Skopje and threatened to kill MPs after the swearing in of an ethnic Albanian speaker, the new coalition of social-democratic party SDSM and ethnic Albanian parties is now staging a concerted push towards Euro-Atlantic integration. Yet even though Skopje won supportive EU assessments after extending the hand of friendship to all of its neighbours, the prospect of Macedonia gaining Nato membership is still hampered by Greece’s veto. Even the reward of joining the European Union has been pushed well into the next decade, by which time Britain seems likely to have also become a non-EU state.

Re-investing cultural and political capital

8. The UK can leverage considerable cultural and political capital to win friends in and influence Macedonia, where a well educated population is oriented toward the west and English is fast becoming the lingua franca.
9. Prior to independence in 1991, most Macedonian citizens welcomed comments by visiting British Foreign Minister Douglas Hurd, when he said that the Republic of Macedonia “made a convincing case for recognition” despite vociferous Greek objections. In early 1994, when Greece slapped what ended up being a crippling two year oil embargo on landlocked Macedonia over the adoption of the Star of Vergina as its national flag and use of the name Macedonia, people felt a sense of protection when Hurd accused Greece of “holding the rest of the EU to hostage” with “unreasonable behaviour” towards its northern neighbour.

10. Macedonians were ultimately disappointed when Britain played realpolitik by following other EU member states in chastising Greece but ultimately bowing to its unreasoned veto over EU and Nato membership. At the time, Hurd cited a reluctance to inflame Hellenist public opinion by “adding a Greek problem to the Macedonian problem”.

11. A quarter of a century later, both these countries’ problems have not only remained unresolved, but have been exacerbated by a refugee crisis extending into a contiguous block of variously failed Balkan states from Athens across Skopje to Tirana, Pristina, Sarajevo and Belgrade. Indeed, this is a failed region where human trafficking often goes unchecked and criminal networks have been highly successful in exploiting the region’s democratic deficits.

12. In the lead up to the Brexit referendum, there was a surprising level of support for the out campaign among Macedonia’s citizens. This was also the case among many Greeks, who regularly attack the EU but have so far proved too afraid of the consequences to vote their way out of it. These parallel paradoxes stem from both country’s own frustrations with the EU, linked to a belief that Britain could become a powerful and more supportive friend in realising its declared aim of forging new alliances outside the EU. What is also worth noting in both countries, is that developing closer ties with Britain is clearly seen as a more attractive and palatable proposition than being drawn to Russia, which has often shown that it is prepared to use its natural gas supplies as a bargaining chip in Europe.

**The rewards of success versus the high cost of failure**

13. Having squandered political capital in the past, Britain can avoid letting history repeat itself. Importantly, the UK can continue to be inventive in helping Macedonia to seek opportunity in crisis and become a model free market democracy in the heart of the Balkans. Even though other Balkan countries outside the EU face common challenges on the road to becoming peaceful and prosperous democratic states, there are good reasons for devoting resources towards ensuring success at the epicentre in the historical crossroad of Macedonia, through which past empires have always had to pass.
14. Firstly, Macedonia’s citizens can be relied upon to be willing and able players in any regional efforts to support peace, stability and prosperity. It would not be demeaning to state that they are desperate for these rewards. This small country would readily serve as a voluntary laboratory for innovative strategies in developing modern democracies. The population's diverse ethnic, religious and linguistic mix (comprising Macedonians, Albanians, Roma, Turks, Vlachs, Serbs, Bosniaks and others) qualifies it as a perfect focus group of two million people representing the ethnicities and strata of society living across the Balkans.

15. If a novel approach to nurturing democracy works in Macedonia, it can be customised for success in the wider Balkan neighbourhood. If it doesn’t succeed one hundred per cent, fine tuning a strategy is a low cost option. Pilot projects can be funded very competitively even if wages increased to twice the current minimum of some 200 Euros per month, among the lowest in Europe.

16. In the same way that some African regions have been able to technologically leapfrog from having poor or non-existent fixed line telephone systems to installing high-tech fibre optics and buying into advanced mobile telephony infrastructures, Macedonia’s underdevelopment can be an advantage. It can not only leapfrog from antiquated systems to state-of-the-art technologies in a fast track manner, but also leapfrog from a disadvantaged post-communist state to a model free market democracy.

17. During Macedonian Prime Minister Zoran Zaev's visit to Tel Aviv in September 2017, he sought to build on the expertise of Macedonia’s IT workforce to deepen existing ties to Israel’s high-tech industries. The goal is to emulate Israel in becoming a high-tech powerhouse that can punch above its weight within and beyond its neighbourhood. British IT company Endava has already taken the lead and set up a major hub in Skopje to capitalise on the capital’s 6,000 ITC workers and 800 annual graduates in computer science.

18. Secondly, in an unlikely but not unfeasible scenario whereby the EU, UK and USA was to lose influence in Macedonia following a collapse in democracy and a resurgence of dictatorial rule, Russia, Turkey and Serbia are well positioned to assert their own undemocratic sway. Moscow still has a fairly solid foothold in Belgrade with which it has been able to counter EU influence. If recent accusations of Russian-inspired coup and assassination attempts prior to Montenegro joining Nato prove true, it would prove Moscow’s readiness to exploit regional instability and political dissatisfaction to further its geostrategic goals in the Balkans.

19. Allowing a country with dubious democratic credentials to spread its influence in the Balkans would undermine western Europe’s efforts to bring the region under its umbrella. This should also be born in mind in relation to Turkey under the Erdogan dictatorship. Turkey has strong historical, political and economic ties with both Macedonia and Bosnia. Ankara has been able to exploit these
ties in its tussles with the EU over the refugee crisis, as well as to exert geostrategic leverage over its historical foe Greece.

20. Thirdly, it would be fair to surmise that a criminally inspired nationalist relapse and outbreak of armed inter-ethnic conflict in Macedonia would suck in neighbouring states and turn the Balkans into a Pandora’s box. The fact that the combined defence capabilities of western European and north American were unable to pre-empt and prevent the spread of a succession of wars in Croatia, Bosnia, Kosovo and Macedonia since the nineties makes a clear case for pursuing rigorous preventive strategies in a still volatile region.

21. It was for good reasons that the UN set up UNPREDEP in March 1995, the first preventive deployment mission in Macedonia, while war was still raging in Bosnia. Made up of US and Nordic battalions, UNPREDEP’s mission was to pre-empt a spillover of Bosnia’s conflict into Macedonia. In UN-speak this involved monitoring and reporting “any developments in the border areas which could undermine confidence and stability in the country and threaten its territory.” Though it was lauded as a success story at the time, UNPREDEP’s extension was vetoed by China in early 1999 when Macedonia recognised Taiwan. It was the not the first time that Macedonia had to pay an unfair price exacted by big power realpolitik.

The US versus the European diplomatic, economic and military stance in Macedonia

22. The more muscular US approach to maintaining influence in Macedonia and preventing a security vacuum serves to complement rather than compete with what one might call a softer EU approach. As early as February 1994, the USA gained solid political capital in Skopje when it ignored Greece’s objections and formally recognized Macedonia under it’s constitutional name. On the other hand, the EU still sticks to the formula “former Yugoslav Republic of Macedonia”, and Britain has thus far toed the EU line on this issue. Athens insisted on this provisional formula as a pre-condition for recognising Skopje. Yet few have understood that it was construed to deny the existence of a separate Macedonian identity by implying that President Tito invented it solely to bring what Greeks refer to as Slavophones into his Yugoslav federation.

23. This and related disputes based on conflicting views of history have remained unresolved for 26 years and denied Macedonia both EU and Nato membership, which most citizens see as the only credible guarantors of peace. It was thus viewed as an expression of solidarity when the USA and Macedonia signed a Strategic Partnership and Mutual Cooperation accord in 2008 which underlined Washington’s commitment to Balkan security. The USA is now also supporting Macedonia’s bid to put the name issue with Greece aside and allow it to gain Nato membership under the provisional name FYROM, whose original purpose, after all, was to not allow the name dispute to block progress on important political, economic and security matters.
24. Together with its European allies, the USA also condemned the initiators of the 2001 insurgency led by ethnic Albanians in Macedonia. They jointly supported negotiations for a peaceful political solution that was formalised in the Ohrid Framework Agreement that same year. Right up until the present day, the EU and USA have closely coordinated their efforts to support full adherence to the provisions of the Framework Agreement. Most recently in mid September 2017, all parties worked closely with the new coalition government to draft and propose a new language law aimed at strengthening provisions to counter ethnic discrimination within administrative structures, the education system and other areas to be reviewed by a special commission.

25. Since the early nineties, the US has added further muscle to its diplomacy in Macedonia by funding a raft of programmes either directly or through USAID in partnership with diverse NGOs. Support has extended to providing assistance for projects aimed at strengthening democracy, economic reform and development, defence reforms, judiciary and the rule of law, education, public health resources, decentralisation, small-scale infrastructure projects, plus capacities to fight crime and human trafficking.

26. Crucially, the government aid agency USAID and diverse US NGOs have also supported training schemes for professional journalism, investigative reporting, satirical news programmes and other media projects. These have informed and entertained Macedonian TV audiences while reinforcing the various areas of US support.

**Shaping a post-Brexit UK policy in the Balkans**

27. In marking out a different form and style of diplomacy to that of the EU, post-Brexit UK could look at the multi-level approach with which the US has wielded influence in Macedonia. Whilst the UK cannot commit the same levels of financial resources as the USA, it can look to shaping a new approach by complementing US efforts. This would be particularly valuable if the current administration under US President Trump acts on proposals to drastically cut back on US democracy advocacy funding abroad. If any future cutbacks are not compensated for by the UK, the EU and other stakeholders, there is a real risk that past efforts to promote peace, democracy and prosperity in the Balkans can be reversed to the detriment of southeast Europe, the EU and the UK, whether it is within or outside the union.

28. Post-Brexit UK can successfully cement and build on meaningful cultural and economic ties with Macedonia by drawing lessons from it's colonial history while wielding the considerable diplomatic resources that colonialism has bequeathed it. As a model poli-cultural democracy, Britain is well placed to act as an enlightened enabler of multi-ethnic states functioning within the knowledge societies of the future.

29. As a potentially effective tool in the complex arsenal of strategies needed to achieve such desirable goals, Britain can lead the way in supporting efforts to
launch an updated version of a tried and tested platform that can serve as a pilot project in Macedonia and be adapted in and beyond the Balkans:

**A model virtual truth and reconciliation process across the Balkans**

30. The arguments for initiating a Balkan-wide truth and reconciliation process are compelling: Firstly, Yugoslavia’s violent disintegration in the 1990s has surely taught us that the political, economic and cultural paralysis that we are sadly still seeing across the Balkans cannot be cured by sweeping history under the carpet, but by sweeping it out from under the carpet. As paradoxical as it sounds, looking the past in the eye will be key to visioning and shaping the future. This is just as true in the Balkans as it is in the UK and anywhere else where neighbouring people’s conflicting views of a common history are a barrier to maintaining stable and prosperous societies.

31. Secondly, the low cost of empowering such an insurance policy against conflict is negligible when weighed up against the cost of funding wartime peacekeeping and post war reconstruction operations. 22 years after the signing of the Dayton peace agreement in Bosnia-Hercegovina, 18 years after the Nato-led mission bombed Serbs to the Kosovo negotiating table and the signing of the Kumanovo Treaty, 16 years after the Framework Agreement halted the inter-ethnic war in Macedonia, the ongoing trans-regional postwar reconstruction efforts continue to exact a heavy price, not just in terms of the economic cost, but also on the Balkan psyche.

32. Thirdly, in the current era marked by turbulent global developments, years of market volatility and great uncertainty, there is both an imperative and an opportunity to break with the past and win new constituencies for a fresh and enlightened re-evaluation of our past in order to shape a better future. We are living in an era where electorates have surprised analysts by voting against traditional but failed attitudes. Following this zeitgeist, most citizens of the Balkans would welcome, support and participate in a broad and open dialogue over unresolved historical grievances. They would be motivated by a willingness to move forward rather than remain backward. One can definitely count on a sizeable Coalition of the Willing to kick start and move such a process forward. Presented in an honest and transparent way, it would be like pushing against an open door.

33. And fourthly, managing such a process virtually would make it both effective and cost-effective. It would involve soliciting inspirational ideas, approaches, policies and strategies, not just from politicians, but from all walks of life. It could engage thinkers and doers, movers and shakers, artists and musicians, teachers and preachers, learners and those willing to learn more. Endorsement and support could be secured from governments, private and corporate backers, as well as from non-governmental organisations, the UN, EU and other world bodies.
34. A virtual truth and reconciliation process wired up for the 21st century could use all available means of communication and dissemination. It can harness the traditional broadcast media of TV, radio and print, as well as new social media tools operating in a “narrowcast” mode. This is sometimes referred to as a 360 degree approach. Key to success would be the adoption of a holistic approach in seeking cross-border solutions. This stems from the recognition that it is impossible to resolve one nation’s grievances without simultaneously addressing those of all neighbouring nations using the same values, standards and criteria. An approach which fails to adopt such high standards will inevitably be handicapped because it would be regarded as an unfair application of double standards at best, or as proof of hypocrisy at worst.

35. I believe this vision is not just wishful thinking. It should be seen as both a political imperative and a moral obligation. Managed in a visionary way, a supportive alliance of techies could be empowered to placing at our disposal innovative digital technologies and novel media formats which can harvest user-generated content and allow messages to go viral in any desired language. Local IT, organisational and networking personnel could be paid more than is customary in their region but less than in western countries. This would help make projects cost-effective while setting an example for win-win relationships between employers and employees.

36. Implementing a prototype virtual truth and reconciliation process, for example, between ethnic Albanians and Macedonians, or Greeks and Macedonians, can later be a model for further projects focussing on relations between other immediate neighbours across the Balkans. This can in turn be adapted in other regions across and beyond Europe.

37. Now and in the post-Brexit Europe that will emerge, Great Britain can use its colonial past and history of diplomatically punching above its weight to its advantage. It can draw on its respectability as a mother of invention and champion of industry, its global cultural credibility in the areas of film, TV, media, music, art and fashion, not to mention its unchallengeable position as the birthplace of the Anglosphere, to be a truth and reconciliation mentor, from which much good can come.

Submitted 26 September 2017
Dr Michael Taylor, Senior Analyst, Oxford Analytica (QQ 33-41)

Transcript to be found under Mr Laza Kekić
Sir Adam Thomson KCMG, Director European Leadership Network (QQ 50-67)

Transcript to be found under Mr Michael English
1. With links to conflict, migration and organised crime, the Western Balkans\(^{53}\) has been a key feature of the UK’s European policy for 25 years. The UK’s P5 and G7 status, along with our security, diplomatic and development instruments, mean the UK has had substantial influence in the region: for example, Bosnia and Herzegovina’s (BiH) Reform Agenda was principally driven by the UK and Germany. However, the international community has prioritised stability over democratic values as it sought to address challenges in the region. This has failed to deliver the sustainable stability we seek. The UK needs to shift this balance and support genuine governance reforms which deliver for citizens.

2. Institutional integration – EU and NATO enlargement – is a central driver for reforms. The future of those processes rightly remains a decision for individual Balkan countries and institutions themselves. However, decisions relating to integration should be taken through consensual means with citizens at their heart. For this to happen, strong democratic institutions, culture and practices, all central to our shared values, are essential. Development of strong democracy, based on respect for fundamental human rights and rule of law, is the route through which true and sustainable stability can be delivered.

**Governance challenges**

3. Instability in the region is driven by serious and deep-rooted governance challenges. These are the results of political elites with an interest in maintaining ethnic division and status quos, external influences, deeply embedded corruption, and serious organised crime, among others. These result in low citizen engagement, weak inclusion particularly of youth, women and minorities, and growing discontent and mistrust in public institutions.\(^{54}\)

4. External influences are high, particularly from Russia, Turkey, China and the Middle East. At the same time, EU enlargement now seems like a distant prospect. This combination weakens the momentum towards institutional integration and governance reform. In some cases, previous governance progress has been reversed.

5. Strong trends towards authoritarian governments, parliaments that provide weak oversight to executive power, political parties with a “winner takes all” mentality and little overall respect for the rules of the game, are all evident. Political instability has been characterised by severely delayed (Macedonia) or

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\(^{53}\) For the purposes of this evidence submission, WFD defines the Western Balkans as: BiH, Serbia, Montenegro, Macedonia, Kosovo and Albania.

\(^{54}\) See: http://pasos.org/pasos-project-poll-trust-in-public-institutions-declines-in-western-balkans/
early (Serbia and Kosovo) elections, opposition boycotts of legislatures (Montenegro and Albania), ethno-nationalism and identity politics (BiH) and protracted crises across the region, all in the last eighteen months. These prevent effective governance, delivery of key reforms and, critically, quality service delivery for citizens. This acts to compound mistrust in public institutions and widespread dissatisfaction in society.

6. WFD’s evidence focuses on four central elements of the governance challenge in the Western Balkans: parliaments, political parties, women’s political participation and youth engagement.

Parliaments
7. Parliaments and other elected institutions should be at the centre of public life, representing citizens’ needs, overseeing executives and passing quality legislation. In the Western Balkans, parliaments are more of a rubber stamp with weak procedures, practices and cultures to perform these tasks effectively. Legislation is frequently fast-tracked without proper parliamentary scrutiny, often justified as being needed for European integration requirements. To illustrate: in the first year of Serbia’s 2016 parliamentary convocation, 88 laws were passed in 68 days, half of these through the fast-track procedure.\(^\text{55}\) Conversely, other real issues are ignored or legislation consistently delayed. As a result, governments increase their authority, public funds are misappropriated\(^\text{56}\) and used to fuel corruption, and poor legislation reaches statute. Civil society across the region report their access to parliaments and government institutions has diminished, often resulting in a confrontational relationship between legislators and citizens.

8. Early parliamentary elections have become the norm rather than exceptional – unscheduled elections have taken place in Serbia and Kosovo in the past year. These are often used as a tool to consolidate positions and strengthen power (Serbia 2016, for example). Lack of stability in parliamentary life is further evident by frequent opposition boycotts and an inability to form stable majorities: BiH, Macedonia, Montenegro and Kosovo are recent or contemporary examples. Although mechanisms for oversight exist, they are not regularly or effectively used. Executives lack respect for parliaments as institutions, eroding the role of oppositions and accountability. Use of rapid emergency legislative procedures furthers this pattern. Combined with closed-list elections, legitimacy of elected representative is undermined and the divide with constituents deepened.

9. UK policies that focus on countering these trends would help enhance public trust in elected institutions. For this to happen, linkages with constituents and

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\(^{55}\) [http://otvoreniparlament.rs/uploads/istrazivanja/Prvih%20godinu%20dana%202011.%20osaziva.pdf](http://otvoreniparlament.rs/uploads/istrazivanja/Prvih%20godinu%20dana%202011.%20osaziva.pdf)

\(^{56}\) Many examples of misappropriation have been documented by state audit institutions across the region
civil society need to be strengthened, bringing parliament closer to citizens, engaging in open decision-making and responding to people’s needs. Accountability should be enhanced and parliaments supported to improve their oversight of state services, implementation of legislation and policy delivery. This will aid elected institutions to go beyond the pattern of box-tick legislative approvals without a clear view on how these impact citizens lives.

Political Parties
10. Political parties are central to the governance challenge and can make-or-break reforms. Across the Western Balkans standards of political party debate, behaviours and structures fall well short of those expected in a genuinely democratic society. The use of tear gas in the Assembly of Kosovo throughout 2015 and 2016, serves as an extreme example. In 2017, WFD commissioned a study to support defining what can be considered “European-standards” for political parties. This concluded a set of central principles (see Annex 3), many of which are lacking in the region: we see parties with undemocratic internal decision-making, lacking transparency in processes and their funding, and often with limited clear ideology or policy coherence.

11. Raising political party standards is difficult but possible. A combination of tailored approaches is needed. These can include using existing political relationships between UK and local parties or supporting new ones, strengthening groups within parties – women’s caucuses, youth movements, human rights lobbies etc. – and providing training on or exposure to standards for different issues such as internal decision-making. The UK’s strong reputation and longstanding relationships within the region give us a head start in providing such support. Almost all the UK’s political parties have relationships with counterparts across the region, providing clear opportunities for enhanced engagement.

Women’s political participation
12. Despite the right to participate equally in governance and proven leadership abilities, women are underrepresented at all level of governance in Western Balkans. There are no woman heads of state and only one women Prime Minister. The proportion of seats held by women in parliament stands at 28.6%, not reflecting the structure of society. Women’s participation in public and political life not only indicates the quality of democratic culture but can contribute to addressing political challenges. Evidence indicates that in transitional contexts, women’s participation contributes to establishing effective relationship between citizens and elected institutions, overcome political gridlocks and stagnation of party and national policies. The UK is well

57 Based on ‘Women in politics 2017 map’ and results of elections in Kosovo and Albania.

58 Thomas Carothers, Democracy Support Strategies. Leading with Women’s Political Empowerment
place to lead on supporting initiatives that ensure fair participation of women in public life; diversity and gender balance within policy-makers, that are a true reflection of their society, can address different needs of citizens.

Youth engagement
13. The youth population is large and expanding. Dissatisfaction within this demographic is overwhelming and their engagement within formal political processes is marginalised. Youth unemployment, particularly of low and middle educated population is generally high; the regional average youth unemployment rate was 47.7% in 2015.\(^{59}\) Despite this, youth-friendly policies which support empowerment, employment and education are largely absent and neglected by political elites. Youth discontent has resulted in violent protests and increasing political support for radical movements. Young people are considerably more favourable to European integration than the current generation of politicians,\(^{60}\) challenging conventional wisdom on reform drivers. Encouraging and enhancing youth engagement in political life needs to be central to the sustainability of any approach in pursuit of stability and protection of interests. UK support for youth engagement can help strengthen the UK’s reputation and influence in the region in the long-term.

Conclusion and recommendations
14. Stability is a valid UK objective for the Western Balkans but, to be effective, policy and programmes need to address underlying governance challenges and make long-term investments. Supporting the creation of strong representative institutions, political parties defined by policy rather than individual characters and nationalism, regional and international interaction, and engagement of youth in decision-making, should all be part of the picture. These can all be achieved with a distinctly British brand but aligned with European and other international efforts.

15. Although the timetable will be slower, regional and institutional integration will continue to be a critical driver of reform. These processes must be genuine for true reforms to be realised and decisions taken with citizens’ interests front-and-centre. A longer timetable should be used to help to deepen democracy and strengthen good governance. The UK can act as a strong and neutral advocate for these reforms in governance, and can provide valuable policy and programmatic support. The UK has a strong reputation in the region and Western Balkan countries look towards our experience to learn from, adapt and replicate; this should be leveraged. Through supporting genuine and long-term

\(^{59}\) World Bank, Western Balkans Labour Market Trends 2017. Youth unemployment in Bosnia and Herzegovina, in 2016 measured 67.6% by International Labour Organization, is among the highest in the world.

\(^{60}\) See: http://library.fes.de/pdf-files/bueros/sarajevo/11505.pdf
governance reform, the UK will be able to help address issues such as corruption and organised crime, which directly impact UK interests.

Submitted 11 September 2017
ANNEX 1: About WFD

Westminster Foundation for Democracy is the UK’s leading democracy-strengthening organisation and has been supporting democratic development globally for 25 years. We bring together parliamentary, political party and electoral expertise to help developing countries and countries transitioning to democracy.

WFD’s programmes aim to support parliaments that are strengthening their effectiveness in carrying out their main responsibilities - representing their citizens, scrutinising the executive, and debating and adopting legislation. WFD has programmes working at both national and sub-national level and in countries at different stages of democratic development.

WFD collaborates with parliamentarians and parliamentary staff in Westminster as well as in the devolved parliaments and institutions in Scotland, Wales and Northern Ireland. As well as sharing the diverse range of UK parliamentary experience, WFD is a strong believer in building peer networks among our partner countries. Participants in these networks can share their current experiences of addressing the challenges of building democracy in developing countries and within regions.

WFD has been active in the Western Balkans for more than 20 years. We have an established network of programme offices in countries across the region. Currently, WFD has a field presence in: BiH (Sarajevo), Serbia (Belgrade), Montenegro (Podgorica), Macedonia (Skopje) and Kosovo (Pristina). We plan to open a new field office in Albania (Tirana) within the next 12 months.

ANNEX 2: WFD Programme Portfolio in the Western Balkans

Details of WFD’s portfolio of substantial parliamentary and institutional support programmes are provided below. In addition to these programmes, WFD sponsors a wide range of political party and sister-party activities implemented directly by the UK political parties.

**Western Balkans-wide**

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**Description**

WFD seeks to address the lack of effectiveness of Western Balkan parliaments in conducting financial oversight and holding their governments to account. The programme will support and utilise the Network of Parliamentary Committees (NPC) on Economy Finance and European Integration of the Western Balkans to promote financial oversight practices, including key learning from UK practices, in parliaments across the Western Balkans. Elements of the programme are implemented in partnership with the World Bank, under a knowledge partnership framework, seeking to better inform parliament on and
enhance engagement with the *Public Expenditure and Financial Accountability* (PEFA) programme
See: [www.npcbalkan.net](http://www.npcbalkan.net)

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<tr>
<td>Description</td>
<td>The Action SEE network produces a regional transparency and openness index, enshrining the expertise and knowledge of the partners across the Western Balkans implementation of a range of projects enhancing rule of law and good governance. The project is implemented by a network of seven organisations: WFD and six local partners from Serbia, Macedonia, Kosovo, Montenegro, Albania and Bosnia and Herzegovina. The programme produces a <em>Regional Index of Good Governance</em> with WFD contributing to elements relating to parliamentary openness. WFD produces <em>Road Maps</em> after openness measurements against a set of indicators, and promotion of the results using regional networks. See: <a href="http://www.actionsee.org">www.actionsee.org</a></td>
</tr>
</tbody>
</table>

**Bosnia and Herzegovina**

<table>
<thead>
<tr>
<th>Title</th>
<th>Supporting Women in Politics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funder</td>
<td>WFD core grant (FCO/DFID)</td>
</tr>
<tr>
<td>Value</td>
<td>£350,000 (2015-17)</td>
</tr>
<tr>
<td>Description</td>
<td>The programme reflects the need to address the role of women in politics in BiH. It seeks to support female politicians and candidates overcome gender stereotypes, strengthen the framework for women’s representation and improve understanding of a spectrum of policy issues. Informed by WFD’s global experience promoting women’s participation and representation in politics across many different contexts, this programme combines WFD’s political party and institutional expertise. With various components implemented by WFD and UK political parties at municipal and national levels, collectively these will contribute to enhancing women’s political participation and engagement. The programme seeks to respond to the specific obstacles to women’s political participation in BiH: a lack of active presence by women candidates in the media, a lack of capacity and resources for successful campaigning by women candidates, and a lack of institutional willingness by political parties to invest as much into their female candidates as they do into their male counterparts</td>
</tr>
</tbody>
</table>

**Serbia**
Establishing a Parliamentary Budget Office in the National Assembly

**Funder**
WFD core grant (FCO/DFID)

**Value**
c.
£450,000 (2015-18) *

**Description**
The programme aims to develop a functional Parliamentary Budget Office in the Serbian parliament, and through it, to showcase best financial oversight practices in the rest of the Western Balkans region. The PBO will developed, capacitated and integrated into the parliamentary service. By the end of the programme, the PBO will be providing world-leading quality and independent financial and economic analysis for use by parliamentarians and committees in exercising their oversight and legislative function.

**Macedonia**

**Title**
Enhancing human rights policy dialogue between CSOs and decision-makers

**Funder**
European Union (EIDHR)

**Value**
€170,000 (2015-18)

**Description**
The project will build the capacities of 8 Macedonian civil society organisations (CSOs) nationwide, journalists, Macedonian parliamentary committees, as well as MPs. The aim of the programme is to equip CSOs with capacity to produce well researched reports as well as public policy papers on legislative and EU acquis related reforms, access parliament and government to advocate for their research recommendations, and ultimately affect legislation through dialogue with parliamentary committees.

**Title**
Strengthening Financial Accountability and Transparency

**Funder**
British Embassy, Skopje

**Value**
£87,000 (2016-18)

**Description**
Macedonia’s State Audit Office (SAO) is an independent regulatory body providing oversight of public spending, presenting findings and recommendations to the government to improve financial practice. SAO reports contain information helpful to parliamentarians, yet there is no established practice of reviewing and commenting on findings, or ensuring recommendations are implemented. This project seeks to improve financial accountability and transparency in Macedonia through better use of SAO reports, oversight and enhanced cooperation among the State Audit Office, the Parliament, media, and civil society.
### Supporting Parliamentary Reform in Macedonia

**Title:** Supporting Parliamentary Reform in Macedonia  
**Funder:** British Embassy, Skopje  
**Value:** c.£90,000 (2017-18)

**Description**

This project follows a prolonged political crisis with postponed elections, violent protests and delayed formation of the government and the parliament. The programme will work with the parliament and local partners to assist in developing of the parliament’s budget and its strategic planning processes. Detailed assessment of human resource capacities and existing instruments to conduct financial oversight will be conducted with recommendations on how to improve structures and practices. In addition, WFD will work to enhance parliamentary communications to improve transparency and openness.

### Kosovo

**Title:** Transforming Political Governance in Kosovo  
**Funder:** British Embassy, Pristina  
**Value:** £260,000 (2016-18)

**Description**

The programme aims to support reform of the political party system in Kosovo and support political parties to move towards European-standards. The programme combines approaches of working with political parties directly as well as strengthening the substance and implementation of the regulatory framework. The programme will see the establishment of a funding Facility to support qualifying political parties to strengthen themselves, against a predefined assessment, as well as moving towards European-standards. The programme also supports decriminalisation of the political environment and enhancing regulatory enforcement.

### Montenegro

**Title:** Strengthening Financial Oversight in the Montenegrin Parliament  
**Funder:** British Embassy, Podgorica  
**Value:** £111,000 (2016-18)

**Description**

This programme is implemented as part of the Memorandum of Understanding signed between the Parliament of Montenegro and WFD in May 2016. The programme seeks to establish a Parliamentary Budget Office (PBO) as an integral part of the parliamentary service. The PBO will be staffed and equipped to produce independent financial and economic analysis in a format usable to parliamentarians. They will support the financial work of committees and individual parliamentarians focused on
supporting oversight of the budget, other key financial instruments and legislation with fiscal impact.

* WFD’s core funded regional programme and establishing a PBO in Serbia are combined into one budget. Therefore, the split of funds across the two programme is approximate. The total budget 2015-18 is £600,000.

† Contracting of our Supporting Parliamentary Reform in Macedonia programme has yet to be concluded. Therefore, the indicative budget figure has been included. This indicative budget will cover the programme’s inception period.

ANNEX 3: European-standards for political parties

In 2016/17, WFD commissioned a study to define “European-standards” for political party behaviour and operations. The study was primarily to support our Transforming Political Governance in Kosovo programme, sponsored by the British Embassy, Pristina, but is widely more applicable. The study concluded four key principles which define European-standards for political parties:

- **Democracy**: relating to citizen engagement, membership and recruitment, internal decision-making and communications;
- **Respect for the rule of law**: relating to rights to challenge the existing order including party leadership, and denouncing the use of violence;
- **Transparency**: relating to party decision-making, funding and appointment processes for positions within party structures and within relevant institutions (such as party lists, government posts and in legislatures);
- **Ideological profile**: relating to a clear ideology integrated into programmes and policies.
Dr Jarosław Wiśniewski, Visiting Fellow, LSE (QQ 33-41)

Transcript to be found under Mr Laza Kekic
Russian disinformation campaigns in the Balkans

1. Russian involvement in the Balkans is a topic, where tangible evidence is difficult to find, but where conspiracy theories, always popular in the region, thrive. What one can easily identify, name and show clear patterns of behaviour and action is disinformation.

2. Information campaigns are nothing new for Russia, which has been running them in the Balkans at least for the past eight years, since Kosovo’s separation from Serbia and declaration of independence. There its strategy is to create a perception of Russia as a great power and powerful ally, with little substance behind it in investments or donations to the nations involved.

Context

3. The Western Balkans are symbolically important in Putin’s foreign policy. Many in Russia viewed the fall of Yugoslavia as an example of humiliation, where the West ignored Moscow’s views – and the post-Soviet world first saw the blueprint for ‘colour revolutions’. That blueprint was Otpor, or ‘Resistance’, a mass nonviolent movement that eventually rid the nation of Slobodan Milosevic and then became a nongovernmental organisation that advised trained pro-democracy activists.

4. Putin has never shaken off his dismay at how Russia lost influence in Kosovo as it became autonomous, if not recognized as an independent state. He has used that territory’s upheaval and independence as his justification for asserting Russia’s power by fighting in Abkhazia and South Ossetia in 2008 and in Crimea in 2014.

5. Russians feel strongly that to be a great power, the nation must be involved and present in the Balkans. Historically, that was for two reasons: first, the Russian Empire’s interests in controlling the Bosporus Straits; and second, because so many Russians feel strongly that Slavs should unite across boundaries, a sentiment called ‘pan-Slavism’, claiming that there is a ‘special relationship’ between Russia and the Slavic nations of the Balkans.

Russian propaganda campaigns in the Balkans

6. Russia’s propaganda campaign is highly focused, targeting the generally Serbian speaking Slavic-Orthodox communities within the Balkans.
7. It has several layers. At the top there are Russian media outlets - the television network and Internet portal RT (formerly Russia Today) and more importantly the online news and radio broadcast service Sputnik Srbija. Since early 2015, the two have had, combined, a relatively small staff of about 30 people. Though only the latter has a Serbian-language service. The second layer is Russia-friendly local media. The most prominent among them is the most popular Serbian tabloid Informer. It has a very open anti-Western editorial line and is eagerly exploiting existing myths and conspiracy theories about Serbia’s neighbours (Croatia, Kosovo, Macedonia), playing up at the same time friendship with Russia. The third layer is all other media (bar few exceptions, e.g. the daily newspaper Danas, or weekly magazines such as Vreme, Nedeljnik or NIN) where one can often find stories (or narratives) promoting a Russian and anti-Western (primarily anti-NATO) point of view. But this is more of a reflection of a general crisis of the media in the Balkans (e.g. Serbia ranked 66th in the Reporters Without Borders 2017 press freedom index). Adding to that the fact that there is a limited foreign media presence in the region, Sputnik Srbija is very often the fastest (or the only) source of agency news, reprinted or republished by other mainstream media in Serbia, which allows recycling (and mainstreaming) Russia-friendly headlines, or narratives favouring a Moscow’s interpretation of events taking place in the region.

Narratives

8. The main message is straightforward: there’s a special relationship between Russia and the Slavic/Orthodox communities in the Balkans. This narrative is created in several ways. First, hosts and authors regularly refer to the shared Slav history and culture, emphasising the long and (in this telling) honourable involvement of the Russian Empire in this part of the world. Second, the outlets also use anti-establishment and anti-Western rhetoric, referring particularly to events or ideas that resonate among Serbs, such as the 1999 NATO bombing of Serbia. Finally, they refer to conspiracy theories about an ongoing threat from the West, such as a suggestion that Madeleine Albright, who was the U.S. secretary of state when NATO bombed Yugoslavia in 1999, has a ‘pathological hatred of Slavs’.

9. Local pro-Russian analysts and politicians are deployed to reinforce this narrative by reminding audiences of Moscow’s veto of the Srebrenica genocide resolution at the U.N., and its help in undermining Kosovo’s UNESCO bid. The Serbian government’s opposition to Kosovo’s UNESCO membership was based on its loathing of recognising Kosovo’s official existence; its official opposition, however, was a contention that Kosovo’s government cannot be trusted with the protection of Serbian-Orthodox
monasteries based there. Belgrade’s opposition, supported by Russia, ultimately led Kosovo’s bid to fail.

10. At the same time the West is portrayed as culturally different and (unlike Moscow) unable to understand Slavic exceptionality.

11. Russia’s chosen narrative is amplified by a number of Balkan media outposts. The Belgrade-Based Center for Euro-Atlantic Studies identifies 109 organizations promoting different aspects of Serbia-Russian relations, including Russian foundations and pro-Russian members of parliament.

12. Of course, emphasising Slavic brotherhood by itself is not misinformation. What Russia is trying to do is instil a sense that the two countries have the relationship of older and younger brothers. It’s trying to sell an image of Moscow listening to and respecting as equals to the Slavic governments in Belgrade, Serbia; Skopje, Macedonia; and Banja Luka, of Republika Srpska in Bosnia and Herzegovina.

13. By contrast, the West has not offered a coherent narrative in which the Balkan states are woven into an EU identity. As a result, the public support for the European Union started to fall.

**Goals of Russian disinformation campaign**

14. Russia’s communications strategy is paying off. Far more Serbian citizens say they would prefer to be allied with Russia (67.2 percent in favour and 18.8 percent against) than say they would like to join the European Union (50.9 percent for to 38.8 percent against).

15. Interestingly, Russian strategic communications do not offer a coherent alternative to the European Union. Its media outlets may criticise Brussels and wider European politics, but they do not portray the Eurasian Union as a viable alternative for Belgrade.

16. Things seem to be more challenging from the military perspective. Russia is openly discouraging Balkan states from joining NATO, encouraging close military cooperation with Moscow-backed Collective Security Treaty Organization (CSTO). This anti-NATO campaign may have significant impact on the European Union (EUFOR) and NATO (KFOR) peacekeeping missions in the Western Balkans in the short term.

**What can the West do?**

17. What the West should avoid is responding in kind. Although open source intelligence seems to suggest that disinformation campaign appears to be falling within the tools of Russian military spheres (Russia’s defence minister said in the late February when announcing an establishment of ‘informational operations’ troops in a speech to the lower house of the
Russian parliament), it does not mean that the West’s response should be reciprocal. NATO is still perceived to be the villain among the ethnic Serb population, despite over 18 years since the bombing of Yugoslavia. Any attempts to establish more direct involvement by NATO, even in the information sphere, will be counterproductive.

18. Equally counterproductive will be any attempt to link an increased Western media presence with the narrative of ‘fighting Russian propaganda’. The return of the BBC to Serbia is a very welcome sign, but if it were linked with the perception of ‘the West’s return’ it would not only undermine the values of journalism the BBC promotes and stands for, but could also backfire and result in people rejecting any evidence put out by the organisation (‘confirmation bias’). This is where strengthening the EU stratcom taskforce would be more productive.

19. In the end, what is needed is greater attention from the EU. The carrot of EU integration is still the most tempting of those available, especially since all Russia can offer is maintenance of the status quo. The recent tour of the region by the EU’s High Representative, Federica Mogherini, sent a clear signal that the doors of the EU are open. What the region needs though is less shuttle diplomacy and more actual involvement, with a clear path toward EU integration.

20. This leaves an open question of UK’s Balkans policy. Brexit poses a significant challenge to the United Kingdom and its influence, especially in the context of EU ambitions of countries in the region. UK’s messaging, that although it leaves the EU but supports EU enlargement of all WB6 countries is often counterproductive and not taken seriously in the region. The first recommendation would be to work on strategic messaging, as Brexit requires a change of the language and narratives used by London in the Balkans. The second, more crucial recommendation, would be an appeal for consistency. The UK has invested significant resources in the region, also in training of journalists (e.g. by the BBC), to then leave the region assuming that it is already ‘on the European path’. Some of those journalists, whom the BBC trained, now work for Sputnik, as it offers them permanent employment and decent salaries. If the UK is serious about its post-Brexit global actor role, a more consistent ‘return’ to the Balkans would be a very welcome sign.

Submitted 09 September 2017